NOTICE TO MEMBERS

NOTICE is hereby given that the Thirty-Second Annual General Meeting of Lupin Limited will be held at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050, on Wednesday, July 30, 2014 at 2.30 p.m., to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements including the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of interim dividend at ₹ 3/- per equity share and declare final dividend at ₹ 3/- per equity share for the year ended March 31, 2014.
3. To appoint a director in place of Dr. Kamal K. Sharma, who retires by rotation and being eligible, offers himself, for re-appointment.
4. To re-appoint auditors to hold office from the conclusion of the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Fourth 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** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Audit Committee, Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Regn. No.117366W/W-100018), who hold office till the conclusion of the Thirty-Second 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 the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Fourth Annual General Meeting, subject to ratification by the members at the Thirty-Third Annual General Meeting.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable to the Statutory Auditors as may be recommended by the Audit Committee."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointing Dr. Vijay Kelkar as an Independent Director of the Company: -

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 (Act) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Vijay Kelkar (DIN 00011991), Non-Executive Director of the Company, who was liable to retire by rotation at this Annual General Meeting, who meets the criteria of independence as provided in Section 149 (6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of one year from the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Third Annual General Meeting."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointing Mr. Richard Zahn as an Independent Director of the Company: -

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 (Act) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Richard Zahn (DIN 02937226), Non-Executive Director of the Company, who was liable to retire by rotation at this Annual General Meeting, who meets the criteria of independence as provided in Section 149 (6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of one year from the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Third Annual General Meeting."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointing Mr. R. A. Shah as an Independent Director of the Company: -

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 (Act) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. R. A. Shah (DIN 00009851), Non-Executive Director of the Company, who meets the criteria of independence as provided in Section 149 (6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of one year from the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Third Annual General Meeting."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointing Dr. K. U. Mada as an Independent Director of the Company: -

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 (Act) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. K. U. Mada (DIN 00011395), Non-Executive Director of the Company, who was liable to retire by rotation at this Annual General Meeting, who meets the criteria of independence as provided in Section 149 (6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of one year from the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Third Annual General Meeting."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointing Mr. Dileep C. Choksi as an Independent Director of the Company: -

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 (Act) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dileep C. Choksi (DIN 00016322), Non-Executive Director of the Company, who meets the criteria of independence as provided in Section 149 (6) of the Act and is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a period of one year from the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Third Annual General Meeting."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for ratifying the remuneration payable to Mr. S. D. Shenoy, Cost Auditor, for conducting cost audit for the year ending March 31, 2015: -

    "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S. D. Shenoy (FCMA, Membership No.8318), practicing cost accountant, Cost Auditor, appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the year ending March 31, 2015, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

    RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution for creating charges on the Company's properties to secure financial assistance availed/to be availed by the Company: -

    "**RESOLVED THAT** in supersession of all previous resolutions passed in this behalf and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent and approval of the Company be and is hereby accorded for mortgaging and/or charging by the Board of Directors (hereinafter referred to as 'the Board' which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) of all the immovable and/or movable properties of the Company, wheresoever situate, both present and future and/or the whole or substantially the whole of the undertaking(s) of the Company to or in favour of any public or private financial institutions, banks, mutual funds, bodies corporate or any other person whomsoever participating in extending financial assistance, to secure any term loans, working capital facilities, debentures/bonds or any other type of financial assistance, not exceeding ₹ 20000 million (Rupees twenty thousand million only) lent and advanced/to be lent and advanced by them, together with interest, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges or expenses or monies payable by the Company to them under loan agreements/letters of sanction/debenture trust deed, etc.

    RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank pari passu with the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to amongst the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise and execute any and all agreements and documents, necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or otherwise considered by the Board to be in the best interests of the Company."

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 DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (Act) in respect of Item nos. 3 to 11 is annexed and forms part of this Notice.

3. The Register of Members and the Share Transfer Register will be closed from Wednesday, July 23, 2014 to Wednesday, July 30, 2014, both days inclusive.

4. Final dividend for the year ended March 31, 2014, if declared, at the AGM, shall be paid to those members, whose names appear: -

   a. as beneficial owners at the end of business hours on Tuesday, July 22, 2014 as per lists furnished by Central Depository Services (I) Limited (CDSL) and National Securities Depository Limited (NSDL) in respect of shares held in electronic form and

   b. on the Register of Members of the Company as on Tuesday, July 22, 2014, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Tuesday, July 22, 2014 in respect of shares held in physical form.

5. Members holding shares in dematerialised form are requested to intimate all particulars of mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such details to the Company.

   In order to enable the Company to remit dividend electronically through National Electronic Clearing Service (NECS), National Electronic Funds Transfer (NEFT), etc. 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 and IFSC code (as appearing on the cheque) along with photocopy of the cheque/cancelled cheque. The said information should be submitted to the Company if the shares are held in physical form and to the concerned DP, if the same are held in electronic form.

6. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs. Members holding shares in physical form are requested to submit their PAN to the Company.

7. Members who have not encashed their dividend warrants for the year ended March 31, 2007 or any subsequent year(s) are requested to lodge their claims with the Company at the earliest.

8. Pursuant to the provisions of Section 124 of the Act (Section 205A of the erstwhile Companies Act, 1956), the amounts of dividend remaining unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund. Accordingly, unpaid dividend up to the year ended March 31, 2006, has already been transferred to the said Fund.

   Since amounts once transferred to the said Fund cannot be claimed, you are advised to encash your dividend warrants promptly.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available for inspection by the members at the AGM.

10. Pursuant to the provisions of Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses either with their DP or the Company. The Notice of the AGM along with Annual Report for the

year ended March 31, 2014 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless a member has requested for a physical copy of the same. Physical copies of the Annual Report are being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended March 31, 2014 circulated to the members is available on the Company's website www.lupinworld.com.

11. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members, the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting platform provided by NSDL on all resolutions set-forth in the Notice. The 'process and manner for availing e-voting facility' is explained in the annexure which forms part of this Notice.
12. Members holding shares in physical form in single name are advised to avail of nomination facility. Nomination forms can be downloaded from the Company's website www.lupinworld.com or obtained from the Investors' Services Department of the Company.
13. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
14. Members are requested to: -
    a. Quote ledger folio numbers/DP ID and Client ID numbers in all their correspondence.
    b. Approach the Company for consolidation of various ledger folios into one.
    c. To avoid inconvenience, get the shares transferred in joint names, if they are held in a single name and/or appoint a nominee and
    d. Bring with them at the meeting, their copy of the Annual Report and Attendance Slip.
15. NRI members are requested to inform the Company immediately of: -
    (i) Change in their residential status on return to India for permanent settlement.
    (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. 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.
17. Members, who hold shares in electronic form, are requested to notify their DP and Client ID numbers at the AGM for easier identification.
18. As shares of the Company are under compulsory demat for all investors, members are requested to dematerialize their shareholding to avoid inconvenience.

By Order of the Board of Directors

R. V. SATAM
Company Secretary & Compliance Officer

Mumbai, June 24, 2014

Registered Office:
159, C.S.T. Road, Kalina,
Santacruz (East),
Mumbai - 400 098.
Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2402/2403, Fax: +91 22 2652 8806.
E-mail: investorservices@lupinpharma.com
Website: www.lupinworld.com

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

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. Sharma holds 259,400 equity shares of ₹ 2/- each in the Company.

Dr. Sharma is interested in or concerned with the said resolution. Also, his relatives may be interested in or concerned with the said resolution. None of the Directors/Key Managerial Personnel of the Company/their relatives are interested in or concerned with the resolution.

The Board recommends passing of the said resolution.

ITEM NO.4

This Explanatory Statement is provided though strictly not required pursuant to the provisions of Section 102 of the Companies Act, 2013 (Act).

Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as Statutory Auditors by the members at the 22nd AGM of the Company held on Thursday, July 29, 2004. They complete two terms of five consecutive years each at the conclusion of this AGM.

Based on the recommendation of the Audit Committee and pursuant to the provisions of Section 139(1) of the Act read with Rule 6 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors proposes to re-appoint Deloitte Haskins & Sells LLP, as Statutory Auditors of the Company, for a period of two years from the conclusion of the 32nd AGM till the conclusion of the 34th AGM or any adjournment thereof, subject to ratification by the members at the 33rd AGM.

None of the Directors/Key Managerial Personnel of the Company/their relatives are interested in or concerned with the resolution.

The Board recommends passing of the said resolution.

ITEM NOS.5 to 9

Pursuant to Clause 49 of the Listing Agreement, Dr. Vijay Kelkar, Mr. Richard Zahn, Mr. R. A. Shah, Dr. K. U. Mada and Mr. Dileep C. Choksi are Independent Directors of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as Independent Directors who are not liable to retire by rotation. The Board of Directors decided to adopt the provisions with respect to appointment of Independent Directors which is consistent with the Act and Clause 49 of the Listing Agreement. Accordingly, it is proposed to appoint Dr. Vijay Kelkar, Mr. Richard Zahn, Mr. R. A. Shah, Dr. K. U. Mada and Mr. Dileep C. Choksi as Independent Directors for a period of one year from the 32nd AGM till the conclusion of the 33rd AGM pursuant to the provisions of Section 149 read with Schedule IV of the Act.

Dr. Vijay Kelkar, Mr. Richard Zahn and Dr. K. U. Mada were liable to retire by rotation at the ensuing AGM. Notices under Section 160 of the Act have been received from members along with requisite deposits proposing their candidature for the office of Directors of the Company.

The Company has received from Dr. Vijay Kelkar, Mr. Richard Zahn, Mr. R. A. Shah, Dr. K. U. Mada and Mr. Dileep C. Choksi; (i) Consent letters in Form No. DIR-2 pursuant to the provisions of Section 152(5) of the Act read with Rule 8 of Companies (Appointment & Qualifications of Directors) Rules 2014, (ii) Certificates in Form No. DIR-8 pursuant to the provisions of Section 164(2) of the Act, read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 and (iii) Declarations pursuant to the provisions of Section 149(7) of the Act, confirming meeting the criteria of independence enumerated in Section 149(6) of the Act.

In the opinion of the Board of Directors, Dr. Vijay Kelkar, Mr. Richard Zahn, Mr. R. A. Shah, Dr. K. U. Mada and Mr. Dileep C. Choksi, who are proposed to be appointed as Independent Directors, fulfill the conditions specified in the Act and Rules made thereunder and are independent of the management. The terms and conditions of their appointment are posted on the Company's website www.lupinworld.com and are open for inspection by the members at the Registered Office of the Company during normal business hours on working days.

Brief profiles of Dr. Vijay Kelkar, Mr. Richard Zahn, Mr. R. A. Shah, Dr. K. U. Mada and Mr. Dileep C. Choksi and names of companies in which they are directors are given in the Corporate Governance Report, which forms part of the Annual Report.

Mr. R. A. Shah holds 15,000 and Dr. K. U. Mada 3,500 equity shares of ₹ 2/- each in the Company. Dr. Vijay Kelkar, Mr. Richard Zahn and Mr. Dileep C. Choksi do not hold any shares in the Company.

Dr. Vijay Kelkar, Mr. Richard Zahn, Mr. R. A. Shah, Dr. K. U. Mada and Mr. Dileep C. Choksi, being appointees, are concerned with or interested in their respective resolutions as set out at Items Nos. 5 to 9. Also, their relatives may be concerned with or interested in their respective resolutions. No Director and Key Managerial Personnel of the Company and their relatives are interested in or concerned with resolutions set out at Items Nos. 5 to 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail of services of these Independent Directors. Accordingly, the Board recommends the resolutions set out at Items Nos. 5 to 9 in relation to their appointments as Independent Directors, for the approval by the members.

ITEM NO.10

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. S. D. Shenoy (FCMA, Membership No.8318), practicing cost accountant, Cost Auditor, to conduct the audit of the cost records of the Company for the year ending March 31, 2015. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 500,000/- plus applicable taxes and out of pocket expenses payable to the Cost Auditor as approved by the Board of Directors, has to be ratified by the members.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No.10 of the Notice for ratifying the remuneration payable to the Cost Auditor for the year ending March 31, 2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives are interested in or concerned with the resolution.

The Board recommends passing of the said resolution.

ITEM NO.11

Section 180(1)(a) of the Companies Act, 2013 inter alia provides that the Board of Directors shall not, without the consent of the Company by a Special Resolution, sell, lease or otherwise dispose of the whole or substantially the whole of an undertaking(s) of the Company. Since the Company, may in future, avail of loans or other financial assistance, for acquisitions/capital expenditure/working capital requirements, it would be necessary to create mortgages/charges on the assets of the Company in favour of the lenders/trustees which may be regarded as a disposal of the whole or substantially the whole of the Company's undertaking(s) and therefore, the Special Resolution is proposed to be passed as an enabling resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are interested in or concerned with the said resolution.

The Board recommends passing of the Special Resolution.

By Order of the Board of Directors

R. V. SATAM
Company Secretary & Compliance Officer

Mumbai, June 24, 2014

Registered Office:
159, C.S.T. Road, Kalina,
Santacruz (East),
Mumbai - 400 098.
Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2402/2403, Fax: +91 22 2652 8806.
E-mail: investorservices@lupinpharma.com
Website: www.lupinworld.com

Note for the kind attention of members who are yet to register their e-mail address

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 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.

LUPIN LIMITED

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.
Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2402/2403, Fax: +91 22 2652 8806.
Email: investorservices@lupinpharma.com Website: www.lupinworld.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

32nd ANNUAL GENERAL MEETING - Wednesday, July 30, 2014

Folio No. ______________ DP ID No. ______________ Client ID No. ______________

Name of the Member ______________ Signature ______________

Name of the Proxyholder ______________ Signature ______________

1. Only Member/Proxyholder can attend the Meeting.
2. Interested joint members may obtain attendance slips from the Registered Office of the Company.
3. Members/joint members/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.
4. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

Please Cut Here

LUPIN LIMITED

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.
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Email: investorservices@lupinpharma.com Website: www.lupinworld.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ______________

Registered address: ______________

E-mail Id: ______________

Folio No. ______________ DP ID No. ______________ Client ID No. ______________

I / We, being the member(s) of ______________ Equity Shares of Lupin Limited, hereby appoint

1. Name: ______________ E-mail Id: ______________
   Address: ______________
   ______________ Signature: ______________
   or failing him/her
2. Name: ______________ E-mail Id: ______________
   Address: ______________
   ______________ Signature: ______________
   or failing him/her
3. Name: ______________ E-mail Id: ______________
   Address: ______________
   ______________ Signature: ______________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050, on Wednesday, July 30, 2014 at 2.30 p.m. and at any adjournment thereof in respect of resolutions as indicated below: -

1. Adoption of the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. Confirmation of payment of interim dividend and declare final dividend on equity shares for the year ended March 31, 2014.
3. Re-appointment of Dr. Kamal K. Sharma, Director, who retires by rotation.
4. Re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as auditors of the Company.
5. Appointment of Dr. Vijay Kelkar as an Independent Director of the Company.
6. Appointment of Mr. Richard Zahn as an Independent Director of the Company.
7. Appointment of Mr. R. A. Shah as an Independent Director of the Company.
8. Appointment of Dr. K. U. Mada as an Independent Director of the Company.
9. Appointment of Mr. Dileep C. Choksi as an Independent Director of the Company.
10. Ratification of remuneration of Mr. S. D. Shenoy, Cost Auditor, for cost audit for the year ending March 31, 2015.
11. Creating charges on the Company's properties to secure financial assistance availed/to be availed by the Company.

Revenue Stamp ₹ One

Signed this ______ day of ______ 2014 Signature of shareholder ______________ Signature of Proxyholder(s) ______________

NOTE: This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Please Cut Here

LUPIN LUPIN LIMITED
Registered Office: 159, C.S.T. Road, Kalina,Santacruz (East), Mumbai - 400 098.
CIN:L24100MH1983PLC029442 Tel.: 022 6640 2402 / 2403Fax: +91 26528806
Website: www.lupinworld.com Email: investorservices@lupinpharma.com

Registered Folio / P andClient ID No.:

Number of shares held:

Dear Member,

Subject:Process and manner for availing e-voting facility

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 32nd Annual General Meeting (AGM)to be held on Wednesday, July30, 2014, at 2:30 p.m. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility. The e-voting facility is available at the link https://www.evoting.nsdl.com

The particulars of electronic voting are set out below: -

EVEN (E-Voting Event Number)	**User ID**	**Password ***
100298		

* If you have already registered for e-voting, no password has been provided above. Kindly refer instruction no. 3 overleaf.

The e-voting facility will be available during the following voting period: -

Commencement of e-voting	**Wednesday, July 23, 2014 at9.00 a.m.**
End of e-voting	**Friday, July 25, 2014 at 6.00 p.m.**

These details and instructions form an integral part of the Notice convening the 32nd AGM to be held on July 30, 2014.

Please read the instructions printed overleaf before exercising the e-voting.

(P.T.O.)

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the instructions below to cast their vote electronically: -

1. Open the internet browser and launch the URL: https://www.evoting. nsdl.com
2. Click on **Shareholder – Login**
3. If you are already registered with NSDL for e-voting, no password has been provided overleaf. Pleaseenter your User ID and existingPassword and click **Login**.(For assistance: Contact NSDL on (022) 2499 4600 or e-mail at evoting@nsdl.co.in)
4. If you are logging in for the first time, please enter your User ID and Password provided overleaf. Click **Login**.
5. **Password Change** menu will appear. Change with the new Password of your choice with minimum 8 digits or characters or a combination of both. (Changing initial Password is mandatory) Please take utmost care to keep your Password confidential.
6. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the website to reset the same.
7. Home page of **e-Voting** opens. Click on **e-Voting** to activate voting cycles.
8. Select **EVEN (E-Voting Event Number)** of Lupin Limited (provided overleaf). Once you select the **EVEN**, the **Cast Vote** page will open. Now you are ready for e-voting.
9. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained for that particular item.
10. Cast your vote by selecting your favoured option and click **Submit**. Also click **Confirm** when prompted. Upon confirmation, the message **Vote cast successfully** will be displayed. Please note that once your vote is cast on the selected resolution, it cannot be modified.
11. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email at : njbhatia21@gmail.com, with a copy marked to evoting@nsdl.co.in
12. In case of any queries, please refer to the **Frequently Asked Questions (FAQs)for members** and thee-voting **user manual for members** available in the **Downloads** sectionof https://www.evoting. nsdl.comYou can also contact NSDL through e-mail at evoting@nsdl.co.inor on telephone no. 022-2499 4600

GENERAL INSTRUCTIONS

a. The e-voting period commences on Wednesday, July 23, 2014 at 9.00 a.m. and ends on Friday, July 25, 2014, at 6.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled for voting after the e-voting period ends.

b. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Friday, June 20, 2014.

c. You are advised to cast your vote only through one mode (E-voting or at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at the AGM would be rejected.

d. Ms. Neena Bhatia, Practicing Company Secretary (Membership No. ACS 11950) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

e. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer'sReport of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

f. The results declared along with the Scrutinizer's Report shall be placed on the website of the Companywww.lupinworld.com and on the NSDL website https://www.evoting.nsdl.com within two working days of the passing of the resolutions at the 32nd AGM of the Company on July 30, 2014 and also communicated to BSE Ltd. (BSE) and National Stock Exchange of India Ltd.(NSE).

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the results of the 32nd Annual General Meeting of the Company.

By order of the Board of Directors
For **Lupin Limited**

(R.V.SATAM)
Company Secretary & Compliance Officer

Mumbai, June 24, 2014

for tomorrow

LUPIN LIMITED | ANNUAL REPORT 2014

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"We are one of the privileged few that have the fundamentals in place to shape a better future for society, to make the world healthier and happier. To build a better tomorrow. We embrace this not as a responsibility but as an obligation."

Dr. Desh Bandhu Gupta,

Founder & Chairman, Lupin Limited

With our feet firmly planted in today, we envision a bigger, brighter tomorrow. That is what we are here for... For Tomorrow.

I AM GRATEFUL FOR THE FINANCIAL PERFORMANCE THAT WE HAVE DELIVERED AND OUR PRUDENCE IN CREATING A ROBUST BALANCE SHEET. THIS FOOTPRINT GIVES US THE FREEDOM TO DREAM BIG.

As I look back to when I started Lupin in 1968, I am proud of what we have achieved. I had a vision that has become a reality, of being an innovation-led transnational pharmaceutical company. But in many ways, our journey has just begun; we must now look ahead and have the courage to dream of even greater new beginnings with conviction and fortitude to see them through. What makes tomorrow happen is one's ability to see beyond the horizon, to visualize the future.

At Lupin we love what we do; to deliver affordable, quality drugs of the highest social priority. It is this that has created a Lupinytt culture to outperform in all that we do. To be able to stretch and strive for what you believe in and have the faith to walk down a path that no one has been before; that is what makes great innovations happen; that is also what makes a truly world class organization. At Lupin, we are charged with the ability to pre-empt and address what society needs; anticipate challenges and turn them into opportunities; to give shape to, and enrich life everyday.

I am grateful for the sustained, superior financial performance that we have delivered and our prudence in creating a debt-free balance sheet. This economic footprint gives us the freedom to dream big and push the boundaries of our imagination. We are one of the privileged few that have the fundamentals in place to shape a better future for society, to make the world healthier and happier. We embrace this not as a responsibility but as an obligation. That is what has built sustainability into our business and ensured consistent performance.

As I look to the future, it is clear that what we do today is going to define tomorrow. With our feet firmly planted in today, we envision a bigger and brighter tomorrow. That is what we are here for. For Tomorrow.

Warm regards,

Dr. Desh Bandhu Gupta
Founder & Chairman
Lupin Limited

Corporate Information

Directors
Dr. Desh Bandhu Gupta, Chairman
Dr. Kamal K. Sharma, Vice Chairman
Ms. Vinita Gupta, Chief Executive Officer
Mr. Nilesh Gupta, Managing Director
Mrs. M. D. Gupta, Executive Director
Dr. Vijay Kelkar
Mr. Richard Zahn
Mr. R. A. Shah
Dr. K. U. Mada
Mr. Dileep C. Choksi

Company Secretary & Compliance Officer
Mr. R. V. Satam

Auditors
Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Auditors
Ernst & Young LLP

Audit Committee
Dr. K. U. Mada, Chairman
Dr. Kamal K. Sharma
Mr. Dileep C. Choksi

Investors' Grievances Committee
Dr. Vijay Kelkar, Chairman
Dr. K. U. Mada

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,
Vice Chairman

Ms. Vinita Gupta,
Chief Executive Officer

Mr. Nilesh Gupta,
Managing Director

Mr. Shakti Chakraborty,
Group President - India Region Formulations

Mr. Vinod Dhawan,
Group President - AAMLA & Business Development

Dr. Rajender Kamboj,
President - Novel Drug Discovery & Development

Mr. Ramesh Swaminathan,
Chief Financial Officer

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,
Head - Pipeline Management and Legal

Mr. Sunil Makharia,
President - Finance

Mr. Debabrata Chakravorty,
President - Global Sourcing

Dr. Maurice Chagnaud,
President - Europe and Head of Inhalation Strategy

Ms. Theresa Stevens,
Chief Corporate Development Officer

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

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

E-mail
info@lupinworld.com

Corporate Identity Number
L24100MH1983PLC029442

Key Contacts
Mr. Alpesh Dalal,
Head - Investor Relations
alpeshdalal@lupinpharma.com

Mr. Pradeep Bhagwat,
General Manager - Investors' Services
pradeepbhagwat@lupinpharma.com

Mr. Shamsher Gorawara,
Head - Corporate Communications
shamshergorawara@lupinpharma.com

Board of Directors

Dr. Desh Bandhu Gupta, *Chairman*				
Dr. Kamal K. Sharma, *Vice Chairman*	Ms. Vinita Gupta, *Chief Executive Officer*	Mr. Nilesh Gupta, *Managing Director*	Mrs. M. D. Gupta, *Executive Director*	
Dr. Vijay Kelkar	Mr. Richard Zahn	Mr. R. A. Shah	Dr. K. U. Mada	Mr. Dileep C. Choksi

Awards 2013-14

The Economic Times 500 rankings 2013	Dun & Bradstreet Corporate Awards 2014	Great Place to Work
India's 10 Most Resilient Companies	Top Indian company in the Pharmaceuticals sector	Best Companies to Work for, 2014, India
American Society for Training and Development (ASTD) BEST Award	**Business Today - India's Best CEO Awards**	**Forbes Asia Power 50 Businesswomen**
Winner for Employee Learning & Development	Best CEO in the pharmaceutical sector – Dr. Kamal K. Sharma	Ms. Vinita Gupta

Lupin today is at an inflection point. With our vision and mission etched out, we are creating exciting opportunities and remain committed to build for tomorrow.

LUPIN'S STRONG PERFORMANCE OVER THE LAST 10 YEARS CAN BE ATTRIBUTED TO DISTINCTIVE DIFFERENTIATORS THAT IT HAS BUILT INTO ITS BUSINESS MIX. THIS BACKED BY FLAWLESS EXECUTION HAS ENABLED THE COMPANY TO CONSISTENTLY OUTPERFORM AND CLOCK GROWTH ON A SUSTAINED BASIS.

Lupin's strong fundamentals and its resilient business model have enabled us to record another remarkable year of growth. Exemplary performance achieved against the backdrop of a downbeat economy, a rapidly consolidating but highly volatile global pharmaceutical landscape; rabid competition not to mention challenges within India's pharmaceutical regulatory system.

Lupin's strong performance this year and over the last 10 years can be attributed to distinctive differentiators that it has engineered and built into its business mix like its choice and mix of high growth markets; mining and growing existing markets and its rapidly evolving technology, therapy focus and products. All of this backed by flawless execution has enabled the company to consistently outperform all its key markets and clock growth on a sustained basis. We are proud to be an employer of choice and are grateful for the unwavering commitment to excellence from our global teams that have embraced a philosophy to think globally but focus on solutions relevant for local markets.

The global pharmaceutical environment is going through a volatile and challenging phase but we believe that Lupin's endeavor of building a robust organization through its commercial initiatives, investments in research, operational excellence and people development will help it steer the course and continue to create value for all stakeholders. Acquisitions, joint ventures, strategic alliances and partnerships would supplement the growth imperative and sustainability in the long term but our focus would continue on operational excellence and building and enhancing our research capabilities.

Lupin today is at an inflection point. With our vision and mission etched out, we are creating exciting opportunities and remain committed to build for tomorrow.

Sincerely,

Dr. Kamal K. Sharma
Vice Chairman
Lupin Limited

Our strong business model, lucrative pipeline and investment in strategic growth drivers give us the confidence to sustain our growth going forward. We are more prepared than ever for tomorrow.

WITH THE PLANS WE HAVE IN PLACE; INVESTMENTS IN TECHNOLOGY, OPERATIONS, INFRASTRUCTURE AND MORE IMPORTANTLY, IN HUMAN CAPITAL, WE ARE SET TO EVOLVE LUPIN INTO A GLOBAL SPECIALTY PHARMACEUTICAL PLAYER.

Fiscal Year 2014 has been a very exciting year for our organization. It's a year where we not only grew our sales & profits to record levels; we also executed on our strategic plan and invested in growth drivers to prepare Lupin for a better tomorrow. A year where we have enhanced our technology capabilities, ventured into new markets, forged strategic alliances globally and increased our management and leadership bandwidth. We are better prepared today to achieve our strategic objective through FY 2018 and beyond.

Our quest for sustainable growth has enabled us to deliver a CAGR of 23.8% in Gross Sales, 33.2% in EBITDA and 29.6% in Net Profits for the last 5 years. We are today the 7th largest generic pharmaceutical company in the world by market capitalization and the 10th largest generic pharmaceutical company by revenues (Bloomberg, June - 2014). We have continued to build on our leadership credentials in all of our key markets. Lupin is the 5th largest generics player in the US, 3rd largest Indian pharmaceutical company by revenue, the 8th largest Japanese generic pharmaceutical company and the 4th largest generic pharmaceutical player in South Africa. Our strong business model, lucrative pipeline and investment in strategic growth drivers give us the confidence to sustain our growth going forward.

In FY 2014 we recorded strong growth enabled by effective execution and commercialization of our internal pipeline. We also added new dimensions to our technology capabilities with the teams that we have brought on board for Inhalation, Complex Generics & Specialty. We acquired Nanomi B.V. in Netherlands to enhance our technology strengths, we made our first foray into Latin America with an agreement to acquire Laboratorios Grin, the 4th largest Ophthalmological player in Mexico and we advanced our Biosimilars strategy with the joint venture agreement with Yoshindo Inc. for Japan. We also strengthened our US brand business through alliances and partnerships with Romark Laboratories and Onset Dermatologics.

With the plans we have in place; investments in technology, operations, infrastructure and more importantly, in human capital, we are set to deliver sustainable growth and evolve Lupin into a global specialty pharmaceutical player bringing affordable quality medicines to major parts of the world.

Regards,

Vinita Gupta
Chief Executive Officer
Lupin Limited

We have been able to create one of the most exciting growth stories in the pharmaceutical industry. Going forward, I see a brave, rapidly evolving and innovative Lupin ready for tomorrow.

WE HAVE BUILT LUPIN FOCUSING NOT ONLY ON DIFFERENTIATED PRODUCTS AND THE RIGHT MARKETS, BUT ALSO THE RIGHT BUSINESS PRACTICES.

We have had another remarkable year fuelled by strong growth in key markets like the US, Europe, South Africa and in our global API business. We also further strengthened our position in markets like India and Japan. Our performance this year is not only a natural progression of the momentum that we have generated over the last 10 years but also vindication of our long-range strategy to continuously focus on improving the quality of business globally. It is also a reflection of the Quality ethic that is part of the Lupin DNA: ingrained deep in our businesses, our research programs, the products we develop and deliver and in how we go about serving our customers and communities. We have been able to create one of the most exciting growth stories in the pharmaceutical industry.

FY 2014 was a fantastic year. It was a year of operational excellence, built on the back of flawless execution, new product launches, enhanced investments in research, rapid consolidation of our manufacturing operations and the creation of a global supply chain. All this led to record revenues and profits during FY 2014 where Lupin's Net Sales grew by 17.2% to ₹110,866 million (USD 1.83 billion) up from ₹94,616 million the previous year. Net Profits grew by 39.7% to ₹18,364 million (USD 304 million) as compared to ₹13,142 million in FY 2013. More importantly, Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) increased to ₹31,193 million from ₹22,977 million in FY 2013, an increase of 35.8%.

Research is the backbone of our performance. In addition to a robust internal generics research program, FY 2014 marked significant enhancement of our research capabilities through the acquisition of Nanomi with capabilities to address the niche Complex Injectables segment. We are also in the process of setting up two new R&D centers in the US focusing on research in inhalation and on Complex Formulations. I am pleased to note that we are attracting some of the best talent from the Industry. We continue to hit milestones in our Novel Drug Discovery & Development program and our joint venture with Yoshindo Inc. gives us a clear line of sight now to commercialize biosimilars for Japan. All of these investments would emerge as significant growth drivers for the future.

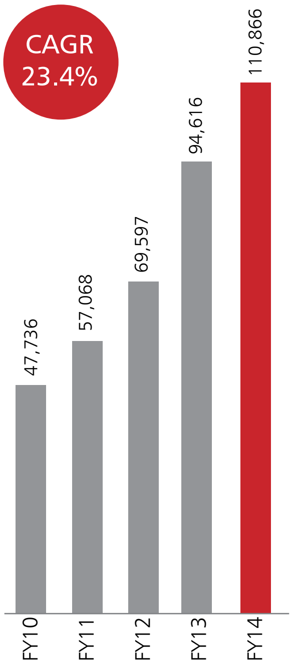
We have built Lupin focusing not only on differentiated products and the right markets, but also the right business practices. As I look ahead I see a brave, rapidly evolving and innovative Lupin. We are here for Today; here for Tomorrow; but importantly, we are here for the long term.

Best regards,

Nilesh Gupta
Managing Director
Lupin Limited

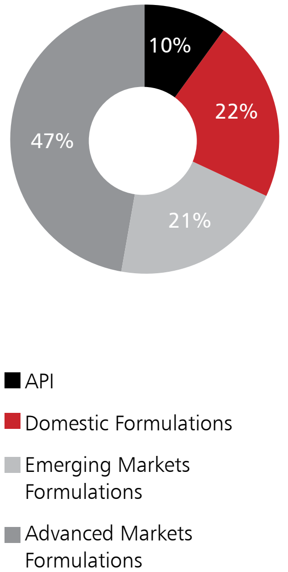
Financial Highlights 2014

Business analysis – revenue and profitability

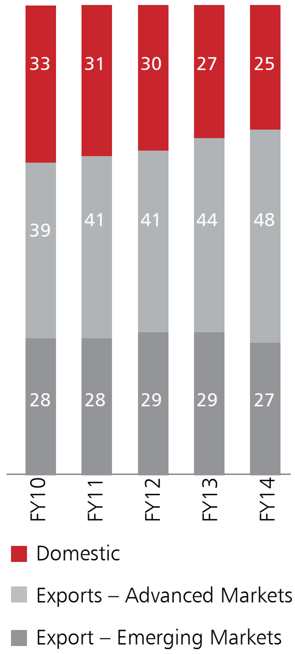


Net sales

(₹ million)

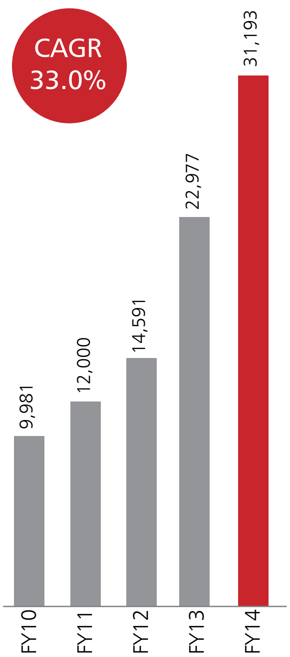


Revenue composition



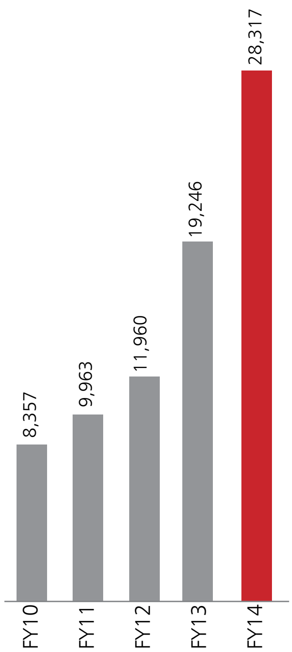
Geographic break down

(% contribution)



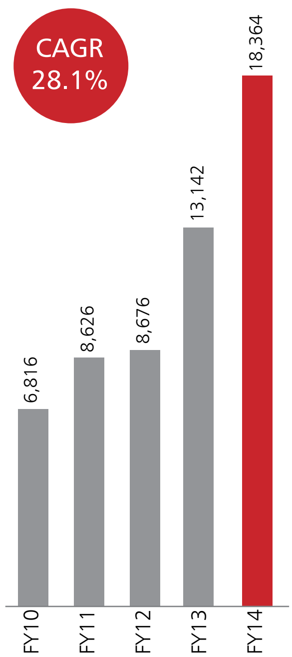
EBIDTA

(₹ million)



Profit before tax

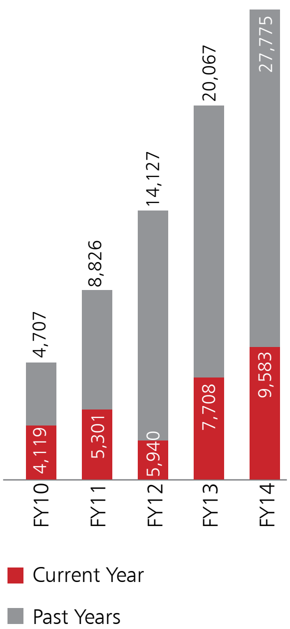
(₹ million)



Net profit

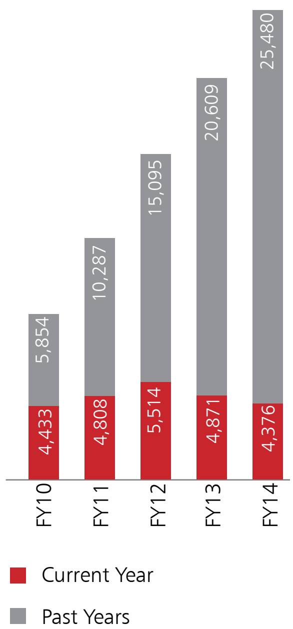
(₹ million)

Business critical investments



Cumulative R&D

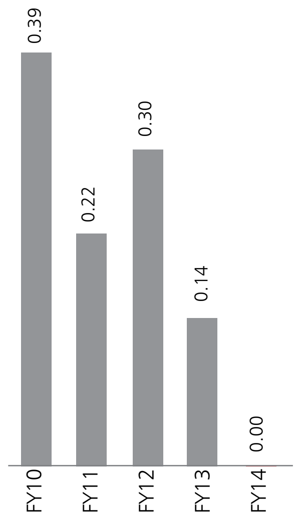
(₹ million)



Cumulative capex

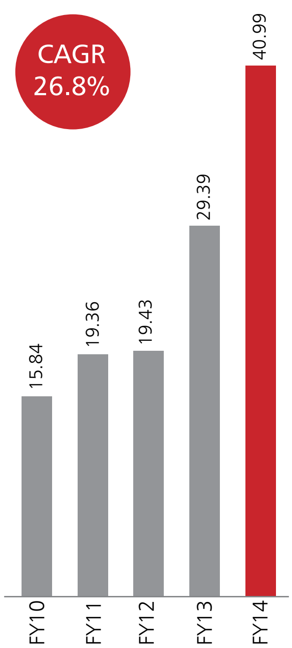
(₹ million)

Financial leverage



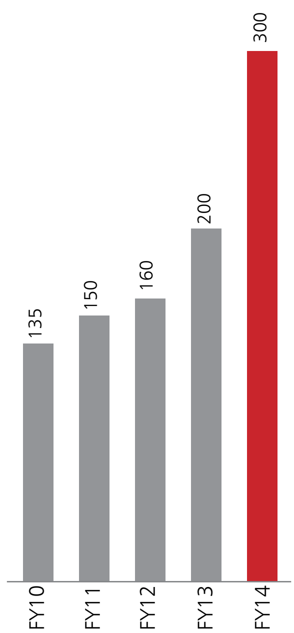
Debt equity ratio

Shareholder value growth



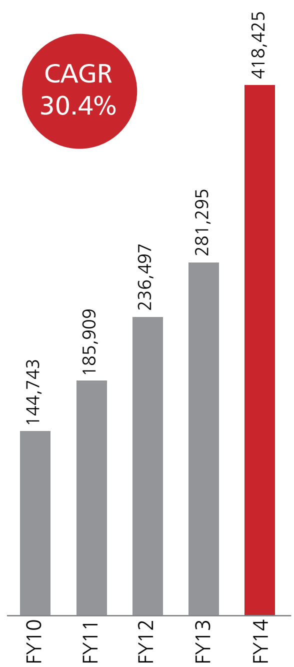
Earning per share

(₹)



Dividend

(%)



Market capitalization

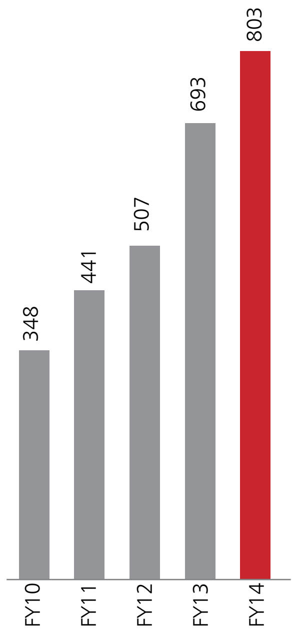
(₹ million)

United States and Europe

THE LAST DECADE HAS BEEN A VERY REWARDING ONE FOR LUPIN WHERE WE HAVE EMERGED AS ONE OF THE MOST EXCITING GROWTH STORIES IN THE PHARMACEUTICAL WORLD. NOT ONLY HAVE WE OUTPERFORMED MOST OF OUR PEERS BUT WE HAVE CONTINUED TO BUILD ON OUR LEADERSHIP CREDENTIALS CONSISTENTLY.

Driving this growth have been the markets of US & Europe which remain the principal growth engines for the Company and are the major contributors to Lupin's global revenues and overall profitability. US & Europe formulation sales contributed 47% to the Company's overall consolidated revenues for FY 2014. Formulations sales for the market by grew by 29% to clock in revenues of ₹51,805 million during FY 2014, as against ₹40,051 million in FY 2013. Lupin remains the fifth largest and the fastest growing top 5 generics player in the US.

FY 2014 saw Lupin expand its business with key new product launches. It also saw us add scale, breadth and depth by acquiring new technology, increased investments in research in our continued efforts to build a differentiated quality pipeline. In keeping with our global strategy of building a highly differentiated specialty business, the Company made significant inroads in establishing two dedicated Centers of Excellence for research in Inhalation and Complex Injectables in Florida and Maryland in the US. This will enable us to gain entry into the multi-billion dollar global opportunity in the Inhalation and Complex Injectables space. Our commitment to this project has attracted the best in available research talent for these therapies globally. We know what we do today, will drive growth for tomorrow.



US Formulation Revenue
(USD million)

Lupin Goa facility, India

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

USD723million
US Generics revenues

29%
Sales growth in US & Europe

47%
Contribution to overall Company revenues

31
Generic products that are ranked number 1 by market share

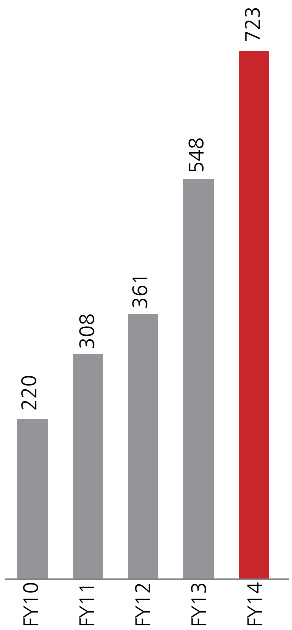
USD80billion
Addressable opportunity of the 93 ANDAs pending approval

United States

Headquartered in Baltimore, Maryland, the Company's US subsidiary, Lupin Pharmaceuticals, Inc. (LPI), is dedicated to delivering high-quality, branded and generic medicines trusted by healthcare professionals and patients across the US. LPI has built strong relationships in the US wholesale and retail channels with an excellent reputation as a reliable supplier of quality generics. In addition, LPI has developed a meaningful presence among Pediatric specialists and primary care physicians with a dedicated field sales force selling our branded product line. Strong commercial capabilities in the US market for both branded and generic product offerings position LPI to capitalize on the Company's growth strategy for the Advanced Markets built around quality niche products, world-class research, manufacturing and supply chain capabilities, protected by strong Intellectual Property. US revenues grew by 16% to USD 803 million during FY 2014, up from USD 693 million in FY 2013. The Brands business contributed 10% of total US sales whereas the Generics business contributed 90% during FY 2014.

US Generics

LPI remains the 5th largest and the fastest growing top 5 generics player in the US with a 5.4% market share by prescriptions. LPI grew by 9.2% during the calendar year 2013 as compared to a 4.9% overall growth rate for the US generic industry (IMS Health). LPI's strength in the generics market is best characterized by its ability to achieve leading market shares in even the most competitive market scenarios. As of March 2014, 31 of the 63 generic products marketed by LPI in the US ranked No. 1 by market share and 53 of the 63 are in the top 3 by Market share (IMS Health). We have played to our strengths, focusing on increasing our market shares not only for new launches but by executing well to ensure that we are able to grow market shares for our existing products as well. We are constantly engaging with our trade partners and customers, and have worked hard to strengthen our supply chain to ensure industry record response times which explains why Lupin has one of the best fill ratios in the US.



US Generics Revenue
(USD million)

Lupin's US headquarters, Baltimore

The Company filed 19 ANDAs in the US market and received approval for 22 ANDAs during FY 2014. The Company has 93 ANDAs pending for approval and launch, addressing a total market size of over USD 80 billion. Of these, 30 ANDAs are first-to-file addressing a market size of over USD 20 billion. The Company has 15 exclusive first-to-file addressing a market size of USD 2 billion.

The US Generics business continued its impressive growth story in FY 2014, recording revenues of USD 723 million, an increase of 32% over last year. In FY 2014, we launched 19 new products, including the successful commercialization of generic versions of Zymaxid®, Trizivir® and Cymbalta® to name a few high profile exclusive and semi-exclusive launches.

US Branded

One of Lupin's biggest differentiators has been the Company's US branded business. LPI continued to expand its Suprax® branded franchise with the launch of a capsule dosage form during FY 2014, building on the FY 2013 addition of Suprax® chewable tablets. The total Suprax® family of products continues to grow and remains the foundation of the company's US branded business.

During the year, the Company continued to work hard to maintain market share on Antara® (Fenofibrate Capsules 43mg and 130mg) in the wake of Mylan's launch of a generic version in February 2013. During FY 2014, LPI introduced the Antara® 90mg capsules. LPI has maintained 70% market

Dispensed TRX US Industry

Unbranded Generics, MAT December 2013

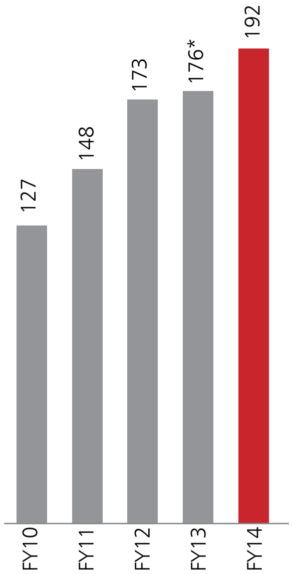
Lupin is rated 5th in the US Industry standings of Unbranded Generics

Leading corporations	MAT September 2013		MAT December 2013		
	Rank	% Market Share	TRXS mn	% Market Share	% Growth
US Industry		100.0	3,384	100.0	4.9
1 Teva	1	15.5	493	14.6	0.3
2 Mylan Labs Inc	2	10.9	366	10.8	-5.5
3 Actavis US	3	8.2	258	7.6	-9.4
4 Sandoz (Novartis)	4	5.8	208	6.2	4.5
5 Lupin Pharma	5	5.4	175	5.2	9.2

Total Industry, MAT December 2013

Lupin is rated 6th in the US Industry standings of Leading corporations

Leading corporations	MAT September 2013		MAT December 2013		
	Rank	% Market Share	TRXS mn	% Market Share	% Growth
US Industry		100.0	4,211	100.0	1.4
1 Teva	1	13.8	559	13.3	-0.6
2 Mylan Labs Inc	2	8.8	370	8.8	-5.4
3 Actavis US	3	7.3	302	72.0	-9.0
4 Novartis (Inc Sandoz)	4	6.0	258	6.1	-1.0
5 Endo Pharma Inc	5	4.6	192	4.6	17.5
6 Lupin Pharma	6	4.3	176	4.2	9.1



ANDA Pipeline

** The Company withdrew 16 ANDAs during FY13 after re-evaluating their business potential*

share of the Fenofibrate 130mg market with our brand and authorized generic products.

In FY 2014, the Company added two new products to its portfolio in order to enhance and extend its US brands business for the future. In August FY 2013, we acquired exclusive rights to promote, distribute and market Alinia® (nitazoxanide) for oral suspension in the US. Alinia® for oral suspension is indicated for the treatment of diarrhea caused by Giardia lamblia or Cryptosporidium parvum in patients 1 year of age and older. These are the two most common protozoal causes of diarrhea in the developed and developing world. In September 2013, LPI also signed a strategic co-promotion agreement for exclusive rights to promote Locoid® Lotion (hydrocortisone butyrate 0.1%) to the Pediatric community in the US. Locoid® is the most highly prescribed mid-potency steroid brand in the US for the topical treatment of mild to moderate Atopic Dermatitis (AD) in patients 3 months of age and older. AD, more commonly called eczema, is one of the most common skin disorders in young children and has a prevalence of 10% to 20% in the first decade of life.

LPI's strategy is to prudently invest in its specialty sales force targeting both Pediatricians and select high prescribing primary care physicians. The Company aims to continue 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 strategic brand acquisitions for the future.

Europe

Lupin has developed a solid foundation to grow its formulations business in the European (EU) markets having built a robust product pipeline over the years. In FY 2014, we not only strengthened our presence across select EU markets through a blend of direct-to-market initiatives and strategic partnerships but also bolstered our presence by bringing on board a seasoned industry stalwart Dr. Maurice Chagnaud, who now heads Lupin's Europe business and is responsible for our growth there. The Company today is well placed to address the unique demands of the fragmented and diverse EU market. The EU finished dosage business recorded Net Sales of ₹2,934 million during FY 2014 as against ₹2,356 million in the previous year, a growth of 24%.

Lupin successfully launched new products like Gliclazide MR and Desogestrel + Ethinylestradiol in the EU market while existing products clocked in healthy growth during the year. Lupin continued to focus on building its pipeline in the UK and German markets through its own direct-to-market initiative.

The Company filed 4 marketing authorization applications during the year and received approvals for 10 applications during the year. The Company launched a total of 4 new products in Europe during FY 2014. Cumulative filings with EU authorities now stands at 57 with 48 approvals to date.

India

INDIA HAS ALWAYS BEEN AT THE HEART OF LUPIN'S GROWTH PLANS. IT IS THE COMPANY'S SECOND LARGEST MARKET AND CONTRIBUTED 22% OF LUPIN'S CONSOLIDATED REVENUES DURING FY 2014.

Our consistent outperformance over the last 5 years in the Indian market is a reflection of our ability to provide an ever-widening choice of quality, affordable medicines across existing and new therapeutic segments.

We are the 10th largest in terms of formulation sales in India and our passion and commitment to grow in our home turf has never been stronger than now. Propelled and driven by a passionate 5,365 strong field force, Lupin has been extremely agile in not only garnering and growing its market share but also swift in responding to a regulated, hyper-competitive fragmented market environment. FY 2014 was a challenging year for the Indian Pharmaceutical Market (IPM) given the changes in the Drug Price Control Order (DPCO) and related events. Under the National Pharmaceutical Pricing Policy, the government had regulated the prices of 348 essential drugs and their combinations, covering 60% of drugs sold in the country. It also resulted in supply disruptions which gave rise to challenging conditions between the trade and industry. Our prudent handling of the situation ensured that Lupin remained on the growth path in the domestic market, ending the year on a positive note.

The Company's India formulations business grew by 5%, clocking in gross revenues of ₹25,141 million during FY 2014, as compared to ₹23,840 million in FY 2013. The business has grown at a CAGR of 17% over the last five years.

Today, Lupin is one of the fastest growing players in high growth therapy segments like Cardiology, Central Nervous System (CNS), Diabetology, Anti-Asthma, Gynaecology, Anti-Infective, Gastro-Intestinal and Oncology.

The Company is the 2nd largest player in India's respiratory (Anti-Asthma) segment, the 3rd largest player in the Cardiovascular segment and the 7th largest player in Diabetes segment.

Lupin Jammu facility, India

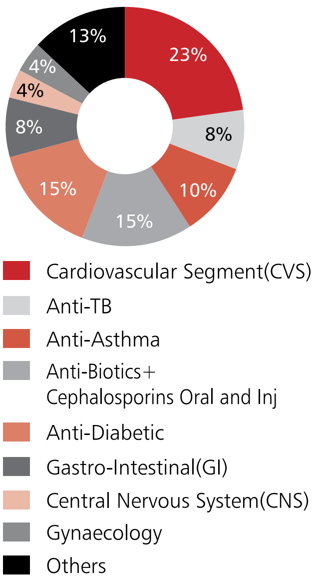
2.8%
Overall market share of IPM (IMS TSA MAT, March, 2014)

21
Brands with sales in excess of ₹300 million

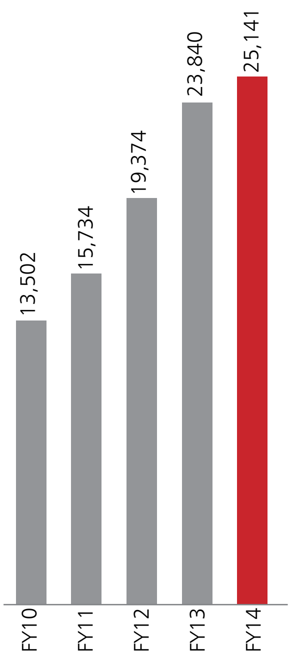
22%
Contribution to overall Company revenues

23
Products in-licensed in the last 4 years

5,365
Specialty field force



Therapeutic contribution



Domestic formulations (sales)
(₹ million)

Over the last decade, the Company has transitioned from a primary dependence on acute therapies to a position now where close to 64% of our revenues (on a significantly enlarged revenue base) come from higher value and more frequently used chronic therapies.

In the last few years, the Company launched 23 in-licensed products, of which 9 were first to be introduced into the IPM. During FY 2014, the Company launched 4 in-licensed products.

Proportion of revenues derived from key segments	Acute therapies	Chronic therapies
2013-14	36%	64%
2012-13	37%	63%
2007-08	56%	44%
2005-06	69%	31%

Therapy segments and Key divisions

Pinnacle Cardiology

Lupin India formulation business's flagship division continued to outperform the market with the division emerging as the 3rd largest player within the Indian cardiology market.

The Company continues to expand on its association with the American College of Cardiology (ACC) where we conducted a special program called Rhythm 2013, an Advanced ECG Program in seven locations across India with over 1,500 doctors with international certification participating in the proceedings.

Pinnacle also conducted an Emergency Cardiovascular Care workshop in association with and certification from the American Heart association (AHA) for doctors across different cities in India. The division also conducted and facilitated Innovative Doctor Engagement webcasts in the area of Hypertension and Dyslipidemia.

Lupin Blue Eyes

This specialized ophthalmic division of the Company is ranked amongst the top 10 in its represented market within the IPM. The division grew by 48% in FY 2014 as against a market which grew by just 7% (AIOCD AWACS MAT Feb 2014).

Lupin Blue Eyes in association with Eye Bank Association of India (EBAI) launched the 'Punarjyoti' campaign to promote eye donation in the country after death.

Lupin Diabetes Care

India is unfortunately often referred to as the future diabetic capital of the world. It is estimated that by 2030, every fifth diabetic will be an Indian. Since inception, the Lupin Diabetes Care division has been scripting new chapters in its fight against diabetes. Lupin Diabetes Care has consistently outperformed the market and ranked as the 3rd largest player in its participated market with a growth of 28% during FY 2014 (AIOCD AWACS MAT Feb 2014).

The division has created very strong patient care programs like Arogya and The Wellness program. The Arogya diabetes program is a first-of-its kind initiative to screen 37,000 patients with over 2,000 doctors participating across India. It has not only enabled diabetes and hypertension screening and diagnosis but also covers lipid and renal profile and thyroid screening for patients. The Tereos Wellness Program (TWP) is an exclusive unique patient support venture where qualified nurses and periodic laboratory testing at the patients door step is ensuring better monitoring of the patient.

Lupin Metabolics

The Lupin Metabolics division covers the Company's presence in metabolics diseases like hypertension and obesity. The division is also responsible for promoting and distributing Lilly's conventional Insulin range of product in India and Nepal. In FY 2014, Lupin Metabolics launched a special patient support and awareness service called 'Humrahi' with 31 diabetes educators to facilitate the goal of supporting, educating and counseling patients on Diabetes and its effective management.

Lupin CVN

Set up in FY 2010, Lupin CVN is focused on the Cardiology and Nephrology segments. The Lupin CVN division has grown at a CAGR of 28% over the last 5 years. The division continues to build on its leadership credentials in its participated markets where it is ranked 1st by prescription.

The division continues to innovate by creating specialized webinars and was the first to introduce QR Code Interactive Communications to communicate with doctors and patients.

The Lupin Division – Anti-Tuberculosis, Anti-Biotics, Gynaecology, Orthopaedic & Dermatology

This has been yet another year that the Lupin division has continued to outperform the represented market with 8.8% growth as compared to 4.9% of IRM growth. It is a matter of pride that we built on our market leader credentials in the TB space by increasing our market share to 54.9%, up from 44.7% last year.

The Lupin division has a wide basket of women's healthcare products which include IVF, nutritional supplements, contraceptives and other products meant for gynaecological disorders. Lupin's alliances with the Ian Donald School offers academic updates and the latest information to Indian gynecologists and obstetricians in the field of ultrasonography.

The division has also been working hard on building its equity within the orthopaedic segment.

FY 2014 marked the foray of the Lupin Division into Dermatology. We have taken our first steps having entered this segment with differentiated products in derma-cosmetology and would seek to emerge as a formidable player in the future.

Respira

The Respira Division is responsible for the Company's business in the Inhalation space, targeting core therapy segments such as Asthma, Allergic Rhinitis and Respiratory Tract Infections and the Chronic Obstructive Pulmonary Disease (COPD) space. Respira continues to garner market share and has emerged as the 2nd largest player in the Inhalation space with a market share of 21.7% (AIOCD MAT Feb 2014). The division ventured into new strategic segment targeting chronic therapy segments within Respiratory such as Idiopathic pulmonary fibrosis and Interstitial lung diseases.

Endeavour

This division focuses on Anti-Infective, Gastroenterology and Osteoarthritis businesses as well as acute therapy areas like Anti-Biotics and Pain Management. It covers almost 16 specialties and engages with everybody ranging from a general practitioner to a gastroenterologist. In keeping with its tradition, Endeavour continues to consistently outperform the market where it was ranked the 2nd largest player in its participated market, clocking in a growth of 14% during FY 2014 (AIOCD AWACS MAT Feb 2014).

Lupin Maxter

Lupin's Critical Care division focuses mainly on four therapy areas; Critical Care, Orthopaedic, Urology & GP/CP/Surgery based products. As per SMSRC Prescription data, Maxter clocked in growth of 19% while the market growth was just 4% during the same period (SMSRC Mar-Feb 2014 over Mar-Feb 2013).

Lupin Mindvision

Lupin is ranked 8th in the CNS segment, having grown by 7% in FY 2014 (AIOCD AWACS MAT Feb 2014). Mindvision division successfully launched new products in major sub-segments such as Anti-Depressants, Anti-Epileptics, Pain and Stroke. Mindvision enjoys strong brand equity in the Neurology and Psychiatry segment.

Lupin Ikonic

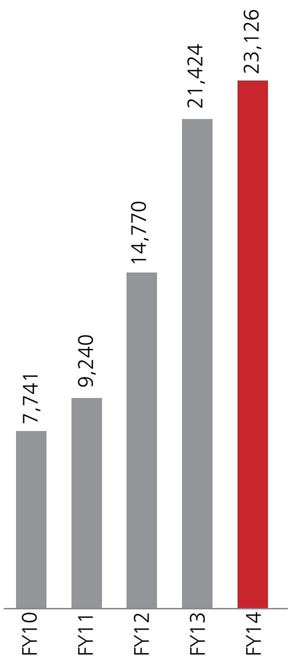
Formed in FY 2013, Lupin Ikonic is the youngest division within the Company and the 2nd specialized division to be focusing on Neuropsychiatry and Oncology catering to neurologists, psychiatrists and oncologists.

Therapeutic segment – ORG IMS MAT MAR '14	Lupin growth %	Market rank
Anti-TB	(5.1%)	1
Cardiovascular segment (CVS)	8.4%	3
Respiratory	11.3%	5
Anti-Diabetic	8.0%	6
Neuro/Central Nervous System (CNS)	2.3%	8
Anti-Infective	2.8%	12
Nutraceutical	5.7%	15
Gastrointestinal+Hepatoprotective	3.1%	17
Gynaecology	8.4%	17
Pain/Analgesic	16.7%	18

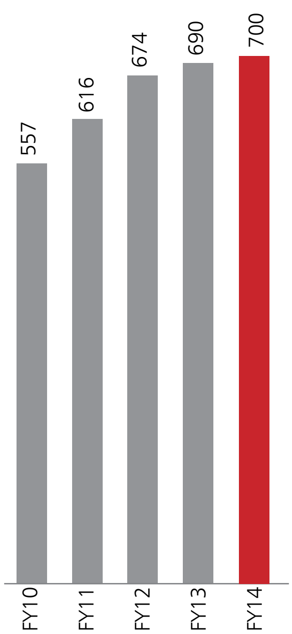
BRAND	Growth %
GLUCONORM	11.2%
RABLET	1.9%
RAMISTAR	1.0%
CLOPITAB	0.7%
BUDAMATE	15.8%
TELISTA	19.1%
TELEKAST	1.4%

Rest of the World

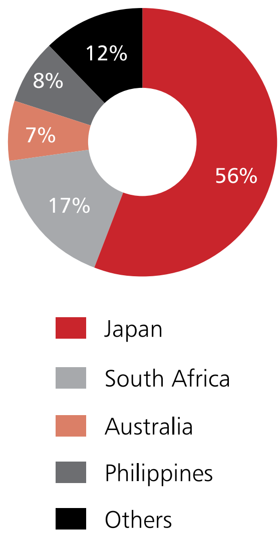
LUPIN'S REST OF WORLD (ROW) BUSINESS IS THE FASTEST GROWING BUSINESS WITHIN THE COMPANY COVERING MARKETS ACROSS ASIA PACIFIC, AFRICA, MIDDLE-EAST AND LATIN AMERICA. OVER THE LAST DECADE, LUPIN HAS MADE RAPID INROADS INTO THESE FAST GROWING MARKETS AND ALSO BEEN ABLE TO ESTABLISH AND STRENGTHEN ITS LEADERSHIP CREDENTIALS AND GROWING BUSINESS PRESENCE IN KEY MARKETS SUCH AS JAPAN AND SOUTH AFRICA. THESE MARKETS REPRESENT THE FASTEST GROWING MARKET OPPORTUNITY WITHIN THE GLOBAL PHARMACEUTICAL MARKET AND ARE EXPECTED TO GROW TO OVER USD 300 BILLION BY 2015 (IMS HEALTH).



ROW sales
(₹ million)



Finished dosages filings
(Rest of world)



Key markets - ROW

Lupin Sanda facility, Japan

8th
Largest generics player in Japan

4th
Largest generics player in South Africa

700
Number of products filed in ROW markets

8%
Growth in revenues (including Japan & South Africa) over FY 2013

21%
Contribution to overall company revenues

The Company's ROW business clocked in revenues of ₹23,126 million, registering a growth of 8% during FY 2014. The business contributed 21% to Lupin's global total consolidated revenues.

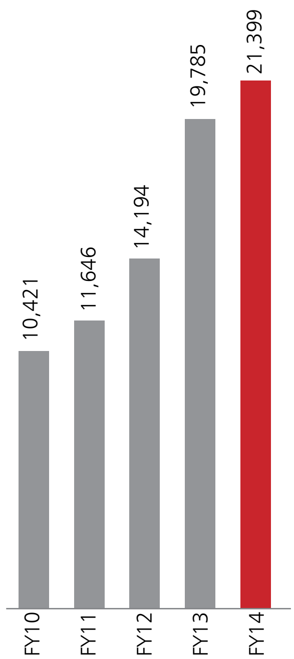
The Company continued to grow and build its pipeline for these markets. With 10 new product filings, the cumulative filings for ROW markets now stand at 700 product applications.

Japan

Japan is the largest market within Lupin's ROW business. During FY 2014, Lupin's Japanese business clocked in revenues of JPY 21,399 million as against revenues of JPY 19,785 million; registering a growth of 8% over the previous year. Lupin is the 8th largest generics player in the Japanese market and has a strong presence in the Neurology, Cardiovascular, Gastroenterology and Injectable segments.

The Japanese pharmaceutical market (JPM) 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 which include incentives announced by the Japanese Government to promote generics, increased competition with the entry of more international players and the entry of innovator pharma companies into the Japanese generics space.

Current generics market penetration stands at 44% in Japan. The Japanese Government has set new target of about 60% generic penetration by year 2017 which translates into an additional 30-35% of the overall pharmaceutical volumes getting genericized over the next 3-4 years. Add to this, the patent expiries of key molecules worth USD 16-17 billion by 2017; all of this adds up to one of the largest market opportunity for Lupin outside of the US.



Japan sales
(¥ million)

Lupin received three product approvals for its Goa plant from the Japanese Health Ministry; the commercialization of these products has already commenced. The Company also commercialized two APIs in Japan during the year and expects to file close to ten DMFs in the next two years.

During the year, the Company remained focused on revamping I'rom Pharmaceutical Co., Ltd (I'rom), a niche injectable company that it had acquired during FY 2012. I'rom has a significant presence in the DPC hospital segment within the Japanese pharmaceutical market.

Kyowa

- Kyowa reported sales of JPY 15,918 million, growing by 14% during the year
- The Company launched two new specialty segment products (Oncology) and one CNS product. Kyowa has a portfolio of over 350 products
- The Company ramped up its field force to strengthen its CNS business & also to target CVS patent expiries worth USD 8 Billion over the next 3-4 years
- Kyowa inaugurated its 3rd plant at its Sanda facility to meet growing demand
- Lupin commenced commercial supply of formulations from its Goa facility
- The Company filed for 8 formulations and 6 DMF's in the year

I'rom Pharmaceuticals

- I'rom posted sales of JPY 5,512 million for the year ended March 31, 2014, indicating a de-growth of 6% on account of decline in contract manufacturing sales
- The Company implemented restructuring initiatives to rationalize cost and overheads

South Africa

The South African pharmaceutical market is valued at about USD 3.5 billion. The generics market grew by 6% in value terms and 2% by volume during FY 2014. Lupin's South African subsidiary Pharma Dynamics (PD) recorded revenues of ZAR 638 million, registering a growth of 28% over the previous year.

PD's consistent out performance has made it the 4th largest generics company and the 12th largest pharmaceutical company in the South African market. It remains the largest Company in the Cardiovascular segment. The Company is a market leader in 8 products (by prescriptions) and ranked 2nd (by prescriptions) for another 8 in the South African market.

PD launched 6 new products and remains focused on building and growing into the CNS & OTC segments within the South African market. It also filed for and registered 10 products during FY 2014.

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. (GH). GH received approvals for 7 products and filed for 7 new products in the year. GH recorded revenues of AUD 30 million during FY 2014, clocking in a growth of 23% over the previous year. GH has presence in both the ethical medicine and OTC markets in Australia.

Philippines

The Philippines pharma market is valued at USD 3.3 billion and grew by 6.6% for FY 2014 (IMS MAT March 14). Lupin's Philippines subsidiary Multicare Pharmaceuticals (Multicare) continues to outpace the market, having grown 38%, clocking in revenues of PHP 909 million during FY 2014 as compared to PHP 659 million in the last fiscal. The Company launched a new Oncology division during the year and expects its products to make inroads into the market place over the next few years.

Mexico & Latin America – Expanding Horizons

FY 2014 saw Lupin realize its long stated ambition of foraying into the Latin American pharmaceutical market with the acquisition of 100% equity stake in Laboratorios Grin, S.A. De C.V. (Grin), Mexico, subject to certain closing conditions. The acquisition marks Lupin's foray into the high growth Mexican pharmaceuticals market. Today, Mexico is one of the fastest growing pharmaceutical markets globally and valued at over USD 13.5 billion, growing at 9-10% annually (IMS Health).

Incorporated in 1955, Grin is a specialty pharmaceutical company engaged in the development, manufacturing and commercialization of branded ophthalmic products. Grin is the 4th largest ophthalmic player and a trusted brand in Mexico. The Company recorded revenues of approximately USD 28 million during calendar year, 2013. It has over 275 employees with its own dedicated manufacturing and product development facilities that are compliant with international standards and certified for production and supplies to other Latin American Markets.

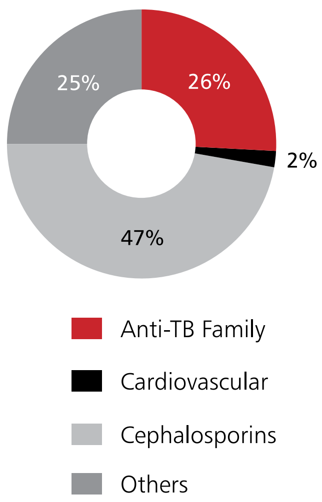
The acquisition is a reflection of Lupin's commitment to expand not only into the Latin American market but also build its global specialty business as we leverage our own ophthalmic pipeline to build the Grin business and also ramp-up our presence in other promising segments in Mexico.

Global Active Pharmaceutical Ingredients

THE GLOBAL API MARKET IS WITNESSING STRONG GROWTH AND IS CURRENTLY VALUED AT OVER USD 125 BILLION. PATENT EXPIRIES IN THE US AND EUROPE, GROWTH IN EMERGING MARKETS, DEMAND FOR HIGH QUALITY APIs FROM OTHER PHARMACEUTICAL PLAYERS AND INCREASING DEMAND FOR ESSENTIAL DRUGS ARE BOOSTING THE GROWTH OF THE GLOBAL API INDUSTRY.

India remains the most favoured API producing nation globally; largely because of its high quality manufacturing credentials as well as its cost competitiveness.

Lupin is one of the most vertically integrated pharmaceutical companies that has consciously focused on building scale and efficiencies that have made it an undisputed leader in its chosen product segments. Lupin has remained a global leader in therapeutic segments such as Cephalosporins, Cardivasculars and the Anti-TB space for over 15 years. Lupin's strengths and cost leadership in APIs has not only enabled forging of better synergies between a complex, rapidly growing and fast evolving formulation business but also created new opportunities for future growth.



API – Therapeutic contribution

Lupin Goa facility, India

No.1
In Anti-TB and Cephalosporins segment globally

17%
Growth in API revenues

10%
Contribution to overall Company revenues

90%
Captive consumption of APIs

The Company's API output has grown significantly in both volume and value. FY 2014 was a milestone year for the Company's API business, recording revenues of ₹11,140 million in FY 2014 as compared to ₹9,498 million in FY 2013, reporting a growth of 17%.

The Company has already embarked on some key initiatives that are going to drive the future growth of the business; adopting greener chemistry technologies with the dual purpose of improving efficiencies and protecting the environment. The Company has re-focused its API group into making further inroads into markets such as US, Europe, Japan and exploring new opportunities in emerging markets like China, Brazil, Mexico, Korea and Russia.

The API plus division of the Company has also taken rapid strides in its value-added finished formulation business, the Principal-to-Principal (P2P) business. Lupin's P2P business leverages our rich expertise in API research and formulations development. The Company's P2P business has been successful in taking its products to other markets with launches in the Philippines and Ukraine during FY 2014. The internationalization of the P2P product portfolio is expected to be an important growth driver for the business.

The Company also consolidated its institutional formulations business position. It retained its leading position as one of the few coveted suppliers of Anti-TB products to the World Health Organization's (WHO's) Global Drug Facility. Lupin has the unique distinction of being the only company to have both its APIs and formulations for TB products prequalified by the WHO globally.

Research and Development

The Heart of Lupin

The Quality of Business is decided by how a company goes about creating, developing and nurturing the basics that build up the business.

The seeds of Lupin's business start at our Research and Development (R&D) facilities, this is reflected in the choices that we make in terms of products, therapies and programs that we invest in. It is what makes us relevant and meaningful to our customers, markets and communities. These basics have fuelled the Company's emergence as a global generics powerhouse and an emerging specialty pharmaceutical player.

Over 1,400 research scientists at the Lupin Research park, Pune and other research facilities in India, Japan and the US create and deliver quality products and platforms that fuel our business aspirations.

Lupin continues to invest heavily in its R&D programs and FY 2014 was no different. The Company invested 8.6% of its net sales in R&D and related spends, amounting to ₹9,583 million.

Lupin has designed a very successful research program which continues to ensure the delivery of a sustainable pipeline of high-value opportunities that are maximizing growth for the Company across markets. We are also working hard to identify future areas of growth and we are investing to move up the technology curve. FY 2014 saw the Company acquire Nanomi B.V. in the Netherlands for its patented technology platforms that it plans to leverage to develop complex injectable products. The Company is also in the process of setting up two dedicated Centers of Excellence for research in Inhalation and Complex Formulations in Florida and Maryland in the US.

Lupin Research Park, Pune, India

8.6%
R&D expenditure as a percentage of Net sales

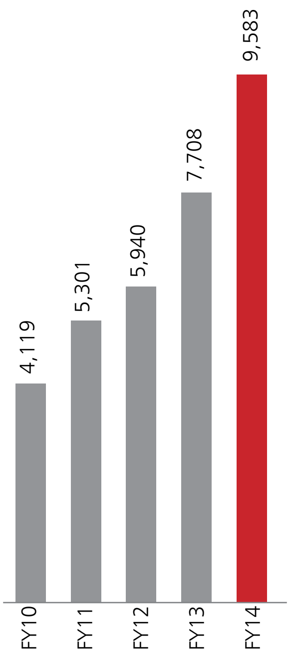
19
ANDAs filed in FY 2014

30
First-to-file products

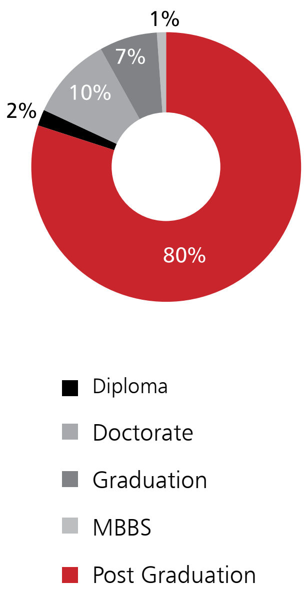
1,762
Patents filed as on March 31, 2014

₹37,358 million
Cumulative R&D spend in the last 7 years

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



R&D trends
(₹ million)



R&D scientific pool

Our commitment to this project has seen us attract the best research talent for these therapies globally. In 2014, Lupin also entered into a strategic joint venture agreement with Japanese pharmaceuticals company, Yoshindo Inc. (Yoshindo) to create a new entity – YL Biologics (YLB). YLB will be responsible for conducting clinical development of certain Biosimilars including regulatory filings and obtaining marketing authorizations in Japan.

A year of heightened activity, FY 2014 saw the Company continue to step on the gas across all its research programs, be it filings across markets, our drug discovery & delivery programs or biotechnology research.

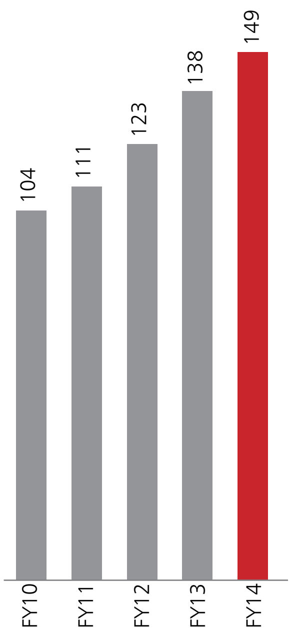
Highlights, FY 2014

- Filed 19 ANDAs and 11 DMFs in the US; received approvals for 22 ANDAs as well as one supplemental NDA (New Drug Application) from the US FDA during FY 2014
- Filed 2 exclusive first-to-files for the generic versions of Prolensa® and Quartette®

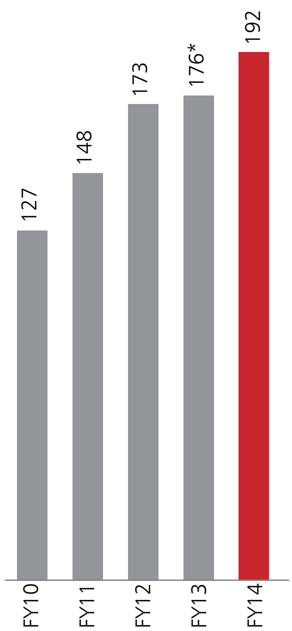
- Received project milestones payments of USD 8.8 million for 2 products that are currently under joint development with Medicis Pharmaceutical Corporation, US
- Completed Phase-I studies in Europe for a program in the CNS area, which is being advanced to Phase II clinical trial now
- Candidates from two programs in the area of endocrine disorders and cancer, entered clinical phase during FY 2014
- The Company acquired Nanomi B.V. in Netherlands for its patented technology platforms that would help develop products in the Complex Injectables space
- Set up a joint venture with Japanese pharmaceuticals company Yoshindo to address the biotech opportunity in Japan

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

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



Cumulative DMF filings



Cumulative ANDA filings

** The Company withdrew 16 ANDAs during FY13 after re-evaluating their business potential*

Generics Research

Lupin's Generic Research programs continue to fuel the Company's growth into higher orbits of leadership. It is focused on developing APIs and formulations for the US, European, Japanese and other advanced and emerging markets and has helped the Company emerge as a global generics powerhouse.

API process research

Our API R&D capabilities are the backbone of the Company's generics research program and support it by developing non-infringing and cost competitive APIs. The Process Research Group has also been responsible for fuelling the growth of Lupin's global API business, making it one of the most competitive quality players in the API space globally.

Highlights, FY 2014

- During FY 2014, the Company filed 11 US DMFs, taking cumulative total to 149 DMF filings. The Company also filed 1 EDMF, 1 CEP, 3 Australia DMFs, 1 Japan DMF and 3 Canada DMFs during the year
- This year's filings include complex APIs Prostaglandins that involve very complex multistep chemistry

Pharmaceutical Research

FY 2014 was a very productive year for the Pharmaceutical Research Group. Not only did it step up filings for key markets globally but also saw its efforts of preceding years bearing fruit in the form of 45 approvals received in key advanced markets; 22 in US; 10 in Europe; 6 in Australia; 5 in Canada and 2 in Japan. The group continued to focus on developing a highly differentiated quality pipeline of niche products in diverse therapy areas such as Oral Contraceptives, Ophthalmology, Inhalation (MDIs, DPIs and Nasal Sprays) and Dermatology.

Highlights, FY 2014

- Filed 19 ANDAs with US FDA; 4 MAAs with European regulatory authorities; 4 MAAs in Australia; 2 ANDS in Canada
- The cumulative number of ANDA filings with the US FDA now stand at 192
- Confirmed first-to-file opportunities now stand at 30 with 15 being exclusive first-to-files
- Cumulative filings with European authorities now stand at 57 with the Company having received 48 approvals to date

Advanced Drug Delivery Systems (ADDS)

Lupin's Advanced Drug Delivery program is focused on creating and leveraging technologies that not only provide

clinical advantage but also transform and facilitate better patient convenience and experience. We are leveraging these technologies to build a highly differentiated pipeline of branded products globally and have also been working on joint development programs with like-minded peers to create new products.

Highlights, FY 2014

- The team achieved further milestone payments of USD 8.8 million for 2 products that are being jointly developed with Medicis Pharmaceutical Corporation

- The Company also completed technology transfer to a US CMO site for 2 of its two drug fixed-dose combination extended-release NDA products

Analytical Research

The Analytical Research Group is responsible for ensuring that all processes and products transferred to Lupin's manufacturing plants meet regulatory requirements and expectations through the development and validation of the right testing methods and systems. The group also ensures that all development and documentation are 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 characterization of impurities in APIs and drug products.

Lupin Bioresearch Center

The Lupin Bioresearch Center (LBC) located in Pune is responsible for conducting bioequivalence studies for Lupin's generic products and branded formulations which form a part of the Company's regulatory filings. They also support pharmaco-kinetic studies of Lupin's biosimilars and respiratory products pipeline. LBC has both clinical and bioanalytical capabilities and houses 2 clinics; a bioanalytical

lab with 12 state-of-the-art LC-MS/MS systems, 2 Ion Chromatography systems and a clinical chemistry lab that has been accredited by National Accreditation Board of Laboratories (NABL). LBC completed setting up an ELISA Lab for the support of PK studies of Biotech products in FY 2014.

LBC also manages outsourced BA/BE studies, clinical end-point studies as well as studies for the Company's ADDS initiatives. During the year, LBC completed 35 full studies, taking the cumulative tally to 156 to date. LBC had undergone successful French regulatory (ANSM) audit and US FDA audits for its Bioanalytical and Clinical areas.

Intellectual Property Management

Over the years, Lupin's Intellectual Property Management Group (IPMG) has become a benchmark in the industry for not only protecting the Company's research and product pipeline but by also building an enviable litigation track record and carrying out patent challenges successfully. The Group is also responsible for identifying new therapy areas and products for the Company's research programs to develop.

Highlights, FY 2014

- The confirmed first-to-file products now stand at 30
- Post successful litigation wins, Lupin launched the generic versions of Zymaxid® and Trizivir® with 180 days of exclusivity
- The Company also launched the generic version of Niaspan®
- Post settlement, Lupin successfully launched the generic versions of Seasonique®, Trilipix® and Cymbalta®
- During the year, the Company settled 9 pending litigations with various global pharmaceutical companies

During FY 2014, the Company filed 381 new patents, taking the cumulative total to 1762 patents filed till date in India and other countries. This included 108 Formulation patents, 39 API/Process patents, 2 Biotech and 232 NCE patents in India and other countries. The Company received 6 Formulation patents, 6 API Patents and more importantly 2 NCE patents.

Novel Drug Discovery & Development

Lupin's Novel Drug Discovery & Development (NDDD) program focuses on the discovery, development and commercialization of new drugs that address disease areas with significantly unmet medical needs. We have identified targets from which 10 research programs are currently underway. Scientists at NDDD have been working to ensure that our portfolio of novel compounds are progressing and are at various stages ranging 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's NDDD efforts address disease areas such as metabolic disorders, pain and inflammation, autoimmune diseases, CNS disorders, cancer and infectious diseases.

Highlights, FY 2014

- Completed Phase I studies in Europe for a program in the CNS area, which is being advanced to Phase II clinical trials in Europe
- Candidates from two programs in the area of endocrine disorders and cancer have entered clinical phase in FY 2014

Lupin Biotechnology

Over the last six years, Lupin Biotechnology Group (LBG) has been steering its efforts towards the development of affordable, high quality Biosimilars. LBG has a talent pool of 150 scientists who are developing and working on a product basket of 10 Biosimilars. The product basket under development has an interesting mix of blockbuster microbial and mammalian products, addressing diverse and niche therapeutic indications such as Oncology, Inflammation, Antivirals, Osteoporosis, Rheumatoid Arthritis and Ophthalmics.

Highlights, FY 2014

- Lupin's first biosimilars foray into Advanced markets was marked by the entry into a JV with Yoshindo Inc. for developing and commercializing biosimilars for Japan
- 5 of Lupin's biosimilar products are slated to enter the Clinical trial phase this year, having successfully completed pre-clinical studies
- 3 pipeline products preparing to enter pre-clinical phase this financial year

The product development conforms to ICH and biosimilar guidelines issued by the Indian regulatory bodies and is also in tune with the global regulatory landscape. The product development has been supported by innovative and proprietary expression systems, innovative process designs and novel formulations as evidenced through encompassing 15 Indian patent applications, 13 PCT applications, 10 patent applications in regulated markets and 23 publications till date. The JV with Yoshindo would also act as a stepping stone for exploring other regulated markets now.

We are now well positioned to write a new chapter in Lupin's evolution as a global pharmaceutical Company, where we have not only put all the building blocks together but have built a solid foundation to ink a remarkable tomorrow.

Global Manufacturing and Supply Chain

The Business of Quality

In the pharmaceutical world, there are no shortcuts to quality because manufacturing drugs is a responsibility; and carrying it out to the best of our capabilities, an obligation we have.

The Productivity, Quality and Regulatory Compliance standards that we have set for ourselves have become key differentiators to help Lupin emerge as a global generics and specialty pharmaceutical major.

Lupin has a global manufacturing footprint, with operations in India and Japan. The Company operates 12 world-class facilities (10 in India and 2 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) to name a few. A 700+ strong Global Corporate Quality Assurance function spread across all manufacturing locations is not only engaged in developing and implementing policies and quality guidelines for our manufacturing operations but also responsible for ensuring that we stay current with rapidly changing good manufacturing practices as laid down by regulatory agencies globally.

The Company continues to maintain focus not only on building new systems, adopting new technologies and smart automation but is also investing in continuous learning and development programs that keep personnel current with cGMP guidelines, instilling and ingraining quality and compliance deep into our very DNA.

During FY 2014, the Company received certification for International Sustainability Rating Standard, 8th edition (ISRS) from Det Norske Veritas (DNV). The certification was received after audits were conducted at three of the Company's manufacturing facilities in India located at Ankleshwar, Mandideep and Tarapur. Lupin is the first

1st

Pharmaceutical company globally to receive the ISRS 8th edition certification

12

Manufacturing facilities spread across India and Japan

Over **6,000**

Lupinytts engaged in manufacturing and quality

₹29,856 million

Cumulative capital expenditure over the last 7 years

No.1

within US generics players with 99.6% fill rates

pharmaceutical company globally to have received the ISRS 8th edition certification. Using ISRS ensures operations are safe and sustainable which helps improve and demonstrate safety, environmental, and sustained business operations and performance. This certification bears testimony to Lupin's commitment towards adopting best practices in Environment, Health and Safety for Lupin's global manufacturing operations in our mission to remain best-in-class in the industry. We are building new efficiencies by adopting six sigma and lean manufacturing across most of our manufacturing facilities.

Lupin has over the last decade not only ramped up but also set up new manufacturing facilities to meet future demand. Capital Expenditure for the Company stood at ₹4,831 million for FY 2014.

The Company also completely restructured its supply chain by setting up a centralized Global Supply Chain Organization These measures were taken to ensure that we build a future-ready, nimble and strong supply chain. The new division has already implemented and put in place new systems that are enabling a segmented supply chain strategy; long range supply chain strategy for capacity planning and adopting scientific statistical tools for advanced forecasting.

Highlights, FY 2014

- Received the prestigious QCI-DL Shah National Award under the Drugs & Pharmaceuticals category for excellent display of application of six sigma principles
- Optimized manufacturing costs with the rollout of the DISHA program to all locations (based on Lean and Six Sigma principles) to increase productivity and reduce costs
- Our new formulations manufacturing facility in Nagpur is now operational

As we aspire to stay ahead we must fine tune execution to exceed customer expectations to deliver greater value for a better tomorrow.

Human Resources

THE LAST DECADE HAS SEEN LUPIN ON AN ACCELERATED GROWTH PATH AND THE COMPANY TRANSFORM INTO A GLOBAL GENERICS POWERHOUSE AMIDST A HIGHLY COMPETITIVE GLOBAL ENVIRONMENT. WE HAVE GROWN IN SIZE, SCALE, STATURE AND SET STANDARDS FOR OTHERS TO FOLLOW.

We have faced challenges but never lost focus, have been guided by a common vision and shared values and followed the high standards of integrity and governance. This creates an incredibly powerful performing engine that has translated into business success for the Company and professional growth for all our people.

We are proud of our meritocratic culture, the strength and eminence of our leadership team and the values that all Lupinytts practice as a way of life. Our people are our strength and the fountainhead of our competitive advantage. Our HR vision has been built around the fundamental principles of innovation, empowerment and people-development. These principles ultimately translate into an array of policies, practices and processes institutionalized by the HR function and practiced unequivocally by the entire organization.

Innovation is the core of our business and the very heart of everything that we do, be it in research, operations, supply chain or how we have gone about executing flawlessly in markets around the world. Innovation is the not just an element but is in the DNA of Lupin. Our people are always looking at how we can do things better, to not only reinvent processes but deliver world class products. Several HR programs within the Company have been specifically designed to engage and encourage people to ideate, create and innovate. Be it simple suggestion schemes that have actively engaged our employees in the process of workplace improvement and continuous innovation or our Learn & Earn program, which is a classic example of filling the talent gap through innovative and inclusive talent development strategies.

For a Company that is expanding at a rapid pace and is diversified both geographically and business-wise, micromanaging the taskforce is never an option. Empowerment thus becomes critical. The success of Lupin lies in the abilities and business-focused approach of our managers, coupled with a highly engaged and enthused Gen Y workforce. Being in a highly regulated business environment, balancing creativity and freedom of thought with the norms that govern the business, we always

15,000+
Lupinytts globally

30
Years – average age of a Lupinytt

2nd
Rank in the 'Great Place to Work' survey amongst Indian pharma companies

₹150 million
Invested in training and development

72%
Employee retention of team within Lupin for more than 3 years

2,400
Lupinytts covered under the Lupin stock option plan

run the risk of suppressing the entrepreneurial streak in young minds. To that end, we are empowering and enabling our junior and middle management employees through several specially designed leadership development programs such as the 'Leader Plus', 'Managers' Excellence Program', 'Business Leaders Program' that prevents this balance from tipping over and ensuring that we provide our employees with the right tools at the right time and empower them to develop the ability to exercise sound judgment and take decisions through rational and risk-evaluative thinking.

People development is at the very heart of the Company's agenda. At Lupin, we are proud of the slew of learning interventions we offer that caters not only to each stage of the employee lifecycle but is also specific to the nature of each function, role and its characteristics. A combination of structured academic inputs coupled with experiential learning opportunities and high impact accelerator experiences has helped our employees design their own careers at Lupin. We continue to partner with the best academic institutions, such as the Indian Institute of Management (Ahmedabad), SP Jain Institute (Mumbai), Narsee Monjee Institute (Mumbai) and BITS (Pilani). From job enhancement, enrichment and enlargement opportunities to developing technical and behavioural competence and finally fulfilling the aspirations for higher education, we have developed several broad based as well as niche initiatives for every stream within our system. Such focused learning interventions have not only helped groom managers but also ensured their evolution as leaders and from leaders to being visionaries, a value chain that is integral to building a resilient tomorrow. Some examples of these programs are the Area Managers' Excellence program, ASCENT initiative and The Top 100 Managers leadership development program. Lupin won the American Society for Training and Development (ASTD) BEST Award 2014 for Employee Learning and Development.

Our Values of Integrity, Customer Focus, Teamwork, Passion for Excellence, Entrepreneurial Spirit, Respect and Care are aptly christened as 'The Spirit of Lupin' and guide us in all our endeavours.

Lupin is a global team; 15,000 highly-passionate Lupinytts spread across 21 geographies; makes us truly a transnational company. We are passionate and focussed on leaving no stone unturned to ensure the development of each Lupinytt to ensure that each one of us is giving our best and contributing towards an enriching tomorrow.

We are committed to ensuring an insured tomorrow...

WE HAVE A CLEAR VISION FOR THE FUTURE AND HAVE ALREADY BUILT A ROAD-MAP WHICH GIVES US CLEAR LINE-OF-SIGHT AS FAR AS REVENUES AND MARKETS GO.

Lupin had a very strong year in FY 2014. Despite volatility, the Company has delivered a record set of numbers, be it growth in revenues or margins or increased shareholder value. It not only reflects value created and delivered, but is also an expression of the shareholder's trust in the Company and its management over the years.

The Business Performance Matrix

FY 2014 was a landmark year:

- The Company recorded consolidated Net revenues of ₹110,866 million in FY 2014, a growth of 17% over the previous year. The Company has recorded a CAGR of 24% over the last 5 years
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 36% to ₹31,193 million in FY 2014, a CAGR of 33% over the last 5 years
- Profit before tax (PBT) grew by 47% to ₹28,317 million during FY 2014, up from ₹19,246 million, FY 2013
- Net profit grew to ₹18,364 million in FY 2014; a growth of 40%; a CAGR of 30% over the last 5 years
- Our Reserves & Surplus increased to ₹68,419 million during FY 2014

These numbers are an outcome of the Company's overall global growth strategy, be it in how we have gone about growing our existing businesses, calibrating our M&A strategy in terms of prioritizing markets and perfecting our entry into these high growth geographies. It is also an outcome of our continued investments in new therapies, technology and building a niche product pipeline, not to mention a rigorous attention to input costs in a never-ending quest to improve margins.

We have a clear vision for the future and have already built a road-map which gives us a clear line-of-sight in so far as revenues and markets go. We have built systems and are continually strengthening our processes to help us mitigate volatility and risks. FY 2014 saw the Company not only increase its investment in R&D but also saw us expand our research base by acquiring Nanomi B.V. in the Netherlands and also set up two new research and development centres in the US, which would help us address niche segments like Inhalation and Complex Injectables globally. Lupin also took its first steps to address the global biological opportunity by entering into a joint venture agreement with Yoshindo Inc., Japan, which would help the Company address the Japanese biologics market and also make inroads into global markets. FY 2014 was also the year where the Company announced its entry into the Latin American market by acquiring Laboratorios Grin, a specialty pharmaceutical company in Mexico. It is the 4th largest ophthalmological player in the Mexican market.

The Market Matrix

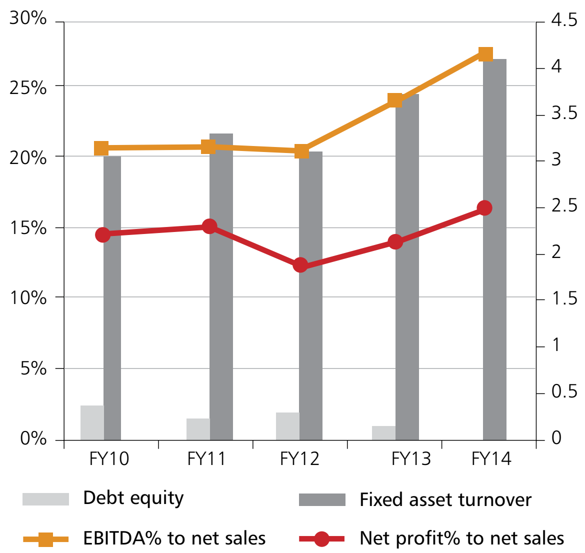
- Advanced market (US & Europe) sales increased to ₹51,805 million in FY 2014 as compared to ₹40,051 million in FY 2013, a growth of 29%
- Lupin's India Region Formulations business Net revenues increased to ₹24,795 million during FY 2014, a growth of 5%

- Lupin's Japanese business recorded revenues of ₹12,955 million during FY 2014 and contributed 12% to the Company's overall revenues, a de-growth of 1%
- Lupin's South African Subsidiary Pharma Dynamics reported sales of ₹3,800 million in FY 2014 as compared to ₹3,210 million in FY 2013, growth by 18%
- The Company's global API business clocked in revenues of ₹11,140 million a growth of 17%

Strong Balance Sheet

We have delivered a strong balance sheet yet another year; more importantly a debt-free balance sheet bolstered by strong and positive cash flows, all of which we would be leveraging to strengthen and capitalize on larger opportunities to grow the business faster. 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 ₹28,158 million as on 31st March, 2014 as against ₹24,312 million in the previous year.



The Company has improved its financial performance significantly over the years. The Asset turnover ratio has improved from 3 to 4.1 during the same period despite substantial increase in capacities.

Earnings per share, Dividends & Taxation

The Company recorded a growth of 39% in Earnings per Share (EPS) to ₹40.99 during the financial year FY 2014. The Board of Directors recommended a dividend of 300%, a YoY increase of 100%. Lupin delivered an outstanding shareholder return of 48% during FY 2014, outperforming the BSE Sensex (19%) & BSE Healthcare Index (25%). This translates into a market cap increase from ₹281 billion at the beginning of April 2013 to ₹418 billion by the end of March 2014.

The Company's tax expense for FY 2014 was ₹9,622 million as compared to ₹5,842 million for FY 2013. The aggregate tax obligations of the Company were significantly higher during FY 2014 due to changes in tax regimes; some of our Tax Free Production Zones losing their benefits; the one time impact of tax on dividend received from our US subsidiary and tax that was levied on inventories shipped to overseas subsidiaries for new launches part of which remained unsold towards the year end. The effective rate of tax increased to 34% during FY 2014 as a result of the above.

Capital Allocation – Investing in Tomorrow

Capital expenditure

The Company continues to invest ahead of the curve and deployed ₹4,831 million towards capital expenditure during FY 2014. Capital expenditure was deployed towards setting up new facilities and enhancement of existing capacities. The underlined importance of technology and safe-guarding intellectual property saw the Company allocate a sizeable chunk on ramping up and investing in new IT infrastructure & Intangible assets.

Research & Development

Revenue Expenditure on R&D increased to ₹9,294 million, 8.4% of Lupin's net sales globally, which indicates how aggressively the Company is investing in our future to creating meaningful and differentiated technology platforms and a niche, highly differentiated proprietary product pipeline, a great pointer to the quality of our future earnings.

Internal Control Systems & Information Technology (IT)

At Lupin, we have put in place automated internal business controls and a centralized global process framework that works and governs the day-to-day operations of key functions like research, technical operations, global procurement, manufacturing and supply chain, integrating them with key support functions like marketing, sales, finance, regulatory affairs and HR. An alert and empowered internal audit group monitors systems and processes ensuring that automated control procedures ensure prudent financial control, accountability and integrity in every part of our organization. Ernst and Young are our internal auditors and submit reports and updates to the Audit Committee of the Board, which reviews and provides direction on how we can further enhance controls within the Company.

The Company continues to invest heavily to ensure that we remain a truly scalable, technologically advanced, process-integrated IT enabled organization globally.

- Implemented state-of-art IT system to support the Company's Global Supply Chain
- Implemented technologies to optimize Lupin's global network and critical applications infrastructure, as well as to make it resilient in the event of a disaster
- Re-modelled the tax structure in the SAP system for the India business, to position it for upcoming statutory changes such as GST and DTC
- Implemented Quality Assurance Management Systems at manufacturing locations to automate and improve compliance in key quality assurance processes
- Implemented best-in-class IT technologies in networks and firewalls to enhance Lupin's enterprise security

Risks, Concerns & Threats

Lupin has over the last decade built a strong financial organisation. Governed by a strong compliance ethic, it relies heavily on risk management and forecasting frameworks to manage competitive, economic, financial, geo-political and social risks. Coupled with our investments in IT and Business intelligence, Lupin has put in place information security, disaster management and recovery solutions to ensure that our Intellectual property is secure and business operations continue to function without any disruptions globally. We have put in place response mechanisms that mitigate environmental, operational and business risks and minimize impact on business. The Company's currency hedging strategy for the short, mid and the long-term through forward exchange contracts, have helped minimise volatility and have helped buffer the impact of currency exchange rate fluctuations. We benefited by the steep depreciation of the Rupee against major global currencies like the USD and the EURO during FY 2014. Close to 75% of the Company's revenues come from exports and sales in other markets.

FY 2014 was a challenging year for our India region formulations business given the Drug Price Control Order (DPCO) and related events that affected the entire Indian Pharmaceutical Industry. Our handling of the situation and the Company's current and envisaged therapy and product mix in the domestic market ensured that Lupin remained on the growth path in the domestic market, ending the year on a positive note.

Lupin continues to de-risk its global business by creating efficiencies within its systems. We are adopting best practices, learning and working with global domain leaders be it in research, quality or procurement; we are collaborating with leading institutions, think tanks, vendor partners, peers and our customers. We are working at every step to create value for all our stakeholders. More importantly, we are creating value for tomorrow.

Regards,

Ramesh Swaminathan
Chief Financial Officer
Lupin Limited

Corporate Social Obligation

WE BELIEVE, WE COLLECTIVELY AS CORPORATE INDIA HAVE THE FUNDAMENTALS IN PLACE TO SHAPE A BETTER FUTURE FOR SOCIETY AND WE MUST EMBRACE THIS NOT AS A RESPONSIBILITY BUT AN OBLIGATION. THIS IS WHAT LED LUPIN TO SET UP THE LUPIN HUMAN WELFARE & RESEARCH FOUNDATION (LHWRF) IN 1988; 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.

LHWRF is focussed on building a sustainable model which would aim to improve Human Development Indices (HDI) in its chosen geographic area of operations.

LHWRF operates in districts with a low HDI score such as Alwar, Dhaulpur, Karauli and Bharatpur in Rajasthan; Dhule, Nandurbar, Pune and Sindhudurg in Maharashtra; Raisen in Madhya Pradesh and Dehradun in Uttarakhand. In addition, of the ten locations where Lupin's manufacturing plants are located, LHWRF has initiated development work at all the locations except Jammu and Nagpur, which will be taken up in FY 2015.

We have worked hard over the last 26 years in creating, developing, nurturing and executing programs in partnership with the rural communities we choose to work with. We have collaborated with numerous institutions, governments, individuals, visionaries and domain experts on multiple projects to ensure growth and progress for the communities we serve. LHWRF reaches out to 2.8 million people, living in 3100 villages spread across 4 states in India. We are passionate about what we have set out to do, about transforming the rural landscape of the country; about changing the lives of the communities we exist in and

Floriculture at Deeg, Bharatpur

2.08 million
Human lives touched

3,100
Villages to which LHWRF reaches out

₹500 million
Mobilized by LHWRF

8
Lupin locations where we carry out CSR

work with; we are working to create a happier more meaningful tomorrow.

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

Economic Development

Agriculture

The Foundation works to improve the income levels and living conditions of farmers by propagating the introduction and use of modern agricultural equipment, crop diversification and technology infusion to enhance farm productivity. Our intervention in agricultural sector focuses on crop diversification and productivity enhancement.

Animal Husbandry

LHWRF focusses on improving productivity by inducting livestock of superior breeds and on breed improvement. This is complemented by routine activities such as providing animal health services, organising vaccination camps, ensuring fodder security and introducing advanced cattle management and livestock productivity practices.

Rural Industries Promotion

LHWRF continues to focus on skill development for rural population, particularly youth and women enabling them to become entrepreneurs by facilitating timely micro-finance support. In FY 2014, LHWRF provided skill training to 4,478 persons and facilitated establishment of about 4,014 new self-enterprises.

Poultry works for income generation

A rural youth engaged in gems polishing work

Provided tents for flood victim families

Rural women after eye surgical operation

Financial Inclusion

LHWRF collaborated with State Bank of Bikaner and Jaipur (SBBJ) to implement an innovative programme that enables banks to go to rural households. Initiated in FY 2013, the programme has led to 1,20,000 new accounts opened across 560 villages in 6 districts in eastern Rajasthan.

Social Development

Women empowerment

Economic independence is critical to women, their development and empowerment in rural India. The Foundation has focused on strengthening Self-Help Groups (SHGs) to encourage employability and development. Linking these SHGs with financial institutions and banks ensures timely and much-needed credit. SHG movement in adopted areas has resulted in development of leadership qualities and economic empowerment amongst rural women.

Health

Quality and in-time health care is the most basic need in rural areas. The Foundation has made health services available even in the most inaccessible parts. In FY 2014, about 2.5 lakh patients were treated through medical camps and our Mobile Medical Diagnostic Unit (MMDU).

Education

LHWRF has introduced e-learning systems to make education exciting and easy for students as well as teachers. This unique initiative has not only improved the quality of education but has also improved retention. These school based interventions have also helped reduce dropout rates.

Natural Resource Management (NRM)

Natural resource conservation is critical to the local eco-system and thereby to the rural economy. Various NRM measures such as construction of check dams, ponds, anicuts, farm bunds and excavation of streams are undertaken by the foundation for soil and water conservation in its adopted areas.

Infrastructure

The foundation focusses on school infrastructure, rural sanitation and housing for improving the quality of life in its adopted areas.

Post Disaster Response in Uttarakhand

In June 2013, LHWRF adopted three districts in the state of Uttarakhand; Uttarkashi, Chamoli and Rudraprayag which were hit badly due to the devastating floods and landslides that caused unprecedented damage.

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SEVEN YEARS FINANCIAL SUMMARY

CONSOLIDATED BALANCE SHEET

₹ in million

As at March 31,	2008	2009	2010	2011	2012	2013	2014
SOURCES OF FUNDS							
Shareholders' funds							
Equity Share Capital	820.8	828.2	889.4	892.4	893.3	895.1	896.8
Reserves and Surplus	11,976.0	13,420.0	24,788.9	31,918.4	39,235.6	51,146.7	68,418.9
	12,796.8	14,248.2	25,678.3	32,810.8	40,128.9	52,041.8	69,315.7
Minority Interest	94.5	142.5	254.9	515.1	722.9	594.5	669.4
Loan Funds							
Secured Loans	7,080.6	7,569.2	8,722.4	7,885.9	8,161.2	6,369.2	1,195.6
Unsecured Loans	4,948.2	4,663.5	2,676.1	3,738.0	8,229.8	5,275.7	5,341.8
	12,028.8	12,232.7	11,398.5	11,623.9	16,391.0	11,644.9	6,537.4
Deferred Tax Liabilities (net)	1,248.0	1,387.2	1,630.4	1,791.8	1,910.1	2,336.8	2,486.6
TOTAL	**26,168.1**	**28,010.6**	**38,962.1**	**46,741.6**	**59,152.9**	**66,618.0**	**79,009.1**
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	46,260.3
Less : Depreciation and Amortisation	4,697.5	6,188.3	7,072.2	9,075.1	14,421.8	16,840.4	19,283.0
Net Block	10,161.3	12,012.0	15,864.9	17,313.4	22,456.6	24,928.5	26,977.3
Capital Work-in-Progress (incl. Capital Advances)	963.8	2,239.7	3,578.7	5,319.3	4,973.7	3,909.0	4,110.2
	11,125.1	14,251.7	19,443.6	22,632.7	27,430.3	28,837.5	31,087.5
Goodwill on Consolidation	1,872.3	3,173.7	3,196.8	3,254.9	5,040.0	5,073.2	6,578.7
Investments	58.2	215.6	264.3	31.5	28.0	20.6	20.6
Deferred Tax Assets (net)	141.2	222.8	195.4	380.5	467.8	704.4	708.1
Other Assets							
Inventories	7,893.4	9,571.6	9,714.9	11,999.6	17,326.7	19,489.3	21,294.5
Receivables	7,439.0	9,179.7	11,265.7	12,556.4	17,800.1	21,869.9	24,641.0
Cash and Bank Balances (incl. Current Investments)	2,741.8	777.7	2,015.3	4,201.4	4,024.7	4,348.8	9,739.1
Others	2,367.0	2,779.7	4,758.6	6,186.6	7,704.6	8,794.9	7,990.8
	20,441.2	22,308.7	27,754.5	34,944.0	46,856.1	54,502.9	63,665.4
Other Liabilities							
Liabilities	6,018.8	10,334.8	9,663.4	11,779.3	16,730.5	17,836.4	18,272.3
Provisions	1,451.1	1,827.1	2,229.1	2,722.7	3,938.8	4,684.2	4,778.9
	7,469.9	12,161.9	11,892.5	14,502.0	20,669.3	22,520.6	23,051.2
Net Other Assets	12,971.3	10,146.8	15,862.0	20,442.0	26,186.8	31,982.3	40,614.2
TOTAL	**26,168.1**	**28,010.6**	**38,962.1**	**46,741.6**	**59,152.9**	**66,618.0**	**79,009.1**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in million

Year ended March 31,	2008	2009	2010	2011	2012	2013	2014
INCOME							
Sales (Gross)	29,007.4	38,428.9	48,009.5	57,421.7	70,017.2	95,235.3	111,671.2
Less : Excise Duty	666.4	479.0	273.2	353.5	420.2	619.0	804.8
Sales (net)	28,341.0	37,949.9	47,736.3	57,068.2	69,597.0	94,616.3	110,866.4
Other Operating Income	575.9	637.1	762.5	1,121.5	1,232.1	1,796.7	1,999.3
Other Income	211.3	125.5	351.1	221.9	143.5	278.5	1,164.8
Total Income	**29,128.2**	**38,712.5**	**48,849.9**	**58,411.6**	**70,972.6**	**96,691.5**	**114,030.5**
EXPENDITURE							
Cost of Materials	11,638.0	16,043.1	19,694.2	22,379.3	26,039.0	35,485.0	38,173.8
Employee Benefits Expense	3,076.0	4,871.3	5,871.5	7,675.6	9,695.3	12,666.2	14,646.5
Manufacturing and Other Expenses	7,991.2	10,359.2	13,303.3	16,356.4	20,647.7	25,562.9	30,017.5
Total Expenses	**22,705.2**	**31,273.6**	**38,869.0**	**46,411.3**	**56,382.0**	**73,714.1**	**82,837.8**
Profit before Interest, Depreciation and Tax	6,423.0	7,438.9	9,980.9	12,000.3	14,590.6	22,977.4	31,192.7
Finance Cost	373.5	498.6	384.9	344.8	354.7	409.5	266.5
Depreciation and Amortisation	647.4	879.9	1,239.1	1,711.8	2,275.2	3,321.9	2,609.7
Profit before Tax	5,402.1	6,060.4	8,356.9	9,943.7	11,960.7	19,246.0	28,316.5
Current Tax	1,022.6	727.0	1,109.8	1,176.3	2,756.2	5,829.0	9,536.0
Deferred Tax	180.6	106.2	250.4	(26.5)	329.4	12.6	85.5
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	18,695.0
Minority Interest	1.3	28.6	111.6	148.4	198.6	262.8	331.3
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**	**18,363.7**

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, 2014.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Sales (Gross)	88576.6	70723.9	111671.2	95235.3
Profit before interest, depreciation and tax	33277.1	19072.3	31192.7	22977.4
Less: Interest and finance charges	209.9	332.8	266.5	409.5
Less: Depreciation and amortisation	1676.3	1501.4	2609.7	3321.9
Profit before tax	31390.9	17238.1	28316.5	19246.0
Less: Provision for taxation (including deferred tax)	8148.7	4633.8	9621.5	5841.6
Net Profit before Minority Interest	23242.2	12604.3	18695.0	13404.4
Less: Minority Interest	-	-	331.3	262.8
Net Profit	**23242.2**	**12604.3**	**18363.7**	**13141.6**
Add: Surplus brought forward from previous year	28539.2	19530.2	31172.1	21345.2
Amount available for Appropriation	**51781.4**	**32134.5**	**49535.8**	**34486.8**
Appropriations:				
Transfer to General Reserve	2500.0	1500.0	2500.0	1500.0
Add: Transfer from Minority Interest	-	-	-	280.6
Interim Dividend on Equity Shares	1345.0	-	1345.0	-
Proposed final dividend on Equity Shares	1345.1	1790.1	1345.1	1790.1
Dividend on Equity Shares for previous year	1.1	0.9	1.1	0.9
Reversal of Corporate Tax on Final Dividend for previous years (In terms of Section 115-O/115BBD of the Income Tax Act, 1961)	(304.2)	-	(304.2)	-
Corporate Tax on dividend	247.8	304.3	247.8	304.3
Balance carried to Balance Sheet	46646.6	28539.2	44401	31172.1
	51781.4	**32134.5**	**49535.8**	**34486.8**

Performance Review

During the year, your Company's turnover crossed ₹ 111 billion, with Consolidated Gross Sales clocking ₹ 111671.2 million as against ₹ 95235.3 million of the previous year, higher by 17%. International markets accounted for 74% of sales. Profit before interest, depreciation and tax increased by 36% at ₹ 31192.7 million as against ₹ 22977.4 million in the previous year. Profit before tax was ₹ 28316.5 million, higher by 47% over the previous year. After providing for taxes and minority interest, net profit was ₹ 18363.7 million, higher by 40% over the previous year. Earnings per share was ₹ 40.99.

Dividend

Your Directors are pleased to recommend final dividend at ₹ 3/- per equity share of ₹ 2/- each, for the year ended March 31, 2014, subject to the approval of the members at the ensuing Annual General Meeting. At its meeting held on February 3, 2014, the Board of Directors declared interim dividend of ₹ 3/- per equity share of ₹ 2/- each, which was paid on February 21, 2014. Thus, the total dividend for the year shall be 300% i.e. ₹ 6/- per equity share (as against 200% last year) amounting to ₹ 2690.1 million.

Share Capital

During the year, the paid-up equity share capital of your Company rose by ₹ 1.7 million consequent to the allotment of 846311 equity shares of ₹ 2/- each to eligible employees under the 'Lupin Employees Stock Option Plan 2003', 'Lupin Employees Stock Option Plan 2005', 'Lupin Subsidiary Companies Employees Stock Option Plan 2005', 'Lupin Employees Stock Option Plan 2011' and 'Lupin Subsidiary Companies 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 and the outlook was revised from 'Stable' to 'Positive'.

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 and the outlook was been revised from 'Stable' to 'Positive'. The Company did not issue any long-term NCDs during the year.

Acquisitions

In its strategy to pursue inorganic growth for further accelerating its progress and expanding its presence in select geographies, your Company made the following acquisitions through Lupin Atlantis Holdings SA, Switzerland, wholly-owned subsidiary: -

a) the entire shareholding of Laboratorios Grin, S.A. DE C.V., Mexico, ('Lab Grin'). Lab Grin, a 60 year old company specializing in Opthalmics. It is ranked 4th in the Opthalmics segment in the Mexican market, commanding 11% market share with a CAGR of 10%. Lab Grin has superior brand recognition and an outstanding reputation with the medical community. It has state-of-the-art manufacturing facility, a highly regarded management team and attractive profitability margins. The Company believes that the acquisition would add value in the opthalmic pharmaceutical and opthalmic vision care segments. The deal is subject to compliance to certain conditions which were yet to be fulfilled as on date.

(b) the entire shareholding of Nanomi B.V., the Netherlands, ('Nanomi') to make significant in-roads into the niche area of complex injectables. Nanomi has patented technology platforms to develop complex injectable products and a rich talent pool of scientists who would be backed by the Company's global R&D and manufacturing teams.

Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company, acquired the entire shareholding of Farma World Importacao e Exportacao de Medicamentos LTDA - EPP, Brazil ('Farma World'). The objective of Farma World is to import and export finished dosages, API, R&D consulting and participate in investments in Brazil and abroad.

Subsidiary Companies

As on March 31, 2014, the Company had 23 subsidiaries. Lupin Inc., U.S.A. and Lupin GmbH, Switzerland, wholly-owned subsidiaries, were incorporated on June 27, 2013 and August 15, 2013 respectively.

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

In compliance with Clause 55 of the Listing Agreement, the 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, 2014 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

Pursuant to the provisions of Section 152 of the Companies Act, 2013, ('Act'), Dr. Kamal K. Sharma, Vice Chairman, retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. Pursuant to the provisions of Section 149 of the Act, Dr. Vijay Kelkar, Mr. Richard Zahn, Mr. R. A. Shah, Dr. K. U. Mada and Mr. Dileep C. Choksi are being appointed as independent directors for a period of one year at the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting.

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. During the year, seven deposits aggregating ₹ 63,000/- lying unclaimed with the Company were transferred to the Investor Education and Protection Fund, pursuant to the relevant guidelines. No deposit was outstanding or lying unclaimed with the Company, as on March 31, 2014.

Auditors

Statutory Auditors of the Company, Deloitte Haskins & Sells LLP, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting. They will be completing 10 consecutive years as Statutory Auditors of the Company. Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with Rule 6 of the Companies (Audit and Auditors) Rules 2014, they will be re-appointed for a period of two years from the conclusion of the Thirty-Second Annual General Meeting till the conclusion of the Thirty-Fourth Annual General Meeting. The Audit Committee and the Board of Directors recommend their re-appointment as Statutory Auditors of your Company.

Ernst & Young LLP, Mumbai, are the Internal Auditors of the Company.

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 as Cost Auditor to conduct audit of cost records for the year ended March 31, 2014. 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, the Cost Audit Report for Bulk Drugs and Formulations, for the year ended March 31, 2013 was filed with the Central Government on September 27, 2013, in the Extensible Business Reporting Language (XBRL) mode.

Employees Stock Options

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 are set out in Annexure 'B' forming part of this Report.

Human Resources

Your Company was ranked 2nd amongst 'India's Best Companies to Work for - 2013' 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. The Company continues to be in the Top 2 for the third year in a row. This recognition is a true testimony of superior people practices, pride of the employees as also overall employee orientation. The Company firmly believes that people are its most valued resource and their efficiency plays a key role in achieving set goals and building a competitive work environment. The Company regularly conducts several programs across various levels which include development programs and employee-friendly policies, in order to attract, retain and develop best available talents.

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 all employees of your Company for their hard work, continued dedication, commitment and significant contributions. Your Directors wish to express their gratitude to the Central and State governments, members, analysts, banks, financial institutions, business associates, customers, medical professionals, distributors and suppliers, for their continued whole-hearted support.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman
Mumbai, May 7, 2014

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) Manufactured products by enzymatic route in place of chemical route.

ii) Shifted load of reciprocating refrigeration compressor on screw compressor.

iii) Replaced certain operations like centrifuging with agitated nutsche filtration.

iv) Installed automatic solar light sensors for external street lighting.

v) Shifted load from chilled brine to chilled water.

vi) Replaced FTL lamps with energy saving T5 lamps.

vii) Utilised RO reject water in cooling tower thereby reducing water load on ETP.

viii) Replaced reciprocating compressor having high specific power consumption with screw compressor having low specific power consumption.

ix) Redesigned distillation column internals packing.

x) Installed condensing and IBR economizers for Boiler.

xi) Pre-heating the feed by using heat of in distillation columns.

xii) Converted chilling plant from design temperature to operating temperature.

xiii) Installed lighting energy saving panel at OC Block.

b) **Additional investments and proposals:**

i) AHU conversion from DX to chilled water system.

ii) Re-sizing of utility headers.

iii) Install energy efficient induction motors.

iv) Reduction of reflux ratio in distillation column by increasing stages.

v) Hot water generation by flash using steam.

vi) Install pressure reducing station at vaccum ejector.

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

i) Boiler efficiency improved.

ii) Reduced consumption of water, power and fuel resulting in lowering overall costs.

iii) Reduction in pumping energy cost.

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

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, 2014	Year ended March 31, 2013
A. POWER & FUEL CONSUMPTION			
1. *Electricity*			
a) *Purchased Units*	Thousand KWH	279386	256966
Total amount	₹ in Mn.	1669	1652
Rate/unit (KWH)	₹	6.0	6.4
b) *Own Generation*			
i) *Through Diesel Generator (HSD)*			
Units	Thousand KWH	6261	4996
Units per litre of diesel oil	KWH	3.0	3.0
Cost/unit (KWH)	₹	16.2	15.1
ii) *Through Generator (furnace oil)*			
Units	Thousand KWH	Nil	63
Units per litre of furnace oil	KWH	Nil	3.3
Cost/unit (KWH)	₹	Nil	12.2
iii) *Through Generator (gas)*			
Units	Thousand KWH	165	8402
Units per M3 of Natural gas	KWH	3.5	3.7
Cost/unit (KWH)	₹	13.5	9.0
2. *Coal*		Nil	Nil
3. *Furnace oil (Boiler)*			
Quantity	KL	11216	11947
Total amount	₹ in Mn.	474.7	494.0
Rate/unit (KL)	₹	42328	41352
4. i) *Natural gas*			
Quantity	Cu. mts.	15227806	14871096
Total amount	₹ in Mn.	527.6	432.4
Rate/unit (Cu. mt.)	₹	34.7	29.1
ii) *Briquette (Boiler)*			
Quantity	MT	7833.9	4557
Total amount	₹ in Mn.	29.5	16.7
Rate/unit (MT)	₹	3.8	3.7

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:

A year of heightened activity, FY 2014 saw the Company continue to step-up its filings made by the process & formulations research group. FY 2014 also marked us making progress in our Novel Drug Discovery and Development (NDDD) and Biotechnology research programs. Our generics research programs continue to fuel the Company's growth into higher orbits of leadership in advanced as well as emerging markets. Our ADDS programs continue to focus on creating and leveraging technologies which are helping build a differentiated pipeline of branded products and out-licensing opportunities. The Bioresearch Centre conducts bioequivalence testing for generic products and branded formulations which forms a part of the regulatory filings and supports PK studies of Biosimilars as well as respiratory products. Our NDDD program continues to focus on the discovery, development and commercialisation of new drugs for new therapies for various diseases. 10 research programs are currently underway with significant progress having been made in several of the novel compounds which are currently at various stages of clinical trials. The Biotechnology group has been steering its efforts towards the development of affordable, high quality Biosimilars for emerging and advanced markets like Japan.

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

During the year, the Company filed 11 US DMFs (149 till date), 1 EDMF, 1 CEP, 3 Australia DMFs, 1 Japan DMF and 3 Canada DMFs. It was a productive year for the pharmaceutical research group as efforts bore fruits in the form of 45 approvals in key advanced markets including 22 and one Supplemental NDA in the US, 10 in EU, 6 in Australia, 5 in Canada and 2 in Japan. The Company also filed 19 ANDAs (of which, 4 are potentially first-to-file) with the US FDA, 4 MAAs with European regulatory authorities, 4 MAAs in Australia and 2 ANDS in Canada. The cumulative ANDA filings with the USFDA stood at 192 with 99 approvals. The Company has 30 confirmed first-to-files including 15 exclusive ones. The cumulative filings with the EU were 57 of which 48 approvals have been received to date. During the year, the Bioresearch Centre completed 35 full studies taking the cumulative tally to 156. During the year, the Company filed 3 trade marks and 381 (1762 till date) patents (108 Formulations, 39 API/Process, 232 NCE and 2 Biotech patents). The Company's ADDS program received further project milestone payments aggregating USD 8.8 mn. for two products that are currently under joint development with Medicis Pharmaceutical Corporation, US. The Company also completed technology transfer to a US CMO site for two of its two-drug fixed dose combination extended release NDA products in FY 2014.

3) Future plan of action:

The Company has identified future areas of growth and shall prudently invest to move up the technology curve and tap new markets and global opportunities. FY 2014 saw the Company acquire Nanomi B.V. in the Netherlands for its patented technology platforms that it plans to leverage to develop complex injectable products. In keeping with our global strategy of building a highly differentiated generic and specialty business, the Company is also in the process to setting up two dedicated Centres of Excellence for research in Inhalation and Complex Injectables in Florida and Maryland in the US. Our commitment to this project has seen us attract the best research talent for these therapies globally. The Company also got into a strategic joint venture agreement with Japanese pharmaceuticals company, Yoshindo Inc. (Yoshindo) to create a new entity, YL Biologics (YLB). YLB will be responsible for conducting clinical development of certain Biosimilars including regulatory filings and obtaining marketing authorizations in Japan. The agreement creates a roadmap for the eventual launch of Biosimilars in the Japanese market and would also act as a stepping stone for exploring other regulated markets.

Our NDDD efforts will continue to be directed towards identifying and developing new therapies for disease areas that include Metabolic disorders, Pain, Inflammation, Autoimmune diseases, CNS disorders, Cancer and Infectious diseases. Scientists from our NDDD group have been working to ensure that our portfolio of novel compounds are progressing from discovery to development, aiming to ensure that at least one compound enters the clinical phase in terms of first-in-human studies each year.

4) Expenditure on R&D (Consolidated):

a.	Capital	₹ 635.1 Mn.
b.	Recurring (excluding depreciation of ₹ 346.4 Mn.)	₹ 8947.7 Mn.
c.	Total	₹ 9582.8 Mn.
d.	Total R&D expenditure as a percentage of net sales	8.6%

Technology absorption, adaptation and innovation:

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

One of the key reasons why the Company continues to witness sustained growth across markets has been the collaborative framework that it operates within globally; where the core business and strategy groups work in tandem with the regulatory, research, technical operations and intellectual property groups for creating the business strategy behind building a quality product pipeline.

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

The Company continues to witness high and sustained growth across all its businesses; growth that has been achieved on the back of a robust research foundation that continues to deliver innovative quality products that has made us the 3rd largest Indian pharmaceutical company by revenues and the 10th largest generic pharmaceutical company globally by revenues (Bloomberg, June - 2014). The Company continues to be the 5th largest and fastest growing generics player in the US (5.2% market share by prescriptions, IMS Health) and also continues to be amongst the fastest growing top 10 generic pharmaceutical player in markets like Japan and South Africa (IMS).

The Company continues to build on it leadership and market presence in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space in addition to being the global leaders in the Anti-TB and Cephalosporin segments.

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 ₹ 60055.9 Mn. and expenditure ₹ 16051 Mn.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman
Mumbai, May 7, 2014

ANNEXURE 'B' TO
THE DIRECTORS' REPORT

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2014

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 as on March 31, 2014 are as under:

No.	Description	Details	
a)	Options granted during the year	**Plan**	**No. of options**
		ESOP 2003	50000
		ESOP 2011	946250
		SESOP 2011	185090
		Total:	**1181340**
b)	The pricing formula	• Exercise price for1131340 options is the market price of the share, as defined under the SEBI Guidelines. • Exercise price for 50000 options is 50% of the market price of the share, as defined under the SEBI Guidelines.	
c)	Options vested during the year	**Plan**	**No. of options**
		ESOP 2003	238000
		ESOP 2005	209875
		SESOP 2005	129039
		ESOP 2011	541151
		SESOP 2011	70542
		Total:	**1188607**
d)	Options exercised during the year	**Plan**	**No. of options**
		ESOP 2003	274226
		ESOP 2005	252516
		SESOP 2005	65986
		ESOP 2011	248696
		SESOP 2011	4887
		Total:	**846311**
e)	Total number of shares arising as result of exercise of options	**Plan**	**No. of options**
		ESOP 2003	274226
		ESOP 2005	252516
		SESOP 2005	65986
		ESOP 2011	248696
		SESOP 2011	4887
		Total:	**846311**
f)	Options lapsed during the year	Lapsed on account of resignation of employees:	
		Plan	**No. of options**
		ESOP 2005	4875
		ESOP 2011	219062
		SESOP 2011	57950
		Total:	**281887**
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		62785553.93
		ESOP 2005		43142854.45
		SESOP 2005		14373730.38
		ESOP 2011		116894468.70
		SESOP 2011		2273708.15
		Total:		**239470315.61**
i)	Total no. of options in force	**Plan**		**No. of options**
		ESOP 2003		539389
		ESOP 2005		494529
		SESOP 2005		364133
		ESOP 2011		2737539
		SESOP 2011		429033
		Total:		**4564623**
j)	Employee-wise details of options granted to: -			
	i. Senior Managerial Personnel		**No. of options**	**Plan**
		Dr. Kamal K. Sharma	50000	ESOP 2003
	ii. Employees to whom options granted amounting to 5% or more, of the total options granted during the year	Nil		
	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 31.03.2014, calculated in accordance with Accounting Standard (AS) 20 'Earnings per share'	Diluted earnings per share as on 31.03.2014 - ₹ 51.62 ESOPs outstanding as on 31.03.2014 - 4564623 shares		
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 shall also be disclosed	Net Income would be lower by - ₹ 291.5 million Adjusted EPS: **Standalone** - Basic : ₹ 51.23 - Diluted : ₹ 50.97 **Consolidated** - Basic : ₹ 40.34 - Diluted : ₹ 40.14		

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 : ₹ 867.03 b. Exercise price is greater than market price : N.A. c. Exercise price is less than the market price : ₹ 439.43 (ii) Weighted average fair value of options granted during the year whose: - a. Exercise price equals market price : ₹ 399.10 b. Exercise price is greater than market price : N.A. c. Exercise price is less than the market price : ₹ 597.22

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.
- Expected 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 interest rate: 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 / Expected Life: 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 2003**	**ESOP 2011**	**ESOP 2011**	**SESOP 2011**	**SESOP 2011**	**SESOP 2011**	**SESOP 2011**	**SESOP 2011**
Grant date	07.10.13	26.07.13	13.11.13	02.08.13	13.08.13	13.11.13	27.12.13	14.02.14
Risk free rate (%)	8.62	8.44	8.88	8.52	8.41	8.88	9.02	9.02
Expected life (years)	5.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Volatility (%)	32.39	32.62	32.48	32.60	32.71	32.48	32.19	31.92
Dividend yield (%)	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Stock price (NSE closing rate) ₹	895.25	854.85	874.70	890.95	838.80	874.70	906.10	901.35
Option Fair Value ₹	**597.22**	**394.53**	**415.00**	**421.96**	**396.75**	**415.00**	**430.26**	**429.57**

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
ESOP 2011 - Lupin Employees Stock Option Plan 2011
SESOP 2011 - Lupin Subsidiary Companies Employees Stock Option Plan 2011

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman
Mumbai, May 7, 2014

CORPORATE GOVERNANCE REPORT

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

Your Company is firmly committed to good corporate governance which underpins its success and integrity. The Company adheres to the highest standards of ethical, moral and legal conduct of its business operations. Your Company strongly believes that adopting the best global governance practices is the key to build sustainable and efficient business environment. Strong leadership together with good corporate governance practices has been the Company's hallmark. The corporate governance philosophy is aimed at achieving complete transparency and accountability towards its stakeholders and assisting the top management in taking sound business decisions. The Company's legacies of professionalism, fairness and trusteeship have been the guiding pillars which have enhanced shareholder value.

The Company believes that good governance is a continuous process and is committed to pursue the highest standards of corporate governance across all geographies. The Company is of the firm view that active, independent and well informed Board is integral to attain the highest standards of governance. The Board has an optimum mix of executive and independent non-executive directors who are well experienced, competent and highly respected persons in their chosen fields. The Board is committed to evolve and adopt the best practices of Corporate Governance on an on-going basis.

All mandatory requirements and a few non-mandatory requirements prescribed by Clause 49 of the Listing Agreement, such as formation of 'Remuneration Committee' and 'Whistle Blower Policy' have been implemented by the Company. The Codes of Conduct adopted by the directors and senior management personnel are posted on the website of the Company (www.lupinworld.com). All Board members and senior management personnel have affirmed compliance with the respective Codes of Conduct for the year ended March 31, 2014. In terms of Clause 49(I)(D) of the Listing Agreement, the Managing Director has given the requisite declaration to this effect. The Company continues to be in the regime of unqualified financial statements and there was no audit qualification in its financial statements for the year ended March 31, 2014.

The Company promotes a culture of free speech and intolerance of corrupt and immoral practices. Employees are encouraged to come forward and express their concerns about suspected misconduct without fear of punishment or unfair treatment. The Company has instituted PLEDGE (Preparing Lupin Employees to Demonstrate Corporate Governance and Ethical Conduct), an initiative encompassing three important policies namely, Code of Conduct, Whistle Blower Policy and Prevention of Workplace Harassment. Employees are free to raise their concerns and report any potential violations of Company policies or Code of Conduct to the office of the Ombudsperson, easily and free of any fear of retaliation or retribution. During the year, the Office of the Ombudsperson received about 25 complaints, all of which were investigated and satisfactorily resolved.

Sound systems of internal checks and balances are in place which are regularly evaluated and updated. 'Kavach', an information security initiative, was successfully implemented to address various security concerns and create awareness. It broadly encompasses evaluating security risks, protecting assets and ensuring compliances on a continuing basis. An initiative in 'Business Continuity' was embarked upon with an aim to setup a preventive mechanism to address the gaps that may delay the recovery of processes in case of any incidents. This initiative would help the Company sustain the competitive edge in current and future business environment. Comprehensive risk management policy is in place across the Company, wherein key risk elements are discussed at top management meetings for taking remedial actions; rated and accessed in terms of their probability and its consequence on the Company's business. The system monitors risks, ensures compliance with all the applicable laws and efficiency and effectiveness in operations. With a view to identify risks, the Company organises workshops and interactive sessions as also interviews at various levels across different locations.

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, 2014 was ten, of which, four are executive promoter-directors, one an executive director and five are independent directors which is in conformity with Clause 49(I)(A)(ii) of the Listing Agreement. The requisite particulars are given below: -

Sl. No.	Name of the director	Whether Promoter/ Executive/ Independent	No. of Board Meetings during the year		Attendance at the last AGM	Number of directorships of other companies	Member/ Chairman of committees other than the Company
			Held	Attended			
1.	Dr. Desh Bandhu Gupta, *Chairman*	P. & E.D.	5	5	Yes	10	-
2.	Dr. Kamal K. Sharma, *Vice Chairman*	E.D.	5	4	Yes	7	-
3.	Ms. Vinita Gupta, *Chief Executive Officer*	P. & E.D.	5	5	Yes	4	-
4.	Mr. Nilesh Gupta, *Managing Director*	P. & E.D.	5	5	Yes	7	-
5.	Mrs. M. D. Gupta, *Executive Director*	P. & E.D.	5	4	Yes	11	-
6.	Dr. Vijay Kelkar	I. N-E.D.	5	5	Yes	9	3/-
7.	Mr. Richard Zahn	I. N-E.D.	5	4	Yes	1	-
8.	Mr. R. A. Shah	I. N-E.D.	5	5	Yes	18	9/4
9.	Dr. K. U. Mada	I. N-E.D.	5	5	Yes	3	5/2
10.	Mr. Dileep C. Choksi	I. N-E.D.	5	4	Yes	10	7/2

Notes:

(a) P. & E.D.: Promoter & Executive Director; E.D.: 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) The appointment of Mr. Dileep C. Choksi as a Director was approved by the members at the Annual General Meeting held on August 7, 2013.

Board Meetings

The Board of Directors is entrusted with the ultimate responsibility of management, provide direction and guidance to the management and evaluate the effectiveness of management policies in achieving the set goals. The Board plays a vital role in overseeing how the management serves the long term objective of enhancing stakeholders' value. While 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. Board meeting dates are finalised in consultation with all directors and agenda papers backed up by comprehensive notes are circulated in advance which enables the Board to take informed decisions and discharge its functions efficiently.

Board Meeting Minutes are circulated to all the Directors in advance and confirmed at the subsequent meeting. Copies of signed minutes of various Committees of the Board, minutes of Board meetings of subsidiaries as also Compliance Report in respect of various laws applicable to the Company are tabled at Board meetings.

Details of Board Meetings

In compliance with the provisions of Clause 49 of the Listing Agreement, Board meetings are held at least four times a year and the time-gap between two meetings is not more than four months. During the year, five Board meetings were held on May 8, 2013, August 7, 2013, October 30, 2013, January 3, 2014 and February 3, 2014. The Board also passed by circulation three resolutions dated June 20, 2013, September 18, 2013 and September 26, 2013.

Remuneration to Executive Directors

Particulars	Remuneration during 2013-14 (₹ million)			
	Dr. Desh Bandhu Gupta, *Chairman*	Dr. Kamal K. Sharma, *Vice Chairman*	Mr. Nilesh Gupta, *Managing Director*	Mrs. M. D. Gupta, *Executive Director*
Fixed Component:				
Salary	31.80	60.22	34.85	3.60
Benefits / Allowances	11.37	3.38	1.23	0.61
Provident Fund / Superannuation	4.86	12.01	7.09	0.97
Variable Component:				
Performance-Linked Incentive	-	29.65	17.50	-
Commission [Note (b)]	323.50	-	-	-
Stock Options	-	29.44	-	-
Total:	**371.53**	**134.70**	**60.67**	**5.18**

Notes:

(a) Dr. Desh Bandhu Gupta, Chairman, Dr. Kamal K. Sharma, Vice Chairman, Mr. Nilesh Gupta, Managing Director and Mrs. M. D. Gupta, Executive Director are in whole-time employment of the Company and their employment is contractual in nature. Ms. Vinita Gupta, who was appointed as Chief Executive Officer of the Company w.e.f. September 1, 2013, is an Executive Director but not in whole-time employment of the Company. She is an employee of Lupin GmbH, Switzerland, a wholly-owned subsidiary of Lupin Atlantis Holdings SA, Switzerland. Ms. Vinita renders management services to the Company in terms of the Services Agreement between the Company and Lupin GmbH, effective January 1, 2014. No amount is charged to the Company for the year in respect of her services pending approval of the same from the Reserve Bank of India, which has been received subsequent to the year end. The appointments of Dr. Kamal K. Sharma, Ms. Vinita Gupta and Mr. Nilesh Gupta were approved by the members by postal ballot, the results of which were announced on September 27, 2013. 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 up to August 31, 2018.

(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, 2014, at the forthcoming Annual General Meeting.

(c) On October 7, 2013, 50,000 stock options were granted to Dr. Kamal K. Sharma at an exercise price of ₹ 439.43 (being 50% of the market price) under the 'Lupin Employees Stock Option Plan 2003'. The vesting period of the options is 12 months and the same are exercisable within ten years from the date of the grant.

Remuneration to Non - Executive Directors

Sl. No.	Name of the director	No. of equity shares held as on March 31, 2014	Remuneration during 2013-14 (₹ million)		
			Sitting fees	Commission [See Note]	Total
1.	Ms. Vinita Gupta (up to August 31, 2013)	51600	0.04	-	0.04
2.	Dr. Vijay Kelkar	Nil	0.14	3.00	3.14
3.	Mr. Richard Zahn	Nil	0.08	3.07	3.15
4.	Mr. R. A. Shah	15000	0.12	3.00	3.12
5.	Dr. K. U. Mada	3500	0.35	2.50	2.85
6.	Mr. Dileep C. Choksi	Nil	0.22	2.50	2.72
	Total:		**0.95**	**14.07**	**15.02**

Note:

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 ₹ 14.07 million has been provided towards commission payable to non-executive directors for the year 2013-14 which would be paid after the members approve the audited accounts for the year ended March 31, 2014, at the forthcoming Annual General Meeting.

Brief profiles, other directorships and committee memberships etc. of directors seeking appointment/re-appointment at the 32nd 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 four decades and has held a range of senior management positions in the fields of projects, operations, corporate development and general management in pharma and chemical industries.

The Board at its meeting held on May 8, 2013 elevated him as Vice Chairman w.e.f. September 1, 2013. The members vide Postal Ballot, the result of which was announced on September 27, 2013, approved the terms of appointment of Dr. Sharma as the Vice Chairman.

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 GmbH, Switzerland, *Director* Lupin Healthcare Ltd., *Director* Faisa Financial Pvt. Ltd., *Director* Templetree Properties Pvt. Ltd., *Director*	-

Dr. Vijay Kelkar

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

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
Green Infra Ltd., *Chairman* CSIR - Tech Pvt. Ltd., *Chairman* Tata Consultancy Services Ltd., *Director* Tata Chemicals Ltd., *Director* JSW Steel Ltd., *Director* J. M. Financial Ltd., *Director* Indian Institute for Human Settlements, *Director* Britannia Industries Ltd., *Director* Go Airlines (India) Ltd., *Director*	J. M. Financial Ltd., *Member of Audit Committee and Investors' Grievances Committee.* Tata Consultancy Services Ltd., *Member of Audit Committee.*

Mr. Richard Zahn

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

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

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

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

Mr. R. A. Shah

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

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

Dr. K. U. Mada

Dr. K. U. Mada is an eminent economist and was a development banker. He holds a Ph.D. (Economics) degree from Bombay University and a certificate in financial management from Jamnalal Bajaj Institute, Mumbai. He taught Economics at Jai Hind College, Mumbai, for seven years. Thereafter, he worked for the Reserve Bank of India and Industrial Development Bank of India (IDBI) and held senior positions, including as Executive Director, IDBI, and a stint as chief of a bank. Dr. Mada was Chairman/Member of several committees constituted by IDBI/other financial institutions and the Government of India. He brought out books, including 'A Journey through Development Banking (2005)' and published articles in well-known journals. He represented IDBI as Speaker/participant at several national and international conferences/seminars on economic, corporate and institutional affairs. He was a visiting faculty at management institutes. Dr. Mada was on the boards of corporate entities and all-India financial institutions, including the Management Development Institute, Gurgaon.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
Hotel Leelaventure Ltd., *Director* Tamilnadu Petroproducts Ltd., *Director* P.C.I. Ltd., *Director*	Hotel Leelaventure Ltd., *Member Audit Committee and Chairman of the Investors' Grievances Committee* Tamilnadu Petroproducts Ltd., *Member of the Audit Committee* P.C.I. Ltd., *Member Audit Committee and Chairman of the Investors' Grievances Committee*

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. 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 Home Finance Company Limited, *Director* Ace Derivatives and Commodity Exchange Limited, *Director* Datamatics Global Services Limited, *Director* Mafatlal Cipherspace Private Limited, *Director* ICICI Bank Limited, *Director* National Securities Clearing Corporation Limited, *Director* Hexaware Technologies Limited, *Director* Incube Ventures Private Limited, *Additional Director* AIA Engineering Limited, *Additional Director*	ICICI Lombard General Insurance Company Limited, *Chairman of Audit Committee.* ICICI Home Finance Company Limited, *Member of Audit Committee.* Ace Derivatives and Commodity Exchange Limited, *Member of Audit Committee.* ICICI Bank Limited, *Member of Audit Committee.* Hexaware Technologies Limited, *Chairman of Audit Committee and Member of Investors' Grievances Committee.* AIA Engineering Limited, *Member of Audit Committee.*

[3] Audit Committee:

The Audit Committee comprises Dr. K. U. Mada, Chairman and Mr. Dileep C. Choksi, independent directors, and Dr. Kamal K. Sharma, Vice Chairman. Mr. R. V. Satam, Company Secretary & Compliance Officer, acts as the Secretary of the Committee. Dr. Mada is an eminent economist and development banker and Mr. Choksi is a leading Chartered Accountant. All members of the Committee are financially literate. The Chairman of the Committee attended the last Annual General Meeting of the members held on August 7, 2013. The meetings of the Audit Committee are attended by the Chief Financial Officer, President - Finance, representatives of accounts, and statutory, internal and cost auditors. The Committee acts as a link between statutory auditors, internal auditors, cost auditors and the Board. The Audit Committee addresses matters pertaining to the appropriateness of audit test checks, reliability of financial statements, adequacy of provisions for liabilities and internal controls. 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 and

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 May 8, 2013, August 7, 2013, September 25, 2013, October 30, 2013, December 24, 2013, February 3, 2014 and March 11, 2014 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	2
c.	Mr. Dileep C. Choksi	7	7

[4] Investors' Grievances Committee:

The Investors' Grievances Committee consists of independent directors Dr. Vijay Kelkar, Chairman and Dr. K. U. Mada, a member. Mr. R. V. Satam, Company Secretary & Compliance Officer, acts as the Secretary of the Committee. Meetings of the Investors' Grievances Committee are also attended by the President - Finance and head of Investors' Services Department.

The Committee oversees multifaceted activities of the Investors' Services Department viz. transfer of shares in physical form, implementation of employee stock options plans, dividend disbursement, depository operations and compliances of regulatory provisions etc. to ensure that the highest standards of service levels are maintained. The Committee also evaluates investor grievances redressal system of the Department.

During the year, 47 investors grievances were received and all of them have been resolved. No shareholder complaint was pending at the beginning and at the end of the year. The company has acted upon all valid requests for share transfer received during the year and no such transfer remained pending for over 15 days.

Details of Investors' Grievances Committee Meetings

During the year, two meetings of the Investors' Grievances Committee were held on September 26, 2013 and March 11, 2014 and the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. Vijay Kelkar, *Chairman*	2	2
b.	Dr. K. U. Mada	2	2

[5] **Remuneration Committee:**

The Remuneration Committee comprises Dr. K. U. Mada, Chairman and Mr. R. A. Shah, 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 payable to executive directors. The Committee recommends the remuneration package after considering factors, such as experience, expertise, position, responsibilities shouldered by the individual, leadership qualities, the volume of Company's business and profits earned by it. The Company has formulated employees' stock options plans to attract, reward and retain talented and qualified personnel and create a sense of belonging among them. The Company follows a market-linked remuneration policy. The Committee approves grant of stock options to employees of the Company and its subsidiaries.

Details of the Remuneration Committee Meetings

During the year, two meetings of the Remuneration Committee were held on July 26, 2013 and August 7, 2013 and the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman*	2	2
b.	Mr. R. A. Shah	2	2

The Committee passed by circulation six resolutions dated August 2, 2013, August 13, 2013, October 7, 2013, December 27, 2013, January 20, 2014 and February 14, 2014.

[6] **General Body Meetings:**

Details of the last three Annual General Meetings: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
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	-
2012 - 13	Wednesday, August 7, 2013 at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	One Special Resolution for raising the investment limit of FIIs in the equity share capital of the Company from 33% to 49%.

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, the following Resolutions were passed by postal ballot, results of which were declared on September 27, 2013: -

1. An **Ordinary Resolution** with a majority of (96.96%) for approving the terms of appointment of Dr. Kamal K. Sharma, as Vice Chairman of the Company, w.e.f. September 1, 2013.
2. A **Special Resolution** with a majority of (98.55%) for approving the terms of appointment of Ms. Vinita Gupta, as Chief Executive Officer of the Company, w.e.f. September 1, 2013 and
3. An **Ordinary Resolution** with a majority of (97.46%) for approving the terms of appointment of Mr. Nilesh Gupta, as Managing Director of the Company, w.e.f. September 1, 2013.

Ms. Neena Bhatia, practicing Company Secretary, acted as the Scrutiniser for conducting the ballots. 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 ballots. 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 resolutions 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. E-mails containing detailed procedure for e-voting were sent to those Members whose e-mail IDs were 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 NSDL on e-voting. The Scrutiniser considered valid physical postal ballot forms received as also the data received from NSDL in her Report, which was handed over to the Chairman of the Company who announced the results. Results of the postal ballot were displayed promptly 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, there were no materially significant related party transactions between the Company and its promoters, directors and/or their relatives, management etc. which may have potential conflict with the interests of the Company. Statements of transactions in summary form with related parties in the ordinary 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 before the Board at every Board meeting and signed by the directors present. 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.

The Company has complied with all requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating 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. In compliance of Clause 52 of the Listing Agreement, annual report, financial results, quarterly corporate governance compliance reports as also quarterly shareholding pattern are uploaded on the 'Corporate Filing and Disseminations System' website www.corpfiling.co.in. The Company's website also displays official news releases and presentations made to institutional investors and analysts. Disclosures pursuant to various clauses of the Listing Agreement are promptly communicated to the stock exchanges from time to time.

[9] General Members' information:

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

Your Company accords top priority for the services to the investors, who are its perpetual partners. The Investors' Services Department (ISD) comprising experienced and committed employees endeavours to provide services benchmarked to the highest standards. Expeditious response to the investors' queries/complaints and maintaining highest standards of regulatory compliances related to shares are the thrust areas of the ISD.

The ISD has established direct connectivity with both the depositories' viz. the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and is equipped with state-of-the-art hardware infrastructure; investor service oriented software and advanced communication systems ensuring reliability, security and integrity of vital and voluminous data base.

The ISD provides multitude of services, comprising:

- 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
- Implementation of employees stock option plans
- Investor Education and Protection Fund (IEPF) related activities
- Activities related to unclaimed shares
- Management of postal ballots
- Dissemination of share related information on the Company's website, NSE's Electronic Application Processing System (NEAPS), Corporate Filing & Dissemination System (CFDS) and SEBI Complaints Redress System (SCORES)

The ISD is located at the Registered Office of the Company and can be approached for any query or assistance through letter, telephone, fax, email or in-person at 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, India. Tel: +91 22 6640 2402/03 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 32nd Annual General Meeting will be held at 2.30 p.m. on Wednesday, July 30, 2014, at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.

FINANCIAL CALENDAR

First quarter results	:	July/August 2014
Second quarter results	:	October/November 2014
Third quarter results	:	January/February 2015
Annual results	:	April/May 2015
Annual General Meeting	:	July/August 2015

INVESTORS' BOOK CLOSURE

The Register of Members and the Share Transfer Register will remain closed from Wednesday, July 23, 2014 to Wednesday, July 30, 2014, (both days inclusive).

Final dividend for the year ended March 31, 2014, if declared, at the Annual General Meeting, shall be paid to:

a) beneficial owners at the end of business day on Tuesday, July 22, 2014 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 22, 2014 in respect of shares held in physical form.

DIVIDEND PAYMENT DATE

In the Board Meeting held on February 3, 2014, the directors approved an interim dividend of ₹ 3/- per share (150%) which was paid on February 21, 2014.

Final dividend if declared, shall be paid within three working days from the date of the Annual General Meeting. Dividend shall be remitted electronically i.e. through NECS/NEFT etc., wherever bank details of shareholders are available with the Company, and in other cases, through physical warrants, payable at par.

SHARES LISTED AT

The equity shares of the Company are listed at:

BSE 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 2014 - 15 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 an 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.

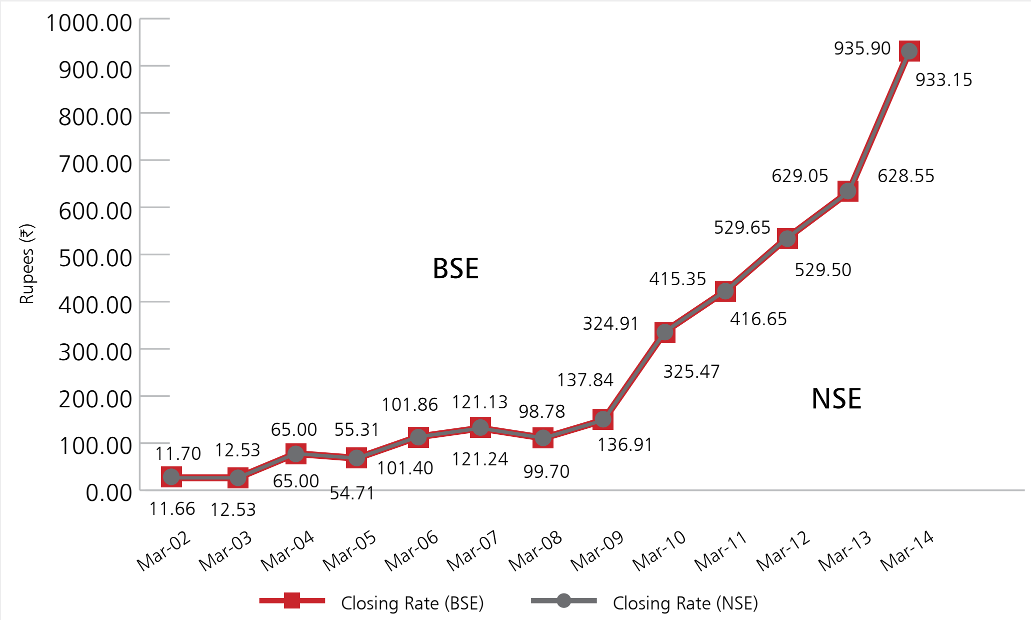
MARKET PRICE DATA

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 2013 to March 2014 is given below:

	BSE				NSE			
	₹		₹		₹		₹	
MONTH	High	Date	Low	Date	High	Date	Low	Date
Apr-2013	703.95	30.04.13	606.20	09.04.13	704.80	30.04.13	605.50	09.04.13
May-2013	810.80	16.05.13	695.10	06.05.13	811.00	16.05.13	694.20	02.05.13
Jun-2013	803.70	19.06.13	742.10	03.06.13	804.85	19.06.13	742.50	03.06.13
Jul-2013	908.00	19.07.13	773.45	01.07.13	907.95	19.07.13	773.05	01.07.13
Aug-2013	903.65	05.08.13	742.30	28.08.13	903.50	05.08.13	742.55	28.08.13
Sep-2013	895.50	05.09.13	799.50	02.09.13	896.00	05.09.13	798.45	02.09.13
Oct-2013	946.35	11.10.13	846.00	01.10.13	945.65	11.10.13	846.00	01.10.13
Nov-2013	896.85	01.11.13	841.10	21.11.13	896.95	01.11.13	840.40	21.11.13
Dec-2013	929.55	24.12.13	851.25	09.12.13	929.80	24.12.13	851.65	09.12.13
Jan-2014	951.00	06.01.14	855.00	30.01.14	950.95	06.01.14	855.40	30.01.14
Feb-2014	1001.00	28.02.14	885.00	03.02.14	1002.40	28.02.14	882.00	03.02.14
Mar-2014	1003.00	03.03.14	923.55	27.03.14	1003.70	04.03.14	920.00	31.03.14

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

Trading in shares of the Company is permitted only in dematerialised form and the same are available with both the depositories i.e. the National Securities Depository Limited and the Central Depository Services (India) Limited with whom the Company has established direct connectivity. The requests for dematerialization of shares, received by the Company are continually monitored to expedite the process of dematerialisation.

During the year, the Company has electronically confirmed requests for dematerialisation of 200735 equity shares. As on March 31, 2014, 99.48% of the share capital of the Company was held in dematerialised form.

To enable us to serve better, we request shareholders holding shares in physical form to dematerialise the same. Shareholders holding shares in dematerialised form are requested to promptly update their bank details including the nine digit MICR, IFSC code and the e-mail id with their respective depository participant.

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 2013 to March 2014 is as under:

(Value in mn. ₹)

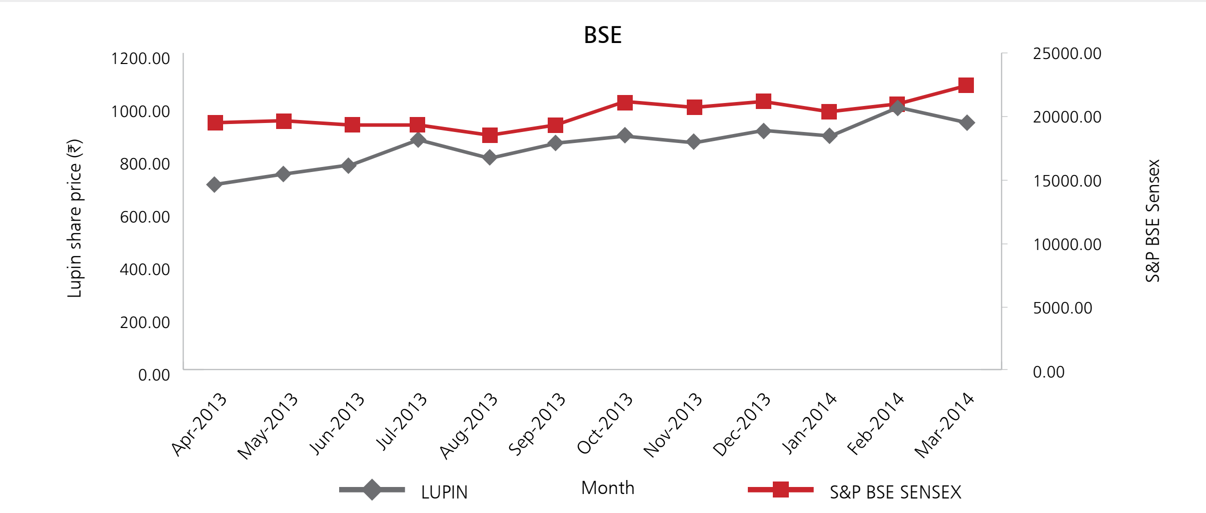
Month	BSE		NSE		Total	
	Shares	Value (₹)	Shares	Value (₹)	Shares	Value (₹)
Apr-2013	925171	607.62	14425148	9448.65	15350319	10056.27
May-2013	2673161	2013.73	31886956	24083.78	34560117	26097.51
Jun-2013	1281843	992.53	18235844	14130.01	19517687	15122.54
Jul-2013	2489573	2129.45	22687810	19409.29	25177383	21538.74
Aug-2013	2486102	2019.61	30548284	24774.78	33034386	26794.39
Sep-2013	2670116	2279.86	20754426	17654.40	23424542	19934.26
Oct-2013	2448537	2214.91	16352522	14728.53	18801059	16943.44
Nov-2013	1126060	981.53	8970772	7792.53	10096832	8774.06
Dec-2013	1367951	1214.90	11772352	10460.85	13140303	11675.75
Jan-2014	1329967	1218.72	11656350	10622.94	12986317	11841.66
Feb-2014	1602513	1488.37	11925383	11059.29	13527896	12547.66
Mar-2014	1111730	1065.34	9957627	9515.56	11069357	10580.90
Total:	**21512724**	**18226.57**	**209173474**	**173680.61**	**230686198**	**191907.18**

PERFORMANCE IN COMPARISON WITH BROAD BASED INDICES

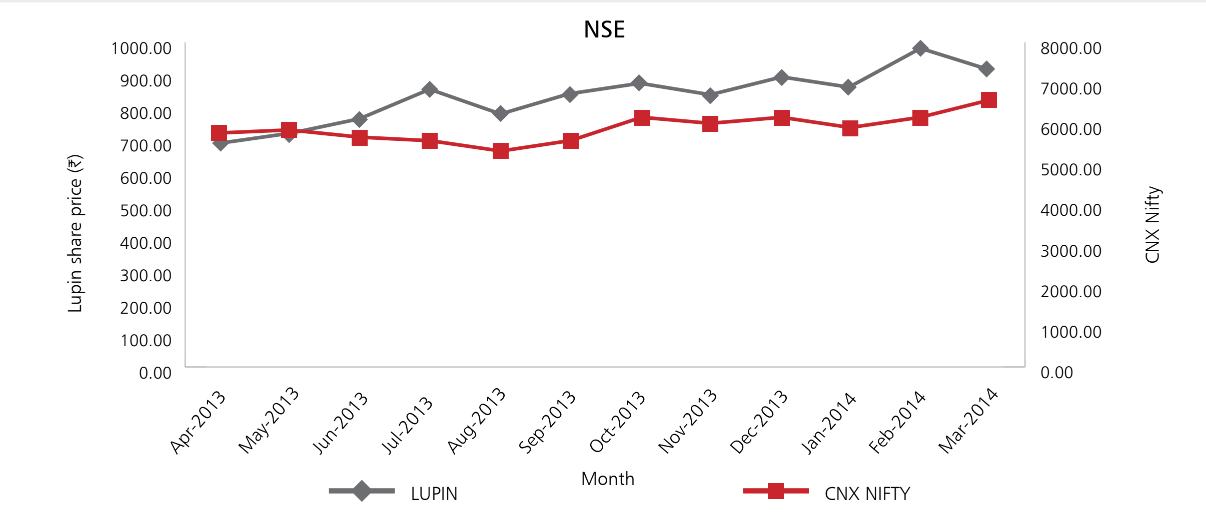
Lupin share price compared with S & P BSE Sensex and NSE CNX Nifty (Month-end closing) during the year, April 2013 to March 2014:

Month	BSE		NSE	
	Lupin share price (₹)	S&P BSE Sensex	Lupin share price (₹)	CNX Nifty
Apr-2013	701.70	19504.18	702.60	5930.20
May-2013	740.15	19760.30	737.70	5985.95
Jun-2013	779.60	19395.81	781.45	5842.20
Jul-2013	871.45	19345.70	871.15	5742.00
Aug-2013	800.20	18619.72	796.20	5471.80
Sep-2013	854.70	19379.77	855.85	5735.30
Oct-2013	887.15	21164.52	887.90	6299.15
Nov-2013	855.45	20791.93	855.85	6176.10
Dec-2013	908.60	21170.68	908.15	6304.00
Jan-2014	882.05	20513.85	881.90	6089.50
Feb-2014	993.45	21120.12	995.45	6276.95
Mar-2014	935.90	22386.27	933.15	6704.20

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
2013 - 14	846311 shares under ESOP	846311	896751608

* 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 dematerialised 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.

With a view to expedite the process of share transfer, the Board has delegated the powers of share transfers to the 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 Dr. K. U. Mada 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 duly endorsed their names. During the year, 24 meetings of the Share Transfer Committee were held to approve transfer of 40150 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 846311 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, on February, 29, 2012, the Company had transferred 375150 unclaimed shares held by 1592 shareholders to the 'Lupin Limited - Unclaimed Suspense Account'.

No claims were lodged by shareholders till March 31, 2012. Thereafter, claims were lodged by shareholders for 3750 shares during 2012-13 and for 8450 shares during 2013-14 which were duly transferred by the Company in the name of respective claimant shareholder from the Unclaimed Suspense Account, on the basis of claim documents submitted by them.

As on March 31, 2014, the balance in the Unclaimed Suspense Account was 362950 shares. Voting rights on these shares shall remain frozen till the claim of the rightful shareowner is approved by the Company.

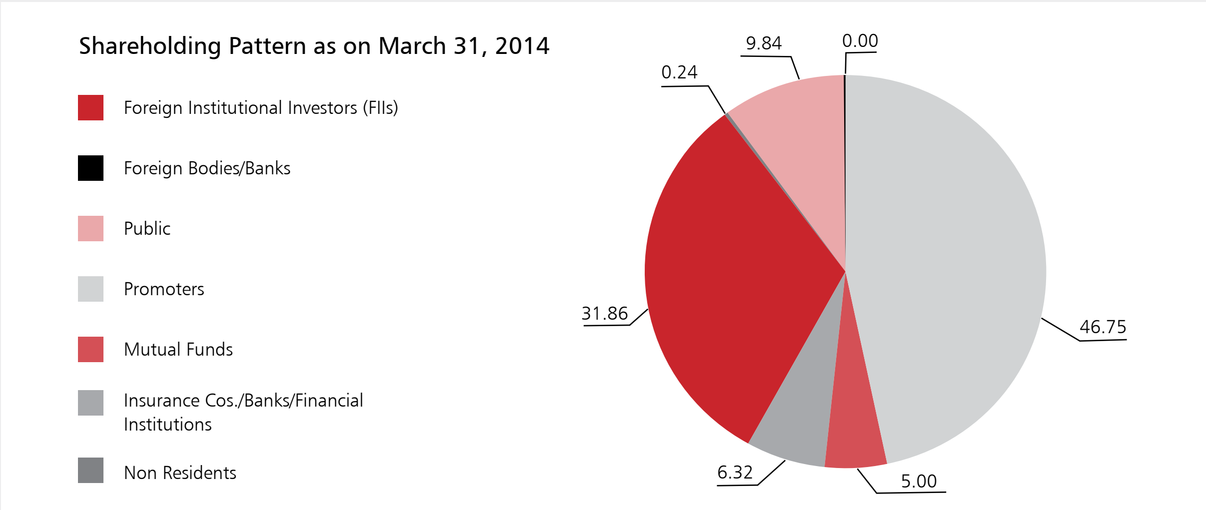
SHAREHOLDING PROFILE AS ON MARCH 31, 2014

i. Distribution of Shareholding

Shareholding range	Shareholders		Shareholding	
	Numbers	%	Numbers	%
1 - 500	88458	90.03	6919819	1.54
501 - 1000	3328	3.39	2572968	0.57
1001 - 2000	3889	3.96	5071599	1.13
2001 - 3000	681	0.69	1708244	0.38
3001 - 4000	246	0.25	879682	0.20
4001 - 5000	215	0.22	1010661	0.23
5001 - 10000	396	0.40	2887825	0.64
10001 and above	1046	1.06	427325006	95.31
Total:	**98259**	**100.00**	**448375804**	**100.00**

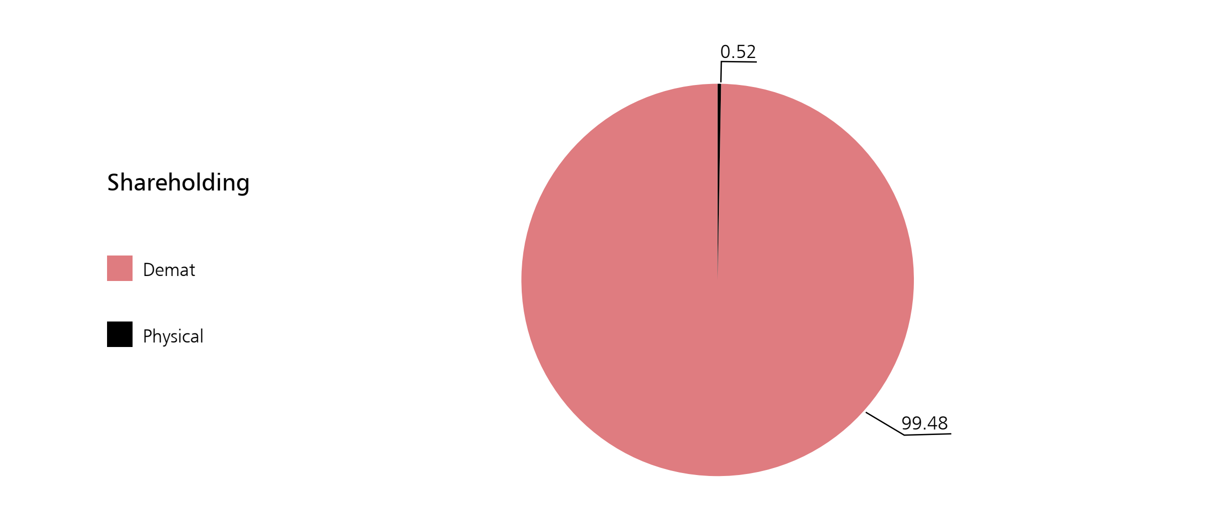
ii. Shareholding Pattern

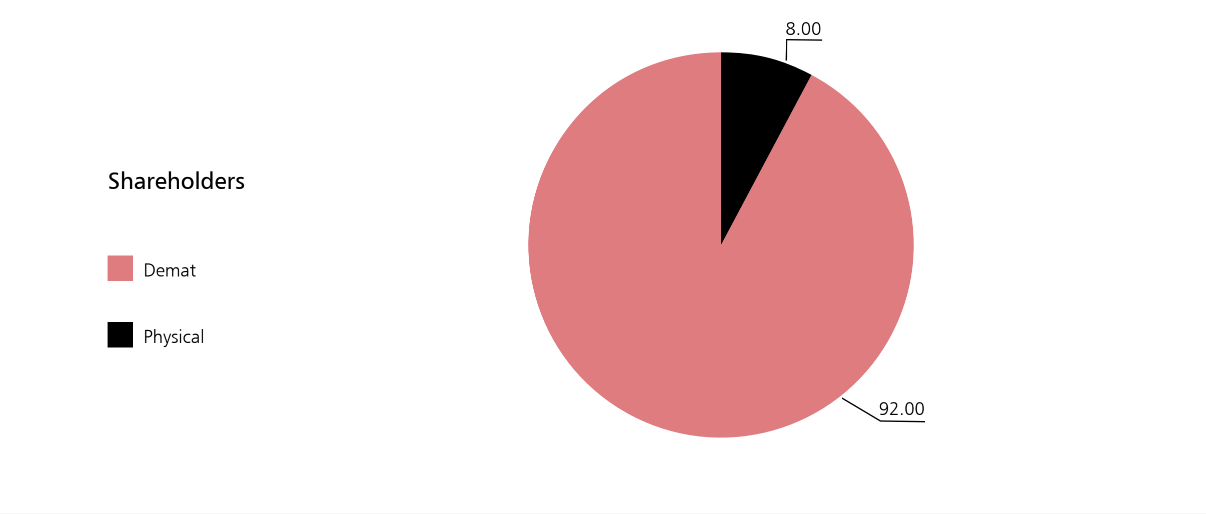
Category	As on 31.03.2014		As on 31.03.2013	
	No. of shares	%	No. of shares	%
Promoters	209599940	46.75	209601940	46.84
Mutual Funds	22401111	5.00	23085600	5.16
Insurance Cos./Banks/Financial Institutions	28324972	6.32	41036932	9.17
Foreign Institutional Investors (FIIs)	142832871	31.86	128874302	28.80
Foreign Bodies	7079	0.00	2079	0.00
Non Residents	1071955	0.24	1614532	0.36
Public	44137876	9.84	43314108	9.67
Total:	**448375804**	**100.00**	**447529493**	**100.00**



iii. Shareholding Profile

Category	Demat		Physical		Total
	(nos.)	%	(nos.)	%	(nos.)
Shareholding	446047495	99.48	2328309	0.52	448375804
Shareholders	90394	92.00	7865	8.00	98259





iv. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	4238	4.31	Madhya Pradesh	2182	2.22
Assam	431	0.44	Maharashtra	39218	39.91
Bihar	680	0.69	North Eastern States	78	0.08
Chhattisgarh	306	0.31	Odisha	614	0.62
Delhi	5836	5.94	Punjab	1595	1.62
Gujarat	9750	9.92	Rajasthan	2730	2.78
Haryana	1687	1.72	Tamilnadu	5426	5.52
Himachal Pradesh	165	0.17	Uttarakhand	1618	1.65
Jammu and Kashmir	182	0.19	Uttar Pradesh	4312	4.39
Jharkhand	1436	1.46	West Bengal	6261	6.37
Karnataka	6617	6.74	Others	1159	1.18
Kerala	1738	1.77	**Total:**	**98259**	**100.00**

DIVIDEND PROFILE

Particulars of dividend paid by the Company:

Financial year	Book closure/Record date	Dividend declared %	Date of declaration	Date of payment
2013 - 14 (Interim)	14.02.2014	150	03.02.2014	21.02.2014
2012 - 13	31.07.13 - 07.08.13	200	07.08.2013	08.08.2013
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

The Company has adopted a comprehensive Code of Conduct for prevention of insider trading in shares of the Company, in terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code is designed to maintain the highest ethical standards and elaborately prescribes the procedures to be followed while dealing in the shares of the Company.

The Code is applicable to promoters, directors, auditors, senior officials of the Company and their dependents. The Code restricts the said persons to deal in the shares of the Company whilst in the possession of any unpublished price sensitive information. They are also prohibited from dealing in the shares of the Company during the trading window closure periods announced by the Company, from time to time.

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

As a measure of good corporate governance practice, an exhaustive audit is conducted for each calendar quarter, by a qualified practicing Company Secretary, 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 audit report, inter alia, covers and certifies that the total shares held in NSDL, CDSL and those in physical form tally with the issued, paid up and listed capital of the Company, Register of Members is duly updated, demat requests are confirmed within stipulated time etc. Details of changes, in the share capital of the Company during the quarter, are also covered in the report.

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

EMPLOYEES STOCK OPTION PLANS

With a view to attract, retain and motivate the employees of the Company and those of its subsidiaries, the Company has structured Employees Stock Option Plans (ESOPs). Pursuant to ESOPs, each option is convertible into one fully paid-up equity share of the face value of ₹ 2/- each with an exercise period of 10 years from the date of each grant. The ESOPs are implemented according to the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

During the year under review, the Company granted 50000 options under the 'Lupin Employees Stock Option Plan 2003' and 946250 options under the 'Lupin Employees Stock Option Plan 2011' to its employees and 185090 options under the 'Lupin Subsidiary Companies Employees Stock Option Plan 2011' to the 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 846311 shares during the year to those employees who have exercised their vested option, the details of which are as under:

Sl. No.	Date of allotment	No. of shares
1.	April 23, 2013	107609
2.	May 27, 2013	76766
3.	June 25, 2013	28719
4.	July 16, 2013	67475
5.	August 20, 2013	89039
6.	September 5, 2013	85944
7.	September 24, 2013	37989
8.	October 22, 2013	47223
9.	November 21, 2013	107669
10.	December 24, 2013	48168
11.	January 24, 2014	92422
12.	February 25, 2014	36826
13.	March 24, 2014	20462
	Total:	**846311**

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.

The particulars of options as on March 31, 2014 have been provided in Annexure 'B' to the Directors' Report in terms of Clause 12.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

UNCLAIMED DIVIDENDS

In the interest of the esteemed shareholders, the Company follows the practice of sending personalized reminders to the shareholders concerned to claim their unpaid dividend, from time to time and also before transferring them to Investor education and Protection Fund (IEPF). Data of dividend which remained unclaimed/ unpaid are 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.

Pursuant to the relevant provisions, the unclaimed/ unpaid dividends of the Company up to the financial year 2005-06 have been transferred to the Investor Education and Protection Fund (IEPF) as and when the same were due. Further, the unclaimed/unpaid dividends for the year 2006-07 onwards will be transferred to the IEPF, in accordance with the following schedule:

Financial Year	Date of Declaration	Due date for transfer to IEPF
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
2012 - 13	07.08.2013	12.09.2020
2013 - 14 (Interim)	03.02.2014	11.03.2021

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) T-142, MIDC, Tarapur Industrial Area, Boisar, Dist. Thane, Maharashtra - 401 506.	v) B-15, Phase IA, Verna Industrial Area, Verna Salcette, Goa - 403 722.	ix) Plot Nos. 2 and M-1, Special Economic Zone, Phase-II Misc. Zone, Apparel Park, Pithampur, Dist. Dhar, Madhya Pradesh - 454 775.
ii) 198-202, New Industrial Area 2, Mandideep, Dist. Raisen, Madhya Pradesh - 462 046.	vi) Export Promotion Industrial Park, SIDCO Industrial Complex, Kartholi, Bari Brahmana, Jammu - 181 133.	x) Plot 6A, Sector-17, Special Economic Zone, Mihan Notified Area, Nagpur - 441 108.
iii) Plot Nos. 124 and 2201/2202 GIDC Estate, Ankleshwar, Gujarat - 393 002.	vii) Gat No. 1156, Village Ghotawade, Taluka Mulshi, Dist. Pune, Maharashtra - 411 042.	xi) Kyowa Pharmaceutical Industry Co. Ltd., 11-1 Techno Park, Sanda, Hyogo 669 - 1339, Japan.
iv) A-28/1, MIDC Area, Chikalthana, Aurangabad, Maharashtra - 431 210.	viii) Block 21, Dabhasa Padra Taluka Vadodara, Gujarat - 391 440.	xii) 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 7, 2014

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Mr. Nilesh Gupta, Managing Director and Mr. Ramesh Swaminathan, Chief Financial Officer do hereby certify to the Board that: -

(a) We have reviewed the Balance Sheet as at March 31, 2014, 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**

NILESH GUPTA
MANAGING DIRECTOR

For **LUPIN LIMITED**

RAMESH SWAMINATHAN
CHIEF FINANCIAL OFFICER

Mumbai, May 7, 2014

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, 2014.

For **LUPIN LIMITED**

NILESH GUPTA
MANAGING DIRECTOR

Mumbai, May 7, 2014

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, 2014, 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 LLP**
Chartered Accountants
(Registration No.117366W/W-100018)

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

Mumbai, May 07, 2014

BUSINESS RESPONSIBILITY REPORT

The Company firmly believes that how it does business is as important as what it does. Business Enterprises are seen as critical components of the social system and are considered accountable not merely to the shareholders but to the larger society which are also its stakeholders. In pursuance of its commitment to responsible business, the Company has prepared the Business Responsibility Report based on the framework prescribed by the Securities and Exchange Board of India.

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, 2014.
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 22 international subsidiaries located in 14 countries. The Company also has Representative Offices in China, Russia, Ukraine, Kazakhstan, Uzbekistan and Vietnam.

   ii. **Number of National Locations:**
   The Company has ten plants situated at Aurangabad, Tarapur, Pune and Nagpur in Maharashtra, Ankleshwar and Dabhasa in Gujarat, Mandideep and Indore in Madhya Pradesh, Goa and Jammu. R&D Centre is located at Pune. The Registered office and Corporate office are in Mumbai. The Company has 30 Carrying & Forwarding Agents and six Central Warehouses.

10. **Markets served by the Company - Local/State/National/International:**

    In addition to serving the Indian market, the Company exports to around 75 countries worldwide.

Section B: Financial Details of the Company

1. **Paid up Capital (INR):** ₹ 896.8 million.
2. **Total Turnover (INR):** ₹ 88576.6 million (Standalone).
3. **Total profit after taxes (INR):** ₹ 23242.2 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, 2014 was ₹ 145.2 million which is 0.62% 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, skill enhancement and financial assistance to the rural poor especially those under the poverty line.

   b. Social development through women empowerment, community health management, sports activities, education and training and

   c. Natural resource management and infrastructure development.

Section C: Other Details

1. **Does the Company have Subsidiary Companies?:**

   As on March 31, 2014, the Company had 23 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 23 subsidiaries, 22 are foreign, which comply with the requirements of their respective countries and have independent business responsibility initiatives. Lupin Healthcare Limited, 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%]:**

   Though other entities like 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:** 01734642
   - **Name:** Mr. Nilesh Gupta
   - **Designation:** Managing Director

   b) **Details of the BR head:**

Sl. No.	Particulars	Details
1.	DIN Number	01734642
2.	Name	Mr. Nilesh Gupta
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
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of employees	Stakeholder engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	Y	Y	Y	Y	Y	Y	-	Y	Y
	If yes, specify? (50 words)	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	Y	Y	Y	Y	Y	-	Y	Y

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

@ http://home.lupinworld.com

2 a. If answer to Sl.No.1 against any principle, is 'No', please explain why: (Tickup 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 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 has a legacy of good corporate governance and firmly believes and adheres to the highest standards of ethical, moral and legal conduct of its business operations. Codes of Conduct have been adopted by the directors and senior management personnel and the same have been posted on the website of the Company www.lupinworld.com. The Company has instituted an initiative encompassing three important policies namely, Code of Conduct, Whistle Blower Policy and Prevention of Workplace Harassment. Employees are encouraged to come forward and express their concerns about suspected misconduct without fear of punishment or unfair treatment. Employees are free to raise their concerns and report any potential violations of Company policies or Code of Conduct.

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 47 shareholder complaints during the year ended March 31, 2014.

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 manufactures and distributes a wide range of generics and branded Formulations and APIs at its world class plants. Consumption per unit depends on the product mix, thus 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 products of the Company 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.

   The Company has in place a formulated operating procedure for approving vendors. Materials, both local and international, are procured from approved vendors. The Company has long standing business relations with regular vendors. The quality assurance team of the Company conducts periodic audits of the Vendors, especially those who supply key materials. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company has received continous 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 encourages procurement of goods and availment of services from local and small vendors, particularly those located around its plants. The Company provides technical support and guides its vendors in developing products. Procurement from local vendors helps the company to 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 in place, a mechanism for recycling products and waste. About 38% of the waste water generated in plants, is recovered, recycled and reused, which saves usage of fresh water. Treated waste water is used for gardening Company premises thereby reducing consumption of fresh water.

   About 60% of incinerable waste generated at plants is sent for co-processing in cement kilns which is used in place of fossil fuel by the cement industry. Most of the solvents are recycled and reused.

Principle 3

1. **Please indicate the total number of employees.**
   12,984 permanent employees as on March 31, 2014.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**
   4,484 as on March 31, 2014.

3. **Please indicate the number of permanent women employees.**
   900 as on March 31, 2014.

4. **Please indicate the number of permanent employees with disabilities.**
   30 as on March 31, 2014.

5. **Do you have an employee association that is recognized by management?**
   As the Company's plants and offices are situated at multiple places, there are unions and association of employees at the respective locations.

6. **What percentage of your permanent employees is members of this recognized employee association?**
   About 6% ofthe 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: - About 90% of operating personnel are trained in safety. Safety training is imparted to employees at the time of joining the Company, which includes firefighting, first-aid, procedural, chemical safety, etc. While procedural safety trainings are imparted regularly, first-aid and firefighting trainings are imparted at scheduled intervals.

   Permanent Women Employees: - About 90% are trained in safety with no discrimination being made in imparting training to women employees vis-a-vis their male counterparts. While, induction safety training is given to newly recruited women employees, other trainings like first aid etc. are imparted periodically.

   Casual/Temporary/Contractual Employees: - 100% in operating functions are trained.

   Employees with Disabilities: - No discrimination is made while 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.**

   In line with its commitment to educate patients about different diseases and their management, the Company created a dedicated multilingual website 'Right2breathe' for education about Asthma and Chronic Obstructive Pulmonary Disease (COPD). The Company also identified and collaborated with doctors and created heart failure clinics across the country to increase awareness of heart failure management. Using diabetes educators, the Company through 'Humrahi', has been endeavoring to educate diabetic patients on a regular basis. Programs like 'Arogya Diabetes' screened more than 37000 patients. Medical camps were conducted for screening and diagnosis of various therapy areas like Asthma, COPD, Lipids, Anemia, Diabetes, Hypertension, Bone Mineral Density. About 650 free Spirometry camps were also conducted.

   The 'Lupin Blue Eyes' division of the Company continued the 'Punarjyoti' ('Rebirth of Eyes'), campaign, which promotes the noble message of eye donation after death. Every product pack contains an insert of the eye donation form, helpline numbers and provides patients with detailed information about the eye donation process.

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 remains committed to protect as also respect human rights. The Company's codes of conduct and human resource practices cover most of these aspects. The Company does not hire child labour, forced labour or involuntary labour and does not discriminate its employees.

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 as well as 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.**

   The Company has always accorded the highest priority for conservation and optimum utilization of natural resources. The Environment, Health and Safety policy of the Company stresses on operating in environmentally responsible manner. Energy-efficient initiatives are embarked upon with a view to reduce overall consumption. Continuous efforts are made to conserve energy by eliminating/reducing waste (http://home.lupinworld.com). Water being a precious resource, a mechanism for recycling waste water is in place.

   The Company has initiated the process of shifting 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 of the Company are assessed for risks through internal and external mechanism viz. environmental impact assessments and development of environmental management plans. The environmental management plans are reviewed during internal meetings. The Company received the prestigious International Sustainability Rating System (ISRS) certification after audit by external independent parties. The Company is the first in the pharmaceutical industry in India to have received the certification for three of its units.

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 webpage etc.**

   The Company saved fossil fuel by replacing steam generating boilers which run on fossil fuel to agro waste.

   The following energy-efficient and clean technology initiatives were carried out at different locations of the Company: -

   - Manufacturing products by enzymatic route in place of chemical route resulted in lesser generation of waste, reduced emissions to the air and reduction of greenhouse emissions.
   - Replaced certain operations like centrifuging by agitated nutsche filtration to reduce workplace solvent levels.
   - Shifted load of reciprocating refrigeration compressor on screw compressor having better specific power consumption.
   - Installed automatic solar light sensors for external street lighting.
   - Improved load Factor on purchased power by utilization of maximum load.
   - Reduced water load on ETP by utilizing RO reject water in cooling tower.
   - Saved energy in HVAC system by shifting load from chilled brine to chilled water.
   - Replaced FTL Lamps with Energy Saving T5 Lamps.
   - Installed AHF for power quality improvement and losses.

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

   Yes. 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 Alliance (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).**

   The Company has been advocating at various forums, the measures to be undertaken to address basic issues related to improvement of public health in order to promote a balanced and sustainable economic development. The Company has been making continuous efforts to promote the use of generic medicines with a view to make available affordable medical treatment to the under-privileged sections of the society. The Company supports the government in its efforts to harness the country's innovation capabilities, and suggests measures to offer facilities and incentives viz., infrastructure as well as weighted tax deductions on expenditure incurred by Indian companies on research & development (R&D), in order 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 firmly believes that it is its duty to give back to the society which helped it flourish, in order to ensure collective and balanced progress of all the sections.The Company undertakes its Corporate Social Responsibility (CSR) activities with a mission to assist the less fortunate strata of rural India.

   In pursuance of its mission of achieving inclusive growth and development, the Company carried out CSR activities focusing mainly on: -

   - Agricultural development;
   - Promotion of rural industries;
   - Women empowerment;
   - Animal husbandry;
   - Community health management;
   - Sports activities;
   - Flood and fire relief activities;
   - Education and training;
   - Natural resource management;
   - Infrastructure development; and
   - Learn and earn activities.

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) and Matashree Gomati Devi Jana Seva Nidhi, a sister organisation of LHWRF. Both have a common long-term commitment to transform rural lives across India and whose main objectives are social and economic upliftment of families below the poverty line with special focus on women empowerment, healthcare, sports and education. The emphasis is to make less privileged sections of the society self-reliant.

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

   Impact assessments of CSR initiatives are done through qualitative feedbacks from beneficiaries of projects undertaken. Projects undertaken in partnership with central/state governments and semi-government agencies have their own 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, 2014, an amount of ₹ 145.2 million was spent on various community development projects namely economic upliftment through Agricultural development, Promotion of rural industries, Women empowerment, Animal husbandry, Community health management, Sports activities, Flood and fire relief activities, Education and training, Natural resource management, Infrastructure development and Learn and earn activities.

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.**

   Public partnership model is followed in the CSR activities by actively involving the community in the decision making process. Before initiating any CSR activity, needs of the community are identified. The Company implements its CSR activities through community groups such as women self-help groups, farmer clubs and village development communities.

Principle 9

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

   As on March 31, 2014, about 1% 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 7, 2014

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, 2014, 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 / financial information 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, 2014;

(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 / financial information of 18 subsidiaries, whose financial statements / financial information reflect total assets (net) of ₹ 19,268.8 million as at March 31, 2014, total revenues of ₹ 21,982.9 million and net cash outflows amounting to ₹ 990.8 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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 LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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

Place : Mumbai
Dated : May 7, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	896.8	895.1
Reserves and Surplus	3	68,418.9	51,146.7
		69,315.7	52,041.8
Minority Interest	44	669.4	594.5
Non-Current Liabilities			
Long-Term Borrowings	4	1,509.6	2,470.6
Deferred Tax Liabilities (net)	5	2,486.6	2,336.8
Other Long-Term Liabilities	6	458.6	501.2
Long-Term Provisions	7	1,324.9	1,124.5
		5,779.7	6,433.1
Current Liabilities			
Short-Term Borrowings	8	4,023.8	7,268.2
Trade Payables	9	15,941.3	15,428.8
Other Current Liabilities	10	2,876.4	3,812.5
Short-Term Provisions	11	3,454.0	3,559.7
		26,295.5	30,069.2
	TOTAL	**102,060.3**	**89,138.6**
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		26,038.3	24,133.9
Intangible Assets - Acquired		939.0	794.6
Capital Work-in-Progress		2,842.6	2,496.9
Intangible Assets Under Development		198.6	610.1
		30,018.5	28,035.5
Goodwill on Consolidation	42 (e)	6,578.7	5,073.2
Non-Current Investments	13	20.6	20.6
Deferred Tax Assets (net)	14	708.1	704.4
Long-Term Loans and Advances	15	3,729.9	3,873.6
		41,055.8	37,707.3
Current Assets			
Current Investments	16	1,764.1	-
Inventories	17	21,294.5	19,489.3
Trade Receivables	18	24,641.0	21,869.9
Cash and Bank Balances	19	7,975.0	4,348.8
Short-Term Loans and Advances	20	3,016.9	3,396.7
Other Current Assets	21	2,313.0	2,326.6
		61,004.5	51,431.3
	TOTAL	**102,060.3**	**89,138.6**

See accompanying notes forming part of the consolidated financial statements

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

For **Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Vice Chairman

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director

M. D. Gupta
Executive 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 7, 2014

R. V. Satam
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	For the Current Year ended 31.03.2014 ₹ in million	For the Previous Year ended 31.03.2013 ₹ in million
INCOME:			
Revenue from Operations (Gross)	22	113,670.5	97,032.0
Less : Excise Duty		804.8	619.0
Revenue from Operations (Net)		112,865.7	96,413.0
Other Income	23	1,164.8	278.5
Total Revenue		**114,030.5**	**96,691.5**
EXPENSES:			
Cost of Raw and Packing Materials Consumed	24	24,213.6	22,247.8
Purchases of Stock-in-Trade		15,964.3	15,159.2
Changes in Inventories	25	(2,004.1)	(1,922.0)
of Finished Goods, Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	26	14,646.5	12,666.2
Finance Costs	27	266.5	409.5
Depreciation and Amortisation Expense	12	2,609.7	3,321.9
Other Expenses	28	30,017.5	25,562.9
Total Expenses		**85,714.0**	**77,445.5**
Profit before Tax		**28,316.5**	**19,246.0**
Tax Expense / (Benefit):			
- Current Tax Expense		9,551.7	5,647.6
- Tax Expense / (Benefit) for Prior Years		(15.7)	23.5
- Add : Reversal of MAT Credit for Prior Years		-	157.9
Net Current Tax Expense		9,536.0	5,829.0
- Deferred Tax (net)		85.5	12.6
Profit after Tax before Minority Interest		**18,695.0**	**13,404.4**
Less : Minority Interest		331.3	262.8
Profit for the year		**18,363.7**	**13,141.6**
Earnings per equity share (in ₹)	34		
Basic		**40.99**	**29.39**
Diluted		**40.79**	**29.26**
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 LLP**
Chartered Accountants

For **Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Vice Chairman

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director

M. D. Gupta
Executive 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 7, 2014

R. V. Satam
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the Current Year ended 31.03.2014 ₹ in million	For the Previous Year ended 31.03.2013 ₹ in million
A. Cash Flow from Operating Activities		
Profit before Tax	28,316.5	19,246.0
Adjustments for:		
Depreciation and Amortisation Expense	2,609.7	3,321.9
Loss on sale / write-off of Fixed Assets (net)	119.4	144.9
Finance Costs	266.5	409.5
Net Gain on Sale of Current Investments	(5.5)	-
Interest on Fixed Deposits with Banks	(138.6)	(115.9)
Dividend on Current Investments	(26.0)	-
Dividend on Long-Term Investment	(0.2)	(0.5)
Provision for Doubtful Trade Receivables / Advances / Deposits	273.7	59.1
Provision for Doubtful Advances written back	(7.3)	-
Credit Balances Written Back	(176.8)	-
Expenses on Employees Stock Options / Stock Appreciation Rights	211.0	43.7
Impairment of Assets	429.0	256.8
Profit on Disposal of Subsidiary	-	(0.2)
Provision for Diminution in value of Non-Current Investments written back	-	(0.2)
Unrealised Exchange loss on revaluation (net)	595.5	72.5
Net unrealised exchange difference during the year	(45.4)	4.2
Operating Profit before Working Capital Changes	32,421.5	23,441.8
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,563.3)	(2,009.1)
Trade Receivables	(3,360.3)	(3,924.8)
Short-Term Loans and Advances	415.8	(366.2)
Long-Term Loans and Advances	(858.5)	(277.3)
Other Current Assets	111.3	(989.4)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	256.5	1,462.1
Other Current Liabilities	311.7	39.5
Other Long-Term Liabilities	(71.7)	(20.8)
Short-Term Provisions	(82.9)	254.7
Long-Term Provisions	178.3	337.7
Cash Generated from Operations	27,758.4	17,948.3
Net Income tax paid	(7,719.1)	(5,438.7)
Net Cash Flow from Operating Activities	**20,039.3**	**12,509.6**
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(5,286.4)	(5,511.1)
Proceeds from sale of fixed assets	34.0	98.7
Net Gain on sale of Current Investments	5.5	-
Proceeds from sale of Long-Term Investments	-	4.7
Consideration for acquisition of subsidiary companies	(886.8)	(102.1)
Bank balances not considered as Cash and cash equivalents (net)	(2,616.5)	174.8
Interest on Fixed Deposits with Banks	138.6	115.9
Dividend on Current Investments	26.0	-
Dividend on Long-Term Investments	0.2	0.5
Net Cash used in Investing Activities	**(8,585.4)**	**(5,218.6)**

	For the Current Year ended 31.03.2014	For the Previous Year ended 31.03.2013
	₹ in million	₹ in million
C. Cash Flow from Financing Activities		
Repayment of Long-Term Borrowings (net)	(1,984.6)	(1,468.8)
Repayment of Short-Term Borrowings - Loans from banks (net)	(3,313.6)	(3,176.6)
Proceeds from issue of equity shares (ESOPs)	1.7	1.7
Securities Premium Received (ESOPs)	237.7	126.7
Finance Costs	(278.2)	(422.0)
Dividend paid	(3,214.9)	(1,434.0)
Corporate Tax on Dividend	(19.2)	(255.2)
Net Cash used in Financing Activities	**(8,571.1)**	**(6,628.2)**
Net increase in Cash and Cash Equivalents	**2,882.8**	**662.8**
Cash and Cash equivalents as at the beginning of the year	3,109.3	2,446.5
Cash and Cash equivalents taken over on acquisition of subsidiary companies	74.1	-
Cash and Cash equivalents as at the end of the year	**6,066.2**	**3,109.3**
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet (Refer note 19)	7,975.0	4,348.8
Unrealised loss / (gain) on foreign currency cash and cash equivalents	180.1	(3.0)
Less : Bank balances not considered as Cash and Cash equivalents as defined in AS-3 - Cash Flow Statements (Refer note 19)	3,853.0	1,236.5
Add : Current investments considered as part of Cash and cash equivalents (Refer Note 16)	1,764.1	-
Cash and Cash equivalents as restated as at the year end	**6,066.2**	**3,109.3**

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 Statements".
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 LLP**
Chartered Accountants

K. A. Katki
Partner

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Vice Chairman

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director

M. D. Gupta
Executive 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 7, 2014

R. V. Satam
Company Secretary

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 Lupin Limited ("the Company"), namely March 31, 2014.

      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 Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. 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 like items of assets, liabilities, income and expenses, after 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 Group 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. On the other hand, 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. The Company has adopted the provisions of paragraph 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", accordingly, 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.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their 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 exchange difference is carried under Reserves and Surplus 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 companies at Switzerland whose accounts are maintained in USD.

a) 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.

b) 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.

c) When a non-integral foreign operation is reclassified as an integral foreign operation, the translated amounts for non-monetary items at the date of the change are treated as the historical cost for those items in the period of change and subsequent periods. Exchange differences that have been deferred are not recognised as income or expense until the disposal of the operation.

Subsequent to the date of change in classification of the foreign operation, transactions and balances in such operations are accounted as per the accounting policy applicable to the new classification.

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 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 Equipment	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) Subsidiaries in USA

Assets	Estimated Useful Life
Computers	3 years
Furniture and Fixtures	5 years
Office and Other Equipment	7 years
Software	5 years

iv) Subsidiaries in Australia

Assets	Estimated Useful Life
Furniture and Fixtures	10 years
Computers	3 years
Other Equipment	6.7 years
Product Licences	5 to 10 years
Trademarks	5 years
Computer Software	3 years
Goodwill Acquired	5 years
Dossiers / Marketing Rights	5 years

v) Subsidiary in South Africa

Assets	Estimated Useful Life
Plant and Equipment	5 years
Vehicles	5 years
Furniture and Fixtures	6 years
Office Equipment (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 and Equipment	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
Buildings	5 years
Vehicles (including under finance lease)	5 years
Furniture and Fixtures	5 years
Office Equipment	3 years
Plant and Equipment	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

ix) Subsidiary in Netherlands

Assets	Estimated Useful Life
Plant and Equipment	5 years
Office Equipment	5 years
Intangible Assets (Trademarks and Licenses Acquired)	5 to 14 years *

* Considering expected usage and future economic benefits to the Subsidiary.

x) Subsidiary in Brazil

Assets	Estimated Useful Life
Furniture and Fixtures	10 years
Office Equipment	5 years

xi) Subsidiary in Mexico

Assets	Estimated Useful Life
Furniture and Fixtures	10 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 when services are rendered by the employees.

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 at their undiscounted amounts 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 highly 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 pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to 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. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. 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.

x) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

y) Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2. SHARE CAPITAL

a) Share Capital

	As at 31 March 2014		As at 31 March 2013	
	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	448,375,804	896.8	447,529,493	895.1
Total	**448,375,804**	**896.8**	**447,529,493**	**895.1**

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 2014		As at 31 March 2013	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	447,529,493	895.1	446,641,681	893.3
Equity Shares issued during the year in the form of ESOPs	846,311	1.7	887,812	1.8
Equity Shares outstanding at the end of the year	**448,375,804**	**896.8**	**447,529,493**	**895.1**

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, except in case of interim dividend.

During the year ended 31 March 2014, the Company declared an interim dividend of ₹ 3 per equity share. A final dividend of ₹ 3 per equity share has been recommended by the Board of Directors at its meeting held on 7 May 2014. On approval by the shareholders of the final dividend of ₹ 3 per equity share, the total dividend for the year would be ₹ 6 (previous year ₹ 4) per equity share.

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 2014		As at 31 March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Zyma Laboratories Limited	54,960,490	12.26	54,960,490	12.28
Rahas Investments Pvt. Limited	45,699,510	10.19	45,699,510	10.21
Visiomed Investments Pvt. Limited [formerly Visiomed (India) Pvt. Limited]	43,514,660	9.70	43,514,660	9.72
Lupin Holdings Pvt. Limited [formerly Lupin Marketing Pvt. Limited]	40,401,000	9.01	40,401,000	9.03

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

Particulars	As at 31 March 2014	As at 31 March 2013
	No. of Shares	No. of Shares
Lupin Employees Stock Option Plan 2003	687,134	961,360
Lupin Employees Stock Option Plan 2005	532,479	784,995
Lupin Employees Stock Option Plan 2011	3,297,482	3,546,178
Lupin Subsidiary Companies Employees Stock Option Plan 2005	371,103	437,089
Lupin Subsidiary Companies Employees Stock Option Plan 2011	895,113	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 2014	As at 31 March 2013
	Aggregate No. of Shares	Aggregate No. of Shares
Equity Shares:		
Issued under various Stock Option Plans of the Company	5,194,344	5,185,963

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 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Capital Reserve		
- Investment Subsidies from Central Government		
Opening and Closing Balance as per last Balance Sheet	1.0	1.0
- Investment Subsidies from State Government		
Opening and Closing Balance as per last Balance Sheet	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation		
Opening and Closing Balance as per last Balance Sheet	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
	126.5	126.5
Securities Premium Account		
Balance as per last Balance Sheet	5,378.1	5,248.6
Add : Addition during the year*	255.2	129.5
Balance as at the year end	5,633.3	5,378.1
Employees Stock Options Outstanding (Refer note 36)		
- Employees Stock Options Outstanding		
Opening Balance as per last Balance Sheet	43.2	31.5
Add : Options granted during the year	22.0	14.6
Less : Exercised during the year	17.5	2.9
Balance as at the year end (A)	47.7	43.2
- Deferred Employees Stock Options Cost		
Opening Balance as per last Balance Sheet	8.7	7.0
Add : Options granted during the year	22.0	14.6
Less : Amortisation during the year	19.4	12.9
Balance as at the year end (B)	11.3	8.7
(A-B)	36.4	34.5
Employee Stock Appreciation Rights Outstanding (Refer note 37)		
Opening Balance as per last Balance Sheet	34.3	3.5
Add : Additions during the year	191.6	30.8
Balance as at the year end	225.9	34.3
General Reserve		
Opening Balance as per last Balance Sheet	13,015.4	11,515.4
Add : Transferred from Surplus in the Consolidated Statement of Profit and Loss	2,500.0	1,500.0
Balance as at the year end	15,515.4	13,015.4
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
	317.9	317.9
Cash Flow Hedge Reserve (Refer note 40)		
Opening Balance as per last Balance Sheet	(137.9)	(579.8)
Add : Effect of foreign exchange rate variations on hedging instruments outstanding [net of deferred tax of ₹ 102.5 million (previous year ₹ 160.1 million)]	302.3	430.1
Add / (Less) : Tranferred to the Statement of Profit and Loss	(36.8)	11.8
Balance as at the year end	127.6	(137.9)
Foreign Currency Translation Reserve (Refer note 46)		
Opening Balance as per last Balance Sheet	941.9	969.9
Add / (Less) : Exchange Rate Difference on Translation (net)	829.1	(28.0)
Balance as at the year end	1,771.0	941.9
Surplus in the Consolidated Statement of Profit and Loss		
Opening Balance as per last Balance Sheet	31,172.1	21,345.2
Add : Profit for the year	18,363.7	13,141.6
Less : Transfer to General Reserve	2,500.0	1,500.0
Less : Interim Dividend paid on Equity Shares [Refer note 2 (c)]	1,345.0	-
Add : Transfer from Minority Interest (Refer note 44)	-	280.6
Less : Proposed Final Dividend on Equity Shares [Refer note 2 (c)]	1,345.1	1,790.1
Less : Dividend for previous year on Equity Shares issued after year end pursuant to ESOPs allotment	1.1	0.9
Add : Reversal of Corporate Tax on Final Dividend for previous year (in terms of Section 115-O / 115BBD of the Income-tax Act, 1961)	(304.2)	-
Less : Corporate Tax on Final Dividend **	247.8	304.3
Balance as at the year end	44,401.0	31,172.1
Total	**68,418.9**	**51,146.7**

* Represents amount received on allotment of 846,311 (previous year 887,812) Equity Shares of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 36 (a)].

** Represents Corporate tax on Proposed Dividend ₹ 228.6 million (previous year ₹ 304.2 million), on Interim Dividend ₹ 19.2 million (previous year ₹ nil) and on dividend paid for previous year on Equity Shares issued after the year end pursuant to ESOPs allotment ₹ nil (previous year ₹ 0.1 million).

4. LONG-TERM BORROWINGS

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
(Refer note 10)		
Secured		
Foreign Currency Term Loans from Banks	232.9	344.2
Long Term Maturities of Finance Lease Obligations [Refer note 35 (b)]	11.3	35.3
	244.2	379.5
Unsecured		
Bonds	-	218.6
Foreign Currency Term Loans from Banks	1,023.0	1,580.5
Deferred Sales Tax Loan from Government of Maharashtra	46.2	54.6
Term Loans from Council for Scientific and Industrial Research (CSIR)	154.7	185.6
Term Loans from Department of Science and Technology (DST)	41.5	51.8
	1,265.4	2,091.1
Total	**1,509.6**	**2,470.6**

a) Term Loans of a subsidiary company located in Japan aggregating ₹ 293.5 milllion carries interest rate in the range of 1.25% to 2.15% p.a. and are secured by first legal / equitable mortgage on immovable assets of the said subsidiary. Unsecured Term Loans aggregating to ₹ 1,585.1 million carries interest rate in the range of 0.50% to 0.59% p.a. and guaranteed by the Company. The loan matures at various dates beginning from year 2014 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 ₹ 44.2 million is repayable in monthly installments of ₹ 0.5 million till 30 November 2020. Second loan of ₹ 14.9 million repayable in monthly installments (including interest) of ₹ 0.1 million till February 2042.

c) Unsecured Term Loans 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 ₹ 6.4 million is repayable in 6 monthly installments of ₹ 1.3 million till 30 September 2016. Second loan of ₹ 17.1 million is repayable in 6 biannual installments of ₹ 3.4 million starting from 30 March 2014.

d) 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.

e) Term Loans from CSIR carry interest of 3% p.a. and is payable in 6 annual installments of ₹ 30.9 million each alongwith interest.

f) Term Loans from DST carry interest of 3% p.a. and is payable in 5 annual installments of ₹ 10.4 million each alongwith interest.

g) 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.

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

5. DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	3,022.7	2,822.3
Cash Flow Hedge Reserve	48.6	-
Amortisation of Intangibles	15.4	12.6
Others	2.8	1.9
	3,089.5	2,836.8
Less : Tax effect of items constituting Deferred Tax Assets		
Provision for doubtful trade receivables	127.4	38.2
Provision for VRS Compensation	47.9	53.2
Provision for Employee Benefits	276.2	231.1
Provision for Expenses	6.1	5.0
Leasing Liability	0.4	0.7
Cash Flow Hedge Reserve	-	53.9
Others	144.9	117.9
	602.9	500.0
Total	**2,486.6**	**2,336.8**

6. OTHER LONG-TERM LIABILITIES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Trade Payables	95.1	137.6
Mark to Market Derivative Liabilities	-	2.8
Interest Accrued but not due on Borrowings	-	9.9
Deposits (at subsidiary)	326.3	339.1
Payable for Purchase of Fixed Assets	24.0	-
Other Payables	13.2	11.8
Total	**458.6**	**501.2**

7. LONG-TERM PROVISIONS

Provisions for Employee Benefits		
Gratuity [Refer note 38 (ii) (a) (A)]	431.8	360.3
Retirement Benefits [Refer note 38 (ii) (b) (c) (d)]	555.7	441.0
Compensated Absences	328.4	303.3
Provident Fund [Refer note 38 (ii) (a) (B)]	9.0	19.9
Total	**1,324.9**	**1,124.5**

8. SHORT-TERM BORROWINGS

Secured		
Loans from Banks	806.2	5,785.9
	806.2	5,785.9
Unsecured		
Loans from Banks	3,217.6	1,482.3
	3,217.6	1,482.3
Total	**4,023.8**	**7,268.2**

a) Secured Loans aggregating ₹ 500.0 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 Indian rupees carries interest rate in the range of 10.00% to 12.75% p.a.

b) Secured Loan of ₹ 227.3 million being overdraft facility availed by a subsidiary company located in Australia carries interest rate in the range of 3.50% to 3.95% p.a. and is secured by fixed and floating charge over all assets of the said subsidiary.

c) Secured Loan of ₹ 78.9 million being loan availed by a subsidiary company located in Philippines are secured by way of hypothecation of trade receivables of the said subsidiary and carries interest rate in the range of 3.75% to 5.50% p.a.

d) Secured Loans include foreign currency loans of ₹ 306.2 million.

e) Unsecured Loans aggregating to ₹ 651.6 million comprise of Short-Term Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit. Loans in foreign currency carries interest rate in the range of 0.28% to 0.54% p.a. and those in Indian rupees carries interest rate in the range of 10.00% to 12.75% p.a.

f) Unsecured Loans aggregating to ₹ 2,224.5 million availed by the subsidiary companies located in Japan carries interest rate of 0.55 % p.a.

g) Unsecured Loan of ₹ 288.1 million availed by a subsidiary company located in Germany carries interest rate of 1.27% p.a. and guaranteed by the Company.

h) Unsecured Loans aggregating to ₹ 53.4 million availed by a subsidiary company located in Philippines out of which ₹ 26.7 million are supported by letter of comfort by the Company. The loans carry interest rate in the range of 3.75% to 5.50% p.a.

i) Unsecured Loans include foreign currency loans of ₹ 3,174.1 million.

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

9. TRADE PAYABLES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Acceptances	2,238.7	2,428.3
Other than Acceptances	13,702.6	13,000.5
Total	**15,941.3**	**15,428.8**

10. OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings (Refer note 4)		
- Bonds (Refer note below)	222.5	-
- Foreign Currency Term Loans from Banks	705.2	1,830.8
- Current Maturities of Finance Lease Obligations [Refer note 35 (b)]	25.6	27.1
- Deferred Sales Tax Loan from Government of Maharashtra	9.4	6.9
- Term Loans from CSIR	30.9	30.9
- Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	15.1	16.8
Unpaid Dividend*	25.7	16.5
Unpaid Matured Deposits*	-	0.1
Unpaid Interest Warrants*	-	0.1
Mark to Market Derivative Liabilities	86.6	392.1
Deposits	3.8	-
Payable for Purchase of Fixed Assets	708.0	758.8
Advances from customers	450.4	81.7
Other Payables	582.8	640.3
(Includes Statutory liabilities, Deposits received, etc.)		
Total	**2,876.4**	**3,812.5**

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

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.

11. SHORT-TERM PROVISIONS

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Provisions for Employee Benefits		
Gratuity [Refer note 38 (ii) (a) (A)]	71.5	125.5
Compensated Absences	238.5	191.3
Other Provisions		
For Sales Returns (Refer note 50)	672.2	721.7
For Taxation (net of Advance Tax)	898.1	339.0
For Proposed Dividend on Equity Shares	1,345.1	1,878.0
For Corporate Tax on Dividend	228.6	304.2
Total	**3,454.0**	**3,559.7**

12. FIXED ASSETS

(₹ in million)

Particulars	Gross Block							Accumulated Depreciation and Amortisation						Net Block
	As at 01.04.2013	Additions on Acquistion of Subsidiary Company	Effect of Foreign Currency exchange differences	Additions	Translation Adjustments	Deductions	As at 31.03.2014	As at 01.04.2013	Additions on Acquistion of Subsidiary Company	For the Year	Translation Adjustments	Deductions	As at 31.03.2014	As at 31.03.2014
A. Tangible Assets														
Freehold Land	1,213.1	-	-	-	25.7	1.4	1,237.4	-	-	-	-	-	-	1,237.4
	1,244.5	-	-	*49.0*	*(80.3)*	*0.1*	*1,213.1*	-	-	-	-	-	-	*1,213.1*
Leasehold Land	633.7	-	-	5.1	-	-	638.8	54.5	-	10.4	-	-	64.9	573.9
	540.1	-	-	*93.6*	-	-	*633.7*	*44.3*	-	*10.2*	-	-	*54.5*	*579.2*
Buildings	8,792.3	-	9.2	828.8	57.6	12.6	9,675.3	2,336.2	-	286.3	37.0	2.3	2,657.2	7,018.1
	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*
Plant and Equipment	24,089.4	28.6	56.4	2,873.2	85.4	396.6	26,736.4	9,617.6	12.3	1,619.0	62.2	297.9	11,013.2	15,723.2
	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*
Furniture and Fixtures	1,262.7	0.2	2.8	205.8	9.6	75.3	1,405.8	647.6	-	161.2	7.0	62.5	753.3	652.5
	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*
Vehicles	166.6	0.3	-	29.5	0.1	7.7	188.8	76.2	0.3	26.5	(0.2)	3.6	99.2	89.6
	138.9	-	-	*38.3*	*7.5*	*18.1*	*166.6*	*94.2*	-	*11.8*	*1.7*	*31.5*	*76.2*	*90.4*
Office Equipment	1,176.2	1.0	3.4	221.6	2.9	141.8	1,263.3	536.5	0.6	148.8	2.5	125.8	562.6	700.7
	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*
Assets under Lease :														
- Plant and Equipment	162.2	-	-	-	2.8	-	165.0	100.1	-	24.3	0.9	-	125.3	39.7
	174.9	-	-	-	*(12.7)*	-	*162.2*	*83.1*	-	*26.4*	*(9.4)*	-	*100.1*	*62.1*
- Vehicles	29.1	-	-	11.2	0.2	21.4	19.1	22.7	-	5.3	0.1	12.2	15.9	3.2
	39.3	-	-	*1.1*	*2.6*	*13.9*	*29.1*	*25.4*	-	*8.4*	*1.8*	*12.9*	*22.7*	*6.4*
Total - Tangible Assets (A)	37,525.3	30.1	71.8	4,175.2	184.3	656.8	41,329.9	13,391.4	13.2	2,281.8	109.5	504.3	15,291.6	26,038.3
	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*
B. Intangible Assets - Acquired														
Goodwill	630.5	-	-	-	(7.7)	-	622.8	586.9	-	43.6	(7.7)	-	622.8	-
	604.5	-	-	-	*26.0*	-	*630.5*	*439.9*	-	*125.5*	*21.5*	-	*586.9*	*43.6*
Computer Software	363.4	-	-	146.4	2.4	2.3	509.9	163.4	-	81.1	0.7	2.2	243.0	266.9
	264.4	-	-	*129.0*	*(9.8)*	*20.2*	*363.4*	*140.1*	-	*46.7*	*(5.2)*	*18.2*	*163.4*	*200.0*
Trademarks and Licences	391.8	5.3	-	113.1	(8.0)	1.8	500.4	251.5	5.2	120.9	(5.8)	1.7	370.1	130.3
	422.4	-	-	*16.4*	*25.8*	*72.8*	*391.8*	*192.6*	-	*47.6*	*11.3*	-	*251.5*	*140.3*
Dossiers / Marketing rights	2,857.9	-	-	194.7	263.1	18.4	3,297.3	2,447.2	-	82.3	243.7	17.7	2,755.5	541.8
	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*
Total - Intangible Assets (B)	4,243.6	5.3	-	454.2	249.8	22.5	4,930.4	3,449.0	5.2	327.9	230.9	21.6	3,991.4	939.0
	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*
Total (A+B)	41,768.9	35.4	71.8	4,629.4	434.1	679.3	46,260.3	16,840.4	18.4	2,609.7	340.4	525.9	19,283.0	26,977.3
	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*
Capital Work-in-Progress (Refer note 32)														2,842.6
														2,496.9
Intangible Assets Under Development														198.6
														610.1
Total														30,018.5
														28,035.5

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 ₹ 635.1 million (previous year ₹ 889.9 million) located at Research and Development Centres of the Group.
3. Additions to Plant and Equipment include ₹ 3.0 million (previous year ₹ nil) on account of Capital Investment Subsidy.
4. Previous year figures are given in italics below current year figures in each class of assets.

13. NON-CURRENT INVESTMENTS

	Number	Face Value	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Trade Investments				
a) Others - Unquoted				
In Equity Instruments:	**Number**	**Face Value**		
- 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	₹		
[31.03.2014- ₹ 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		
[31.03.2014- ₹ 29,270/- (previous year ₹ 28,765/-)]	(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		
[31.03.2014- ₹ 585/- (previous year ₹ 575/-)]	(10)	100		
- Frankfurter Volksbank eG Bank, Germany	10	Eur		
[31.03.2014- ₹ 41,157/- (previous year ₹ 34,760/-)]	(10)	50		
- Philippines Long Distance Telephone Co., Philippines	200	PHP		
[31.03.2014- ₹ 21,360/- (previous year ₹ 21,280/-)]	(200)	1		
- Atsugi Gas Corporation, Japan	600	Nil	0.2	0.2
	(600)			
			20.6	20.6
(Figures in brackets are for previous year)				
b) In Government Securities				
National Saving Certificates				
[31.03.2014- ₹ 6,000/- (previous year ₹ 6,000/-)]				
Deposited with Government Authority				
[31.03.2014- ₹ 6,000/- (previous year ₹ 6,000/-)]				
		Total	**20.6**	**20.6**

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 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Tax effect of items constituting Deferred Tax Assets		
Provision for Bonus	107.5	126.3
Provision for Leave Encashment	15.5	14.4
Provision for Retirement Benefits	44.4	73.1
Provision for Expenses	34.3	30.0
Provision for Price Differential	88.4	37.8
Provision for Sales Return	244.6	263.9
On differences between book and tax depreciation	36.9	41.5
Others	226.8	158.0
	798.4	745.0
Less: Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	21.5	-
Reserved for Deferred Capital Gain	15.8	17.9
Others	53.0	22.7
Total	**708.1**	**704.4**

15. LONG-TERM LOANS AND ADVANCES

Unsecured, considered good unless otherwise stated		
Capital Advances	1,069.0	802.0
Loans and Advances to related parties [Refer note 53 (C)]	54.7	-
Security Deposits	285.1	319.6
Advance payment of Income Tax (net of Provision)	473.7	266.2
MAT Credit Entitlement	523.4	1,993.8
Balances with Government Authorities (Drawback / Customs duties receivable)	845.0	-
Loans to Employees Benefit Trust (Refer note 37)	258.0	476.9
Loans to Employees	5.3	4.3
Other Loans and Advances	215.7	10.8
Total	**3,729.9**	**3,873.6**

16. CURRENT INVESTMENTS

Non Trade Investments - Unquoted			
- In Mutual Funds	**Number of Units**		
- Birla Sun Life Cash Plus	3,423,542	343.0	-
	(-)		
- ICICI Prudential Liquid	7,051,651	705.6	-
	(-)		
- HDFC Liquid	70,154,424	715.5	-
	(-)		
(Figures in brackets are for previous year)			
Total		**1,764.1**	-
1) All investments are stated at lower of cost and fair value unless otherwise stated.			
2) Aggregate amount of unquoted investments		1,764.1	-

17. INVENTORIES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Raw Materials	4,516.1	4,583.6
Packing Materials	836.0	854.0
Work-in-Process	3,656.7	3,318.8
Finished Goods	4,495.0	4,202.8
Stock-in-Trade	5,348.8	4,709.0
Consumable Stores and Spares	666.7	543.8
Goods-in-Transit		
- Raw Materials	121.6	331.0
- Packing Materials	13.2	12.0
- Stock-in-Trade	1,619.4	885.2
- Consumable Stores and Spares	21.0	49.1
Total	**21,294.5**	**19,489.3**

18. TRADE RECEIVABLES

Unsecured		
Trade receivables outstanding for a period exceeding		
six months from the date they were due for payment		
- Considered Good	416.6	405.0
- Considered Doubtful	385.9	128.6
	802.5	533.6
Other Trade Receivables		
- Considered Good	24,224.4	21,464.9
- Considered Doubtful	0.8	-
	24,225.2	21,464.9
	25,027.7	21,998.5
Less : Provision for Doubtful Trade Receivables	386.7	128.6
Total	**24,641.0**	**21,869.9**

19. CASH AND BANK BALANCES

Cash and Cash Equivalents		
Bank Balances		
- In Current Accounts (including money-in-transit)	3,421.7	2,220.3
- In Deposit Accounts	588.4	792.4
Cheques on hand	106.6	95.6
Cash on hand	5.3	4.0
	4,122.0	3,112.3
Other Bank Balances (Refer note below)		
Earmarked Balances with Banks		
- Unpaid dividend accounts	21.5	16.5
- Unpaid matured deposits	-	0.1
- Unpaid interest warrants	-	0.1
- Deposits against borrowings, guarantees and other commitments	10.4	2.9
Bank Deposits maturing more than 3 months but less than 12 months	3,821.1	1,216.9
	3,853.0	1,236.5
Total	**7,975.0**	**4,348.8**

Other Bank Balances - Earmarked Balances with Banks include deposits ₹ 10.4 million (previous year ₹ 2.9 million) which have an original maturity of more than 12 months.

20. SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Unsecured, considered good unless otherwise stated		
Loans and Advances to related parties [Refer note 53 (C)]	-	62.2
Security Deposits		
- Considered Good	79.6	106.5
- Considered Doubtful	6.6	-
	86.2	106.5
Less : Provision for Doubtful Deposits	6.6	-
	79.6	106.5
Advance payment of Income Tax (net of Provision)	14.3	8.5
Balances with Government Authorities (VAT / Cenvat / Service tax credit receivable / other taxes)	1,573.2	1,736.6
Advance to Vendors		
- Considered Good	573.8	750.6
- Considered Doubtful	-	7.3
	573.8	757.9
Less : Provision for Doubtful Advances	-	7.3
	573.8	750.6
Loans to Employees Benefit Trust (Refer note 15 and 37)	218.9	-
Other Loans and Advances	557.1	732.3
(includes Loans and Advances to employees, Prepaid expenses, etc.)		
Total	3,016.9	3,396.7

21. OTHER CURRENT ASSETS

Mark to Market Derivative Assets	256.9	160.4
Export Benefits Receivable	1,699.7	1,133.4
Other Current Assets	356.4	1,032.8
(includes receivable from Government Authorities, Interest receivables, etc.)		
Total	2,313.0	2,326.6

22. REVENUE FROM OPERATIONS (GROSS)

	For the Current Year ended 31.03.2014 ₹ in million	For the Previous Year ended 31.03.2013 ₹ in million
Sale		
Goods	110,147.6	94,313.4
Research Services	1,523.6	921.9
	111,671.2	95,235.3
Other Operating Revenue		
Export Benefits and Other Incentives	1,199.1	783.9
Service Charges	208.0	584.8
Insurance Claims	17.9	47.8
Compensation and Settlement Income	230.2	280.5
Provision for Doubtful Trade Advances / Receivables written back	7.3	0.2
Credit Balances Written Back	176.8	-
Miscellaneous Income	160.0	99.5
	1,999.3	1,796.7
Total	**113,670.5**	**97,032.0**

23. OTHER INCOME

Interest on Fixed Deposits with Banks	138.6	115.9
[Tax Deducted at Source ₹ 6.0 million (previous year ₹ 5.8 million)]		
Other Interest (including interest on income tax refunds)	20.0	25.6
[Tax Deducted at Source ₹ 0.9 million (previous year ₹ 0.5 million)]		
Dividend on Current Investments	26.0	-
Dividend on Long-Term Investment	0.2	0.5
Provision for Diminution in value of Non-Current Investments written back	-	0.2
Net gain on Foreign Currency Transactions	895.7	116.2
Net gain on Sale of Current Investments	5.5	-
Provisions no longer required written back	51.5	-
Other Non-Operating Income	27.3	20.1
Total	**1,164.8**	**278.5**

24. COST OF RAW AND PACKING MATERIALS CONSUMED

Raw Materials Consumed	20,730.9	18,861.2
Packing Materials Consumed	3,482.7	3,386.6
Total	**24,213.6**	**22,247.8**

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

Opening 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
Less:		
Closing Stock:		
Finished Goods	4,495.0	4,202.8
Stock-in-Trade	6,968.2	5,594.2
Work-in-Process	3,656.7	3,318.8
	15,119.9	13,115.8
Changes In Inventories:		
Finished Goods	(292.2)	(244.5)
Stock-in-Trade	(1,374.0)	(1,177.5)
Work-in-Process	(337.9)	(500.0)
Total	**(2,004.1)**	**(1,922.0)**

26. EMPLOYEE BENEFITS EXPENSE

	For the Current Year ended 31.03.2014	For the Previous Year ended 31.03.2013
	₹ in million	₹ in million
Salaries and Wages	12,322.5	10,513.5
Contribution to Provident and Other Funds	1,074.3	1,073.8
Retirement Benefits Expense [Refer note 38 (ii)]	137.2	332.8
Expenses on Employees Stock Options / Stock Appreciation Rights	211.0	43.7
(Refer note 36 and 37)		
Staff Welfare Expenses	901.5	702.4
Total	**14,646.5**	**12,666.2**

27. FINANCE COSTS

Interest on Borrowings	85.1	239.2
Other Borrowing Costs (includes bank charges, etc.)	167.5	169.2
Interest on Income Tax	13.9	1.1
Total	**266.5**	**409.5**

28. OTHER EXPENSES

Processing Charges	1,204.9	956.9
Stores and Spares Consumed	2,787.3	2,383.6
Repairs and Maintenance:		
- Buildings	237.4	246.1
- Plant and Machinery	702.4	581.0
- Others	722.1	630.2
Rent	333.1	273.3
Rates and Taxes	776.3	718.8
Insurance	401.9	342.1
Power and Fuel	3,342.9	3,202.2
Contract Labour Charges	848.1	690.5
Excise Duty (net) (Refer note 48)	163.9	116.6
Selling and Promotion Expenses	5,057.1	4,680.7
Commission, Brokerage and Discount	1,230.9	1,060.4
[Including cash discount of ₹ 7.3 million (previous year ₹ 6.8 million)]		
Freight and Forwarding	1,464.6	1,355.1
Lease Rent and Hire Charges (Refer note 35)	638.9	600.6
Postage and Telephone Expenses	327.1	296.5
Travelling and Conveyance	1,722.2	1,594.1
Legal and Professional Charges	3,841.8	3,036.3
[Net of recoveries of ₹ 79.3 million (previous year ₹ nil)]		
Donations	230.0	169.5
Clinical and Analytical Charges	1,311.0	890.2
Loss on sale / write-off of Fixed Assets (net)	119.4	144.9
Bad Trade Receivables / Advances written off	8.9	38.6
Impairment of Assets	429.0	256.8
Provision for Doubtful Trade Receivables / Advances / Deposits	273.7	59.1
Directors Sitting Fees	2.7	2.7
Exchange Rate Difference on Translation (net)	482.1	243.4
Miscellaneous Expenses	1,357.8	992.7
Total	**30,017.5**	**25,562.9**

29. 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	Japan	100%*
Amel Touhoku (upto 28 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%#
Lupin Mexico SA de CV	Mexico	100%+
Lupin Philippines Inc.	Philippines	100%+
Generic Health SDN. BHD.	Malaysia	100%+
Lupin Middle East FZ-LLC (from 13 June 2012)	UAE	100%
Lupin GmbH (from 15 August 2013)	Switzerland	100%**
Lupin Inc. (from 27 June 2013)	USA	100%**
Farma World Importacao e Exportacao De Medicamentos LTDA - EPP (from 17 December 2013)	Brazil	100%+
Nanomi B.V. (from 30 January 2014)	Netherlands	100%**

@ 80% interest held through Lupin Inc., USA (from 31 March 2014).

+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.

** Wholly owned subsidiaries of Lupin Atlantis Holdings SA, Switzerland.

The consolidated financial statements 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%.

During the year, the Company through its subsidiary in Switzerland has entered into an agreement dated 25 March 2014 to acquire 100% shares in "Laboratorios Grin S.A. de C.V., Mexico". The agreement is subject to compliance to certain conditions which were yet to be fulfilled as at the year end. Consequently, no consideration has been paid / control is yet established as at the year end and hence, the entity does not form part of the Consolidated Financial Statements as at 31 March 2014.

30. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 2140.1 million (previous year ₹ 1320.8 million).

b) Commitments for research activities amounting to ₹ 1028.9 million (net of advances) (previous year ₹ nil).

c) Other commitments – Non-cancellable operating and finance leases (Refer note 35).

d) The Company is committed to operationally, technically and financially support the operations of its subsidiaries.

31. Contingent Liabilities:

		As at 31.03.2014	As at 31.03.2013
		₹ in million	₹ in million
a)	Income tax demands / matters on account of deductions / disallowances in earlier years, pending in appeals [₹ 49.7 million (previous year ₹ 49.7 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" ₹ 26.3 million (previous year ₹ 23.5 million).	173.2	82.3
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 20 "Short-Term Loans and Advances" ₹ 30.4 million (previous year ₹ 31.7 million).	355.5	424.4
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, trademarks, pricing, indemnity and stamp duty. Amount paid there against without admitting liability and included under note 20 "Short-Term Loans and Advances" ₹ 12.6 million (previous year ₹ 12.6 million).	6223.2	419.9
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

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.

The Company and its subsidiaries 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.

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

Particulars	2013-2014	2012-2013
	₹ in million	₹ in million
Opening balance	222.6	88.8
Incurred during the current year:		
Salaries, allowances and contribution to funds	11.2	65.8
Professional fees	0.3	1.4
Travelling expenses	1.6	10.2
Others	4.4	118.1
Total	17.5	195.5
Less : Capitalised during the year	57.9	61.7
Closing balance	**182.2**	**222.6**

33. Segment Reporting:

i) Primary segment:

The Group operates exclusively in the Pharmaceutical business segment which is the only reportable business segment.

ii) Secondary segment data:

(Current year ₹ in million)

Particulars	India	USA	Japan	Others	Total
Revenue by Geographical Segment	28641.0	48299.9	12997.9	22926.9	112865.7
Carrying amount of Segment Assets	50246.9	16406.6	16932.3	16755.0	100340.8
Capital Expenditure	3389.0	137.5	808.3	1357.2	5692.0

(Previous 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

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)	27999.2	48091.2	12954.7	21821.3	110866.4
Other Operating Income	641.8	208.7	43.2	1105.6	1999.3
Total Revenue	28641.0	48299.9	12997.9	22926.9	112865.7

(Previous 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

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

Particulars	2013-2014	2012-2013
	₹ in million	₹ in million
Net Profit after minority interest attributable to equity shareholders	18363.7	13141.6
Weighted average number of Equity Shares:		
- Basic	447982156	447125025
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as on 31.03.2014	2262690	1968120
- Diluted	450244846	449093145
Earnings per Share (in ₹)		
- Basic	40.99	29.39
- Diluted	40.79	29.26

35. a) The Group procures equipments, vehicles and office premises under operating leases. The initial tenure of the lease is generally between 12 months to 60 months. The lease rentals recognised in the Consolidated Statement of Profit and Loss (Refer note 28) for the year are ₹ 550.3 million (previous year ₹ 474.8 million). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

Particulars	2013-2014	2012-2013
	₹ in million	₹ in million
Not later than one year	460.0	326.0
Later than one year but not later than five years	878.9	532.0
Later than five years	129.7	25.1
Total	**1468.6**	**883.1**

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

(₹ in million)

Particulars	2013-2014		
	Present Value of minimum lease payment	Future Interest Cost	Minimum lease payment
Not later than one year	25.6	1.0	26.6
	(27.1)	(1.6)	(28.7)
Later than one year but not later than five years	11.3	0.5	11.8
	(35.3)	(1.4)	(36.7)
Later than five years	-	-	-
	(-)	(-)	(-)
Total	**36.9**	**1.5**	**38.4**
	(62.4)	(3.0)	(65.4)

Previous year figures are given in bracket.

36. Employees Stock Option Plans:

a) The Group implemented "Lupin Employees Stock Option Plan 2003" (ESOP 2003), "Lupin Employees Stock Option Plan 2005" (ESOP 2005), "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 2003 (ESOP 2003):

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
October 07, 2013	50000	439.43	07.10.2013 to 07.10.2014
	50000		

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
July 26, 2013	236375	864.75	26.07.2013 to 26.07.2014
	236375	864.75	26.07.2013 to 26.07.2015
	236375	864.75	26.07.2013 to 26.07.2016
	236375	864.75	26.07.2013 to 26.07.2017
	945500		
November 13, 2013	188	873.50	13.11.2013 to 13.11.2014
	188	873.50	13.11.2013 to 13.11.2015
	187	873.50	13.11.2013 to 13.11.2016
	187	873.50	13.11.2013 to 13.11.2017
	750		

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

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
August 02, 2013	21230	873.85	02.08.2013 to 02.08.2014
	21230	873.85	02.08.2013 to 02.08.2015
	21230	873.85	02.08.2013 to 02.08.2016
	21230	873.85	02.08.2013 to 02.08.2017
	84920		
August 13, 2013	3418	820.05	13.08.2013 to 13.08.2014
	3418	820.05	13.08.2013 to 13.08.2015
	3417	820.05	13.08.2013 to 13.08.2016
	3417	820.05	13.08.2013 to 13.08.2017
	13670		
November 13, 2013	4175	873.50	13.11.2013 to 13.11.2014
	4175	873.50	13.11.2013 to 13.11.2015
	4175	873.50	13.11.2013 to 13.11.2016
	4175	873.50	13.11.2013 to 13.11.2017
	16700		
December 27, 2013	4175	907.00	27.12.2013 to 27.12.2014
	4175	907.00	27.12.2013 to 27.12.2015
	4175	907.00	27.12.2013 to 27.12.2016
	4175	907.00	27.12.2013 to 27.12.2017
	16700		
February 14, 2014	13275	894.05	14.02.2014 to 14.02.2015
	13275	894.05	14.02.2014 to 14.02.2016
	13275	894.05	14.02.2014 to 14.02.2017
	13275	894.05	14.02.2014 to 14.02.2018
	53100		

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:

Particulars	**Year Ended 31.03.2014**	Year Ended 31.03.2013
	Nos.	Nos.
Lupin Employees Stock Option Plan 2003 (ESOP 2003):		
Options outstanding as at the beginning of the year	763615	1085783
Add: Options granted during the year	50000	-
Less: Options lapsed during the year	-	73125
Less: Options exercised during the year	274226	249043
Options outstanding as at the year end	539389	763615

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
	Nos.	Nos.
Lupin Employees Stock Option Plan 2005 (ESOP 2005):		
Options outstanding as at the beginning of the year	751920	1250090
Add: Options granted during the year	-	59500
Less: Options lapsed during the year	4875	36375
Less: Options exercised during the year	252516	521295
Options outstanding as at the year end	494529	751920
Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005):		
Options outstanding as at the beginning of the year	430119	500421
Add: Options granted during the year	-	-
Less: Options lapsed during the year	-	6650
Less: Options exercised during the year	65986	63652
Options outstanding as at the year end	364133	430119
Lupin Employees Stock Option Plan 2011 (ESOP 2011):		
Options outstanding as at the beginning of the year	2259047	1759250
Add: Options granted during the year	946250	699750
Less: Options lapsed during the year	219062	146131
Less: Options exercised during the year	248696	53822
Options outstanding as at the year end	2737539	2259047
Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011):		
Options outstanding as at the beginning of the year	306780	161380
Add: Options granted during the year	185090	145400
Less: Options lapsed during the year	57950	-
Less: Options exercised during the year	4887	-
Options outstanding as at the year end	429033	306780

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 ₹ 291.5 million (previous year ₹ 229.5 million) and earnings per share as reported would be as indicated below:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
	₹ in million	₹ in million
Net profit as reported	18363.7	13141.6
Less: Total stock-based employee compensation expense determined under fair value based method	310.9	242.4
Add: Total stock-based employee compensation expense determined under intrinsic value based method	19.4	12.9
Adjusted net profit	18072.2	12912.1
Basic earnings per share		
- As reported (in ₹)*	40.99	29.39
- Adjusted (in ₹)	40.34	28.88
Diluted earnings per share		
- As reported (in ₹)*	40.79	29.26
- Adjusted (in ₹)	40.14	28.75

* Refer note 34

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

	ESOP 2003 Plan	ESOP 2011 Plan		SESOP 2011 Plan				
Grant Dated	Oct 07, 2013	Jul 26, 2013	Nov 13, 2013	Aug 02, 2013	Aug 13, 2013	Nov 13, 2013	Dec 27, 2013	Feb 14, 2014
Particulars								
Dividend yield (%)	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Expected life (years)	5.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Risk free interest rate (%)	8.62	8.44	8.88	8.52	8.41	8.88	9.02	9.02
Volatility (%)	32.39	32.62	32.48	32.60	32.71	32.48	32.19	31.92

37. Stock Appreciation Rights:

The Company has granted Stock Appreciation Rights (“SARs”) to certain eligible employees in accordance with Lupin Employees Stock Appreciation Rights Scheme 2011 (“LESARs 2011”) approved by the Board of Directors (Board) at their Board Meeting held on September 13, 2011. Such SARs were granted during the prior years. 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 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 the prescribed period. Further during the year, SEBI has extended timeline for alignment of the scheme to June 30, 2014 vide circular no. CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013.

As approved by the Board, the Company has, prior to the Circular, advanced an interest free loan of ₹ nil (previous year ₹ 256.8 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 ₹ 258.0 million (previous year ₹ 476.9 million) is included under “Long-Term Loans and Advances” (Refer note 15) and ₹ 218.9 million (previous year ₹ nil) is included under “Short-Term Loans and Advances” (Refer note 20).

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

Lupin Employees Stock Appreciation Rights 2011:

Particulars	**Year Ended 31.03.2014**	Year Ended 31.03.2013
Rights outstanding as at the beginning of the year	860098	455290
Add: Rights assigned prior to the Circular during the year	-	443049
Less: Rights lapsed during the year	16702	38241
Rights outstanding as at the year end	843396	860098

The related compensation cost for outstanding SARs amounting to ₹ 191.6 million (previous year ₹ 30.8 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 higher by ₹ 110.3 million (previous year would be lower by ₹ 7.9 million) and earnings per share as reported would be as indicated below:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
	₹ in million	₹ in million
Net profit as reported	18363.7	13141.6
Less: Total stock-based employee compensation expense determined under fair value based method	81.3	38.7
Add: Total stock-based employee compensation expense determined under intrinsic value based method	191.6	30.8
Adjusted net profit	18474.0	13133.7
Basic earnings per share		
- As reported (in ₹)*	40.99	29.39
- Adjusted (in ₹)	41.24	29.37
Diluted earnings per share		
- As reported (in ₹)*	40.79	29.26
- Adjusted (in ₹)	41.03	29.24

* Refer note 34

38. 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 ₹ 360.4 million (previous year ₹ 311.0 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 ₹ 92.5 million (previous year ₹ 82.9 million) for provident fund contributions in the Consolidated Statement of Profit and Loss.

(ii) Defined Benefit Plan:

a) The Company

A) 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, 2014. 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 Group's financial statements as at balance sheet date:

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As on 31.03.2014	As on 31.03.2013	As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million	₹ in million	₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	102.6	94.4	70.8	252.6
	Past service cost	-	-	-	-

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As on 31.03.2014 ₹ in million	As on 31.03.2013 ₹ in million	**As on 31.03.2014 ₹ in million**	As on 31.03.2013 ₹ in million
	Interest cost	45.4	38.6	29.0	24.4
	Actuarial loss / (gain)	(27.0)	33.9	(28.3)	(6.7)
	Benefits paid	(63.5)	(34.7)	-	-
	PVO at the beginning of the year	594.9	462.7	360.3	90.0
	PVO at the end of the year	652.4	594.9	431.8	360.3
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	45.3	40.3	-	-
	Actuarial gain / (loss)	4.2	(0.1)	-	-
	Contributions by the employer	125.5	45.0	-	-
	Benefits paid	(63.5)	(34.7)	-	-
	Fair value of plan assets at the beginning of the year	469.4	417.7	-	-
	Adjustment to opening balance	-	1.2	-	-
	Fair value of plan assets at the end of the year	580.9	469.4	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at end of the year	652.4	594.9	431.8	360.3
	Fair Value of plan assets at the end of the year	580.9	469.4	-	-
	Funded status	(71.5)	(125.5)	(431.8)	(360.3)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the balance sheet	(71.5)	(125.5)	(431.8)	(360.3)
IV)	**Net cost for the year:**				
	Current service cost	102.6	94.4	70.8	252.6
	Past service cost	-	-	-	-
	Interest cost	45.4	38.6	29.0	24.4
	Expected return on plan assets	(45.3)	(40.3)	-	-
	Actuarial losses / (gain)	(31.2)	34.0	(28.3)	(6.7)
	Total expense recognised in the Consolidated Statement of Profit and Loss (Refer note 26)	71.5	126.7	71.5	270.3
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)	580.9	469.4	NA	NA
VI)	**Actual return on the plan assets:**	49.5	40.2	NA	NA
VII)	**Assumptions used in accounting for the gratuity plan:**				
	Discount rate (%)	9.2	8.1	9.2	8.1
	Salary escalation rate (%)	6.0	6.0	6.0	6.0
	Expected rate of return on plan assets (%)	9.1	9.5	NA	NA
	Estimate of amount of contribution in immediate next year	71.5	125.5	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				
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Experience adjustment					
- On plan liabilities	32.6	6.1	90.5	#	#
- On plan assets	4.2	0.1	2.3	#	#
Present value of benefit obligation	(652.4)	(594.9)	(462.7)	(384.6)	(244.3)
Fair value of plan assets	580.9	469.4	417.7	365.4	213.3
Excess of (obligation over plan assets) / plan assets over obligation	(71.5)	(125.5)	(45.0)	(19.2)	(31.0)

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

B) 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, 2014 and shortfall aggregating ₹ 9.0 million (previous year ₹ 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 ₹ 257.0 million (previous year ₹ 186.6 million) for provident fund contributions in the Consolidated Statement of Profit and Loss.

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 balance sheet date:

Sr. No.	Particulars	Provident Fund (Funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	885.6	751.8
	Past service cost	-	-
	Interest cost	1.6	2.1
	Actuarial loss / (gain)	(12.5)	(6.8)
	Benefits paid	(224.9)	(160.8)
	PVO at the beginning of the year	2739.1	2152.8
	PVO at the end of the year	3388.9	2739.1
II)	**Change in fair value of plan assets:**		
	Expected return on plan assets	243.2	208.3
	Adjustment to opening balance	-	(7.6)
	Actuarial gain / (loss)	-	-
	Contributions by the employer	642.4	551.1
	Benefits paid	(224.9)	(160.8)
	Fair value of plan assets at the beginning of the year	2719.2	2128.2
	Fair value of plan assets at the end of the year	3379.9	2719.2
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	3388.9	2739.1
	Fair Value of plan assets at the end of the year	3379.9	2719.2
	Funded status	(9.0)	(19.9)

Sr. No.	Particulars	Provident Fund (Funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
	Unrecognised actuarial gain / (loss)	-	-
	Net liability recognised in the balance sheet	(9.0)	(19.9)
IV)	**Net cost for the year:**		
	Current service cost	885.6	751.8
	Past service cost	-	-
	Interest cost	1.6	2.1
	Expected return on plan assets	(243.2)	(208.3)
	Actuarial losses / (gain)	(12.5)	(6.8)
	Interest expense pertaining to the Trust	642.4	543.5
	Net expense recognised in the Consolidated Statement of Profit and Loss (Refer note 26)	(10.9)	(4.7)
V)	**Category of assets as at the end of the year:**		
	Investment in PSU bonds	22%	56%
	Investment in Government Securities	44%	29%
	Bank Special Deposit	6%	8%
	Investment in other securities	26%	5%
	Bank Savings Deposit	2%	2%
VI)	**Actual return on the plan assets:**	243.2	208.3
VII)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	9.2	8.1
	Salary escalation rate (%)	6.0	6.0
	Expected rate of return on plan assets (%)	8.8	8.7

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

The Group'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 balance sheet date:

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	15.6	14.5
	Interest cost	1.6	1.7
	Actuarial (gain) / loss	11.2	4.2
	Benefits paid	(4.5)	(5.8)
	Past service cost	-	-
	Foreign exchange translation difference	1.2	(9.7)
	PVO at the beginning of the year	113.4	108.5
	PVO at end of the year	138.5	113.4

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	138.5	113.4
	Fair Value of plan assets at end of the year	-	-
	Funded status	(138.5)	(113.4)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	(138.5)	(113.4)
III)	**Net cost for the year:**		
	Current service cost	15.6	14.5
	Interest cost	1.6	1.7
	Actuarial (gain) / losses	11.2	4.2
	Total expense recognised in the Consolidated Statement of Profit and Loss (Refer note 26)	28.4	20.4
IV)	**Assumptions used in accounting for the retirement benefit plan:**		
	Discount rate (%)	0.9	1.3
	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 ₹ 18.2 million (previous year ₹ 13.4 million) is shown under "Long-Term Provisions" (Refer note 7).

(₹ in million)

	Year Ended				
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Experience adjustment					
- On plan liabilities	3.9	1.3	2.0	#	#
- On plan assets	-	-	-	#	#
Present value of benefit obligation	(138.5)	(113.4)	(108.5)	(81.1)	(64.4)
Fair value of plan assets	-	-	-	-	-
Excess of obligation over plan assets	(138.5)	(113.4)	(108.5)	(81.1)	(64.4)

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

c) **I'rom Pharmaceutical Co., Limited, Japan**

The Group'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, 2014. 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 balance sheet date:

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current Service Cost	26.9	27.2
	Interest Cost	2.8	4.2
	Actuarial (gain) / loss	5.9	6.4
	Prior Service Cost	(2.9)	-
	Benefits paid	(36.8)	(31.7)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
	Foreign exchange translation difference	4.8	(21.3)
	PVO at beginning of the year	268.2	283.4
	PVO at the end of the year	268.9	268.2
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	268.9	268.2
	Fair Value of planned assets at end of the year	-	-
	Funded status	(268.9)	(268.2)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	(268.9)	(268.2)
III)	**Net cost for the year:**		
	Current Service cost	26.9	27.2
	Interest cost	2.8	4.2
	Actuarial (gain) / losses	5.9	6.4
	Amortization of prior service cost	(2.9)	-
	Total expense recognised in the Consolidated Statement of Profit and Loss (Refer note 26)	32.6	37.8
IV)	**Assumptions used in accounting for retirement benefit plans:**		
	Discount rate (%)	1.0	1.0
	Salary escalation rate (%)	-	-
	Expected rate of return on plan assets (%)	-	-

(₹ in million)

	Year Ended				
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Experience adjustment					
- On plan liabilities	(5.9)	(3.5)	#	NA	NA
- On plan assets	-	-	-	NA	NA
Present value of benefit obligation	(268.9)	(268.2)	(283.4)	NA	NA
Fair value of plan assets	-	-	-	NA	NA
Excess of obligation over plan assets	(268.9)	(268.2)	(283.4)	NA	NA

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

d) **Multicare Pharmaceuticals Philippines Inc., Philippines**

The Group'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, 2014. 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 balance sheet date:

Sr. No.	Particulars	Retirement Benefits (funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	9.0	8.0
	Interest cost	3.6	2.4
	Actuarial (gain) / loss	(29.4)	19.9
	Benefits paid	(1.0)	-

Sr. No.	Particulars	Retirement Benefits (funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
	Past service cost	-	-
	Foreign exchange translation difference	0.9	4.8
	PVO at the beginning of the year	69.7	34.6
	PVO at end of the year	52.8	69.7
II)	**Change in fair value of plan assets:**		
	Expected return on plan assets	1.4	0.8
	Actuarial gain / (loss)	(₹ 22674)	1.4
	Contributions by the employer	6.8	7.8
	Benefits paid	(1.0)	-
	Foreign exchange translation difference	(0.1)	1.7
	Fair value of plan assets at beginning of the year	23.7	12.0
	Fair value of plan assets at end of the year	30.8	23.7
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year	52.8	69.7
	Fair Value of plan assets at end of year	30.7	23.7
	Funded status	(22.1)	(46.0)
	Unrecognised actuarial (loss) / gain	-	-
	Net asset / (liability) recognised in the balance sheet	(22.1)	(46.0)
IV)	**Net cost for the year:**		
	Current Service cost	9.0	8.0
	Interest cost	3.6	2.4
	Expected return on plan assets	(1.4)	(0.8)
	Actuarial (gain) / losses	(29.4)	18.5
	Total expense recognised in the Consolidated Statement of Profit and Loss (Refer note 26)	(18.2)	28.1
V)	**Category of assets as at the end of the year:**		
	Investment in government securities	20%	41%
	Investment in common trust fund	37%	44%
	Investment in other securities and debt instruments	18%	8%
	Investment in loans and bill discounts	22%	5%
	Bank savings deposit	3%	2%
VI)	**Actual return on the plan assets**	1.4	2.2
VII)	**Assumptions used in accounting for retirement benefit plan:**		
	Discount rate (%)	5.5	4.9
	Salary escalation rate (%)	7.0	7.0
	Expected rate of return on plan assets (%)	7.0	7.5

(₹ in million)

	Year Ended				
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Experience adjustment					
- On plan liabilities	(1.7)	19.9	0.3	#	#
- On plan assets	₹ 22674	1.3	₹ (33109)	#	#
Present value of benefit obligation	(52.8)	(69.7)	(34.6)	(22.8)	(13.4)
Fair value of plan assets	30.7	23.7	12.0	10.0	8.0
Excess of obligation over plan assets	(22.1)	(46.0)	(22.6)	(12.8)	(5.4)

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

39. (i) The Company has entered into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables. The following are the outstanding foreign currency forward contracts entered into by the Company:

Currency	Amount		Buy or Sell	Cross Currency
	As on 31.03.2014	As on 31.03.2013		
USD	10149602	-	Buy	INR

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

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

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Export of goods					
	AUD	31.9	574748	53.2	941600
	ACUD	9.1	152575	2.0	36850
	EURO	405.8	4930367	463.0	6661034
	JPY	1.0	1768559	-	-
	USD	3247.4	54200582	3047.0	56127585
Fixed Deposits	USD	3170.2	52970000	-	-
Interest receivable on bank fixed deposits	USD	24.6	410691	-	-
Other receivables					
	JPY	6.9	11727001	-	-
	UZS	0.1	2973852	₹ 30188	1161058
	EURO	7.1	86818	-	-
	USD	759.8	12680846	14.1	259596
	RUB	0.1	47325	1.1	646264
	KZT	1.9	5710111	0.6	1689291
	RMB	3.4	348403	1.1	122533
	UAH	0.1	25879	₹ 26009	3822

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

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Import of goods and services					
	USD	626.9	10532002	1545.4	28871855
	GBP	18.5	185281	103.8	1263411
	EURO	392.7	4903537	416.9	5920410
	AUD	0.1	929	-	-
	CHF	1.2	17808	0.4	6618
	JPY	1.6	2807377	5.5	9510000
	KZT	-	-	0.1	391061
	SGD	-	-	0.6	14434
	BRL	-	-	1.1	39756
	SEK	0.2	22593	0.1	15751
	CAD	1.8	33296	-	-
Secured and Unsecured Loans payable	USD	-	-	5703.7	105069863

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Interest accrued and not due on Secured and Unsecured loans	USD	-	-	0.2	2964
Other payables					
	USD	289.4	4830371	348.4	6439959
	RUB	0.5	297112	0.7	420588
	JPY	0.3	500000	-	-
	BRL	0.5	18684	-	-
	KZT	0.4	1120778	0.9	2544909
	ACUD	0.9	15187	0.7	12112
	UAH	2.7	489197	2.9	422213
	EURO	51.5	631016	69.2	986454
	AUD	9.8	176834	2.0	34562
	CHF	3.1	46044	1.1	18440
	AED	0.3	18594	0.3	18594
	RMB	₹ 10224	1060	-	-
	UZS	0.1	4809250	-	-

40. **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 are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedges.

The category wise break-up thereof is as under:

(Amount in million)

Particulars	Currency	As at 31.03.2014	As at 31.03.2013	Cross Currency
Forward contracts	USD	129.0	244.0	INR
Option contracts	USD	0.8	7.5	INR

The changes in the fair value of the derivative contracts during the year ended March 31, 2014, aggregating ₹ 265.5 million (previous year ₹ 441.9 million) designated and effective as hedges have been credited to the Cash Flow Hedge Reserve and ₹ 36.8 million (previous year ₹ 11.8 million debited) is credited to the Consolidated Statement of Profit and Loss, being the ineffective portion thereof.

41. 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 ₹ 9294.1million (previous year ₹ 7098.4 million).

42. a) During the year, the Company purchased 100% stake consisting of Equity and Capital contribution of Lupin Atlantis Holdings SA, Switzerland (LAHSA) from its wholly owned subsidiary Lupin Holdings B.V., Netherlands at a total cost of ₹ 2993.7 million pursuant to which LAHSA has become direct wholly owned subsidiary of the Company.

b) During the year, the Company, through its wholly owned subsidiary LAHSA acquired / subscribed to the equity stake of the following subsidiaries:

i) 100% equity stake in Nanomi B.V., Netherlands at a total cost of ₹ 857.0 million.

ii) 100% equity stake in Lupin Inc., USA at a total cost of ₹ 325.0 million (including additional paid-in capital – securities premium of ₹ 321.9 million).

iii) 100% equity stake in Lupin GmbH, Switzerland at a total cost of ₹ 1.3 million.

c) During the year, Lupin Inc., USA, (LINC) wholly owned subsidiary of LAHSA has subscribed to equity stake of Company's wholly owned subsidiary Lupin Pharmaceutical Inc., USA (LPI) resulting into LINC holding 80% and the Company holding 20% of LPI's equity stake.

d) 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 ₹ 237.6 million (previous year ₹ 262.2 million).

ii) Additional investment in Lupin Mexico SA de CV, Mexico at a total cost of ₹ 32.8 million (previous year ₹ 10.7 million).

iii) Additional Investment in Lupin Pharma Canada Limited, Canada at a total cost of ₹ 30.2 million (previous year ₹ nil).

iv) 100% equity stake of Farma World Importacao e Exportacao De Medicamentos LTDA – EPP, Brazil at a total cost of ₹ 29.8 million.

v) Additional investment in Lupin Philippines Inc., Philippines at a total cost of ₹ 10.9 million (previous year ₹ 33.7 million).

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

vii) Additional Investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 2.2 million (previous year ₹ nil)

The above acquisitions / subscriptions are based on the net asset values, the future projected revenues, operating profits, cash flows and independent valuation reports; as applicable, of the investee companies.

e) Goodwill on Consolidation comprises of:

Particulars	2013-2014	2012-2013
	₹ in million	₹ in million
Opening Balance	5073.2	5040.0
Add: On acquisition of stake / increase in subsidiaries during the year	844.3	62.3
Add / (Less): Exchange difference during the year on translation of Goodwill of foreign subsidiaries	661.2	(29.1)
Total	6578.7	5073.2

43. 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 has negative net worth as 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 ₹ 237.6 million (previous year ₹ 262.2 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) During the previous year, the Company through its wholly owned subsidiary at Netherlands, namely LHBV, had increased its stake in Generic Health Pty Ltd. (GH) to 91.04% representing 188405378 shares, costing ₹ 1044.2 million, including 60000000 shares issued on conversion of interest bearing loan of ₹ 170.6 million. LHBV considers its investments in GH to be long term and strategic in nature. GH has incurred losses in the current year and its networth is substantially eroded as at the end of the year. 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 the Company's turnover would increase leading to profitability and improvement in net worth over a period of time.

d) During the previous year, based on notice of termination from its toll manufacturing set-up vendor, Lupin Pharma Canada Limited (LPCL), 100% subsidiary of LHBV, had impaired its Capital Work-In-Progress amounting to ₹ 128.6 million. The total investments made by LHBV is ₹ 155.5 million and accumulated losses of LPCL is ₹ 120.6 million as at March 31, 2014. As a result, net worth of LPCL has been eroded substantially. Further, during the year, LPCL has commenced rendering of marketing services in terms of the marketing and service agreement with Lupin Limited for registration and sale of products of Lupin Limited in Canada. As a result of this it is expected that LPCL's revenue from operations would increase leading to profitability and improvement in net worth over a period of time.

e) Further, networth of Generic Health SDN. BHD., Farma World Importacao e Exportacao De Medicamentos LTDA – EPP, Lupin Philippines Inc., Lupin Mexico SA de CV, Lupin Middle East FZ-LLC, Lupin Atlantis Holdings SA, I'rom Pharmaceutical Co., Limited and Lupin Inc. is substantially less than the carrying amount of investments made by the Company directly or through its subsidiaries.

The Company considers its investments in subsidiaries as strategic and long-term in nature and accordingly, in view of the management, any decline in the value of such long-term investments in subsidiaries is considered to be temporary in nature and hence no provision for diminution in value of investments is considered necessary.

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

Particulars	As on 31.03.2014 ₹ in million	As on 31.03.2013 ₹ in million
Pharma Dynamics (Proprietary) Limited, South Africa		
-Share in Equity Capital	0.2	0.2
-Share in Reserves and Surplus	473.8	443.4*
	474.0	443.6
Multicare Pharmaceuticals Philippines Inc., Philippines		
-Share in Equity Capital	13.2	13.2
-Share in Reserves and Surplus	156.0	101.4*
	169.2	114.6
Generic Health Pty Limited, Australia		
-Share in Equity Capital	120.4	120.4
-Share in Reserves and Surplus	(94.2)	(84.1)
	26.2	36.3
Total	669.4	594.5

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

45. Auditors' Remuneration:

	2013-2014 ₹ in million	2012-2013 ₹ in million
Payment to Auditors*:		
a) As Auditors	43.5	43.0
b) for other services including Taxation matters and certifications	17.2	12.7
c) Reimbursement of out-of-pocket expenses	0.6	0.5
Total	61.3	56.2

* Excluding taxes.

46. a) Foreign Currency Translation Reserve (Refer note 3) represents the net exchange difference on translation of net investment in non-integral foreign operations located at Japan, Australia, Germany, South Africa, Philippines, Switzerland and Netherlands from their local currency to the Indian currency. 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 ₹ 829.1 million (previous year ₹ 28.0 million debited) is credited during the year to such reserve instead of to the Consolidated Statement of Profit and Loss.

b) LPCL has planned to introduce products of the Company and has commenced rendering of the marketing services to the Company in the Canadian market. Based on its methods of operations, financing models and relationship and support to / from the company, has re-classified its operations w.e.f. the current financial year as 'integral operations', which were hitherto classified as 'non-integral operations'. Accordingly, the Company has applied the translation procedures in accordance with the Accounting Standard 11 (AS-11) 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)' applicable for integral foreign operations and the resulting net exchange difference is charged / credited to the Consolidated Statement of Profit and Loss instead of accumulating the same in Foreign Currency Translation Reserve. Consequently, the net profit after tax for the year is lower by ₹ 2.3 million (previous year lower by ₹ 0.4 million). There is no impact on shareholders' funds for current as well as previous year.

47. 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, LPCL was in the process of setting up of plant and equipment related to the said product.

During the year ended March 31, 2012, 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 previous year, based on notice of termination from its toll manufacturing set-up vendor, LPCL had impaired its plant and equipment included in Capital Work-In-Progress amounting to ₹ 128.6 million.

During the year, due to generic launches, the management has decided not to pursue further development of the product and the said Intangible Assets under Development aggregating ₹ 416.0 million have been impaired as stated under note 28 "Other Expenses". The Company is pursuing alternate use of plant and equipment at various sites / with other companies.

b) During the previous 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) had been impaired as generic launches of the product have taken place.

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

48. Excise duty (Refer note 28) includes ₹ 34.2 million (previous year ₹ 3.2 million) being net impact of the excise duty provision on opening and closing stock.

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	2013-2014	2012-2013
	₹ in million	₹ in million
Carrying amount at the beginning of the year	721.7	562.0
Add : Additional Provisions made during the year	2103.0	1231.7
Less : Amounts used / utilised during the year	2220.7	1104.2
Add : Exchange Difference during the year	68.2	32.2
Carrying amount at the end of the year	672.2	721.7

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, 2014

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 (a)	Lupin Pharma Canada Ltd., Canada	Lupin Mexico SA de CV, Mexico
The financial year / period ended on		Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014		Year ended March 31, 2014	Year ended March 31, 2014
		₹ 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	2013-14	**85.7**	**34.9**	**33.3**	**6,720.3**	**0.5**	**8.1**	**105.5**	**2,352.6**	**20.0**	-	**155.5**	**52.2**
	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
Reserves	2013-14	**1,128.2**	**5,949.6**	**(7.0)**	**2,668.3**	**1,282.3**	**(2.9)**	**239.4**	**(1,097.8)**	**(147.4)**	-	**(120.6)**	**(29.0)**
	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)
Total Liabilities	2013-14	**24,180.5**	**7,716.2**	**1.2**	**49.2**	**674.6**	**831.7**	**449.8**	**2,113.2**	**472.2**	-	**29.5**	
	2012-13	16,589.5	7,663.0	0.6	164.4	815.4	676.6	320.8	547.2	324.1	-	0.5	
Total Assets	2013-14	**25,394.4**	**13,700.7**	**27.5**	**9,437.8**	**1,957.4**	**836.9**	**794.7**	**3,367.9**	**344.8**	-	**64.4**	**23.2**
	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
Investment (Other than in subsidiaries)	2013-14	-	**0.2**	-	-	-			-	-	-	-	-
	2012-13	-	0.2	-	-	-			-	-	-	-	-
Turnover (Net)	2013-14	**48,091.2**	**9,636.7**	-	**528.9**	**3,800.3**	**791.8**	**1,262.3**	**1,296.5**	**309.8**	-	-	-
	2012-13	37,616.0	9,175.9	-	658.2	3,210.4	443.4	859.4	1,448.7	152.2	82.5	-	-
Profit / (Loss) before Tax	2013-14	**1,982.4**	**1,506.2**	**(6.5)**	**1,091.5**	**972.7**	**(171.9)**	**202.3**	**(1,278.5)**	**(114.6)**	-	**(2.5)**	**(12.6)**
	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)
Provision for Tax	2013-14	**557.5**	**508.9**	-	**40.0**	**279.9**		**70.9**	**0.1**	**2.4**	-	**(1.0)**	-
	2012-13	488.6	536.9	-	0.2	258.8	(0.1)	30.2	(6.5)	-	0.1	-	-
Profit / (Loss) after Tax	2013-14	**1,424.9**	**997.3**	**(6.5)**	**1,051.5**	**692.7**	**(171.9)**	**131.3**	**(1,278.6)**	**(117.0)**	-	**(1.5)**	**(12.6)**
	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)
Proposed dividend	2013-14	-	-	-	-	-	-	-	-	-	-	-	-
	2012-13	-	-	-	-	258.4	-	16.7	494.7	-	-	-	-
Reporting Currency	2013-14	USD	JPY	AUD	EURO	ZAR	EURO	PHP	USD	GBP		CAD	MXN
	2012-13	USD	JPY	AUD	EURO	ZAR	EURO	PHP	USD	GBP	JPY	CAD	MXN
Exchange Rate as on March 31, 2014		59.92	0.59	55.45	82.31	5.65	82.31	1.33	59.92	99.64		54.38	4.59
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

Name of the subsidiary company	Year	Generic Health Pty Ltd., Australia	Bell-wether Pharma Pty Ltd., Australia	Max Pharma Pty Ltd., Australia	Lupin Philippines Inc., Philippines	Lupin Healthcare Ltd., India	Generic Health SDN. BHD., Malaysia	I'rom Pharmaceutical Co., Ltd, Japan	Lupin Middle East FZ - LLC, UAE (b)	Farmaworld Importacao e Exportacao De Medicamentos LTDA - EPP, Brazil	Lupin GmbH, Switzerland	Lupin Inc., USA	Nanomi B.V., Netherlands
The financial year / period ended on		Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014	From December 17, 2013 to March 31, 2014	From August 15, 2013 to March 31, 2014	From June 27, 2013 to March 31, 2014	From January 30, 2014 to March 31, 2014
		₹ 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	2013-14	**1,344.3**	**264.5**	**125.1**	**59.9**	**26.2**	**2.2**	**333.9**	**7.5**	**0.5**	**1.3**	**3.1**	**1.6**
	2012-13	1,344.3	264.5	125.1	49.0	26.2		333.9	7.5	-	-	-	-
Reserves	2013-14	**(1,045.4)**	**(274.4)**	**(119.3)**	**(18.0)**	**52.2**	**(2.2)**	**532.0**	**(13.3)**	**(11.0)**		**37.7**	**(11.3)**
	2012-13	(932.8)	(796.8)	(119.2)	(49.5)	51.8	(1.4)	526.1	(3.0)	-	-	-	-
Total Liabilities	2013-14	**644.0**	**9.8**	-	**394.8**		**0.5**	**2,080.6**	**15.2**	**26.7**	**48.0**	**294.5**	**54.4**
	2012-13	569.7	532.3	-	5.6		1.8	2,214.7	0.1	-	-	-	-
Total Assets	2013-14	**942.8**	-	**5.8**	**436.6**	**78.3**	**0.5**	**2,946.5**	**9.4**	**16.2**	**49.4**	**335.3**	**44.7**
	2012-13	981.2	-	5.9	5.1	77.9	0.4	3,074.7	4.6	-	-	-	-
Investment (Other than in subsidiaries)	2013-14	-	-	-	-	-	-	**0.2**	-	-	-	-	-
	2012-13	-	-	-	-	-	-	0.2	-	-	-	-	-
Turnover (Net)	2013-14	**1,678.7**	-	-	**591.8**	-	-	**3,337.1**	-	-	**46.5**	-	**10.2**
	2012-13	1,367.4	-	-	-	-	-	3,844.5	-	-	-	-	-
Profit / (Loss) before Tax	2013-14	**(113.3)**	**517.8**	-	**22.1**	**0.4**	**0.8**	**27.3**	**(10.2)**	**(2.5)**		**(284.1)**	**(55.3)**
	2012-13	(689.0)	-	-	(30.2)	0.7	(1.4)	207.6	(3.0)	-	-	-	-
Provision for Tax	2013-14	-	-	-	**(9.4)**		-	**23.4**	-	-		-	-
	2012-13	-	-	-	-	0.4	-	(100.7)	-	-	-	-	-
Profit / (Loss) after Tax	2013-14	**(113.3)**	**517.8**	-	**31.5**	**0.4**	**0.8**	**3.9**	**(10.2)**	**(2.5)**		**(284.1)**	**(55.3)**
	2012-13	(689.0)	-	-	(30.2)	0.3	(1.4)	308.3	(3.0)	-	-	-	-
Proposed dividend	2013-14	-	-	-	-	-	-	-	-	-	-	-	-
	2012-13	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	2013-14	AUD	AUD	AUD	PHP	INR	RM	JPY	AED	BRL	USD	USD	EURO
	2012-13	AUD	AUD	AUD	PHP	INR	RM	JPY	AED	-	-	-	-
Exchange Rate as on March 31, 2014		55.45	55.45	55.45	1.33	-	18.33	0.59	16.31	26.35	59.92	59.92	82.31
Exchange Rate as on March 31, 2013		56.50	56.50	56.50	1.33	-	17.60	0.58	14.78	-	-	-	-

a) P.Y. figures are for the period from April 01, 2012 to February 28, 2013 b) P.Y. figures are for the period from June 13, 2012 to March 31, 2013

1. Investment (Other than in subsidiaries) by Hormosan Pharma GmbH to Frankfurter Volksbank eG Bank for this year ₹ 41157 (previous year ₹ 34760)
2. Investment (Other than in subsidiaries) by Multicare Pharmaceuticals Philippines Inc. to Philippines Long Distance Telephone Co. for this year ₹ 21360 (previous year ₹ 21280)
3. Lupin Mexico SA de CV Total Liabilities for this year is ₹ 63897 (previous year ₹ 11466)
4. Lupin Healthcare Limited Total Liabilities for this year is ₹ 22472 (previous year ₹ 22492)
5. Generic Health SDN. BHD. Share Capital for previous year ₹ 68
6. Lupin GmbH is having Reserves of ₹ 28362, Profit before tax ₹ 42395, Provision for Tax is ₹ 14033 and Profit after tax is ₹ 28362
7. Hormosan Pharma GmbH having Provision for tax (₹ 6488) in current year.
8. Lupin Healthcare Ltd. having Provision for tax ₹ 29143 in current year.
9. The negative figures of Reserves in case of few subsidiaries are net impact of accumulated losses.
10. In compliance with Clause 32 of the Listing Agreement, audited consolidated financial statements form part of this Annual Report.
11. 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. Kamal K. Sharma	Vice Chairman
Mrs. Vinita Gupta	Chief Executive Officer
Mr. Nilesh Gupta	Managing Director
Mrs. M. D. 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)
Lupin Human Welfare and Research Foundation
Lupin International Pvt. Limited
Lupin Investments Pvt. Limited
Lupin Holdings Pvt. Limited (formerly Lupin Marketing Pvt. Limited)
Matashree Gomati Devi Jana Seva Nidhi
Novamed Investments Pvt. Limited
Polynova Industries Limited
Rahas Investments Pvt. Limited
Synchem Investments Pvt. Limited
Visiomed Investments Pvt. Limited (formerly Visiomed (India) Pvt. Limited)
Zyma Laboratories Limited

B. **Transactions with the related parties:**

(₹ in million)

Sr. No.	Transactions	Key Management Personnel	Others	Total
1.	Rent Expenses	-	90.9	90.9
		(-)	(101.0)	(101.0)
2.	Expenses Recovered / Rent Received	-	3.0	3.0
		(-)	(2.9)	(2.9)
3.	Remuneration Paid	707.9	-	707.9
		(510.2)	(-)	(510.2)
4.	Donations Paid	-	135.9	135.9
		(-)	(91.4)	(91.4)
5.	Dividend Paid	46.6	1,424.6	1,471.3
		(20.3)	(651.4)	(671.7)
6.	Deposits paid for Leave and Licence arrangement for premises	-	0.4	0.4
		(-)	(-)	(-)
7.	Refund of Deposits paid for Leave and Licence arrangement for premises	-	7.9	7.9
		(-)	(-)	(-)
8.	Deposits received for Leave and Licence arrangement for premises	-	0.1	0.1
		(-)	(-)	(-)

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

(₹ in million)

Sr. No.	Transactions	Related party relation	**For the year ended 31.03.2014**	For the year ended 31.03.2013
1.	Rent Expenses			
	Lupin Investments Pvt. Limited	Others	72.2	82.0
	Bharat Steel Fabrication and Engineering Works	Others	10.3	10.3
2.	Expenses Recovered / Rent Received			
	Polynova Industries Limited	Others	3.0	2.9
3.	Remuneration Paid			
	Dr. D. B. Gupta	Key Management Personnel	371.5	219.7
	Dr. Kamal K. Sharma	Key Management Personnel	134.7	123.4
	Mrs. Vinita Gupta	Key Management Personnel	135.8	111.8

(₹ in million)

Sr. No.	Transactions	Related party relation	**For the year ended 31.03.2014**	For the year ended 31.03.2013
	Mr. Nilesh Gupta	Key Management Personnel	60.7	50.1
4.	Donations Paid			
	Lupin Human Welfare and Research Foundation	Others	129.2	83.6
5.	Dividend Paid			
	Lupin Holdings Pvt. Limited	Others	282.8	129.3
	Rahas Investments Pvt. Limited	Others	319.9	146.2
	Visiomed Investments Pvt. Limited	Others	304.6	139.2
	Zyma Laboratories Limited	Others	384.7	175.9
6.	Deposits paid for Leave and Licence arrangement for premises			
	Bharat Steel Fabrication and Engineering Works	Others	0.4	-
7.	Refund of Deposits paid for Leave and Licence arrangement for premises			
	Lupin Investments Pvt. Limited	Others	7.9	-
8.	Deposits received for Leave and Licence arrangement for premises			
	Polynova Industries Limited	Others	0.1	-

Ms. Vinita Gupta, who was appointed as Chief Executive Officer of the Company w.e.f. September 1, 2013, is an Executive Director but not in whole-time employment of the Company. She is an employee of Lupin GmbH, Switzerland, a wholly-owned subsidiary of Lupin Atlantis Holdings SA, Switzerland. Ms. Vinita Gupta renders management services to the Company in terms of the Services Agreement between the Company and Lupin GmbH, effective January 1, 2014. No amount is charged to the Company for the year in respect of her services pending approval of the same from the Reserve Bank of India, which has been received subsequent to the year end.

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

(₹ in million)

Sr. No.	Transactions	Key Management Personnel	Others	Total
1.	Deposits paid under Leave and Licence arrangement for office premises	-	54.7	54.7
		(-)	(62.2)	(62.2)
2.	Trade Payables	58.9	-	58.9
		(44.4)	(-)	(44.4)
3.	Commission Payable	328.5	-	328.5
		(178.0)	(-)	(178.0)
4.	Expenses Receivable	-	0.1	0.1
		(-)	(-)	(-)
5.	Deposits received under Leave and Licence arrangement for office premises	-	0.1	0.1
		(-)	(-)	(-)

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

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

Signatures to Note 1 to 55

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Vice Chairman

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director

M. D. Gupta
Executive 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 7, 2014

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, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) 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, 2014;

(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 notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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

Place : Mumbai
Dated : May 7, 2014

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 (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, having regard to our comments in paragraph (iv) above, 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 an external agency and 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 and the Cost Accounting Records (Pharmaceutical Industry) 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 made and 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, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on March 31, 2014 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)
Income-tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals) – LTU	2005-2006, 2006-2007, 2007-2008	88.0
Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1996-1997, 1998-2000, 2001-2010	48.6
		Commissioner of Central Excise (Appeals)	1997-1998 2002-2007	1.1
	Service tax credit matters	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2005-2008	202.3
Central and various States' Sales Tax Acts	Sales tax	Sales Tax Tribunal	2004-2005, 2006-2009	21.5
		Commissioner of Sales Tax (Appeals)	2006-2007, 2008-2009, 2011-2012	1.4
		Assistant Commissioner of Sales Tax (Investigations)	2006-2008, 2009-2011	20.7
		Additional Commissioner	2002-2003	3.0
		Deputy Commissioner	2000-2001	0.3

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

(x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

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

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

(xiv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet 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.

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

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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

Place : Mumbai
Dated : May 7, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	896.8	895.1
Reserves and Surplus	3	68,893.6	47,572.0
		69,790.4	48,467.1
Non-Current Liabilities			
Long-Term Borrowings	4	242.4	292.0
Deferred Tax Liabilities (net)	5	2,479.3	2,329.2
Other Long-Term Liabilities	6	95.1	114.0
Long-Term Provisions	7	769.2	683.5
		3,586.0	3,418.7
Current Liabilities			
Short-Term Borrowings	8	1,151.6	5,260.9
Trade Payables	9	9,838.5	8,694.2
Other Current Liabilities	10	1,265.1	2,189.3
Short-Term Provisions	11	2,358.0	2,427.1
		14,613.2	18,571.5
	TOTAL	**87,989.6**	**70,457.3**
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		21,709.1	20,006.3
Intangible Assets - Acquired		85.5	130.2
Capital Work-in-Progress		2,670.5	2,401.2
		24,465.1	22,537.7
Non-Current Investments	13	9,890.5	6,880.4
Long-Term Loans and Advances	14	3,197.0	3,620.3
		37,552.6	33,038.4
Current Assets			
Current Investments	15	1,746.1	-
Inventories	16	13,722.4	13,308.3
Trade Receivables	17	28,599.2	18,742.7
Cash and Bank Balances	18	1,462.8	201.2
Short-Term Loans and Advances	19	2,594.4	2,840.1
Other Current Assets	20	2,312.1	2,326.6
		50,437.0	37,418.9
	TOTAL	**87,989.6**	**70,457.3**

See accompanying notes forming part of the financial statements

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

For **Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Vice Chairman

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director

M. D. Gupta
Executive 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 7, 2014

R. V. Satam
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	For the Current Year ended 31.03.2014 ₹ in million	For the Previous Year ended 31.03.2013 ₹ in million
INCOME:			
Revenue from Operations (Gross)	21	90,198.6	71,844.1
Less : Excise Duty		804.8	619.0
Revenue from Operations (Net)		89,393.8	71,225.1
Other Income	22	4,153.8	233.1
Total Revenue		**93,547.6**	**71,458.2**
EXPENSES:			
Cost of Raw and Packing Materials Consumed	23	21,320.0	19,272.1
Purchases of Stock-in-Trade	46(A)	8,291.9	7,760.3
Changes in Inventories	24	(762.1)	(1,824.4)
of Finished Goods, Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	25	8,443.2	7,264.4
Finance Costs	26	209.9	332.8
Depreciation and Amortisation Expense	12	1,676.3	1,501.4
Other Expenses	27	22,977.5	19,913.5
Total Expenses		**62,156.7**	**54,220.1**
Profit before Tax		**31,390.9**	**17,238.1**
Tax Expense / (Benefit):			
- Current Tax Expense		8,117.0	4,181.6
- Tax Expense / (Benefit) for Prior Years		(15.9)	30.2
- Add : Reversal of MAT Credit for Prior Years		-	157.9
Net Current Tax Expense		8,101.1	4,369.7
- Deferred Tax (net)		47.6	264.1
Profit for the year		**23,242.2**	**12,604.3**
Earnings per equity share (in ₹)	37		
Basic		**51.88**	**28.19**
Diluted		**51.62**	**28.07**
Face Value of Equity Share (in ₹)		2.00	2.00
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
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For **Lupin Limited**

K. A. Katki
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Dileep C. Choksi
Director

Place : Mumbai
Dated : May 7, 2014

R. V. Satam
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the Current Year ended 31.03.2014 ₹ in million	For the Previous Year ended 31.03.2013 ₹ in million
A. Cash Flow from Operating Activities		
Profit before Tax	31,390.9	17,238.1
Adjustments for:		
Depreciation and Amortisation Expense	1,676.3	1,501.4
Loss on Sale / Write-off of Fixed Assets (net)	99.6	139.8
Net Gain on sale of Current Investments	(5.5)	-
Finance Costs	209.9	332.8
Interest on Fixed Deposits with Banks	(63.5)	(57.7)
Dividend on Current Investments	(25.0)	-
Dividend on Long-Term Investment from Subsidiary company	(3,020.2)	-
Dividend on Long-Term Investment from Others	(0.2)	(0.2)
Provision for Doubtful Trade Receivables / Advances / Deposits	269.4	40.0
Provision for Doubtful Advances Written Back	(7.3)	-
Expenses on Employees Stock Options / Stock Appreciation Rights	211.0	43.7
Unrealised Exchange loss on revaluation (net)	595.5	72.5
Operating Profit before Working Capital Changes	31,330.9	19,310.4
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(414.1)	(2,072.7)
Trade Receivables	(10,769.1)	(3,908.6)
Short-Term Loans and Advances	261.0	(163.0)
Long-Term Loans and Advances	(657.3)	(283.8)
Other Current Assets	111.0	(989.4)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	1,171.9	1,720.5
Other Current Liabilities	362.7	55.5
Other Long-Term Liabilities	(6.2)	(13.3)
Short-Term Provisions	6.5	110.0
Long-Term Provisions	85.7	337.4
Cash Generated from Operations	21,483.0	14,103.0
Net Income tax paid	(6,201.7)	(4,020.6)
Net Cash Flow from Operating Activities	**15,281.3**	**10,082.4**
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(3,941.5)	(3,776.7)
Proceeds from sale of fixed assets	22.9	3.5
Purchase of Non-Current investment in subsidiaries	(3,010.1)	(7.5)
Advance against Investment in subsidiary	(14.6)	-
Net Gain on sale of Current Investments	5.5	-
Bank balances not considered as Cash and cash equivalents (net)	(636.2)	3.6
Dividend on Current Investments	25.0	-
Dividend on Long-Term Investment from Subsidiary company	3,020.2	-
Dividend on Long-Term Investment from Others	0.2	0.2
Interest on Fixed Deposits with Banks	63.5	57.7
Net Cash Used in Investing Activities	**(4,465.1)**	**(3,719.2)**

	For the Current Year ended 31.03.2014	For the Previous Year ended 31.03.2013
	₹ in million	₹ in million
C. Cash Flow from Financing Activities		
Repayment of Long-Term Borrowings (net)	(1,204.7)	(1,132.1)
Repayment of Short-Term Borrowings - Loans from banks (net)	(4,111.5)	(3,341.3)
Proceeds from issue of equity shares (ESOPs)	1.7	1.7
Securities Premium Received (ESOPs)	237.7	126.7
Finance Costs	(221.7)	(344.5)
Dividend paid	(3,127.0)	(1,428.9)
Corporate Tax on Dividend	(19.2)	(232.0)
Net Cash Used in Financing Activities	**(8,444.7)**	**(6,350.4)**
Net increase in Cash and Cash equivalents	**2,371.5**	**12.8**
Cash and Cash equivalents as at the beginning of the year	181.6	168.8
Cash and Cash equivalents as at the end of the year	**2,553.1**	**181.6**
Reconciliation of Cash and cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet (Refer note 18)	1,462.8	201.2
Less : Bank balances not considered as Cash and cash equivalents as defined in AS-3 - Cash Flow Statements (Refer note 18)	655.8	19.6
Add : Current investments considered as part of Cash and cash equivalents (Refer note 15)	1,746.1	-
Cash and cash equivalents as restated as at the year end	**2,553.1**	**181.6**

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 Statements".
2. 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 LLP**
Chartered Accountants

K. A. Katki
Partner

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Vice Chairman

Vinita Gupta
Chief Executive Officer

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M. D. Gupta
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Director

R. A. Shah
Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

Place : Mumbai
Dated : May 7, 2014

R. V. Satam
Company Secretary

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, developing and marketing a wide range of branded and generic formulations and APIs. The Company along with its subsidiaries has manufacturing locations spread across India and Japan with trading and other incidental & related activities extending to the 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 Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. 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. The Company has adopted the provisions of paragraph 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", accordingly, 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.

Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their 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 exchange difference is carried under Reserves and Surplus 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 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 when services are rendered by the employees.

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 at their undiscounted amounts 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 highly 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 pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to 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. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. 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.

v) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

w) Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2. SHARE CAPITAL

a) Share Capital

	As at 31 March 2014		As at 31 March 2013	
	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	448,375,804	896.8	447,529,493	895.1
Total	**448,375,804**	**896.8**	**447,529,493**	**895.1**

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 2014		As at 31 March 2013	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	447,529,493	895.1	446,641,681	893.3
Equity Shares issued during the year in the form of ESOPs	846,311	1.7	887,812	1.8
Equity Shares outstanding at the end of the year	**448,375,804**	**896.8**	**447,529,493**	**895.1**

c) Rights attached to Equity Shares

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

During the year ended 31 March 2014, the Company declared an interim dividend of ₹ 3 per equity share. A final dividend of ₹ 3 per equity share has been recommended by the Board of Directors at its meeting held on 7 May 2014. On approval by the shareholders of the final dividend of ₹ 3 per equity share, the total dividend for the year would be ₹ 6 (previous year ₹ 4) per equity share.

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 2014		As at 31 March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Zyma Laboratories Limited	54,960,490	12.26	54,960,490	12.28
Rahas Investments Pvt. Limited	45,699,510	10.19	45,699,510	10.21
Visiomed Investments Pvt. Limited [formerly Visiomed (India) Pvt. Limited]	43,514,660	9.70	43,514,660	9.72
Lupin Holdings Pvt. Limited [formerly Lupin Marketing Pvt. Limited]	40,401,000	9.01	40,401,000	9.03

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

Particulars	As at 31 March 2014	As at 31 March 2013
	No. of Shares	No. of Shares
Lupin Employees Stock Option Plan 2003	687,134	961,360
Lupin Employees Stock Option Plan 2005	532,479	784,995
Lupin Employees Stock Option Plan 2011	3,297,482	3,546,178
Lupin Subsidiary Companies Employees Stock Option Plan 2005	371,103	437,089
Lupin Subsidiary Companies Employees Stock Option Plan 2011	895,113	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 2014	As at 31 March 2013
	Aggregate No. of Shares	Aggregate No. of Shares
Equity Shares :		
Issued under various Stock Option plans of the Company	5,194,344	5,185,963

g) No shares have been allotted 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 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Capital Reserve		
- Investment Subsidies from Central Government		
Opening and Closing Balance as per last Balance Sheet	1.0	1.0
- Investment Subsidies from State Government		
Opening and Closing Balance as per last Balance Sheet	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation		
Opening and Closing Balance as per last Balance Sheet	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
	126.5	126.5
Securities Premium Account		
Opening Balance as per last Balance Sheet	5,378.2	5,248.7
Add : Additions during the year*	255.2	129.5
Balance as at the year end	5,633.4	5,378.2
Employee Stock Options Outstanding (Refer note 38)		
- Employees Stock Options Outstanding		
Opening Balance as per last Balance Sheet	43.2	31.5
Add : Options granted during the year	22.0	14.6
Less : Exercised during the year	17.5	2.9
Balance as at the year end (A)	47.7	43.2
- Deferred Employees Stock Options Cost		
Opening Balance as per last Balance Sheet	8.7	7.0
Add : Options granted during the year	22.0	14.6
Less : Amortisation during the year	19.4	12.9
Balance as at the year end (B)	11.3	8.7
(A-B)	36.4	34.5
Employee Stock Appreciation Rights Outstanding (Refer note 39)		
Opening Balance as per last Balance Sheet	34.3	3.5
Add : Additions during the year	191.6	30.8
Balance as at the year end	225.9	34.3
General Reserve		
Opening Balance as per last Balance Sheet	13,015.4	11,515.4
Add : Transferred from Surplus in the Statement of Profit and Loss	2,500.0	1,500.0
Balance as at the year end	15,515.4	13,015.4
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
	317.9	317.9
Cash Flow Hedge Reserve (Refer note 42)		
Opening Balance as per last Balance Sheet	(137.9)	(579.8)
Add : Effect of foreign exchange rate variations on hedging instruments outstanding [net of deferred tax of ₹ 102.5 million (previous year ₹ 160.1 million)]	302.3	430.1
(Less) / Add : Transferred to the Statement of Profit and Loss	(36.8)	11.8
Balance as at the year end	127.6	(137.9)
Surplus in the Statement of Profit and Loss		
Opening Balance as per last Balance Sheet	28,539.2	19,530.2
Add : Profit for the year	23,242.2	12,604.3
Less : Transfer to General Reserve	2,500.0	1,500.0
Less : Interim Dividend paid on Equity Shares [Refer note 2(c)]	1,345.0	-
Less : Proposed Final Dividend on Equity Shares [Refer note 2(c)]	1,345.1	1,790.1
Less : Dividend for previous year on Equity Shares issued after year end pursuant to ESOPs allotment	1.1	0.9
Add : Reversal of Corporate Tax on Final Dividend for previous year (in terms of Section 115-O / 115BBD of the Income-tax Act, 1961)	(304.2)	-
Less : Corporate Tax on Dividend **	247.8	304.3
Balance as at the year end	46,646.6	28,539.2
Total	**68,893.6**	**47,572.0**

* Represents amount received on allotment of 846,311 (previous year 887,812) Equity Shares of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 38 (a)]

** Represents Corporate Tax on Proposed Final Dividend ₹ 228.6 million (previous year ₹ 304.2 million), on Interim Dividend ₹ 19.2 million (previous year ₹ nil) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ nil (previous year ₹ 0.1 million).

4. LONG-TERM BORROWINGS

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
(Refer note 10)		
Term Loans - from other parties		
Unsecured		
Deferred Sales Tax Loan from Government of Maharashtra	46.2	54.6
Term Loans from Council for Scientific and Industrial Research (CSIR)	154.7	185.6
Term Loans from Department of Science and Technology (DST)	41.5	51.8
Total	242.4	292.0

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 6 annual installments of ₹ 30.9 million each alongwith interest.

c) Term Loans from DST carry interest of 3% p.a. and is payable in 5 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 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	3,022.2	2,821.7
Cash Flow Hedge Reserve	48.6	-
	3,070.8	2,821.7
Less : Tax effect of items constituting Deferred Tax Assets		
Provision for Doubtful Trade Receivables / Advances	127.2	38.1
VRS Compensation	47.9	53.2
Provision for Employee Benefits	276.2	231.1
Cash Flow Hedge Reserve	-	53.9
Others	140.2	116.2
	591.5	492.5
Total	2,479.3	2,329.2

6. OTHER LONG-TERM LIABILITIES

Trade Payables (Refer note 44)	95.1	101.3
Mark to Market Derivative Liabilities	-	2.8
Interest Accrued but not due on Borrowings	-	9.9
Total	95.1	114.0

7. LONG-TERM PROVISIONS

Provisions for Employee Benefits		
Gratuity [Refer note 40 (ii) (A)]	431.8	360.3
Compensated Absences	328.4	303.3
Provident Fund [Refer note 40 (ii) (B)]	9.0	19.9
Total	769.2	683.5

8. SHORT-TERM BORROWINGS

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Secured		
Loans from Banks	500.0	4,113.0
	500.0	4,113.0
Unsecured		
Loans from Banks	651.6	1,147.9
	651.6	1,147.9
Total	**1,151.6**	**5,260.9**

a) Secured loans 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. It includes foreign currency loans of ₹ nil (previous year ₹ 3,532.3 million).

b) Unsecured loans comprise of Short-Term Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit. It includes foreign currency loans of ₹ 608.1 million (previous year ₹ 1,085.7 million).

c) Foreign Currency loans carry interest rate in the range of 0.28% to 0.54% p.a. and those in Indian Rupees carries interest rate in the range of 10.00% to 12.75% p.a.

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

9. TRADE PAYABLES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Acceptances	909.2	981.0
Other than Acceptances (Refer note 44)	8,929.3	7,713.2
Total	**9,838.5**	**8,694.2**

10. OTHER CURRENT LIABILITIES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Current Maturities of Long-Term Borrowings (Refer note 4)		
- Foreign Currency Term Loans from Banks	-	1,085.7
- Deferred Sales Tax Loan from Government of Maharashtra	9.4	6.9
- Term Loans from CSIR	30.9	30.9
- Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	12.0	13.8
Unpaid Dividend*	25.7	16.5
Unpaid Matured Deposits*	-	0.1
Unpaid Interest Warrants*	-	0.1
Mark to Market Derivative Liabilities	86.6	392.1
Payables on Purchase of Fixed Assets (Refer note 44)	317.2	230.5
Advances from customers	387.8	81.7
Other Payables	385.1	320.6
(Includes Statutory liabilities, Deposits received, etc.)		
Total	**1,265.1**	**2,189.3**

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

11. SHORT-TERM PROVISIONS

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Provisions for Employee Benefits (Refer note 7)		
Gratuity [Refer note 40 (ii) (A)]	71.5	125.5
Compensated Absences	165.3	129.3
Other Provisions		
For Sales Returns (Refer note 45)	102.5	78.0
For Taxation (net of Advance Tax)	445.0	-
For Proposed Dividend on Equity Shares	1,345.1	1,790.1
For Corporate Tax on Dividend	228.6	304.2
Total	**2,358.0**	**2,427.1**

12. FIXED ASSETS

(₹ in million)

Particulars	Gross Block					Accumulated Depreciation And Amortisation				Net Block
	As at 01.04.2013	Effect of Foreign Currency exchange differences	Additions	Deductions	As at 31.03.2014	As at 01.04.2013	For the Year	Deductions	As at 31.03.2014	As at 31.03.2014
A. Tangible Assets										
Freehold Land	133.1	-	-	1.4	131.7	-	-	-	-	131.7
	84.1	*-*	*49.0*	*-*	*133.1*	*-*	*-*	*-*	*-*	*133.1*
Leasehold Land	572.0	-	5.1	-	577.1	53.5	9.8	-	63.3	513.8
	478.4	*-*	*93.6*	*-*	*572.0*	*44.0*	*9.5*	*-*	*53.5*	*518.5*
Buildings	6,682.4	9.2	771.5	12.2	7,450.9	1,223.0	228.8	2.1	1,449.7	6,001.2
	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*
Plant and Equipment	18,429.2	56.4	2,296.4	263.7	20,518.3	5,581.2	1,188.5	175.9	6,593.8	13,924.5
	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*
Furniture and Fixtures	634.7	2.8	95.9	42.0	691.4	204.9	59.1	32.0	232.0	459.4
	550.2	*5.3*	*95.9*	*16.7*	*634.7*	*167.0*	*51.9*	*14.0*	*204.9*	*429.8*
Vehicles	45.2	-	3.5	1.1	47.6	17.7	4.7	0.7	21.7	25.9
	43.0	*-*	*3.8*	*1.6*	*45.2*	*15.0*	*4.0*	*1.3*	*17.7*	*27.5*
Office Equipment	1,002.3	3.4	191.4	130.0	1,067.1	412.3	119.4	117.2	414.5	652.6
	914.0	*5.1*	*109.3*	*26.1*	*1,002.3*	*403.1*	*32.2*	*23.0*	*412.3*	*590.0*
Total - Tangible Assets (A)	27,498.9	71.8	3,363.8	450.4	30,484.1	7,492.6	1,610.3	327.9	8,775.0	21,709.1
	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*
B. Intangible Assets - Acquired										
Goodwill	218.1	-	-	-	218.1	174.5	43.6	-	218.1	-
	218.1	*-*	*-*	*-*	*218.1*	*130.8*	*43.7*	*-*	*174.5*	*43.6*
Computer Software	165.4	-	8.8	-	174.2	82.0	21.4	-	103.4	70.8
	84.8	*-*	*80.6*	*-*	*165.4*	*69.6*	*12.4*	*-*	*82.0*	*83.4*
Trademarks and Licences	3.3	-	12.5	-	15.8	0.1	1.0	-	1.1	14.7
	-	*-*	*3.3*	*-*	*3.3*	*-*	*0.1*	*-*	*0.1*	*3.2*
Total - Intangible Assets (B)	386.8	-	21.3	-	408.1	256.6	66.0	-	322.6	85.5
	302.9	*-*	*83.9*	*-*	*386.8*	*200.4*	*56.2*	*-*	*256.6*	*130.2*
Total (A+B)	27,885.7	71.8	3,385.1	450.4	30,892.2	7,749.2	1,676.3	327.9	9,097.6	21,794.6
	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*
Capital Work-in-Progress (Refer note 31)										2,670.5
										2,401.2
Total										24,465.1
										22,537.7

1. Cost of Buildings includes cost of shares in co-operative societies of ₹ 1000/- (previous year ₹ 1000/-).
2. Additions to Fixed Assets include items of fixed assets aggregating ₹ 526.9 million (previous year ₹ 839.5 million) located at Research and Development Centers of the Company.
3. Additions to Plant and Equipment include ₹ 3.0 million (previous year ₹ nil) on account of Capital Investment Subsidy.
4. Previous year figures are given in italics below current year figures in each class of assets.

13. NON-CURRENT INVESTMENTS

	Number	Face Value	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Trade Investments - Unquoted				
a) In Subsidiary Companies				
In Equity Instruments:	Number	Face Value		
- Lupin Holdings B.V., Netherlands	105,829	Euro	6,720.3	6,720.3
	(105,829)	1000		
- Lupin Pharmaceuticals, Inc., USA [Refer note 30 (c)]	300,000	USD	13.8	13.8
	(300,000)	1		
- Lupin Australia Pty Ltd., Australia	800,000	AUD	33.3	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	7.5
	(500)	1000		
- Lupin Atlantis Holdings SA, Switzerland [Refer note 30 (a)]	2,486	CHF	2,993.7	-
	(-)	1000		
			9,870.3	6,860.2
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	₹		
[31.03.2014 - ₹ 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				
[31.03.2014 ₹ 6,000/- (previous year ₹ 6,000/-)]				
Deposited with Government Authority				
[31.03.2014 ₹ 6,000/- (previous year ₹ 6,000/-)]				
		Total	**9,890.5**	**6,880.4**

1) All investments in shares are fully paid up.
2) All investments are stated at cost.
3) All the above subsidiaries are directly or indirectly, wholly owned by the Company.
4) Aggregate amount of unquoted investments 9,890.5 6,880.4

14. LONG-TERM LOANS AND ADVANCES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Unsecured, considered good unless otherwise stated		
Capital Advances	1,066.6	692.8
Loans and Advances to related parties [Refer note 47 (C)]	54.7	-
Security Deposits	188.8	213.3
Loans to Employees	5.3	4.3
Advance payment of Income Tax (net of Provision)	255.2	239.2
MAT Credit Entitlement	523.4	1,993.8
Balances with Government Authorities (Drawback / Customs duties receivable)	845.0	-
Loans to Employees Benefit Trust (Refer note 39)	258.0	476.9
Total	3,197.0	3,620.3

15. CURRENT INVESTMENTS

Non Trade Investments - Unquoted			
- In Mutual Funds	Number of Units		
- Birla Sun Life Cash Plus	3,243,608	325.0	-
	(-)		
- ICICI Prudential Liquid	7,051,651	705.6	-
	(-)		
- HDFC Liquid	70,154,424	715.5	-
	(-)		
(Figures in brackets are for previous year)			
Total		1,746.1	-

1) All investments are stated at lower of cost and fair value unless otherwise stated.

2) Aggregate amount of unquoted investments 1,746.1 -

16. INVENTORIES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Raw Materials	4,108.7	4,260.7
Packing Materials	559.5	642.1
Work-in-Process	3,131.0	2,772.8
Finished Goods	3,212.4	3,229.0
Stock-in-Trade	1,879.2	1,467.8
Consumable Stores and Spares	666.7	543.8
Goods-in-Transit		
- Raw Materials	121.6	331.0
- Packing Materials	13.2	12.0
- Stock-in-Trade	9.1	-
- Consumable Stores and Spares	21.0	49.1
[Refer note 1B (i), 46 (C) & (D)] Total	13,722.4	13,308.3

17. TRADE RECEIVABLES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Unsecured		
Trade receivables outstanding for a period exceeding		
six months from the date they were due for payment		
- Considered Good	350.6	433.7
- Considered Doubtful	367.5	104.7
	718.1	538.4
Other Trade Receivables Considered Good	28,248.6	18,309.0
	28,966.7	18,847.4
Less : Provision for Doubtful Trade Receivables	367.5	104.7
Total	**28,599.2**	**18,742.7**

Trade receivables include debts due from subsidiary companies ₹ 22,077.2 million (previous year ₹ 12,236.2 million) [Refer note 47 (C)]

18. CASH AND BANK BALANCES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Cash and Cash Equivalents		
Bank Balances		
- In Current Accounts (including money-in-transit)	698.5	82.8
- In Deposit Accounts	-	0.2
Cheques on hand	103.6	95.1
Cash on hand	4.9	3.5
	807.0	181.6
Other Bank Balances (Refer note below)		
Earmarked Balances with Banks		
- Unpaid dividend accounts	21.5	16.5
- Unpaid matured deposits	-	0.1
- Unpaid interest warrants	-	0.1
- Deposits against borrowings, guarantees and other commitments	10.4	2.9
Bank Deposits maturing more than 3 months but less than 12 months	623.9	-
	655.8	19.6
Total	**1,462.8**	**201.2**

Other Bank Balances - Earmarked Balances with Banks include deposits ₹ 10.4 million (previous year ₹ 2.9 million) which have an original maturity of more than 12 months.

19. SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
Unsecured, considered good unless otherwise stated		
Loans and Advances to Related Parties [Refer note 47 (C)]	23.6	63.6
Security Deposits		
- Considered Good	75.5	104.1
- Considered Doubtful	6.6	-
	82.1	104.1
Less : Provision for Doubtful Deposits	6.6	-
	75.5	104.1
Balances with Government Authorities (VAT / Cenvat / Service tax credit receivable)	1,542.9	1,730.7
Advance to Vendors		
- Considered Good	500.6	748.0
- Considered Doubtful	-	7.3
	500.6	755.3
Less : Provision for Doubtful Advances	-	7.3
	500.6	748.0
Loans to Employees Benefit Trust (Refer note 14 & 39)	218.9	-
Other Loans and Advances	232.9	193.7
(includes Loans and Advances to employees, Prepaid expenses, etc.)		
Total	2,594.4	2,840.1

20. OTHER CURRENT ASSETS

Mark to Market Derivative Assets	256.9	160.4
Export Benefits receivable	1,699.7	1,133.4
Other Current Assets	355.5	1,032.8
(includes receivable from Government authorities, Interest receivables, etc.)		
Total	2,312.1	2,326.6

21. REVENUE FROM OPERATIONS (GROSS)

	For the Current Year ended 31.03.2014 ₹ in million	For the Previous Year ended 31.03.2013 ₹ in million
Sale		
Goods [Refer note 46 (B)]	86,273.8	69,654.7
Research Services	2,302.8	1,069.2
	88,576.6	70,723.9
Other Operating Revenue		
Export Benefits and Other Incentives	1,199.1	783.9
Insurance Claims	10.3	43.0
Compensation and Settlement Income	204.8	186.0
Provision for Doubtful Advances Written Back	7.3	-
Miscellaneous Income	200.5	107.3
	1,622.0	1,120.2
Total	**90,198.6**	**71,844.1**

22. OTHER INCOME

Interest on Fixed Deposits with Banks	63.5	57.7
[Tax Deducted at Source ₹ 6.0 million (previous year ₹ 5.8 million)]		
Other Interest (including interest on income tax refunds)	18.2	21.5
[Tax Deducted at Source ₹ 0.9 million (previous year ₹ 0.5 million)]		
Dividend on Current Investments	25.0	-
Dividend on Long-Term Investment from Subsidiary company [Refer note 47 (B)]	3,020.2	-
Dividend on Long-Term Investment from Others	0.2	0.2
Net gain on Sale of Current Investments	5.5	-
Net gain on Foreign Currency Transactions	969.7	153.7
Provisions no longer required written back	51.5	-
Total	**4,153.8**	**233.1**

23. COST OF RAW AND PACKING MATERIALS CONSUMED

Raw Materials Consumed [Refer note 33 (a)(i) and 46 (E)]	18,727.2	16,880.3
Packing Materials Consumed	2,592.8	2,391.8
Total	**21,320.0**	**19,272.1**

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

Opening 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
Less:		
Closing Stock:		
Finished Goods	3,212.4	3,229.0
Stock-in-Trade	1,888.3	1,467.8
Work-in-Process	3,131.0	2,772.8
	8,231.7	7,469.6
Changes In Inventories:		
Finished Goods	16.6	(932.2)
Stock-in-Trade	(420.5)	(427.7)
Work-in-Process	(358.2)	(464.5)
Total	**(762.1)**	**(1,824.4)**

25. EMPLOYEE BENEFITS EXPENSE

	For the Current Year ended 31.03.2014 ₹ in million	For the Previous Year ended 31.03.2013 ₹ in million
Salaries and Wages	6,928.9	5,785.6
Contribution to Provident and Other Funds	618.8	604.4
Gratuity Expense [Refer note 40 (ii) (A)]	71.5	270.3
Expense on Employees Stock Options / Stock Appreciation Rights	211.0	43.7
(Refer note 38 and 39)		
Staff Welfare Expenses	613.0	560.4
Total	**8,443.2**	**7,264.4**

26. FINANCE COSTS

Interest on Borrowings	42.3	179.8
Other Borrowing Costs (includes bank charges, etc.)	153.7	151.9
Interest on Income Tax	13.9	1.1
Total	**209.9**	**332.8**

27. OTHER EXPENSES

Processing Charges	876.7	741.8
Stores and Spares Consumed [Refer note 33 (a)(ii)]	2,622.7	2,212.2
Repairs and Maintenance:		
- Buildings	181.6	165.3
- Plant and Machinery	546.7	459.6
- Others	571.4	485.6
Rent	185.8	146.0
Rates and Taxes	544.5	517.1
Insurance	325.2	275.5
Power and Fuel	3,093.6	2,997.6
Contract Labour Charges	651.2	559.9
Excise Duty (net) (Refer note 48)	163.9	116.6
Selling and Promotion Expenses	4,656.8	4,095.6
Commission, Brokerage and Discount	1,000.5	854.2
[Including cash discount of ₹ 7.3 million (previous year ₹ 6.8 million)]		
Freight and Forwarding	608.1	574.9
Lease Rent and Hire Charges (Refer note 36)	366.8	385.8
Postage and Telephone Expenses	209.9	187.2
Travelling and Conveyance	1,160.9	1,131.9
Legal and Professional Charges	3,181.0	2,592.2
[Net of recoveries of ₹ 79.3 million (previous year ₹ nil)]		
Donations	228.5	168.5
Clinical and Analytical Charges	743.3	508.9
Loss on Sale / Write-off of Fixed Assets (net)	99.6	139.8
Bad Trade Receivables / Advances written off	6.2	38.1
Provision for Doubtful Trade Receivables / Advances / Deposits	269.4	40.0
Directors Sitting Fees	0.9	0.9
Miscellaneous Expenses	682.3	518.3
Total	**22,977.5**	**19,913.5**

28. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 1867.4 million (previous year ₹ 1225.3 million).

b) Letters of comfort for support in respect of certain subsidiaries. The Company considers its investments in subsidiaries as strategic and long-term in nature. The Company is committed to operationally, technically and financially support the operations of its subsidiaries.

c) Other commitments – Non-cancellable operating leases (Refer note 36).

29. Contingent Liabilities:

	As at 31.03.2014 ₹ in million	As at 31.03.2013 ₹ in million
a) Income tax demands / matters on account of deductions / disallowances in earlier years, pending in appeals [₹ 49.7 million (previous year ₹ 49.7 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" ₹ 26.3 million (previous year ₹ 23.5 million).	173.2	82.3
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" ₹ 30.4 million (previous year ₹ 31.7 million).	355.5	424.4
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, pricing, indemnity 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 ₹ 12.6 million).	830.8	419.9
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 ₹ 133.5 million (previous year ₹ 133.0 million).	26.7	39.9
f) Corporate guarantee given in respect of credit facility sanctioned by bankers of subsidiary companies aggregating ₹ 2264.2 million (previous year ₹ 2738.9 million).	2124.1	2645.8

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.

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.

30. a) During the year, the Company purchased 100% stake consisting of Equity and Capital contribution of Lupin Atlantis Holdings SA, Switzerland (LAHSA) from its wholly owned subsidiary Lupin Holdings B.V., Netherlands at a total cost of ₹ 2993.7 million pursuant to which LAHSA has become direct wholly owned subsidiary of the Company [Refer note 13(a)].

b) During the year, the Company, through its wholly owned subsidiary LAHSA acquired / subscribed to the equity stake of the following subsidiaries:

i) 100% equity stake in Nanomi B.V., Netherlands at a total cost of ₹ 857.0 million.

ii) 100% equity stake in Lupin Inc., USA at a total cost of ₹ 325.0 million (including additional paid-in capital – securities premium of ₹ 321.9 million).

iii) 100% equity stake in Lupin GmbH, Switzerland at a total cost of ₹ 1.3 million.

c) During the year, Lupin Inc., USA (LINC) wholly owned subsidiary of LAHSA has subscribed to equity stake of Company's wholly owned subsidiary Lupin Pharmaceuticals, Inc., USA (LPI) resulting into LINC holding 80% and the Company holding 20% of LPI's equity stake.

d) 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 ₹ 237.6 million (previous year ₹ 262.2 million).

ii) Additional investment in Lupin Mexico SA de CV, Mexico at a total cost of ₹ 32.8 million (previous year ₹ 10.7 million).

iii) Additional investment in Lupin Pharma Canada Limited, Canada at a total cost of ₹ 30.2 million (previous year ₹ nil).

iv) 100% equity stake of Farma World Importacao e Exportacao De Medicamentos LTDA – EPP, Brazil at a total cost of ₹ 29.8 million.

v) Additional investment in Lupin Philippines Inc., Philippines at a total cost of ₹ 10.9 million (previous year ₹ 33.7 million).

vi) Additional investment in Generic Health Pty Ltd., Australia at a total cost of ₹ nil (previous year ₹ 465.1 million).

vii) Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 2.2 million (previous year ₹ nil).

The above acquisitions / subscriptions are based on the net asset values, the future projected revenues, operating profits, cash flows and independent valuation reports; as applicable, of the investee companies.

e) The Company considers its investments in subsidiaries as strategic and long-term in nature and accordingly, in view of the management, any decline in the value of such long-term investments in subsidiaries is considered to be temporary in nature and hence no provision for diminution in value of investments is considered necessary.

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 pre-operative expenses are:

Particulars	**2013-2014**	2012-2013
	₹ in million	₹ in million
Opening balance	222.6	88.8
Incurred during the current year:		
Salaries, allowances and contribution to funds	11.2	65.8
Professional fees	0.3	1.4
Travelling expenses	1.6	10.2
Others	4.4	118.1
Total	17.5	195.5
Less : Capitalised during the year	57.9	61.7
Closing balance	**182.2**	**222.6**

32. Segment Reporting:

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Accounting Standard 17 (AS-17) "Segment Reporting", no disclosures related to segments are presented in this standalone financial statement.

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

a) Value of Imported and Indigenous consumption:

i) Consumption of Raw Materials:

	2013-2014		2012-2013	
	%	**₹ in million**	%	₹ in million
Imported	38.3	7173.3	38.4	6474.4
Indigenous	61.7	11553.9	61.6	10405.9
Total	**100.0**	**18727.2**	**100.0**	**16880.3**

ii) Consumption of Stores and Spares:

	2013-2014		2012-2013	
	%	₹ in million	%	₹ in million
Imported	0.4	9.9	2.0	44.0
Indigenous	99.6	2612.8	98.0	2168.2
Total	**100.0**	**2622.7**	**100.0**	**2212.2**

b) CIF Value of Imports:

		2013-2014	2012-2013
		₹ in million	₹ in million
i)	Capital Goods	992.9	728.4
ii)	Raw Materials	7206.3	6615.6
iii)	Packing Materials	405.2	284.7
iv)	Purchases of Stock-in-Trade	488.4	388.3
v)	Consumable Stores and Spares	560.7	374.0
	Total	**9653.5**	**8391.0**

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

i)	Finance Costs	27.7	52.8
ii)	Travelling	39.6	29.9
iii)	Commission	279.1	205.4
iv)	Selling and Promotion expenses	2554.6	2245.7
v)	Clinical and Analytical charges	391.9	199.9
vi)	Legal and Professional Charges (net of recoveries)	2320.7	1644.1
vii)	Employee Benefits Expense	109.5	85.4
viii)	Rates and Taxes	330.6	306.0
ix)	Others	343.8	251.3
	Total	**6397.5**	**5020.5**

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

i)	FOB value of Exports	57177.0	43156.5
ii)	Sale - Research Services	2302.8	1066.3
iii)	Reimbursement of freight and insurance on Exports	292.8	281.2
iv)	Compensation and Settlement Income	200.3	186.0
v)	Dividend Income	3020.2	-
vi)	Others	83.0	59.2
	Total	63076.1	**44749.2**

34. Remittance in Foreign currency on account of dividend:

The Company has paid dividend in respect of shares held by Non-Resident Shareholders on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non Resident External Account (NRE A/c). The total amount remittable in this respect is given below:

Year to which the dividend relates	2013-2014	2012-2013	2011-2012
Number of non-resident shareholders	2214	1970	1551
Number of shares held by them	143097779	142217266	127770018
Amount of dividend (₹ in million)	429.3	568.9	408.9

The Company does not have any information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by non-resident shareholders.

35. Auditors' Remuneration:

		2013-2014 ₹ in million	2012-2013 ₹ in million
	Payment to Auditors*:		
a)	As Auditors	11.4	9.2
b)	in respect of Taxation matters**	5.2	4.6
c)	for other services – Certification	1.8	2.0
d)	Reimbursement of out-of-pocket expenses	0.5	0.4
	Total	**18.9**	**16.2**

* Excluding service tax.

** Includes payment for taxation matters to an affiliated firm covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India.

36. The Company procures equipments, vehicles and office premises under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is generally between 12 months to 60 months. The lease rentals recognised in the Statement of Profit and Loss (Refer note 27) for the year are ₹ 321.1 million (previous year ₹ 294.8 million). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

Particulars	2013-2014 ₹ in million	2012-2013 ₹ in million
Not later than one year	263.2	189.4
Later than one year but not later than five years	380.6	301.3
Later than five years	23.9	25.1
Total	**667.7**	**515.8**

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

Particulars	2013-2014 ₹ in million	2012-2013 ₹ in million
Profit attributable to Equity Shareholders	23242.2	12604.3
Weighted average number of Equity Shares:		
- Basic	447982156	447125025
Add: Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as on 31.03.2014	2262690	1968120
- Diluted	450244846	449093145
Earnings per Share (in ₹)		
- Basic	51.88	28.19
- Diluted	51.62	28.07

38. Employees Stock Option Plans:

a) The Company implemented "Lupin Employees Stock Option Plan 2003" (ESOP 2003), "Lupin Employees Stock Option Plan 2005" (ESOP 2005), "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 2003 (ESOP 2003):

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
October 07, 2013	50000	439.43	07.10.2013 to 07.10.2014
	50000		

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
July 26, 2013	236375	864.75	26.07.2013 to 26.07.2014
	236375	864.75	26.07.2013 to 26.07.2015
	236375	864.75	26.07.2013 to 26.07.2016
	236375	864.75	26.07.2013 to 26.07.2017
	945500		
November 13, 2013	188	873.50	13.11.2013 to 13.11.2014
	188	873.50	13.11.2013 to 13.11.2015
	187	873.50	13.11.2013 to 13.11.2016
	187	873.50	13.11.2013 to 13.11.2017
	750		

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

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
August 02, 2013	21230	873.85	02.08.2013 to 02.08.2014
	21230	873.85	02.08.2013 to 02.08.2015
	21230	873.85	02.08.2013 to 02.08.2016
	21230	873.85	02.08.2013 to 02.08.2017
	84920		
August 13, 2013	3418	820.05	13.08.2013 to 13.08.2014
	3418	820.05	13.08.2013 to 13.08.2015
	3417	820.05	13.08.2013 to 13.08.2016
	3417	820.05	13.08.2013 to 13.08.2017
	13670		
November 13, 2013	4175	873.50	13.11.2013 to 13.11.2014
	4175	873.50	13.11.2013 to 13.11.2015
	4175	873.50	13.11.2013 to 13.11.2016
	4175	873.50	13.11.2013 to 13.11.2017
	16700		
December 27, 2013	4175	907.00	27.12.2013 to 27.12.2014
	4175	907.00	27.12.2013 to 27.12.2015
	4175	907.00	27.12.2013 to 27.12.2016
	4175	907.00	27.12.2013 to 27.12.2017
	16700		
February 14, 2014	13275	894.05	14.02.2014 to 14.02.2015
	13275	894.05	14.02.2014 to 14.02.2016
	13275	894.05	14.02.2014 to 14.02.2017
	13275	894.05	14.02.2014 to 14.02.2018
	53100		

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:

Particulars	**Year Ended 31.03.2014**	Year Ended 31.03.2013
	Nos.	Nos.
Lupin Employees Stock Option Plan 2003 (ESOP 2003):		
Options outstanding as at the beginning of the year	763615	1085783
Add : Options granted during the year	50000	-
Less : Options lapsed during the year	-	73125
Less : Options exercised during the year	274226	249043
Options outstanding as at the year end	539389	763615
Lupin Employees Stock Option Plan 2005 (ESOP 2005):		
Options outstanding as at the beginning of the year	751920	1250090
Add : Options granted during the year	-	59500
Less : Options lapsed during the year	4875	36375
Less : Options exercised during the year	252516	521295
Options outstanding as at the year end	494529	751920
Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005):		
Options outstanding as at the beginning of the year	430119	500421
Add : Options granted during the year	-	-
Less : Options lapsed during the year	-	6650
Less : Options exercised during the year	65986	63652
Options outstanding as at the year end	364133	430119
Lupin Employees Stock Option Plan 2011 (ESOP 2011):		
Options outstanding as at the beginning of the year	2259047	1759250
Add : Options granted during the year	946250	699750
Less : Options lapsed during the year	219062	146131
Less : Options exercised during the year	248696	53822
Options outstanding as at the year end	2737539	2259047
Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011):		
Options outstanding as at the beginning of the year	306780	161380
Add : Options granted during the year	185090	145400
Less : Options lapsed during the year	57950	-
Less : Options exercised during the year	4887	-
Options outstanding as at the year end	429033	306780

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 ₹ 291.5 million (previous year ₹ 229.5 million) and earnings per share as reported would be as indicated below:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
	₹ in million	₹ in million
Net profit as reported	23242.2	12604.3
Less: Total stock-based employee compensation expense determined under fair value based method	310.9	242.4
Add: Total stock-based employee compensation expense determined under intrinsic value based method	19.4	12.9
Adjusted net profit	22950.7	12374.8
Basic earnings per share		
- As reported (in ₹)*	51.88	28.19
- Adjusted (in ₹)	51.23	27.68
Diluted earnings per share		
- As reported (in ₹)*	51.62	28.07
- Adjusted (in ₹)	50.97	27.56

* Refer note 37

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

	ESOP 2003 Plan	ESOP 2011 Plan		SESOP 2011 Plan				
Grant Dated	Oct 07, 2013	Jul 26, 2013	Nov 13, 2013	Aug 02, 2013	Aug 13, 2013	Nov 13, 2013	Dec 27, 2013	Feb 14, 2014
Particulars								
Dividend yield (%)	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Expected life (years)	5.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Risk free interest rate (%)	8.62	8.44	8.88	8.52	8.41	8.88	9.02	9.02
Volatility (%)	32.39	32.62	32.48	32.60	32.71	32.48	32.19	31.92

39. Stock Appreciation Rights:

The Company granted Stock Appreciation Rights ("SARs") to certain eligible employees in accordance with Lupin Employees Stock Appreciation Rights Scheme 2011 ("LESARs 2011") approved by the Board of Directors (Board) at their Board Meeting held on September 13, 2011. Such SARs were granted during the prior years. 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 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 the prescribed period. Further during the year, SEBI has extended timeline for alignment of the scheme to June 30, 2014 vide circular no. CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013.

As approved by the Board, the Company has, prior to the Circular, advanced an interest free loan of ₹ nil (previous year ₹ 256.8 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 ₹ 258.0 million (previous year ₹ 476.9 million) is included under "Long-Term Loans and Advances" (Refer note 14) and ₹ 218.9 million (previous year ₹ nil) is included under "Short-Term Loans and Advances" (Refer note 19).

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

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Lupin Employees Stock Appreciation Rights 2011:		
Rights outstanding as at the beginning of the year	860098	455290
Add: Rights assigned prior to the Circular during the year	-	443049
Less: Rights lapsed during the year	16702	38241
Rights outstanding as at the year end	843396	860098

The related compensation cost for outstanding SARs amounting to ₹ 191.6 million (previous year ₹ 30.8 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 higher by ₹ 110.3 million (previous year would be lower by ₹ 7.9 million) and earnings per share as reported would be as indicated below:

Particulars	**Year Ended 31.03.2014**	Year Ended 31.03.2013
	₹ in million	₹ in million
Net profit as reported	23242.2	12604.3
Less: Total stock-based employee compensation expense determined under fair value based method	81.3	38.7
Add: Total stock-based employee compensation expense determined under intrinsic value based method	191.6	30.8
Adjusted net profit	23352.5	12596.4
Basic earnings per share		
- As reported (in ₹)*	51.88	28.19
- Adjusted (in ₹)	52.13	28.17
Diluted earnings per share		
- As reported (in ₹)*	51.62	28.07
- Adjusted (in ₹)	51.87	28.05

* Refer note 37

40. Post Employment Benefits:

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and super annuation 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 ₹ 161.6 million (previous year ₹ 141.9 million) for superannuation contribution and ₹ 92.5 million (previous year ₹ 82.9 million) for provident fund and pension contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A) 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, 2014. 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.

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As on 31.03.2014 ₹ in million	As on 31.03.2013 ₹ in million	**As on 31.03.2014 ₹ in million**	As on 31.03.2013 ₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	102.6	94.4	70.8	252.6
	Past service cost	-	-	-	-
	Interest cost	45.4	38.6	29.0	24.4
	Actuarial loss / (gain)	(27.0)	33.9	(28.3)	(6.7)
	Benefits paid	(63.5)	(34.7)	-	-
	PVO at the beginning of the year	594.9	462.7	360.3	90.0
	PVO at the end of the year	652.4	594.9	431.8	360.3
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	45.3	40.3	-	-
	Actuarial gain / (loss)	4.2	(0.1)	-	-
	Contributions by the employer	125.5	45.0	-	-
	Benefits paid	(63.5)	(34.7)	-	-
	Fair value of plan assets at the beginning of the year	469.4	417.7	-	-
	Adjustment to opening balance	-	1.2	-	-
	Fair value of plan assets at the end of the year	580.9	469.4	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at end of the year	652.4	594.9	431.8	360.3
	Fair Value of plan assets at the end of the year	580.9	469.4	-	-
	Funded status	(71.5)	(125.5)	(431.8)	(360.3)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the balance sheet	(71.5)	(125.5)	(431.8)	(360.3)
IV)	**Net cost for the year:**				
	Current service cost	102.6	94.4	70.8	252.6
	Past service cost	-	-	-	-
	Interest cost	45.4	38.6	29.0	24.4
	Expected return on plan assets	(45.3)	(40.3)	-	-
	Actuarial losses / (gain)	(31.2)	34.0	(28.3)	(6.7)
	Total expense recognised in the Statement of Profit and Loss (Refer note 25)	71.5	126.7	71.5	270.3
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)	580.9	469.4	NA	NA
VI)	**Actual return on the plan assets:**	49.5	40.2	NA	NA
VII)	**Assumptions used in accounting for the gratuity plan:**				
	Discount rate (%)	9.2	8.1	9.2	8.1
	Salary escalation rate (%)	6.0	6.0	6.0	6.0
	Expected rate of return on plan assets (%)	9.1	9.5	NA	NA
	Estimate of amount of contribution in immediate next year	71.5	125.5	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				
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Experience adjustment					
- On plan liabilities	32.6	6.1	90.5	#	#
- On plan assets	4.2	0.1	2.3	#	#
Present value of benefit obligation	(652.4)	(594.9)	(462.7)	(384.6)	(244.3)
Fair value of plan assets	580.9	469.4	417.7	365.4	213.3
Excess of (obligation over plan assets) / plan assets over obligation	(71.5)	(125.5)	(45.0)	(19.2)	(31.0)

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

B) 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, 2014 and shortfall aggregating ₹ 9.0 million (previous year ₹ 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 ₹ 257.0 million (previous year ₹ 186.6 million) for provident fund contributions in the Statement of Profit and Loss.

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 balance sheet date:

Sr. No.	Particulars	Provident Fund (Funded)	
		As on 31.03.2014	As on 31.03.2013
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	885.6	751.8
	Past service cost	-	-
	Interest cost	1.6	2.1
	Actuarial loss / (gain)	(12.5)	(6.8)
	Benefits paid	(224.9)	(160.8)
	PVO at the beginning of the year	2739.1	2152.8
	PVO at the end of the year	3388.9	2739.1
II)	**Change in fair value of plan assets:**		
	Expected return on plan assets	243.2	208.3
	Adjustment to opening balance	-	(7.6)
	Actuarial gain / (loss)	-	-
	Contributions by the employer	642.4	551.1
	Benefits paid	(224.9)	(160.8)
	Fair value of plan assets at the beginning of the year	2719.2	2128.2
	Fair value of plan assets at the end of the year	3379.9	2719.2
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	3388.9	2739.1
	Fair Value of plan assets at the end of the year	3379.9	2719.2

Sr. No.	Particulars	Provident Fund (Funded)	
		As on 31.03.2014 ₹ in million	As on 31.03.2013 ₹ in million
	Funded status	(9.0)	(19.9)
	Unrecognised actuarial gain / (loss)	-	-
	Net liability recognised in the balance sheet	(9.0)	(19.9)
IV)	**Net cost for the year:**		
	Current service cost	885.6	751.8
	Past service cost	-	-
	Interest cost	1.6	2.1
	Expected return on plan assets	(243.2)	(208.3)
	Actuarial losses / (gain)	(12.5)	(6.8)
	Interest expense pertaining to the Trust	642.4	543.5
	Net expense recognised in the Statement of Profit and Loss (Refer note 25)	(10.9)	(4.7)
V)	**Category of assets as at the end of the year:**		
	Investment in PSU bonds	22%	56%
	Investment in Government Securities	44%	29%
	Bank Special Deposit	6%	8%
	Investment in other securities	26%	5%
	Bank Savings Deposit	2%	2%
VI)	**Actual return on the plan assets:**	243.2	208.3
VII)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	9.2	8.1
	Salary escalation rate (%)	6.0	6.0
	Expected rate of return on plan assets (%)	8.8	8.7

41. (i) The Company has entered into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables. The following are the outstanding foreign currency forward contracts entered into by the Company:

Currency	Amount		Buy or Sell	Cross Currency
	As on 31.03.2014	As on 31.03.2013		
USD	10149602	-	Buy	INR

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

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

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Export of goods					
	AUD	125.3	2259636	133.5	2363665
	ACUD	9.1	152575	2.0	36850
	EURO	660.6	8025239	688.4	9902683
	GBP	420.1	4216617	262.7	3199195
	JPY	20.7	35384214	-	-
	USD	24545.7	409675022	14714.5	271059596
Other receivables					
	EURO	7.1	86818	-	-
	JPY	7.9	13495560	1.4	2375288
	UZS	0.1	2973852	₹ 30188	1161058
	USD	759.8	12680846	14.4	264596
	RUB	0.1	47325	1.1	646264
	KZT	1.9	5710111	0.6	1689291

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
	RMB	3.4	348403	1.1	122533
	UAH	0.1	25879	₹ 26009	3822

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

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Import of goods and services					
	USD	1515.5	25294703	2334.2	42999601
	GBP	47.4	475248	137.6	1676038
	EURO	95.0	1154647	133.3	1917463
	AUD	2.7	47940	3.4	59669
	JPY	7.7	13227862	5.5	9510000
	CAD	35.8	658358	-	-
	CHF	1.2	17808	0.4	6618
	SEK	0.2	22593	0.1	15751
	KZT	-	-	0.1	391061
	SGD	-	-	0.6	14434
	BRL	-	-	1.1	39756
Secured and Unsecured loans payable	USD	-	-	5703.7	105069863
Interest accrued and not due on Secured and Unsecured loans	USD	-	-	0.2	2964
Other payables					
	USD	282.4	4713239	181.2	3337497
	RUB	0.5	297112	0.7	420588
	KZT	0.4	1120778	0.9	2544909
	ACUD	0.9	15187	0.7	12112
	UAH	2.7	489197	2.9	422213
	EURO	45.0	546687	56.9	818855
	AUD	1.0	17525	2.0	34562
	AED	0.3	18594	0.3	18594
	JPY	0.3	500000	-	-
	BRL	0.5	18684	-	-
	RMB	₹ 10224	1060	-	-
	UZS	0.1	4809250	-	-

42. Details of Derivative Contracts:

The Company enters into forward and option contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivative contracts are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedges.

The category wise break-up thereof is as under:

(Amount in million)

Particulars	Currency	As at 31.03.2014	As at 31.03.2013	Cross Currency
Forward contracts	USD	129.0	244.0	INR
Option contracts	USD	0.8	7.5	INR

The changes in the fair value of the derivative contracts during the year ended March 31, 2014, aggregating ₹ 265.5 million (previous year ₹ 441.9 million) designated and effective as hedges have been credited to the Cash Flow Hedge Reserve and ₹ 36.8 million (previous year ₹ 11.8 million debited) is credited to the Statement of Profit and Loss, being the ineffective portion thereof.

43. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ₹ 8112.0 million (previous year ₹ 6472.7 million).

44. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Particulars	**As on 31.03.2014**	As on 31.03.2013
	₹ in million	₹ in million
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	285.2	262.1
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv. The amount of interest due and payable for the year	-	-
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

45. 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	**2013-2014**	2012-2013
	₹ in million	₹ in million
Carrying amount at the beginning of the year	78.0	80.0
Add : Additional Provisions made during the year	697.5	440.0
Less : Amounts used / utilised during the year	673.0	442.0
Carrying amount at the end of the year	102.5	78.0

46. Details of purchases, sale of goods and inventories:

A) Details of purchases of stock-in-trade:

Classification	Year ended	
	31.03.2014	31.03.2013
	₹ in million	₹ in million
a) Formulations:		
Tablets	3206.0	2903.0
Liquids	842.1	1386.3
Capsules	851.2	840.7
Injections:		
- Liquids	114.3	180.3
- Vials	2877.6	2113.5
Creams and Powder	184.1	180.8
Inhalers	2.7	8.7
b) Bulk Drugs, Intermediates and Chemicals	-	13.7
c) Others	213.9	133.3
Total	**8291.9**	**7760.3**

Purchases of formulations includes samples.

B) Details of sale of goods:

Classification	Year ended	
	31.03.2014	31.03.2013
	₹ in million	₹ in million
a) Formulations:		
Tablets	44999.9	37993.5
Liquids	8424.3	6420.7
Capsules	14674.6	9932.9
Injections:		
- Liquids	327.5	390.9
- Vials	4891.7	3890.6
Creams and Powder	583.9	466.3
Inhalers	509.6	476.1
b) Bulk Drugs, Intermediates and Chemicals	11604.0	9903.5
c) Others	258.3	180.2
Total	**86273.8**	**69654.7**

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):

Classification	As at	
	31.03.2014	31.03.2013
	₹ in million	₹ in million
a) Formulations:		
Tablets	1900.1	1771.0
Liquids	390.1	374.4
Capsules	481.1	492.3
Injections:		
- Liquids	41.1	44.4
- Vials	796.5	471.3
Creams and Powder	94.7	85.5
Inhalers	70.8	30.4
b) Bulk Drugs, Intermediates and Chemicals	1294.0	1395.2
c) Others	32.3	32.3
Total	**5100.7**	**4696.8**

D) Details of work-in-process:

a) Formulations	624.3	696.9
b) Bulk Drugs, Intermediates and Chemicals	2506.7	2075.9
Total	**3131.0**	**2772.8**

E) Consumption of raw materials:

Item	Year ended	
	31.03.2014	31.03.2013
	₹ in million	₹ in million
a) DL2 (RECEMIC)	954.2	934.6
b) PEN G	2377.5	1769.4
c) Others*	15395.5	14176.3
Total	**18727.2**	**16880.3**

* containing various raw materials, none of which represents more than 5% of total consumption of raw materials.

47. 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 [Refer note 30 (a)]
Lupin (Europe) Limited, UK
Amel Touhoku, Japan (upto 28 February 2013)
Lupin Pharma Canada Limited, Canada
Lupin Mexico SA de CV, Mexico
Generic Health Pty Limited, Australia
Bellwether Pharma Pty Limited, Australia
Max Pharma Pty Limited, Australia
Lupin Philippines Inc., Philippines
Lupin Healthcare Limited, India
Generic Health SDN. BHD., Malaysia
I'rom Pharmaceutical Co., Limited, Japan
Lupin Middle East FZ-LLC, UAE (from 13 June 2012)
Lupin GmbH, Switzerland (from 15 August 2013)
Lupin Inc., USA (from 27 June 2013)
Farma World Importacao e Exportacao De Medicamentos LTDA - EPP, Brazil (from 17 December 2013)
Nanomi B.V., Netherlands (from 30 January 2014)

Category II: Key Management Personnel:

Dr. D. B. Gupta	Chairman
Dr. Kamal K. Sharma	Vice Chairman
Mrs. Vinita Gupta	Chief Executive Officer
Mr. Nilesh Gupta	Managing Director
Mrs. M. D. Gupta	Executive Director

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

Dr. Anuja Gupta (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)
Lupin Human Welfare and Research Foundation
Lupin International Pvt. Limited
Lupin Investments Pvt. Limited
Lupin Holdings Pvt. Limited (formerly Lupin Marketing Pvt. Limited)
Matashree Gomati Devi Jana Seva Nidhi
Novamed Investments Pvt. Limited
Polynova Industries Limited
Rahas Investments Pvt. Limited
Synchem Investments Pvt. Limited
Visiomed Investments Pvt. Limited (formerly 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	45966.2	-	-	45966.2
		(32028.8)	(-)	(-)	(32028.8)
2.	Sale - Research Services-IP	638.5	-	-	638.5
		(-)	(-)	(-)	(-)
3.	Sale - Research Services-Others	226.0	-	-	226.0
		(151.4)	(-)	(-)	(151.4)
4.	Income from Royalty	64.2	-	-	64.2
		(50.2)	(-)	(-)	(50.2)
5.	Guarantee Commission Income	5.0	-	-	5.0
		(6.4)	(-)	(-)	(6.4)
6.	Rent Expenses	-	-	90.9	90.9
		(-)	(-)	(101.0)	(101.0)
7.	Expenses Recovered / Rent Received	35.1	-	3.0	38.1
		(18.7)	(-)	(2.9)	(21.6)
8.	Remuneration Paid	-	572.1	-	572.1
		(-)	(398.4)	(-)	(398.4)
9.	Purchases of Goods / Materials	5.5	-	-	5.5
		(₹ 1114/-)	(-)	(-)	(₹ 1114/-)
10.	Investments during the year	3010.1	-	-	3010.1
		(7.5)	(-)	(-)	(7.5)
11.	Advance against Investment	14.6	-	-	14.6
		(-)	(-)	(-)	(-)
12.	Donations Paid	-	-	135.9	135.9
		(-)	(-)	(91.4)	(91.4)
13.	Dividend Paid	-	46.4	1424.8	1471.2
		(-)	(20.1)	(651.4)	(671.5)
14.	Services Received	2068.3	-	-	2068.3
		(1865.7)	(-)	(-)	(1865.7)
15.	Expenses Reimbursed	576.3	-	-	576.3
		(432.3)	(-)	(-)	(432.3)
16.	Dividend Income	3020.2	-	-	3020.2
		(-)	(-)	(-)	(-)
17.	Deposits paid for Leave and Licence arrangement for premises	-	-	0.4	0.4
		(-)	(-)	(-)	(-)
18.	Refund of Deposits paid for Leave and Licence arrangement for premises	-	-	7.9	7.9
		(-)	(-)	(-)	(-)
19.	Deposits received for Leave and Licence arrangement for premises	-	-	0.1	0.1
		(-)	(-)	(-)	(-)
20.	Corporate guarantee withdrawn by the Company to the bankers of wholly owned subsidiary companies	576.2	-	-	576.2
		(141.6)	(-)	(-)	(141.6)

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 31.03.2014**	For the year ended 31.03.2013
1.	Sale of Goods			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	44056.6	31291.4
2.	Sale - Research Services-IP			
	Lupin Atlantis Holdings SA	Subsidiary Company	638.5	-

(₹ in million unless other wise stated)

Sr. No.	Transactions	Related party relation	**For the year ended 31.03.2014**	For the year ended 31.03.2013
3.	Sale - Research Services-Others			
	Lupin Atlantis Holdings SA	Subsidiary Company	226.0	148.1
4.	Income from Royalty			
	Generic Health Pty Limited	Subsidiary Company	64.2	50.2
5.	Guarantee Commission Income			
	Kyowa Pharmaceutical Industry Co., Limited	Subsidiary Company	5.0	6.4
6.	Rent Expenses			
	Lupin Investments Pvt. Limited	Others	72.2	82.0
	Bharat Steel Fabrication and Engineering Works	Others	10.3	10.3
7.	Expenses Recovered / Rent Received			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	10.3	2.9
	Polynova Industries Limited	Others	3.0	2.9
	Generic Health Pty Limited	Subsidiary Company	-	12.7
	Pharma Dynamics (Proprietary) Limited	Subsidiary Company	6.2	-
	Kyowa Pharmaceutical Industry Co., Limited	Subsidiary Company	11.3	0.7
8.	Remuneration Paid			
	Dr. D. B. Gupta	Key Management Personnel	371.5	219.7
	Dr. Kamal K. Sharma	Key Management Personnel	134.7	123.4
	Mr. Nilesh Gupta	Key Management Personnel	60.7	50.1
9.	Purchases of Goods / Materials			
	Kyowa Pharmaceutical Industry Co., Limited	Subsidiary Company	5.5	₹ 1114/-
10.	Investments during the year			
	Lupin Middle East FZ-LLC	Subsidiary Company	-	7.5
	Lupin Atlantis Holdings SA	Subsidiary Company	2993.7	-
11.	Advance against Investment			
	Lupin Middle East FZ-LLC	Subsidiary Company	14.6	-
12.	Donations Paid			
	Lupin Human Welfare and Research Foundation	Others	129.2	83.6
13.	Dividend Paid			
	Lupin Holdings Pvt. Limited (formerly Lupin Marketing Pvt. Limited)	Others	282.8	129.3
	Rahas Investments Pvt. Limited	Others	319.9	146.2
	Visiomed Investments Pvt. Limited (formerly Visiomed (India) Pvt. Limited)	Others	304.6	139.2
	Zyma Laboratories Limited	Others	384.7	175.9
14.	Services Received			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	1746.4	1538.5
	Lupin (Europe) Limited	Subsidiary Company	262.4	291.0
15.	Expenses Reimbursed			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	384.9	391.4
	Hormosan Pharma GmbH	Subsidiary Company	73.4	6.5
	Lupin Atlantis Holdings SA	Subsidiary Company	76.3	-
	Lupin Australia Pty Limited	Subsidiary Company	32.3	27.2
	Lupin (Europe) Limited	Subsidiary Company	2.6	2.9
	Pharma Dynamics (Proprietary) Limited	Subsidiary Company	-	1.0
16.	Dividend Income			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	3020.2	-

(₹ in million unless other wise stated)

Sr. No.	Transactions	Related party relation	For the year ended 31.03.2014	For the year ended 31.03.2013
17.	Deposits paid for Leave and Licence arrangement for premises			
	Bharat Steel Fabrication and Engineering Works	Others	0.4	-
18.	Refund of Deposits paid for Leave and Licence arrangement for premises			
	Lupin Investments Pvt. Limited	Others	7.9	-
19.	Deposits received for Leave and Licence arrangement for premises			
	Polynova Industries Limited	Others	0.1	-
20.	Corporate guarantee withdrawn by the Company to the bankers of wholly owned Subsidiary company			
	Kyowa Pharmaceutical Industry Co., Limited	Subsidiary Company	576.2	141.6

Ms. Vinita Gupta, who was appointed as Chief Executive Officer of the Company w.e.f. September 1, 2013, is an Executive Director but not in whole-time employment of the Company. She is an employee of Lupin GmbH, Switzerland, a wholly-owned subsidiary of Lupin Atlantis Holdings SA, Switzerland. Ms. Vinita Gupta renders management services to the Company in terms of the Services Agreement between the Company and Lupin GmbH, effective January 1, 2014. No amount is charged to the Company for the year in respect of her services pending approval of the same from the Reserve Bank of India, which has been received subsequent to the year end.

C. Balances due from / to the related parties:

(₹ in million)

Sr. No.	Transactions	Subsidiaries	Key Management Personnel	Others	Total
1.	Investments	9870.3	-	-	9870.3
		(6860.2)	(-)	(-)	(6860.2)
2.	Advance against Investment	14.6	-	-	14.6
		(-)	(-)	(-)	(-)
3.	Deposits paid under Leave and Licence arrangement for office premises	-	-	54.7	54.7
		(-)	(-)	(62.2)	(62.2)
4.	Trade Receivables	22077.2	-	-	22077.2
		(12236.2)	(-)	(-)	(12236.2)
5.	Trade Payables	947.3	-	-	947.3
		(883.8)	(-)	(-)	(883.8)
6.	Commission Payable	-	323.5	-	323.5
		-	(178.0)	(-)	(178.0)
7.	Expenses Payable	211.2	-	-	211.2
		(52.6)	(-)	(-)	(52.6)
8.	Expenses Receivable	9.0	-	0.1	9.1
		(-)	(-)	(-)	(-)
9.	Income Receivable	1.0	-	-	1.0
		(1.4)	(-)	(-)	(1.4)
10.	Deposits received under Leave and Licence arrangement for office premises	-	-	0.1	0.1
		(-)	(-)	(-)	(-)
11.	Letter of Comfort issued by the Company to the bankers of subsidiary companies	133.5	-	-	133.5
		(133.0)	(-)	(-)	(133.0)
12.	Corporate guarantee issued by the Company to the bankers of wholly owned subsidiary companies	2264.2	-	-	2264.2
		(2738.9)	(-)	(-)	(2738.9)

i) Figures in brackets are for previous year.

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

48. Excise duty (Refer note 27) includes ₹ 34.2 million (previous year ₹ 3.2 million) being net impact of the excise duty provision on opening and closing stock.

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

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

Signatures to Note 1 to 50

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Vice Chairman

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director

M. D. Gupta
Executive 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 7, 2014

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 31.03.2014	30.06.2003	1,500,000 shares of the face value of US $ 1 each (Note 1)	100%	1424.9	2723.7	Nil	Nil
Kyowa Pharmaceutical Industry Co., Ltd., Japan	Year ended 31.03.2014	18.10.2007	196,000 Ordinary Shares of the face value of JPY 500 each (Note 2)	100%	997.3	3689.4	Nil	Nil
Lupin Australia Pty Ltd., Australia	Year ended 31.03.2014	01.12.2004	800,000 Ordinary Shares of the face value of AU $ 1 each	100%	(6.5)	(0.5)	Nil	Nil
Lupin Holdings B.V., Netherlands	Year ended 31.03.2014	30.03.2007	105,829 Ordinary Shares of the face value of Euro 1000 each	100%	1051.5	1616.7	Nil	Nil
Pharma Dynamics (Proprietary) Ltd., South Africa	Year ended 31.03.2014	01.03.2008	60,000 Equity Shares of the face value of South African Rand 1 each (Note 2)	60%	415.7	1169.5	Nil	Nil
Hormosan Pharma GmbH, Germany	Year ended 31.03.2014	25.07.2008	122,900 Equity Shares of the face value of Euro 1 each (Note 2)	100%	(171.9)	(700.3)	Nil	Nil
Multicare Pharmaceuticals Philippines Inc., Philippines	Year ended 31.03.2014	26.03.2009	4,578,525 Equity Shares of the face value of PHP 10 each (Note 2)	51%	67.0	82.8	Nil	Nil
Lupin Atlantis Holdings SA, Switzerland	Year ended 31.03.2014	05.06.2007	2,486 Equity Shares of the face value of CHF 1000 each (Note 4)	100%	(1278.6)	752.8	Nil	Nil
Lupin (Europe) Ltd., U.K.	Year ended 31.03.2014	05.06.2009	251,000 Ordinary Shares of GBP 1 each	100%	(117.0)	(30.3)	Nil	Nil
Lupin Pharma Canada Ltd., Canada	Year ended 31.03.2014	18.06.2009	330,000,100 Common Shares (Shares do not have face value) (Note 5)	100%	(1.5)	(135.9)	Nil	Nil
Lupin Mexico SA de CV, Mexico	Year ended 31.03.2014	23.08.2010	113,293 Common Shares of MXN $ 100 each (Note 2)	100%	(12.6)	(16.5)	Nil	Nil
Generic Health Pty Ltd., Australia	Year ended 31.03.2014	27.09.2010	188,405,378 Ordinary Shares of no par value (Note 2)	91.04%	(103.1)	(858.9)	Nil	Nil
Bellwether Pharma Pty Ltd., Australia	Year ended 31.03.2014	27.09.2010	1,000,000 Ordinary Shares of no par value (Note 6)	91.04%	471.4	(15.5)	Nil	Nil
Max Pharma Pty Ltd., Australia	Year ended 31.03.2014	27.09.2010	2,885,714 Ordinary Shares of no par value (Note 6)	91.04%	Nil	(79.4)	Nil	Nil
Lupin Philippines, Inc., Philippines	Year ended 31.03.2014	20.12.2010	4,790,136 Common Shares of the face value of PHP 10 each (including 5 shares held by nominees) (Note 2)	100%	31.5	(49.5)	Nil	Nil
Lupin Healthcare Ltd., India	Year ended 31.03.2014	17.03.2011	2,616,677 Equity Shares of the face value of ₹ 10/- each (including 6 shares held by nominees)	100%	0.4	(3.7)	Nil	Nil
Generic Health SDN. BHD., Malaysia	Year ended 31.03.2014	18.05.2011	121,444 Ordinary Shares of the face value of RM 1 each (Note 2)	100%	(0.8)	(1.4)	Nil	Nil
I'rom Pharmaceutical Co., Ltd., Japan	Year ended 31.03.2014	30.11.2011	31,600,000 Ordinary Shares of JPY Nil each (Note 3)	100%	3.9	287.2	Nil	Nil
Lupin Middle East FZ-LLC, Dubai	Year ended 31.03.2014	13.06.2012	500 Shares of the face value of AED 1000 each	100%	(10.2)	(3.0)	Nil	Nil
Farma World Importacao e Exportacao de Medicamentos LTDA - EPP, Brazil	From 17.12.2013 to 31.03.2014	17.12.2013	20,000 Shares of the face value of BRL 1 each (Note 2)	100%	(2.5)	N.A.	Nil	N.A.
Lupin GmbH, Switzerland	From 15.08.2013 to 31.03.2014	15.08.2013	200 Ordinary Shares of the face value of CHF 100 each (Note 7)	100%	0.03	N.A.	Nil	N.A.
Lupin Inc., USA	From 27.06.2013 to 31.03.2014	27.06.2013	50,000,000 Shares of the face value of US $ 0.001 each (Note 7)	100%	(284.1)	N.A.	Nil	N.A.
Nanomi B.V., Netherlands	From 30.01.2014 to 31.03.2014	30.01.2014	1,818,181 Shares of the face value of Euro 0.01 each (Note 7)	100%	(55.3)	N.A.	Nil	N.A.

Notes:

1. Lupin Inc., USA, holds 1,200,000 Shares and Lupin Limited, 300,000 Shares.
2. Shares are held by Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company.
3. Shares are held by Kyowa Pharmaceutical Industry Co., Ltd., Japan, wholly-owned subsidiary of Lupin Holdings B.V., Netherlands.
4. During the year, Lupin Limited acquired the entire shareholding of 2,486 Equity Shares in Lupin Atlantis Holdings SA, Switzerland (LAHSA) which were held by Lupin Holdings B.V., Netherlands. Consequently, LAHSA became a direct subsidiary of the Company.
5. Lupin Holdings B.V., Netherlands, holds 330,000,000 Shares and Lupin Atlantis Holdings SA, Switzerland, 100 Shares.
6. Shares are held by Generic Health Pty Ltd., Australia, a subsidiary of Lupin Holdings B.V., Netherlands.
7. Shares are held by Lupin Atlantis Holdings SA, Switzerland, wholly-owned subsidiary of the Company.

For and on behalf of the Board of Directors

R. V. Satam
Company Secretary

Dr. Desh Bandhu Gupta
Chairman

Nilesh Gupta
Managing Director

Mumbai, May 7, 2014

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

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Laxmi Towers, 'B' Wing,
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info@lupinworld.com

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LUPIN

www.lupinworld.com

LUPIN

FORM A

1.	*Name of the Company:*	Lupin Limited
2.	*Annual financial statements for the year ended*	March 31, 2014
3.	*Type of Audit observation*	Unqualified
4.	*Frequency of observation*	Not Applicable
5.	*Signed by-*	
	For LUPIN LIMITED *Mr. Nilesh Gupta* *Managing Director*	4 JUL 2014
	For LUPIN LIMITED *Ramesh Swaminathan* *Chief Financial Officer*	4 JUL 2014
	For LUPIN LIMITED *Dr. K. U. Mada* *Chairman - Audit Committee*	4 JUL 2014
	Auditor of the Company	Refer our Audit Report dated May 7, 2014 on the Standalone Financial Statements of Lupin Limited. For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration No.117366W/W-100018) DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS (K.A. Katki) (Partner) (Membership No. 038568) Mumbai, July 4, 2014.

LUPIN

FORM A

1.	*Name of the Company:*	Lupin Limited
2.	*Annual financial statements for the year ended*	March 31, 2014
3.	*Type of Audit observation*	Unqualified
4.	*Frequency of observation*	Not Applicable
5.	*Signed by-* *For LUPIN LIMITED* *Mr. Nilesh Gupta* *Managing Director*	4 JUL 2014
	For LUPIN LIMITED *Ramesh Swaminathan* *Chief Financial Officer*	4 JUL 2014
	For LUPIN LIMITED *Dr. K. U. Mada* *Chairman - Audit Committee*	4 JUL 2014
	Auditor of the Company	Refer our Audit Report dated May 07, 2014 on the Consolidated Financial Statements of Lupin Limited. For **DELOITTE HASKINS & SELLS LLP** *Chartered Accountants* (Firm Registration No.117366W/W-100018) **(K.A. Katki)** *(Partner)* (Membership No. 038568) Mumbai, July 4, 2014. DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS