July 12, 2019

BSE Limited
Department of Corporate Services,
P. J. Towers,
Dalal Street,
Mumbai - 400 001.

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

Dear Sirs,

Sub: Compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

In compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations'), enclosed is the Annual Report of the Company for the year ended March 31, 2019 along with the Notice convening the Thirty-Seventh Annual General Meeting to be held on Wednesday, August 7, 2019.

It may please be noted that the said Annual Report contains information prescribed by Regulations 34(2) and (3) of the Listing Regulations.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

FOR LUPIN LIMITED

(ACS 11973)

R. V. SATAM
COMPANY SECRETARY

LUPIN LIMITED
MUMBAI
INDIA

Encl: a/a

Notice to Members

NOTICE is hereby given that the Thirty-Seventh Annual General Meeting of Lupin Limited will be held at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050, on Wednesday, August 7, 2019, at 2.30 p.m., to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone audited financial statements including Balance Sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Consolidated audited financial statements including Balance Sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and report of the Auditors thereon.

3. To declare dividend at ₹ 5 per equity share for the year ended March 31, 2019.

4. To consider the re-appointment of Ms. Vinita Gupta, as director, who retires by rotation and being eligible, offers herself, for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution for the appointment of Ms. Christine Mundkur as an Independent Director: -

"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 149, 150 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013 (Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) thereof) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Christine Mundkur (DIN: 08408494), who was appointed by the Board of Directors as an Additional Director w.e.f. April 1, 2019 and in terms of Section 161 of the Act, holds office up to the date of this Annual General Meeting and who meets the criteria of independence as prescribed by Section 149(6) of the Act and has submitted a declaration to that effect and is eligible for appointment and in respect of whom, the Company has received notices in writing pursuant to Section 160 of the Act, from Members proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from April 1, 2019, till the conclusion of the Thirty-Ninth Annual General Meeting and she shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution for ratifying remuneration payable to Mr. S. D. Shenoy, Cost Auditor, for conducting cost audit for the year ending March 31, 2020: -

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 including any amendments or re-enactments thereof, Mr. S. D. Shenoy (FCMA, Membership No. 8318), practicing cost accountant, Cost Auditor, appointed by the Board of Directors, to conduct audit of the cost records of the Company, for the year ending March 31, 2020, be paid remuneration of ₹ 700,000/- (Rupees Seven Hundred Thousand only) plus applicable taxes and out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

"RESOLVED THAT in partial supersession of previous Resolutions passed in this behalf and pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or re-enactment(s) thereof), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Foreign Exchange Management Act, 1999, approval of the Reserve Bank of India and such other approvals, permissions and sanctions as may be necessary, consent and approval of the Company be and is hereby accorded to modify the Lupin Subsidiary Companies Employees Stock Option Plan 2014, to increase the maximum number of equity shares of the Company (of face value ₹ 2/- each) that may be issued pursuant to exercise of options granted to the eligible employees under this Plan by an additional 400,000 equity shares (i.e. from 1,125,000 to 1,525,000 equity shares).

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.**”**

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

“RESOLVED THAT in partial supersession of previous Resolutions passed in this behalf and pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or re-enactment(s) thereof), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Foreign Exchange Management Act, 1999, approval of the Reserve Bank of India and such other approvals, permissions and sanctions as may be necessary, consent and approval of the Company be and is hereby accorded to modify the Lupin Employees Stock Option Plan 2014, to reduce the maximum number of equity shares of the Company (of face value ₹ 2/- each) that may be issued pursuant to exercise of options granted to the eligible employees under this Plan by 400,000 equity shares (i.e. from 3,375,000 to 2,975,000 equity shares).

RESOLVED FURTHER THAT the Board of Directors (‘the Board’, which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.**”**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY, DULY COMPLETED AND SIGNED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY 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, then such proxy shall not act as a proxy for any other person or Member.

2. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (‘Act’) in respect of Item nos. 4 to 8 is annexed and forms part of this Notice.

3. Register of Members and Share Transfer Register will be closed from Wednesday, July 31, 2019 to Wednesday, August 7, 2019, (both days inclusive).

4. Dividend for the year ended March 31, 2019 if declared, at the Annual General Meeting (AGM), shall be paid to those Members, whose names appear: -

a. as beneficial owners at the end of business hours on Tuesday, July 30, 2019 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 30, 2019, after giving effect to valid transfers in respect of transfer requests lodged with the Company/ Registrars and Share Transfer Agent (‘RTA’) on or before the close of business hours on Tuesday, July 30, 2019 in respect of shares held in physical form.

5. Members holding shares in dematerialised form are requested to intimate all particulars of bank mandates, nominations, power of attorney, change of address, 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 RTA.

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 RTA if the shares are held in physical form and to the DP concerned, if the same are held in electronic form.

6. The Securities and Exchange Board of India (‘SEBI’) 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 if not submitted earlier. Members holding shares in physical form are requested to submit their PAN to the RTA if not submitted earlier.

7. Members who have not encashed their dividend warrants for the year ended March 31, 2012 or any subsequent year(s) are requested to lodge their claims with the RTA at the earliest.

8. 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, 2011, has already been transferred to the said Fund.

9. Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 respectively 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 email addresses with either their DP or the Company. Notice of the AGM along with Annual Report for the year ended March 31, 2019 is being sent by electronic mode to those Members whose email 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 email addresses. Members desirous of receiving physical copies of the Annual Report are requested to write to the RTA. Annual Report for the year ended March 31, 2019 circulated to Members is also available on the website of the Company www.lupin.com.

11. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, Company is pleased to provide its Members, the facility to exercise their right to vote at the AGM by electronic means and business may be transacted through e-Voting platform provided by Link Intime India Private Limited on all Resolutions set-forth in this 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 website of the Company www.lupin.com or obtained from the RTA.

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 DP ID and Client ID/ledger folio numbers in all their correspondence;
- **b.** Approach the RTA for consolidation of multiple ledger folios into one;
- **c.** To avoid inconvenience, get 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 AGM, their copy of the Annual Report and Attendance Slip.

15. NRI Members are requested to inform the RTA immediately of: -

- **a.** 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; and
- **b.** Change in their residential status and address in India on their return to India for permanent settlement.

16. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications at 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 traded under compulsory demat for all investors, Members are requested to dematerialise their shareholding to avoid inconvenience.

19. The Company will be webcasting for its Members, the live streaming of the AGM, at the link: https://instavote.linkintime.co.in. Members who are unable to attend the meeting may take the advantage of this facility by using the same login credentials applicable for e-voting.

By Order of the Board of Directors

R. V. SATAM
Company Secretary
(ACS -11973)

Mumbai, May 15, 2019

Registered Office:
Kalpataru Inspire, 3rd Floor,
Off Western Express Highway,
Santacruz (East), Mumbai - 400 055.

Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2323 Ext: 2402/2403
E mail: investorservices@lupin.com
Website: www.lupin.com

Registrar and Share Transfer Agent
Link Intime India Pvt. Ltd.
Unit: Lupin Limited
C 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: +91 22 4918 6000
Toll Free No.: 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

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

ITEM NO. 4

A brief profile of Ms. Vinita Gupta, Chief Executive Officer and the names of companies in which she is director are given in the Corporate Governance Report, which forms part of this Annual Report.

Ms. Vinita holds 327,424 fully paid-up equity shares of ₹ 2/- each in the Company.

Ms. Vinita Gupta and Mrs. Manju D. Gupta and Mr. Nilesh Deshbandhu Gupta who are related to her are interested in the said Resolution. None of the other Directors/Key Managerial Personnel or their relatives are interested in or concerned with the said Resolution.

The Board recommends passing of the said Resolution.

ITEM NO. 5

A brief profile of Ms. Christine Mundkur, her specific areas of expertise and name of the company in which she is director are given in the Corporate Governance Report, which forms part of this Annual Report.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide Resolution dated April 1, 2019, appointed Ms. Mundkur, as an Independent Director of the Company.

The Company has received from Ms. Mundkur, declarations pursuant to Section 149(7) of the Companies Act, 2013 (Act) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), confirming that she meets the criteria of independence enumerated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, respectively and that there has been no change in the circumstances affecting her status as Independent Director and that she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence.

The Company has also received from Ms. Mundkur (i) consent to act as a Director in terms of Section 152 of the Act; (ii) director identification number; (iii) a certificate in Form DIR-8 pursuant to Section 164(2) of the Act, certifying that she is not disqualified from acting as Director of the Company; and (iv) notice in Form MBP - 1 pursuant to Section 184(1) of the Act, disclosing her interest in companies/firms/ association of individuals.

In the opinion of the Board, Ms. Mundkur fulfills the conditions specified in the Act and Rules made thereunder and the Listing Regulations and is independent of the management. In terms of Section 160 of Act, the Company has received notices in writing from certain Members proposing the candidature of Ms. Mundkur to be appointed as an Independent Director.

A copy of the letter of appointment of Ms. Mundkur setting out the terms and conditions of her appointment is hosted on the Company's website www.lupin.com and is open for inspection by Members at the Registered Office of the Company during normal business hours on working days.

Ms. Mundkur does not hold any shares in the Company.

Pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions of the Act and Rules made thereunder and Regulation 17 of the Listing Regulations, it is proposed to appoint Ms. Mundkur as an Independent Director, for the period from April 1, 2019, till the conclusion of the Thirty-Ninth Annual General Meeting and she shall not be subject to retirement by rotation.

Ms. Mundkur is interested in the said Resolution. No other Director/Key Managerial Personnel of the Company and their relatives are interested in or concerned with the said Resolution. This Explanatory Statement may also be regarded as a disclosure pursuant to Regulation 36(3) of the Listing Regulations.

The Board recommends passing of the said Resolution.

ITEM NO. 6

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 audit of the cost records of the Company for the year ending March 31, 2020.

Mr. S. D. Shenoy is a cost accountant as defined in Section 2(1)(b) of the Cost and Works Accountants Act, 1959, holding a valid certificate of practice under Section 6(1) of the said Act. He has not been disqualified to act as cost auditor pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and his appointment, is in accordance with the limits specified by Section 141(3)(g) read with Section 148 of the Companies Act, 2013. Mr. Shenoy is independent and maintains an arm's length relationship with the Company; and no orders or proceedings are pending against him relating to professional matters of conduct before the Institute of Cost Accountants of India or any court or competent authority.

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 ₹ 700,000/- plus applicable taxes and out of pocket expenses payable to the Cost Auditor as approved by the Board of Directors, needs to be ratified by the Members. Thus, consent of Members is being sought for ratifying the remuneration payable to the Cost Auditor for year ending March 31, 2020.

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

The Board recommends passing of the said Resolution.

ITEM NOS. 7 and 8

Considering the competitive global business environment and the need to attract, retain and reward, qualified, talented and competent personnel, the Company had implemented various stock options plans for eligible employees of the Company and its subsidiaries.

The Members, vide Special Resolutions, approved the issuing of up to 3,375,000 and 1,125,000 equity shares (of the face value of ₹ 2/- each), pursuant to exercise of options granted to eligible employees under the 'Lupin Employees Stock Option Plan 2014' (ESOP 2014) and 'Lupin Subsidiary Companies Employees Stock Option Plan 2014' (SESOP 2014) respectively.

With growth in international operations of the Company, the number of grantees under SESOP 2014 has increased considerably. Thus, pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Foreign Exchange Management Act, 1999, approval of the Reserve Bank of India and such other approvals, permissions and sanctions as may be necessary, consent of the Members is being sought for modifications of ESOP 2014 and SESOP 2014.

It is proposed to increase by an additional 400,000 equity shares (i.e. from 1,125,000 to 1,525,000 equity shares) that may be issued under SESOP 2014 and reduce by 400,000 equity shares that may be issued under ESOP 2014 (i.e. from 3,375,000 equity shares to 2,975,000 equity shares), so that there is no change in the total number of equity shares to be issued under both the Plans.

The Board of Directors, vide Resolution dated May 15, 2019, approved and recommended the modifications of ESOP 2014 and SESOP 2014 subject to the approval of the Members.

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

The Board recommends passing of the said Special Resolution.

By Order of the Board of Directors

R. V. SATAM
Company Secretary
(ACS -11973)

Mumbai, May 15, 2019

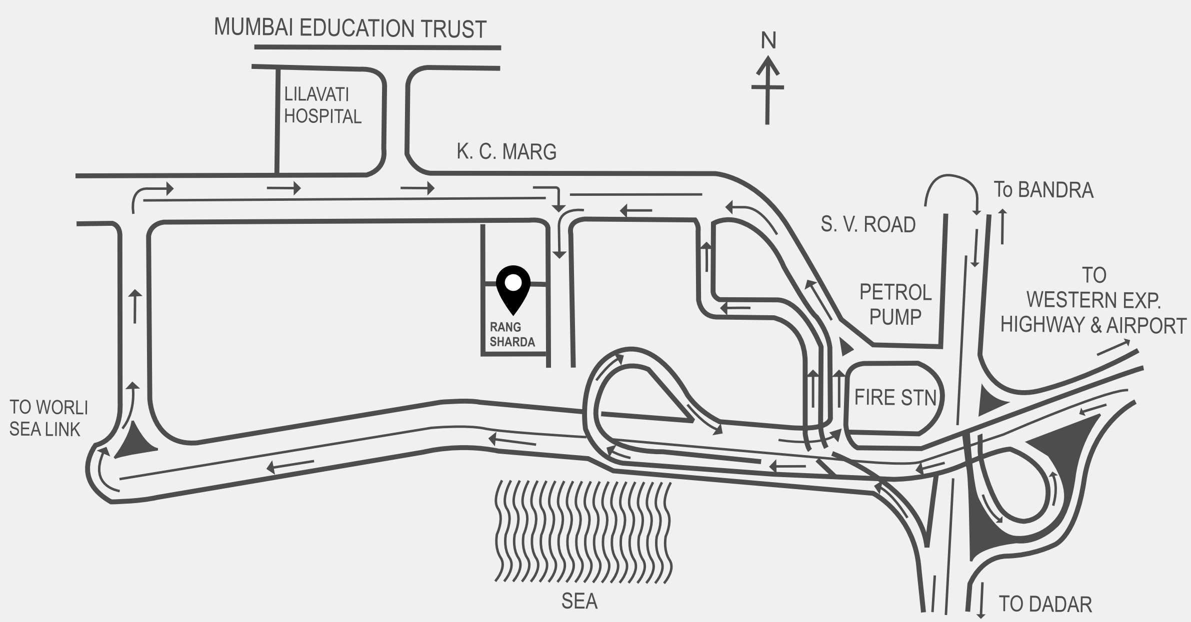
Registered Office:
Kalpataru Inspire, 3rd Floor,
Off Western Express Highway,
Santacruz (East), Mumbai - 400 055.

Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2323 Ext: 2402/2403
E mail: investorservices@lupin.com
Website: www.lupin.com

Registrar and Share Transfer Agent
Link Intime India Pvt. Ltd.
Unit: Lupin Limited
C 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: +91 22 4918 6000
Toll Free No.: 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

Directions for: 37th Annual General Meeting of Lupin Limited

Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050



Bandra Station 2.7 Kms. | Dadar Station 5.5 Kms. | Kurla Station 7.7 Kms. | International Airport 8.7 Kms. |
Domestic Airport 6 Kms. | Lilavati Hospital 1 Km. | Worli - Bandra Sea Link 1 Km. |

LUPIN LIMITED
Registered Office: Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.
Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2323 Ext: 2402/2403
E mail: investorservices@lupin.com Website: www.lupin.com

LUPIN

ATTENDANCE SLIP

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

37th ANNUAL GENERAL MEETING - Wednesday, August 7, 2019 at 2.30 p.m.

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 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: Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.
Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2323 Ext: 2402/2403
E mail: investorservices@lupin.com Website: www.lupin.com

LUPIN

FORM NO. MGT-11

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 holder(s) of .... Equity Shares of Lupin Limited, hereby appoint:

1. Name: .... Address: ....

   ....

   E-mail ID: .... Signature: .... or failing him/her

2. Name: .... Address: ....

   ....

   E-mail ID: .... Signature: .... or failing him/her

3. Name: .... Address: ....

   ....

   E-mail ID: .... Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050, on Wednesday, August 7, 2019, at 2.30 p.m. and at any adjournment thereof in respect of resolutions as indicated below: -

1. Adoption of the Standalone audited financial statements including Balance Sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. Adoption of the Consolidated audited financial statements including Balance Sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the report of the Auditors thereon.
3. Declaration of dividend at ₹ 5.00 per equity share for the year ended March 31, 2019.
4. Re-appointment of Ms. Vinita Gupta, as director, who retires by rotation and being eligible, offers herself for re-appointment.
5. Appointment of Ms. Christine Mundkur as an Independent Director.
6. Ratifying the remuneration payable to Mr. S. D. Shenoy, Cost Auditor, for conducting cost audit for the year March 31, 2020.
7. Modifying the Lupin Subsidiary Companies Employees Stock Option Plan 2014 by increasing the maximum number of equity shares of the Company to be issued under this Plan.
8. Modifying the Lupin Employees Stock Option Plan 2014 by reducing the maximum number of equity shares of the Company to be issued under this Plan.

Revenue
Stamp
₹ One

Signed this .... day of 2019

Signature of Member .... 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.

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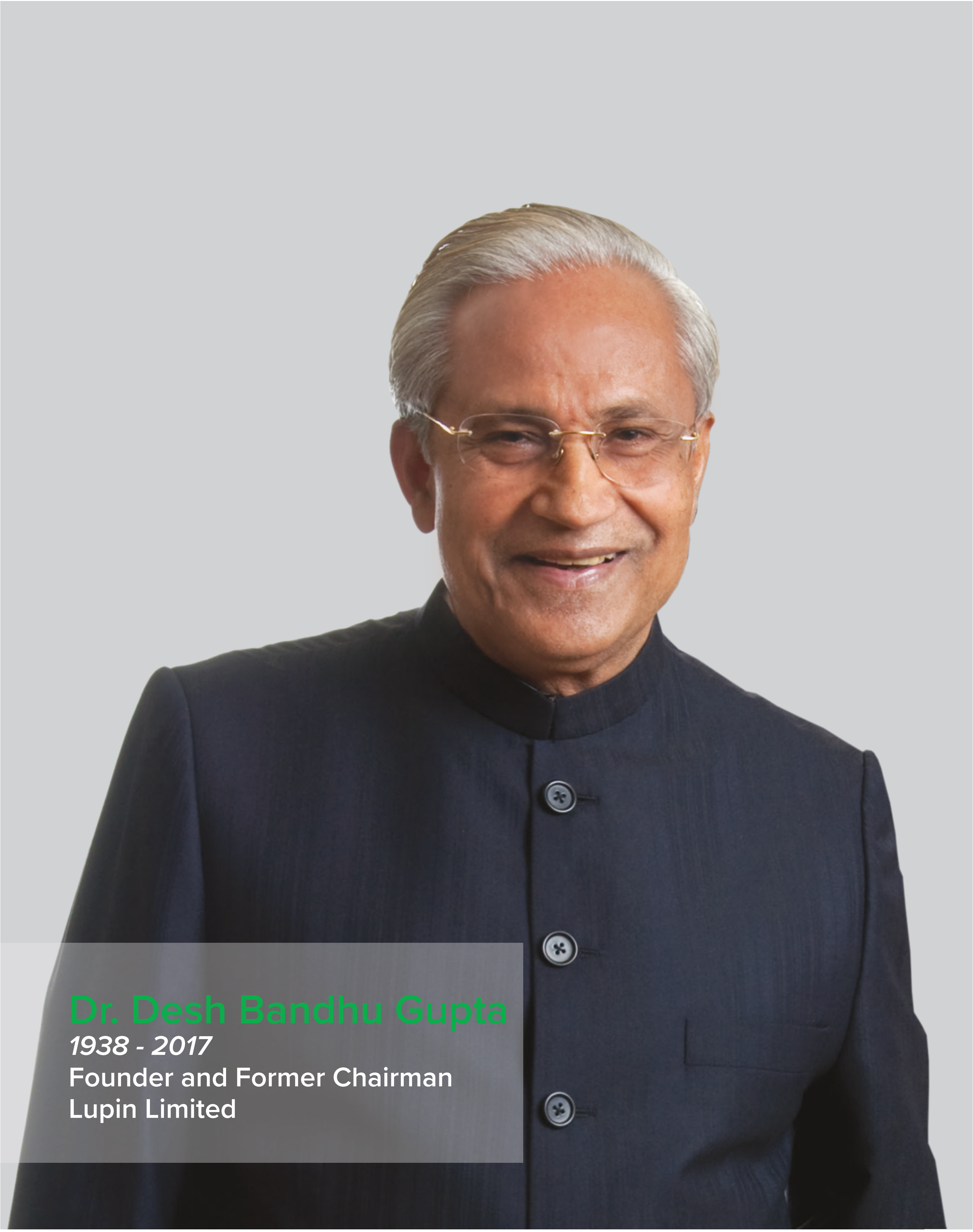
LUPIN LIMITED
ANNUAL REPORT FY2019

LUPIN

BUILDING
A PROMISING FUTURE


Dr. Desh Bandhu Gupta
1938 - 2017
Founder and Former Chairman
Lupin Limited

काममया एवायं पुरुष इति
सा यथाकामो भवति तत्क्रतुर भवति।
यात्क्रतुर भवति तत कर्म कुरुते
यत कर्म कुरुते तद अभिसम पद्यते।।

You are what your deep, driving Desire is.
As your Desire is, so is your Will.
As your Will is, so is your Deed.
As your Deed is, so is your Destiny.

Dr. Desh Bandhu Gupta was a visionary leader, an entrepreneur and a philanthropist. He was also an individual with indomitable will, endless optimism and unfailing kindness. He strongly believed in empowering people. He said, “We have built a culture to empower people, for them to think and act as if the Company was their own; welcoming their ideas and participation in shaping the Company’s direction, strategies and tactics. We have always had faith in our people. I know that when we succeed in creating a culture in which every person could offer their full potential, we would be invincible. This is what sets us apart.”

The same principle of empowerment – the empowerment of rural India, has been the cornerstone of Lupin Foundation that Dr. Gupta set up over three decades ago.

Two years on, Dr. Gupta’s legacy continues to shine through Lupin, a company that he built and nurtured with an intense determination to change the world for the better, and through the Lupin Foundation, which has impacted the lives of millions in rural India.

His pride in Lupin and his people can only be expressed in his own words, “I firmly believe that Lupin is a great company with great people doing great work.”

Dr. Gupta founded Lupin with the noble mission of eradicating life-threatening diseases, and strived towards building a company that was not just a business to him, it was an effort to do good for the society. His belief in people, deep concern for the good of society and a company based on values, made him deliver the unimaginable.

As the team of Lupinytts, it is our honor to take Dr. Gupta’s legacy forward.

Contents

Building a promising future

Built over five decades, Lupin is a formidable pharmaceutical player with a truly global presence. Our reputation as a high-growth company is founded on core values, and our stringent compliance standards makes us the partner of choice in offering pharmaceutical solutions that meet the needs of our patients and make quality healthcare more inclusive and affordable. As we foray into new areas such as complex generics, biosimilars and specialty pharmaceutical products, we are backed by our strong business foundation and expertise in accelerating innovation and enabling impeccable execution. We are committed to building a promising future for all.

PEOPLE

We have created a conducive environment where our employees can thrive as professionals and individuals.

PRODUCT

We are a purpose-driven organisation offering high-quality and affordable medicines that make healthcare accessible to all.

PROCESSES

We strive to continuously develop on operational efficiencies, deriving utmost value from our resources.

Introducing Lupin
A Global Pharmaceutical Major

Lupin is a leading global pharmaceutical company headquartered in Mumbai (Maharashtra), India. We manufacture and sell a wide range of branded and generics formulations, Active Pharmaceutical Ingredients (APIs), biotechnology products and Over-the-Counter (OTC) products in a variety of dosage forms and therapeutic categories. Lupin is committed to offer superior pharmaceutical solutions and make healthcare accessible to millions around the world. With over 18 manufacturing units, nine research centres and more than 20,000 professionals working globally, we have built a formidable pharmaceutical company that has the technical capabilities, manufacturing capacities, product portfolio and geographical reach to excel and grow.

Founded by Dr. Desh Bandhu Gupta (an associate professor of chemistry at BITS Pilani, Rajasthan) in 1968, Lupin is a significant player in key therapy areas such as cardiovascular, anti-TB (world leader), anti-asthma, anti-diabetic, anti-infective, gastro-intestinal (GI), central nervous system (CNS), and gynaecology. Our best-in-class infrastructure and consistent focus on knowledge accretion and innovation have enabled us to expand our presence in high-growth markets.

8th Largest

Generics pharmaceutical company by revenues globally

3rd Largest

Pharmaceutical player in the US by prescriptions

5th Largest

Company in India's pharmaceutical market

3rd Largest

Indian pharmaceutical company by global revenues

#1

In Anti-TB segment globally

6th Largest

Generics pharmaceutical player in Japan

4th Largest

Generics pharmaceutical company in South Africa

Vision

To be an innovation-led, transnational pharmaceutical company

Values

Integrity

Passion for Excellence

Teamwork

Entrepreneurial Spirit

Respect & Care

Customer Focus

Key Strengths

Business Model

We operate in a highly regulated and competitive industry across multiple markets. We develop, manufacture and market a broad range of branded and generics formulations, APIs, and biosimilars across the US, India, Asia Pacific (APAC), Europe, Latin American (LATAM) and South Africa. We remain committed to deliver on our strategic intent to emerge as a formidable Complex Generics and specialty-focused pharmaceutical company with unique differentiators as a driving force.

Culture

Our unique value-driven culture, gives us a competitive advantage. Driven by innovation, excellence and quality, we embrace new ideas and developments that enable us to bring quality medicines at affordable costs. We keep people at the centre of our business and are driven by a purpose to meet the unmet medical needs in patient cure.

Strong Research & Development Capabilities

Our highly skilled research team of more than 1,500 R&D personnel is dedicated to developing products that cater to the unique requirements of distinct markets. Our focus has been to direct R&D spends into areas that reflect the opportunities presented by the markets specifically in areas of unmet medical needs. The R&D investments are calibrated for risk and appropriate returns and encompass a balance of meaningful Specialty and Complex Generics products for developed markets like the US, Europe and Japan as well as for the emerging markets. Our research efforts drive our vision to be an innovation-led transnational pharmaceutical company.

Commitment to Quality Manufacturing

We are committed to maintaining the highest quality standards in all our manufacturing facilities. Our 18 state-of-the-art manufacturing facilities across India, the US, Japan, Brazil, and Mexico supply bulk drugs as well as broad range of formulations in different dosage forms, including oral solids, liquids, injectable, dermal, controlled substances, ophthalmic, nasal sprays, metered dose inhalers and dry powder inhalers to markets across the globe.

Regulatory Compliance

Our manufacturing facilities consistently match rigorous global operating benchmarks and are approved by international regulators. We have an extensive footprint in India, advanced markets and key emerging markets in LATAM.

People

We promote, sell and distribute our products through experienced sales and marketing teams. In India alone, 6,900+ representatives market our brands to doctors and pharmacists, while our sales teams in the US and Europe are selling to a broad range of customers, including the leading wholesalers, pharmacy chains, governments and hospital purchasing organisations.

>100

Countries where we enhance patient's lives through our drugs

USD 2.34 Billion

Global revenues

9

R&D sites

18

Manufacturing sites

20,000+

Employees

9.6%

of net sales invested in R&D

Chairman's Letter
Enabling a Better Future

We at Lupin, cherish our legacy of offering a promising future to people by improving their lives through a reliable supply of high-quality and affordable medicines.

Dear Shareholders,

I am pleased to present to you Lupin's FY2019 Annual Report.

It was a year of challenges but also a year of significant achievements for Lupin. The first half of the year saw our revenues decline but by the third quarter, our business turned around and I am happy to share that we closed the year on a very strong note. Apart from the operating performance, we also made meaningful progress on our strategic plan – on both complex generics and specialty.

Lupin's strong entrepreneurial spirit is powering growth internationally as we saw our core generics business in the US recovering in the second half of the year, while our India business continued its double-digit growth, outperforming the market. Solosec®, our branded Women's Health product has also done well in the US and we continued to ramp up Bipresso® in Japan. In Europe, we successfully launched NaMuscla®, an orphan drug for treatment of myotonia. These remarkable products strengthen Lupin's branded portfolio, giving us a distinct position in delivering a truly diversified product portfolio.

During the year, we achieved a unique milestone in our new drug research through an alliance with AbbVie to develop and commercialise our novel drug, a highly potent MALT1 (Mucosa-Associated Lymphoid Tissue Lymphoma Translocation Protein 1) inhibitor. This was a realisation of Dr. Gupta's dream to offer new drugs in areas of unmet needs. It is also a remarkable step forward in treating difficult to treat cancers offering new hope to patients and to drive strong value for our stakeholders.

At all levels across Lupin, our integrated and inclusive culture continues to foster dynamic and long-term growth for our people. We have been recognised by awards over the years; and Lupin has retained its #1 position as a 'Great Place to Work', for 2019, in the Biotechnology & Pharmaceuticals sector. This is a remarkable achievement, thanks to our unique culture that continues to be the bedrock of our organisation .

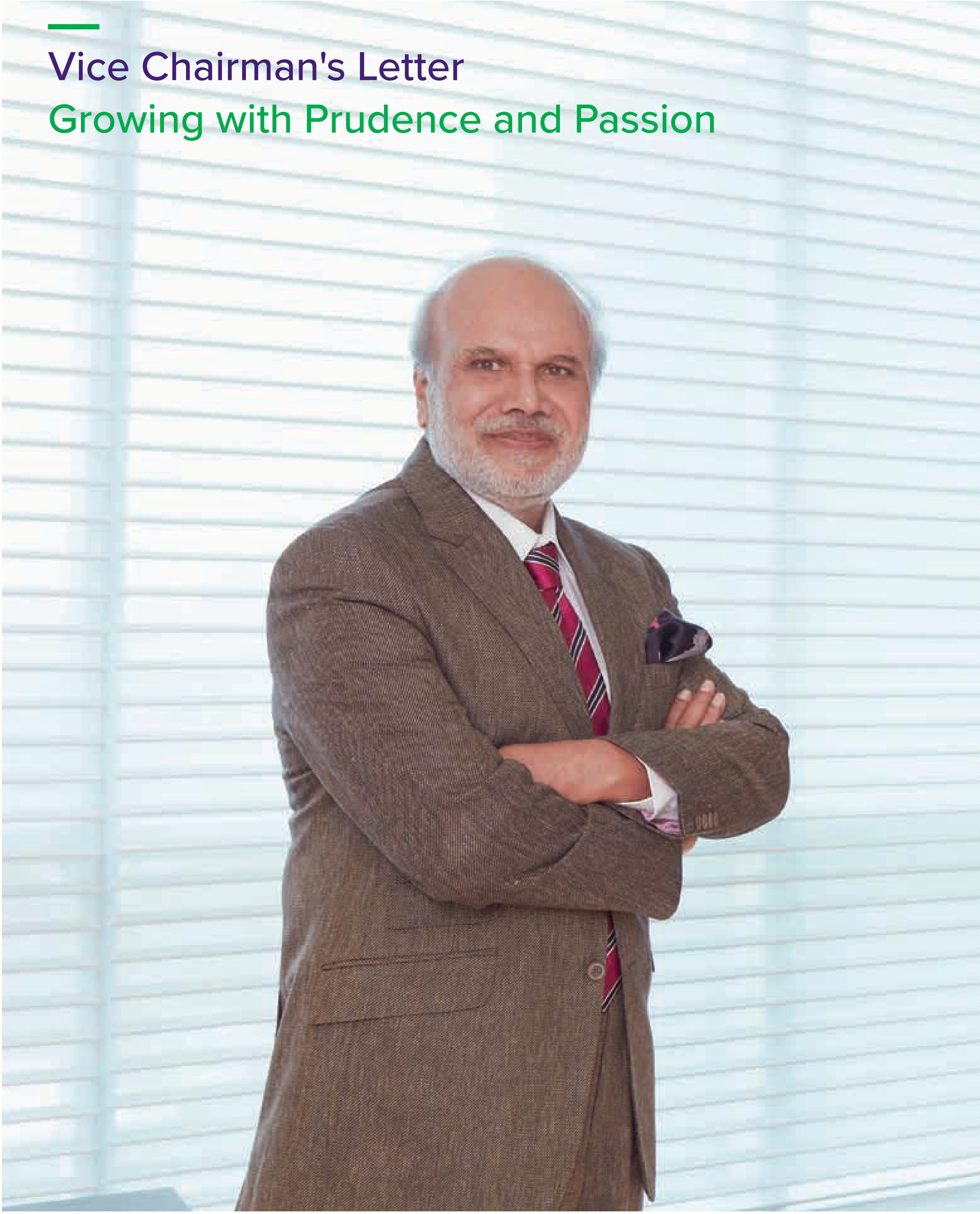
We are an exceptional company with an extraordinary heritage. We have set our sights high. We are extremely motivated, fully committed and truly brimming with confidence. We have set the course for lasting success and are building a promising future.

Thank you for your continued support and trust.

Regards,

Mrs. Manju D. Gupta
Chairman

Vice Chairman's Letter
Growing with Prudence and Passion



We continue to draw inspiration from Dr. Desh Bandhu Gupta's vision, growing on the strength of the values he instilled. His legacy ensures that our goal to protect and enhance the health and wellbeing of people remains central to all our endeavours at Lupin.

Dear Shareholders,

I am delighted to write to you at the end of what has been a tough year for Lupin and as we get back on the growth path. This is amid an uncertain global environment and complex industry dynamics. Lupin's commitment to quality, diversified product pipeline, manufacturing excellence, robust supply chain capabilities and passionate leadership are the key enablers of this encouraging performance.

We continue to draw inspiration from Dr. Desh Bandhu Gupta's vision, growing on the strength of the values he instilled. His legacy ensures that our goal to protect and enhance the health and wellbeing of people remains central to all our endeavours at Lupin. Today, the 52-year-old company that Dr. Desh Bandhu Gupta started, is one of the leading pharma players in the world.

New Developments

It is reassuring to see the promising developments on the innovation front and filings of complex generics during the year. In the US, our base business stabilised and the team executed on important launches that endorse our ability to execute on relatively complex products with strong entry barriers.

Lupin also made renewed foray into Specialty with the launch of Solosec® in the US and Namuscla® in Europe, marking an entry into Women's Health in the US and Neurology in Europe. Lupin's first biosimilars Etanercept is also well on course to be launched in Japan and is awaiting approval in Europe. This paves the way for Lupin gaining significance in biologics and opening new frontiers for growth for the company.

Lastly, a significant development in the year was forging the partnership with AbbVie to develop and commercialise our novel oncology drug discovery. It is of national pride to be able to pull off pure innovation of the highest order.

Consistently Creating Value

As a company deeply rooted in its purpose to offer life-saving medical solutions and creating enduring stakeholder value, Lupin is spurring innovation, quality, operational excellence and competent leadership. The company is building on its firm foundation equipped with a diversified portfolio and driving growth in key markets.

Lupin continues to hold a strong position in its key markets of the US and India besides scaling up in other markets. The company holds on to its position as the third largest generics pharmaceutical player in prescription terms in the US market. Lupin's India business continues to outperform industry growth retaining its position as the fifth largest pharmaceutical company.

Looking Ahead

Facilitating better access to quality, affordable healthcare globally is what drives us to excel. I am extremely proud of our people for being the strength that powers Lupin and congratulate them heartily for their achievements. I would like to express my heartfelt appreciation to our business partners and the wider stakeholder community for their support. I am confident that Lupin will scale newer heights of performance and excellence this year.

Regards,

Dr. Kamal K Sharma
Vice Chairman

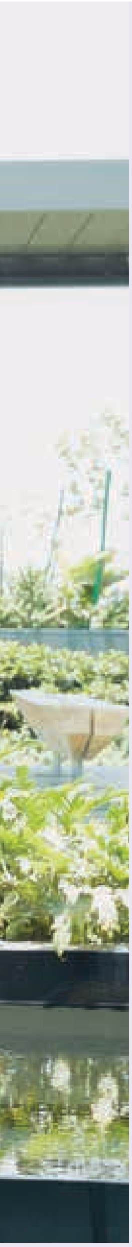
CEO & MD's Letter

Committed to Sustainable Growth

Dear Shareholders,

FY2019 was a significant year for our organisation as we revisited our core strategy, executed well against it and strengthened the organisation for the future. Through the year, we turned around our business and got back on the growth track. We evolved our generics business, started the specialty business in full earnest, attained a material milestone on the innovation front while growing our solid base business. The year marked the start of sustainable growth as we build on our strategic vision, accelerated innovation and drove efficiencies to deliver improved financial performance.

The last two years have been tough for our industry and for our Company given the pricing challenges on the generics side of the business, loss of exclusivity on select key products and brands in the US and regulatory challenges. We started FY2019 on a tough note, however it ended on a very strong note primarily due to the turnaround and stability in our US generics business and a stellar execution on the Ranolazine launch. We have also made significant progress with our growth drivers. On the complex generics front, our first biosimilars Etanercept is approved for launch in Japan while the European approval is awaited. This marks the start of execution on Biosimilars. We filed our first DPI, Tiotropium in the US and advanced our complex generics pipeline, in particular on the inhalation front. We received approval for Levothyroxine, a major complex generics. Bringing access to quality affordable medicines is the foundation of our business. Pipeline execution is



The year marks the start of sustainable growth as we build on our strategic vision, accelerate innovation and drive efficiencies to deliver improved financial performance.

critical to drive our generics business. We successfully launched 22 new products this past year in the US market. During the year we filed 27 ANDAs in the US, 11 of which were confirmed First-to-Files (FTF). With over 157 ANDAs currently pending approval with the U.S.FDA, we have a rich pipeline addressing a total market size of over USD 52 Billion. We have 40 first-to-file opportunities addressing a sizeable market of USD 30.6 Billion.

We launched Solosec® successfully in the US and started building Women's Health Specialty business in full intensity. We established capabilities on the commercial, medical and managed care front to lay a solid foundation in the specialty segment. We also launched our first orphan drug – Namuscla® in UK, Germany and France marking the start of our specialty business in Europe. These are our first material products in the segment that enable us to address areas with unmet patient needs. We are committed to building on this promising start.

In December 2018, we licensed our first New Chemical Entity (NCE). We announced the partnership with AbbVie granting it exclusive rights for developing and commercialising our novel oncology drug (MALT1 inhibitor), that has the potential to treat difficult to treat blood cancers. This was a remarkable achievement in an area important to our founder Dr. Desh Bandhu Gupta. We will leverage our NCE strength to accelerate further innovation while maximising value for the organisation.

While there were many successes throughout the course of FY2019, we had our share of challenges, particularly, on the compliance front. We have made significant progress on our remediation and enhancement plan and are committed to sustainable compliance throughout all our sites. As an organization this is one of our biggest priorities.

For the fiscal year ended March 31, 2019, we delivered sales of INR 163,694 Million with a growth of 5%, driven by growth in our India and API businesses along with the licensing income from AbbVie. However, our EBITDA margin declined by 1% to close at 20% due to pressures on our US business in the first half of the year. Importantly, the US Generics business grew steadily throughout FY2019 as our base business stabilised and we executed on meaningful new product launches boosting revenues from USD 157 Million in Q1 to USD 241 Milion in Q4. In India, we delivered sales of INR 46,382 Million, a growth of 12.4%. In APAC, Lupin managed to grow at 1.5% retaining the #6 rank amongst generics companies in Japan. Our EMEA business recorded sales of INR 11,906 Million, an increase of 5.8%. We witnessed a resurgence of our API business with growth of 23.2% and sales of INR 13,464 Million.

We have built a resilient and reputable business with a sound strategy, choosing to compete in fields that offer the highest potential for impact to healthcare and promising returns. As one of the leading global pharmaceutical companies, we continue to build and nurture talent. Over the years, Lupin has been recognised as a preferred employer and consistently been a Great Place to Work. We take pride that our teams who embrace our value-driven culture and this gives us a competitive advantage.

Looking ahead, FY2020 is an exciting year for Lupin as we plan to bring our first biosimilar to market, commercialise our first inhalation product in the US, continue the growth momentum in our US generics business and launch our injectables portfolio. Coupling this with the building of Solosec® in the US, NaMuscla® in Europe and Bipresso® in Japan will help us drive sustainable growth.

Creating a growth business while making a difference, has been our ambition. We are committed to building a promising future. We will deliver this by executing on our well-defined strategic priorities, investing in capabilities and manufacturing excellence to support operations that meet the highest standards.

Regards,

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director

Quarterly Highlights
Creating Consistent Value through the Year

Q1

- Biosimilar Etanercept filed in the EU and Japan
- Launched Women's Health Specialty product, Solosec®, the first and only single-dose oral therapy for bacterial vaginosis
- First-to-file (FTF) our first DPI, Tiotropium in the US
- Agreement with Mylan, Nichi-Iko to commercialise biosimilars Etanercept
- Expanded partnership with Boehringer Ingelheim for two anti-diabetic drugs in India
- Filed four ANDAs and received five approvals from the U.S.FDA

Q2

- In Europe, the Middle East and Africa (EMEA), our orphan drug, Namuscla® for the treatment of myotonic disorders received positive CHMP opinion
- Filed four ANDAs and received seven approvals from the U.S.FDA
- Solosec® – achieved strong momentum on the managed care side
- Entered into the dermatology segment in Brazil with the launch of Fillerina® and Recrexina® under the Lupin High-End Skin Science umbrella, in partnership with Labo Pharmaceuticals
- Expanded anti-diabetes collaboration with Eli Lilly in India
- US Generics and Global Head – Generics R&D and Biosimilars appointed

Q3

- Filed eight ANDAs including an ophthalmic suspension
- Received approval for 11 ANDAs including two injectables (decitabine and doxercalciferol) and an inhalation suspension (budesonide)
- Solosec® – 1,700+ weekly Rx reached in December 2018
- Namuscla® approved for the treatment of myotonic disorders in Europe, with an orphan drug designation; launched in Germany and the UK
- MALT1 Inhibitor programme licensed to AbbVie against potential milestone payments of up to USD 947 Million

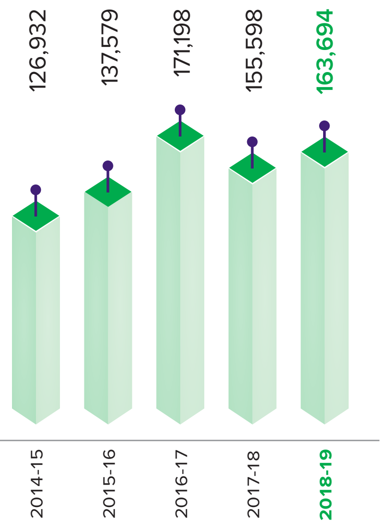
Q4

- Eight new product launches in the US including exclusive Ranolazine, Minocycline HCL launches
- Monetisation of Complex Generics underway with Levothyroxine launch
- PMDA (Japan) approval for biosimilars Etanercept
- 11 ANDA filings including Arformoterol Tartrate Inhalation Solution
- Approval for seven ANDAs including Levothyroxine and an injectable (Azacitidine)

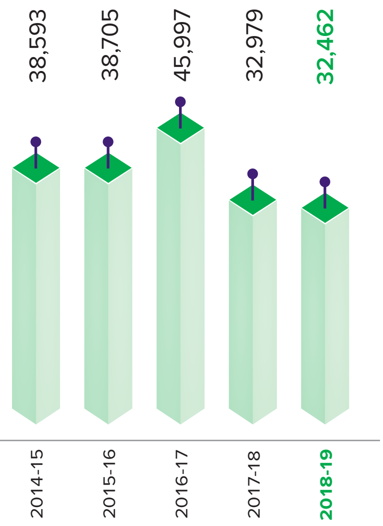
Financial Highlights
Measuring our Progress

Profit and Loss Metrics

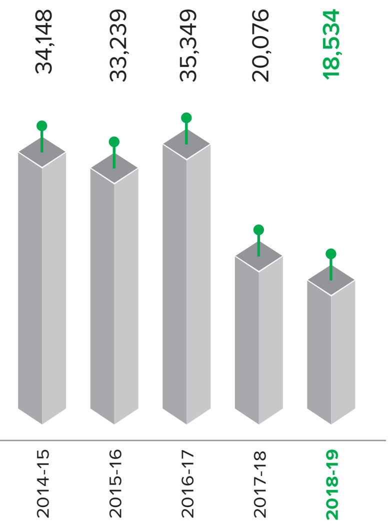
Net Sales
₹ in Million



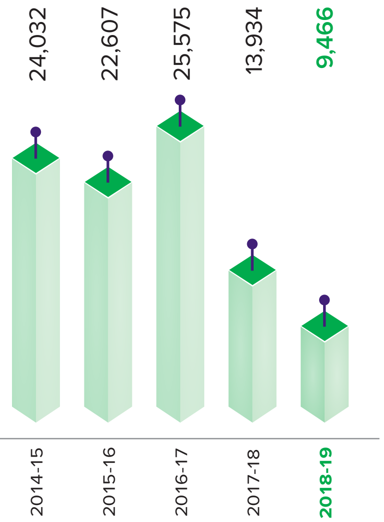
EBITDA
₹ in Million



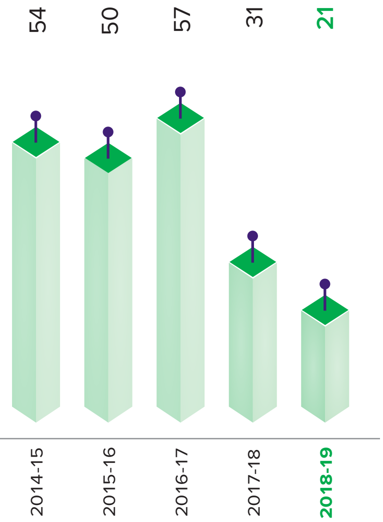
Profit Before Tax*
₹ in Million



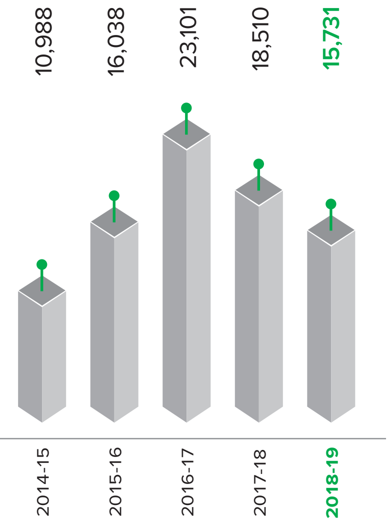
Net Profit*
₹ in Million



EPS*
in ₹



R&D
₹ in Million

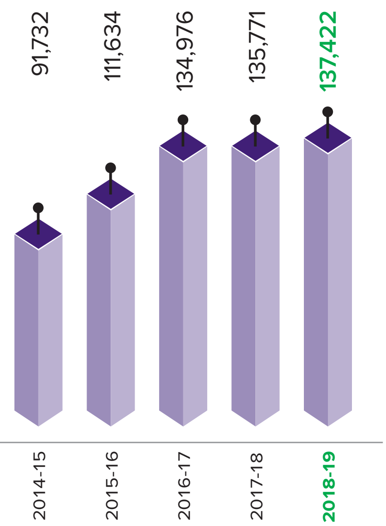


Note: *Numbers reported above are before exceptional items

Balance Sheet Metrics

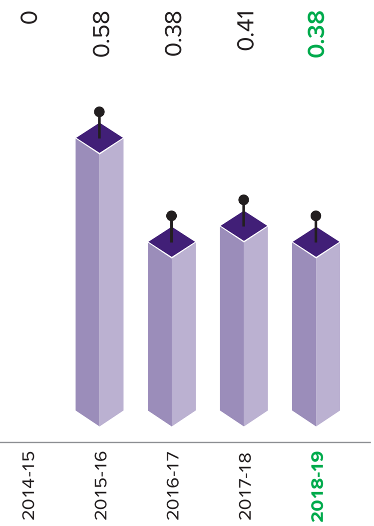
Net Worth

₹ in Million



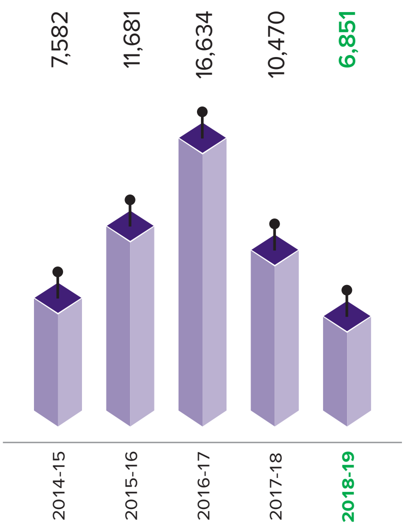
Debt Equity Ratio

in ratio



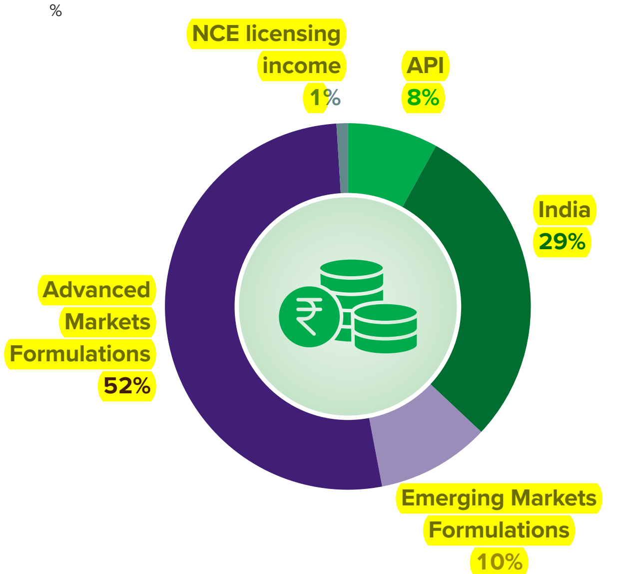
Capex

₹ in Million



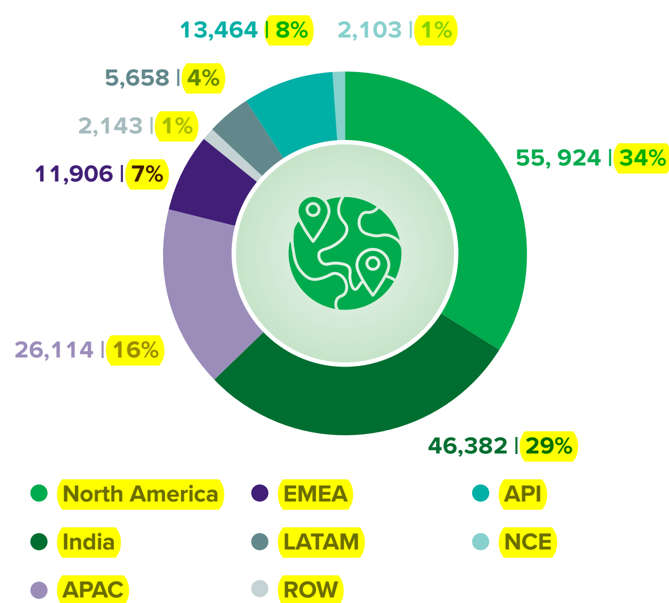
Revenue Mix

%



Geographical Mix

%



Business Model

Our Value Creation Model

Lupin's purpose is deeply rooted in its vision to innovate and develop superior pharmaceutical solutions that are affordable and make healthcare accessible to all. We, therefore, have a business model that is centred around three key areas: Diversified portfolio, Efficient business operations and global reach.

Our Inputs

Foundation
Manufacturing facilities, R&D investment, and mergers & acquisitions empower us to expand our technical capabilities, manufacturing capacities, product portfolio and geographic reach.

People
We have a highly skilled, diverse, and productive workforce. Through continuous training of our people and by hiring new talent, we aspire to achieve our long-term vision.

Relationships
We work closely with regulators and health authorities across all our markets, and successfully collaborate with industry partners, to enable us to achieve our growth objectives.

Capabilities
We have extensive manufacturing capabilities across our global markets, focused on operational excellence and efficiency.

Values
We are committed to conducting business ethically and strive to achieve the highest quality standards. This approach helps ensure sustainability of our business.

Our Activities

Develop and Innovate
We are developing differentiated portfolios of generics, branded generics, complex generics, biosimilars and in-licensed products through internal R&D, co-development partnerships, licensing agreements and selective acquisitions.

₹15.7 Billion
Invested in R&D in FY2019

9.6%
Revenue invested in R&D

Manufacture Quality Pharmaceutical Products
We have 18 plants that supply APIs and a broad range of dosage forms including oral solids, liquids, injectables, dermatology products, controlled substances, ophthalmic, nasal sprays, metered dose inhalers and dry powder inhalers to global markets. Of these, 12 plants are located across India, while six are in locations across the US, Mexico, Brazil and Japan.

18
Manufacturing sites

12
U.S.FDA inspected units

Market across Geographies
We promote, sell and distribute our products in our markets with the help of experienced sales and marketing teams. In India, nearly 6,900 representatives market our brands to doctors, while our sales teams in the US and Europe are selling to a broad range of customers including leading wholesalers, pharmacy chains, governments and hospital purchasing organisations.

7,500+
Sales professionals' market our products across geographies

Over 25
Marketing and corporate development offices across the globe

We remain committed to delivering on our strategic intent to emerge as a formidable generics, complex generics and specialty-focused pharmaceutical company with unique differentiators as our competitive advantage.

Business Segments

01

Generics

Our Generics business manufactures and markets branded and unbranded generics products across markets.

02

Complex Generics

Over the past few years, we have made strategic investments in capabilities and infrastructure to create development expertise across complex generics (in particular, across long-acting injectables, inhalation and biosimilars).

03

Specialty

The specialty business demands higher investment outlay as well as focused management bandwidth. We are directing our efforts in a very targeted manner and intend to leverage this infrastructure across multiple products in our chosen therapeutic areas.

In addition to these three segments, we have other activities, primarily the sale of Active Pharmaceutical Ingredients (API) to third parties in more than 50 countries worldwide and institutional sales of important anti-TB products.

Value We Provide

Patient Benefits

We provide patients with access to high-quality, affordable medicines and help reduce healthcare costs for governments and agencies, with substantial savings compared to branded products and with comparable quality standards.

Employee Benefits

We provide long and rewarding careers for our talented and diverse workforce and focus on the development and growth of our people.

Great Place to Work

Consistent in receiving the prestigious award each time we have participated.

Shareholder Returns

We have a long history of consistent value creation for our shareholders.

~500% total shareholder return over the past 10 years

Sustainable Business

Social consciousness is at our core. We hold the distinction of being among the first few to take social welfare as our obligation. Through Lupin Foundation we strive to ensure the benefits of economic progress and of social development reach unreachable corners of our country.

- Over 4000 villages covered
- Around 2.8 Million families benefitted

Strategic Priorities

Our Strategy for Long-term Value Creation

Sustain and Grow our Strong Foundation

- We will continue to grow the overall business with a sharp focus on the US and India markets.
- We will continue to consolidate our leadership in the market, introduce new drugs and add more therapies.
  - We will continue to target Loss of Exclusivity (LOE) opportunities in the US as well as enhance focus on non-solid oral dosage forms like injectables, ophthalmic, dermatological products to widen our product base.
  - Strategic alliances and in-licensing will be a critical strategy for launching new products in India. We will continue to maintain our thrust on chronic therapies (~60% of our revenues).
  - We are also looking at expanding our offering within the Gynaecology, Dermatology, Urology and Pediatrics therapy segment, given the prospects of faster growth in these areas.
  - For established and stable businesses such as in South Africa and Japan, we aim to outpace industry growth and sustain profitability through new launches, cost optimisation and sourcing from cost-effective locations like India (own plant).
  - For other developing markets, our strategy is to drive them towards a self-sustainable path to profitability and growth.

Focus on Execution of Complex Generics

- Execution of our Complex Generics pipeline will be critical to ensure that we continue to sustainably improve profitability. We have identified three focus areas, namely Inhalation, Biosimilars and Complex Injectables where we have built a robust product pipeline and continue to add more products.
- On the Inhalation front, we filed our first DPI in the US. We are the only Indian company to have filed a DPI as well as MDI in the US. We have filed three major inhalation products in the US (generics to ProAir®, Spiriva® and Brovana®, with collective US sales of almost USD 5 Billion - IQVIA MAT March 2019).
- On the biosimilars front, we filed our first biosimilars to Enbrel® (global sales of approximately USD 9.5 Billion, IQVIA MAT March 2019) in Japan and Europe, which was a key milestone in our biosimilars journey.
- In FY2019, we partnered with Mylan and Nichi-Iko for commercializing Enbrel® (biosimilars Etanercept) in certain markets (ex-US).
- We received PMDA (Japan) approval for biosimilars Etanercept in end FY2019 and expect EU approval in FY2020. EU authorities have successfully completed the inspection of our manufacturing facility in Pune. Etanercept is expected to be launched in both Japan as well as in Europe in the second half of FY2020. We are progressing on bridging and interchangeability studies for our Etanercept filing in the US.

Build Specialty Business

On the Specialty front, our focus has been on Women's Health in the US and opportunistically on Central Nervous System (CNS) in Europe as well as Japan. Solosec®, our branded Women's Health product in the US was launched towards end of May'18 and has seen a good build up with a top-notch commercial sales team. We will continue to look at potential inorganic opportunities, distribution partnerships to add more products and leverage the platform.

On the CNS front, the focus is on Neurology, with our orphan drug Namuscla® launched in the UK and Germany. We will be launching this in other EU countries and work towards better revenue contribution. In Japan, we have Bipresso® indicated for Bi-polar disorder. We entered into co-promotion agreement for Bipresso® with Yoshitomi which has strong CNS marketing capabilities with 170+ MRs, and will contribute significantly to expansion of coverage.

Focus on Cost Optimisation

In FY2019, Lupin initiated a transformational journey to reshape the company for the future. We worked on sharpening our strategy for stronger growth, and shaping up for new challenges to ensure we are well positioned for future growth.

- Aim to improve R&D productivity (getting products filed, approved and launched expeditiously), build agility in the supply chain and enhance the entire ecosystem to set us on a growth path that would deliver business upsides. This plan is intended to realise full benefits over FY2020-21.
- On the operational front, we continue to look at procurement efficiencies, improving throughput with a renewed focus across the company, optimising that cost base and creating a centre of excellence for support services.

Regulatory Compliance

Regulatory compliance is a strategic priority, and we continue to remain committed on ensuring the highest standards on the quality and compliance front to ensure all our global facilities remain compliant to applicable Good Manufacturing Practice (GMP) standards. We have had a strong track record of compliance for many years and will regain our status as a company that is ahead of our peers on quality and compliance.

Global Footprint
Our Expansive Reach

We have 18 world-class manufacturing facilities that are spread across India, Japan, the US, Mexico, and Brazil. These facilities, which are benchmarked to international standards, are playing a critical role in achieving our global growth aspirations. Our facilities are approved by international regulatory agencies such as the U.S.FDA, the UK's MHRA, World Health Organisation (WHO), Japan's PMDA, Australia's TGA, and South Africa's MCC.

Quality Manufacturing & Compliance

Research

Marketing & Corporate Development

Over 25 offices across the globe


Netherlands
Tottori
Atsugi
Sanda
Jammu
Sikkim
Indore
Vadodara
Ankleshwar
Mandideep
Aurangabad
Tarapur
Nagpur
Pune
Visakhapatnam
Goa

Megatrends

Industry Review and Operating Environment

The global pharmaceutical market is expected to exceed USD 1.5 Trillion by 2023, and the key growth drivers will continue to be the US and the emerging economies.

The largest generics pharmaceutical market in the world i.e. the US, witnessed increased pricing pressure over the past couple of years due to channel consolidation and faster ANDA approvals by U.S.FDA. However, we are witnessing stabilisation in the US generics landscape with portfolio restructuring leading to selective product discontinuations and increasing focus on profitability by the large generics players.

Additionally, Indian generics players have begun transitioning their US business to Specialty / Complex Generics where competition is relatively lower. U.S.FDA has also been receptive and is now seen ramping up complex products approvals and issuing specific guidance - 45% of ANDA approvals in 2018 were for non-oral solids, up from 33% in 2013.

India's pharma spends are expected to increase to USD 28-32 Billion by 2023. The increasing prevalence of chronic diseases, , improving insurance coverage and rising spending power are expected to continue to drive the demand for pharmaceutical products. Last year, the Government of India launched the Ayushman Bharat - National Health Protection Scheme (NHPS), with a vision to provide insurance cover to an estimated 500 Million individuals from nearly 100 Million poor and financially vulnerable families to address the gap in the common man's access to reliable healthcare. The Indian government allocated USD 915 Million towards NHPS in the Interim Budget for FY 2019-20, a 167% increase from the USD 343 Million in FY 2018-19. This is a valuable opportunity for us, especially as a leader in branded generics, to contribute towards delivering health at reasonable costs.

Some of the emerging markets like China, Brazil, Mexico South Africa witnessed slower growth over the past few years, owing to regulatory changes announced, or political/social instability leading to high currency fluctuations. These markets are expected to register slower growth in the next five years compared to the past five as the economic growth, and healthcare access expansions of the past contribute less to growth.

As a global pharma company with an expanding footprint, we operate in a complex working environment. Our business remains exposed to dynamic shifts in technology, demographic trends, changes in healthcare budgets and an ever-changing regulatory environment.

POSITIVE DEMOGRAPHICS

Increasing life expectancy, accompanied by population growth, is driving the demand for pharmaceutical products globally. Other factors contributing to the demand are growing incomes, changing dietary habits and lifestyles, and certain environmental factors causing higher incidence of chronic diseases.

PRICING AND ACCESS

Increasing demand for healthcare continues to put pressure on the governments and payer budgets. This is impacting both the developing and the developed markets, including EU and the US, where both public and privately funded organisations are looking for ways to make medicines more affordable.

INCREASING SIGNIFICANCE OF INDIAN PHARMACEUTICAL INDUSTRY

India is the largest provider of high quality, affordable generics drugs globally and Indian pharmaceutical companies have played a pivotal role in improving the reach of affordable healthcare around the world. India is exporting medicines to 205 countries and vaccines to more than 150 countries. There are more than 600 U.S.FDA approved manufacturing facilities in India, which is higher than any other country outside the US. There are more than 1,300 WHO-GMP certified manufacturing plants in India.

EMBRACING DIGITAL AND ADVANCED ANALYTICS FOR ACCELERATED GROWTH

Major technological shifts over the past few years have encouraged a rapid increase in the use of Advanced Analytics (AA). Globally, the pharma industry has seen the usage of AA driving growth and productivity across the pharmaceuticals value chain, including R&D, manufacturing, quality, supply chain, sales, etc.

NEXT-GENERATION BIOTHERAPEUTICS: EXPANDING USE AND NEW APPROVALS

Nine cell-based therapies, gene therapies and regenerative medicines have been launched globally, and an increasing number are in active clinical research across therapy areas. These include direct gene replacement and the CAR-T therapies, which are associated with significant rates of remission for some blood cancers.

Market Review – United States

Built for the long term

3rd Largest
Pharmaceutical company in the US by prescriptions

422
Cumulative ANDA Filings with the U.S.FDA

34%
Contribution to Lupin's global revenues

Launched Solosec®
First and only approved single-dose oral treatment in the US for BV

Since entering the market over 15 years ago with the launch of its Suprax anti-infective franchise, Lupin has made great strides in building a sustainable and vibrant business in the US. Today, Lupin is the 3rd largest pharmaceutical player in the US by prescriptions (IMS Health NPA March 2019). Lupin is dedicated to deliver high-quality generics and specialty medicines trusted by healthcare professionals and patients all over the US. The company has built strong relationships in the US wholesale and retail channels with an excellent reputation as a reliable, and in many cases a preferred supplier of quality generics. Lupin in the US has also developed a meaningful presence in Women's Health with a dedicated field sales force promoting our branded product line to health care practitioners. Strong commercial capabilities in the US market for both generics and specialty products position us well to capitalize on the Company's growth strategy built around quality, niche products, world-class research, manufacturing and supply chain capabilities, protected by strong Intellectual Property.

In the last 5 years, in addition to enhancing our commercial capabilities in the US, the Company has made strategic investments in the US-based research and development infrastructure and programs, as well as in manufacturing facilities, which has enhanced our pipeline in inhalation, dermatology, Women's Health, controlled substances and other high-value and niche therapeutic areas.

These investments also provide expanded commercial access to certain US government and managed care markets. Our R&D Center for Inhalation, located in Coral Springs, Florida, was established in 2013 and began full operations in early 2014, and our Somerset, New Jersey based manufacturing and research operations were acquired in 2016 as part of the Gavis transaction. The inhalation team led the progress of our pipeline with two inhalation filings in FY2019 including our first to file on DPI, Tiotropium.

In October 2017, Lupin completed the acquisition of Symbiomix Therapeutics, LLC and its FDA approved brand, Solosec®. Solosec® is the first and only single dose oral treatment for Bacterial Vaginosis (BV), the most prevalent gynecologic infection in the US, affecting 21 Million women from ages 21 to 49 annually. The acquisition of the Solosec® franchise significantly expanded Lupin's Women's Health Specialty business, which was earlier anchored by Methergine® tablets, which went generics in FY2019. During the fiscal, we successfully launched Solosec® in the US and are continuing to grow our market share in the BV space.

FY2019 Net Sales for the US were USD 777 Million, a decline of 12% compared to the previous year. Our Generics business contributed USD 748 Million, or 96% of the US revenues, and declined 5% versus the previous year. The overall decline in the US revenues was primarily due to the generics competition on Methergine® coupled with new competition on two of our key generics products.

US Generics

The US Generics business grew steadily throughout FY2019 as our base business stabilized and we executed on meaningful new product launches boosting revenues from USD 157 Million in Q1 to USD 241 Million in Q4. Our strength in the US generics market is reflected in our market share. As of March 2019, 65 of the 175 Generics products marketed by Lupin in the US were ranked #1 by market share and 129 of the 175 were in the Top 3 by market share (IQVIA, March 2019). Our average market share per product at 33% is the highest amongst our peers.

The Company filed 27 ANDAs and 1 NDA in the US during FY2019. With 157 ANDAs currently pending approval, addressing a total market size of over USD 52 Billion, we have a rich pipeline to grow and sustain our generics business. We have 40 ANDAs which are first-to-file addressing a market size exceeding USD 30.6 Billion. This includes 15 exclusive first-to-file ANDAs targeting a market size of USD 3.4 Billion.

Additional competition and pricing pressures impacted our US generics revenues in the first half of FY2019. Despite these challenges, inline products units however continued to grow, driven by increased share on some of our long standing products such as Lisinopril and Amlodipine. During the year we successfully launched 22 products including Ranolazine, Levothyroxine Tabs, Methylergonovine, Atovaquone, and EQ Beyaz. We also strengthened the leadership in the business with the

Our strength in the US generics market is reflected in our market share. As of March 2019, 65 of the 175 Generics products marketed by Lupin in the US were Ranked #1 by market share and 129 of the 175 were in the Top 3 by market share (IQVIA, March 2019). Our average market share per product at 33% is the highest amongst our peers.

appointment of Alok Sonig as CEO, the US Generics, Global R&D and Biosimilars in addition to other key leadership appointments.

US Specialty

One of Lupin's key differentiators is our US Specialty business, and the Company continues to work hard to establish the Specialty business in the US as a leader in Women's Health and as a growth driver for the coming years. Early in FY2017, the LPI Specialty team repositioned its focus in Women's Health and began promotion to Ob/Gyns. In FY2019, Methergine®, our first brand in Women's Health saw generics competition and we discontinued promotional efforts on the product. In FY2019, we launched Solosec®, indicated for the treatment of Bacterial Vaginosis (BV) in adult women. BV is the most prevalent gynaecologic infection in the US, affecting 21 Million women and generating more than 6 Million prescriptions annually. Solosec® is the first and the only approved single-dose oral treatment in the US for BV.

For much of FY2019 the Specialty Division comprised of the Women's Healthcare and the Pharma salesforces that target high value HCP groups and support commercial sales of Solosec®, Suprax® and Antara®. In October 2018, a generics competitor for Suprax® was approved and the Pharma salesforce was discontinued. Solosec® is a foundational product for Lupin's Specialty business and will be the base upon which we will build our US Specialty business. We have established considerable depth in Women's Health with fully integrated capabilities across commercial, medical, regulatory, sales, market access and marketing.

After a successful launch of Solosec®, the Company remains focused on building share in the BV market, and aims to continue to strengthen its portfolio with strategic brand acquisitions / partnerships and develop its own pipeline of Specialty products for the future. In FY2019 we started clinical studies to expand the indication of Solosec® for use in pediatric and trichomoniasis indications

Outlook

We continue to be committed to grow our US generics business building on our strong foundation and executing on our pipeline of limited competition products including first to file products, injectables, inhalation, and Biosimilars. Execution of complex generics pipeline is critical to ensure that we continue to grow our generics business while improving our margins in an otherwise tough environment. With the successful launch of Solosec®, our foundational product in Specialty, we are focused on building a meaningful presence in Specialty and establish depth in the Women's Health segment through strategic brand acquisitions and partnerships.

Total Market TRx Ranking*

Rank	Corporation	MAT March 2019 (Mn)	Mkt share	Growth
1	TEVA	465	10.49%	-21.1%
2	AUROBINDO	253	5.70%	28.9%
3	**LUPIN**	**232**	**5.23%**	**15.9%**
4	MYLAN	204	4.61%	-28.3%
5	NOVARTIS	178	4.02%	-24.8%

Generics Market TRx Ranking*

Rank	Corporation	MAT March 2019 (Mn)	Mkt share	Growth
1	TEVA	405	11.28%	-22.2%
2	AUROBINDO	252	7.03%	28.8%
3	**LUPIN**	**221**	**6.16%**	**16.9%**
4	MYLAN	198	5.52%	-28.1%
5	NOVARTIS	157	4.37%	-25.0%

*Source: IQVIA, National Prescription Audit, March 2019

Market Review – India
A Major Growth Driver

34 Brands

Rich in-licensed portfolio

4th

Position in high growth chronic segment

6,900+

Sales Representatives

5th Largest

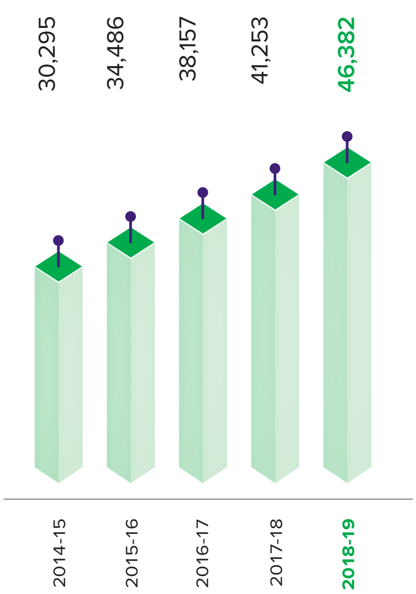
Pharmaceutical Company

13%

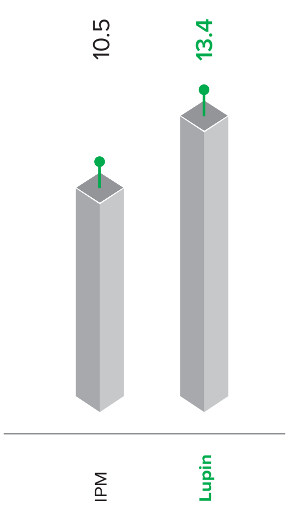
5 year CAGR

Domestic Formulations Sales

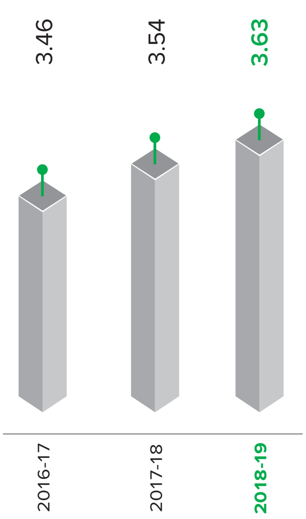
₹ in Million



Lupin India is growing faster than IPM



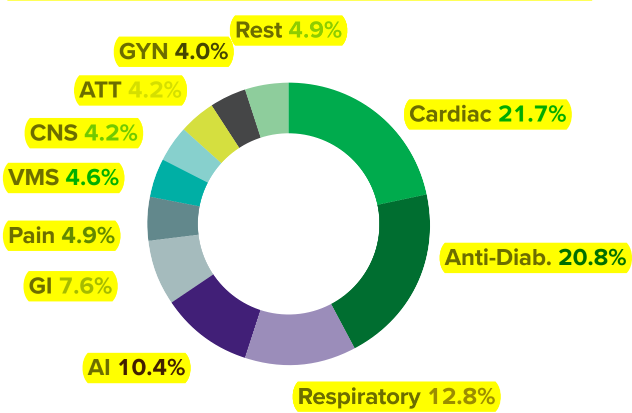
Gaining MS% each year



Lupin's India business is consistently setting notable performance milestones in the Indian Pharmaceutical Market (IPM). For the year ended 31st March 2019, Lupin's domestic formulations generated a turnover of INR 46,382 Million, up 12% over FY2018 with a five-year CAGR of 13%. India continues to be the second largest business unit for Lupin, contributing 29% to the top line in FY2019. Lupin has maintained its 5th position in the Indian Pharmaceutical Market (IPM), growing fastest amongst the top 5 companies and consistently outperforming the IPM.

We have improved our market share from 3.46% in FY2017 to 3.54% in FY2018 and 3.63% in FY2019. Lupin maintains the 4th position in the high growth chronic segment, growing faster than IPM. The chronic segment has improved the salience to 60% of the total revenues and the acute segment contributes 40%.

Domestic Market – Lupin's Therapy-wise Mix



AI - Anti-Infective, GI - Gastrointestinal, VMS- Vitamins, Minerals, Supplements, CNS- Central Nervous System, ATT - Anti-Tuberculosis, GYN - Gynaecology,

Lupin has maintained its 5th position in the Indian Pharmaceutical Market (IPM), growing fastest amongst the top 5 companies and consistently outperforming the IPM. Lupin ranks 3rd in Anti-diabetes therapy and continues to lead in the Anti-TB segment.

Domestic Market – Lupin's Therapy-wise Ranking*

Therapy	Rank FY2018	Rank FY2019	Market Gr%	Lupin Gr%	Market Share
Anti-TB	1	1	-5.0%	-3.9%	56.5%
Respiratory	2	2	11.4%	16.3%	5.8%
Cardiac	3	3	12.0%	15.3%	6.6%
Anti-diabetes	4	3	14.9%	23.7%	7.9%
Neuro/CNS	7	6	10.3%	13.6%	2.6%
Gynaecology	9	10	12.9%	12.5%	2.9%
Anti-Infective	10	10	6.6%	1.9%	3.2%
Gastrointestinal	12	11	7.9%	13.4%	2.7%

*Source: IQVIA, MAT, March 2019

The top five therapies contribute over 73% of sales. Lupin today ranks 3rd in Anti-diabetes therapy and continues to lead in the Anti-TB segment. Lupin also holds the 2nd position in Respiratory and 3rd position in Cardiology space. Going forward, Lupin's India business plans to consolidate its position in Urology, Dermatology, and Pediatrics. Recording stellar growth higher than the market, eight of Lupin's brands now feature in the Top 300 brands of the Indian Pharmaceutical Market (IPM).

Lupin India business has been at the forefront of leveraging technology and adopting innovation to engage with its key stakeholders. In a first of its kind initiative, Lupin launched an Artificial-Intelligence powered, patient-friendly chatbot named Anya. Anya is designed to act as a preferred partner for doctors in resolving patients' queries and creating disease awareness.

OTC – LupinLife

Lupin's Consumer Healthcare business – LupinLife, is focused on strengthening its presence in the market by building a strong distribution for two of its product lines – Softovac®, and Corcal Bone & Beauty. LupinLife continued its growth story with a double digit growth in sales. It introduced extensions under the brand Softovac® - Family pack and on-the-go sachets.

LupinLife's Corcal Bone & Beauty health supplement is now available across India and the team is building market awareness for the brand by initiatives like TV commercials and consumer outreach through sampling, etc. LupinLife will continue its focus on introducing well-positioned new products basis consumer insights and backed by robust scientific evidence to strengthen current portfolio through brand building initiatives.

Outlook

We are very optimistic about the outlook for the India region. We have consistently worked on critical success factors like brand building, therapy leadership and technology adoption for the region. Our strategies are aligned to the market opportunities, and Lupin is geared to sustain and outperform the IPM over the short, medium and long term.

Market Review – Asia Pacific

Steady Growth Potential

16%

Contribution to Lupin's global revenues

Etanercept

Approved by PMDA (Japan)

6th Largest

Generics player in Japan

In FY2019, Japan contributed 13% to Lupin's global revenues and 82% to the APAC region revenues. Lupin's Australian subsidiary, Generics Health Pty Limited has moved up to 4th rank from 5th amongst its peers in Australia. Multicare Pharmaceuticals Philippines Inc. (Multicare), the company's subsidiary remains the 5th largest branded generics company in the Philippines.

The APAC region constitutes more than 20% of the global pharmaceutical market. The region is home to two developed markets - Japan and Australia, and emerging markets such as the Philippines. Japan remains Lupin's 3rd largest market but continued to face fierce price pressures in 2018. Japan's pharmaceutical market value declined 1.7% in value. The emerging markets, on the other hand, continue to see increased pharmaceutical spending, along with the improvement of healthcare infrastructure and services. Lupin's business in the APAC region grew by 1.5% in FY2019.

Japan

Japan is the 3rd largest pharmaceutical market in the world with sales of approximately USD 91 Billion at NHI prices. The Japanese pharmaceutical market is forecasted to drop at a CAGR of 1.4% over the next five years. generics utilisation rate in the country has reached 74.7% on volume terms as of December 2018. It is expected to achieve the 80% generics utilisation goal by FY2021.

In FY2019, Japan contributed 13% to Lupin's global revenues and 82% to the APAC region revenues. Lupin's subsidiaries in Japan, Kyowa Pharmaceutical and Kyowa CritiCare (collectively Kyowa) generated JPY 33,889 Million in revenues, a decline of 4% over the previous year. Kyowa remains the 6th largest Japanese generics player, with a strong presence in Psychiatry and Neurology. This enabled Kyowa to successfully license and launch Bipresso®, a specialty brand to treat patients suffering from Bipolar depression, from Astellas. Additionally, the joint venture with Yoshindo (YLB), has received the approval from Japanese authorities for Lupin's first biosimilars, Etanercept, in March 2019.

Australia

The Australian pharmaceutical market is valued at USD 12 Billion in 2018 with generics accounting for over 30% of the sales volume. Lupin's Australian subsidiary, generic Health Pty Limited (Generics Health), had a strong year registering a revenue of AUD 47 Million and with a growth rate of 7%, outperforming the market significantly. Generics Health is a supplier of generics prescriptions and OTC medicines mainly to pharmacies in Australia. Generics Health has moved up to 4th rank from 5th amongst its peers in Australia.

The Philippines

The Philippines pharmaceutical market is valued at USD 3.9 Billion in 2018, growing at 11.7%. Multicare Pharmaceuticals Philippines Inc. (Multicare), the company's subsidiary generated total revenues of PHP 1,555 Million, a decline of 20% compared to the previous year mainly due to the delay of TB tender deliveries to the Department of Health into the next fiscal. Multicare is a premium branded generics company with a strong presence in Diabetes, Women's Health, Pediatrics, Respiratory, Central Nervous System and Oncology. Multicare remains the 5th largest branded generics company in the Philippines.

Outlook

The Japan generics market is increasingly converging towards a substitution-oriented model. We need to ensure that we develop products at the right cost, manufacture products more efficiently, and gain substantial market share. This is the time to optimise, improve efficiencies, and simultaneously build the specialty portfolio in Japan.

Market Review – Europe, Middle East and Africa

Gearing for Growth

4^{th} Largest

Generics player in South Africa

NaMuscla®

Launched with orphan drug designation in UK, Germany and France

CVS space

Market leader in South Africa

7%

Contribution to Lupin's global revenues

In FY2019, Lupin's Europe business recorded a growth of 2% in FY2019 with sales of INR 5,498 Million during the year riding on the launch of its Specialty product NaMuscla®. Lupin's South African subsidiary Pharma Dynamics (PD) recorded sales growth of 5% and has maintained its ranking as the 4^{th} largest generics pharmaceutical company in South Africa.

Lupin's EMEA business covering Europe, Middle East and Africa markets recorded revenues of INR 11,906 Million during FY2019, contributing 7% of the Company's global revenues. The business continues to focus on expanding its presence in the Top 5 European markets and South Africa while building a robust portfolio in the specialty space.

Europe

Lupin's Europe business recorded a growth of 2% in FY2019 with sales of INR 5,498 Million during the year riding on the launch of its specialty product NaMuscla®, the first orphan drug for the treatment of Myotonia in Non-Dystrophic Myotonia Disorders in UK and Germany. We are now in partnership discussions to commercialise Namuscla® in other European countries to offer an effective treatment option for patients living with this otherwise life-altering disease. The EMEA team filed three marketing authorisation applications with the European authorities, having received two approvals (including NaMuscla®) during FY2019. The Cumulative filings for Europe now stand at 60 having received 56 approvals to date.

Our Specialty play is in the Neurology space for the European region, together with our strong pipeline in Complex Generics, Biosimilars and Inhalation will further enhance the value of our business. On the Generics side, Lupin is focused on building a meaningful portfolio of niche products while enriching and deepening its relationships with select partners within Europe.

South Africa

In FY2019, Lupin's South African subsidiary Pharma Dynamics (PD) recorded net revenues of ZAR 1,162 Million. According to IQVIA Health, as of March 2019, PD showed sales growth of 5%. In addition, it has maintained its ranking as the 4^{th} largest generics player (IQVIA MAT Mar 2019).

While PD has entrenched its position as the largest pharmaceutical company in the Cardiovascular Systems (CVS) therapeutic market, it is also growing in the Central Nervous System (CNS) space. The CVS portfolio, however, remains the largest part of its revenues, followed by the OTC portfolio.

PD received approval for its Equity Equivalence Investment Program (EEIP) and is expected to receive the Broad-Based Black Economic Empowerment (BBBEE) accreditation certificate in FY2020.

Outlook

The EMEA region will continue to build and maintain its position such as the 4^{th} largest generics player in South Africa and commercialise meaningful products like Biosimilars Etanercept in the region. While EMEA will focus on the Neurology space for its Speciality play backed by NaMuscla®, building the Inhalation segment and shaping a diversified pipeline in Complex Generics and Biosimilars will drive future growth.

Market Review – Latin America (LATAM)

Building for the future

4th Largest

Ophthalmic player in Mexico

5%

Growth in Mexico sales in FY2019 as compared to FY2018

4%

Contribution to global revenues

In FY2019, Lupin's subsidiary, Laboratorios Grin in Mexico grew by 5%, in revenue from MXP 643 Million to MXP 674 Million, delivering a healthy increase on all parameters, above industry benchmarks.

Over the past 25 years, life expectancy and access to pharmaceuticals and healthcare have improved in Latin America with a clear aim to achieve sustainable healthcare for all. Drug shortfall, rising competition, tighter budgets, insufficient resources, and patent expiration are contributing to the growth in the generics market. The total Brazilian pharmaceuticals market is USD 32 Billion and is the largest market in LATAM , accounting for over 43% of the region's sales. It is ranked as the 7th largest pharma market worldwide, according to IQVIA.

Performance

Lupin Latin America currently has operations in two of the largest markets in the region, Brazil and Mexico, under the brands Medquímica and Laboratorios Grin respectively. We acquired both these affiliates in the past four years to make headway into the two largest markets in the region.

For FY2019, our LATAM business declined by 2% driven by Brazil's decline partially offset by growth in Mexico. The truckers' strike in Brazil in Q1 FY2019 and pressure on price increases were two key challenges faced in Brazil. With the disruptions behind us, we are now ramping up our generics and derm business, which was launched in Q2 FY2019.

Brazil

Medquímica is now ranked 14th in value and 5th in volume in its reference market. According to Close Up audits, Medquímica grew 3.4% in values and 8.7% in units in FY2019, outpacing its reference market growth in both metrics. Actions were taken to optimise the commercial team for better productivity and market growth in its regions. It focused on promoting key brands namely Gripinew grew 16% compared to reference market decline of 9%, and Gastrogel grew 43% outperforming reference market's growth of 9%. A total of 15 new products were filed with ANVISA and received 10 new MA during FY2019.

Mexico

During FY2019, revenues grew by 5%, from MXP 643 Million to MXP 674 Million, with the subsidiary delivering a healthy increase on all parameters, above industry benchmarks. Laboratorios Grin grew despite the manufacturing plant being shut for seven months (the upgradation of the plant in line with regulatory requirements and capacity enhancement was delayed due to external reasons), a challenging political environment with presidential elections, and product launch delays. The company launched two preservative-free ophthalmic solutions for the treatment of Glaucoma, a generics Olopatadine, the most used molecule for allergic conjunctivitis, and Betahistine for the treatment of vertigo. The sales, marketing and product teams were strengthened and realigned to improve productivity and boost growth with a clear focus on the ophthalmic and pharma segment.

Outlook

Medquímica will launch 10 products in the coming year including an exclusive INN generics filed from Lupin. It's derma business unit is preparing to launch its continued care line with eight new products for specific skin conditions like atopic dermatitis and sensitive skin types. Ophthalmology will continue to be Mexico's core therapy segment and the product portfolio will be strengthened by new product launches - glaucoma, pain, lubricants and supplements to complement and enhance market presence. A preservative-free formulation for the most important brand of lubricants, Zonaker, will be launched in FY2020.

Market Review – Global Active Pharmaceutical Ingredient (API)

Building Scale

23%

Growth in API business over last year

201

US DMF Filings

#1

In Anti-TB segment globally

The API business achieved a turnover of INR 13,464 Million representing a growth of 23% in FY2019. The API business will be a strong contributor to ensure supply continuity and cost efficiencies for the finished products sold by the company globally.

The company has maintained its global leadership in select APIs for over 15 years attracting new customers and expanding its reach to over 50 countries. The company drives its API business building scale and efficiencies that propel it to a leadership position in its chosen markets and therapies. The API business achieved a turnover of INR 13,464 Million representing a growth of 23% in FY2019. The company has considerable experience in fermentation chemistry and is one of the leading producers of fermentation-based and synthetic anti-TB and anti-infective products. With renewed focus on manufacturing of APIs in India, the API business of Lupin will be a strong contributor to ensure supply continuity and cost efficiencies for the finished products sold by the company globally.

The API team has embarked on a series of initiatives to drive growth in the business, whilst adopting green chemistry technologies with a dual purpose of improving efficiency and protecting the environment.

Value-Added Finished Formulations Business

The API-plus division of the company has significantly strengthened its value-added finished formulation business, namely the Global Institutional Business (GIB) and the Principal-to-Principal (P2P) business.

Global Institutional Business (GIB)

Lupin is actively engaged with multiple global institutions in the therapeutic areas of Tuberculosis, HIV and Malaria to ensure access to quality and affordable medicines in high disease burden countries across Africa, Asia and LATAM. We are recognized as one of the leading global suppliers of first-line Anti-TB products.

Over the coming years we are poised to emerge as a leading Global Institution Business supplier as these products come to market.

Principal to Principal (P2P) Business – Facilitating access to newer molecules

The P2P business leverages Lupin's rich expertise in API research and formulation development. The business is geared to launch several first-to-market products in India and is emerging as a robust partner to leading pharmaceutical companies.

Outlook

The API business is leveraging its core fermentation expertise to introduce new products in the coming years, which would spur the growth of the business. The Global institutional business is foraying into the second line anti-TB, anti-retroviral and anti-malaria space, and these products will propel growth over the coming years. The P2P business arm is focused on developing newer products, and novel formulations which are expected to drive growth.

Market Review

Global Manufacturing Supply Chain and Quality

18

Manufacturing sites

~790 Million

Litres of fresh water saved

50+

Operational excellence projects on cost improvement in progress

Enabling Excellence

Lupin's manufacturing philosophy is centered around four core principles: efficient processes, continuous improvement and innovation, effective teamwork, and compliant and lean manufacturing.

Lupin's manufacturing footprint comprises of 18 manufacturing sites spread over India, United States, Japan, Brazil and Mexico. Operational rigour coupled with strong emphasis on quality and regulatory compliance serves as a strong foundation to Lupin to deliver affordable and superior quality products world-wide.

This year we continued our thrust on investing in capacity expansion to support growth in existing businesses and automation, and build capacities for commercialization of our pipeline of complex generics and biotechnology products. in FY2019, Lupin undertook the following major investments:

- Commissioned a high-potent product manufacturing block in Unit 1 at Pithampur and commenced the commercial production of Levothyroxine. We plan to expand further in this facility to support higher market demand.
- Completed construction of dedicated block for Oncology APIs at Vizag.
- Initiated project to build a dedicated block for Metered Dose Inhalers in Unit 3 at Pithampur.
- Project work on our new hi-tech facility for Oral Solid Dosages and a dedicated sterile facility for injectable products at our Nagpur SEZ facility is nearing completion and we plan to commence commercial production shortly. The sterile injectable facility at Nagpur is equipped with the latest technologies involved in the manufacturing of injectables manufacture and includes a Prefilled Syringe Filling line, Vial Filling line and Lyopholizer under aseptic isolators.
- Initiated project work on new Biotech Drug Substance facility at Pune to support future market demand of our biosimilars, including Etanercept.

Highlights – FY2019

- **Launched an organization wide transformation project to drive cost reduction and productivity improvement across procurement, manufacturing, R&D and supply chain functions globally**
- **Extended the program to build Product Robustness (through Six Sigma) to all key sites**
- **Comprehensive Improvement program underway to enhance laboratory performance and reduce incidents and errors**
- **Commissioned state-of-the-art zero discharge units to treat and recover waste water, thereby saving close to 790 Million litres of fresh water in FY2019**
- **Continue to drive productivity and quality initiatives like Total Productive Maintenance, Six Sigma and Overall Equipment Effectiveness across all sites**
- **Continue investing in greener sources of energy and green chemistry in our manufacturing and R&D sites**

Building World-Class Quality

At Lupin, a strong foundation built on delivering quality at each step of the value chain has been one of the prime reasons for our success in the last 52 years. Our goal is to inculcate a culture of quality by establishing robust manufacturing systems that consistently produce high-quality products.

To boost quality and compliance, we continue to invest in automation and upgradation of our quality infrastructure. During the fiscal, a new centralised Data Acquisition System was installed at Goa. The upcoming Nagpur facility is equipped with Electronic Batch Manufacturing Record (eBMR) system and Laboratory

Lupin's manufacturing philosophy is centred around four core principles – efficient processes, continuous improvement and innovation, effective teamwork, and compliant and lean manufacturing.

Information Management System (LIMS). These systems will be rolled out across the manufacturing network.

Furthermore, we are now embarking on quality transformation initiative across our manufacturing facilities. Some of the key thrust areas under this program are:

- Comprehensive review of our quality systems, especially focusing on building world-class capabilities in areas like investigations.
- Assessing and improving the effectiveness of our training programs.
- Building product and process robustness.
- Building ownership of quality across the site and fostering a quality culture.
- Enhancing automation and IT systems compliance.

Update on regulatory inspections and outcomes through the year

- The Biotech facility at Pune underwent GMP inspections by PMDA (Japan) and EMA (Europe) and came out successfully.
- Tarapur and Pithampur Unit-3 went through the U.S.FDA inspections and both sites have received the Establishment Inspection Report (EIR) subsequently.
- Nagpur facility underwent the U.S.FDA inspection with zero 483 and has received the EIR thereafter.
- Mandideep (Unit 1 and 2) and Somerset sites were also inspected by the U.S.FDA during the financial year. We have submitted our response and a comprehensive remediation plan and are submitting regular updates to the U.S.FDA.
- Goa and Pithampur Unit 2 were also inspected by the U.S.FDA during the year. We have submitted our response and are submitting regular updates to the U.S.FDA on the progress of our remediation measures.

Global Supply Chain

Lupin supplies a diverse portfolio of medicines through our distribution network spread across 100 countries. Our Global Supply Chain Organization has been instrumental in our quest for supply chain excellence. The key drivers of our excellence in supply chain are our high degree of flexibility, speed of execution, reliability and cost efficiency.

Highlights - FY2019

- **Completed a global project to optimize inventories across key geographies**
- **Successfully implemented Serialization and Tamper-Evident packaging for European markets**
- **Maintained high standards on key metrics like OTIF (On Time in Full - well above 95% in majority of our markets), Forecast Accuracy, Requirement vs Commitments and Adherence to Plan**
- **Initiated organization-wide project to harmonize Supply Chain Practices and Performance Metrics across all geographies**

Rewards and Appreciation

- Received Silver Awards by ASQ (American Society of Quality) for Quality by Design.
- Received Silver Award by QCFI (Quality Circle Forum of India) for Lean Six Sigma Project.
- Awarded Crystal Globe recognition award in Oct 2018, second time in a row.
- Awarded the McKesson Supplier of the Year Award for 2019 in the US.
- Three of our manufacturing sites (Ankleshwar, Mandideep and Tarapur) are at Level 7 of ISRS 8th edition – the highest safety rating to be achieved by a pharmaceutical organisation.

Financial Review

Maintaining Strong Financial Discipline

5.2%

Sales growth in FY2019 compare to FY2018

250%

Dividend

9.6%

of revenvue invested in R&D

The global economy saw sluggish growth in the second half of 2018, owing to downside risks in advanced economies and the US-China trade dispute casting a long shadow of uncertainty on the entire global trade scenario. However, India continues to be one of the fastest growing major economies in the world and projections suggest a positive outlook.

Since inception, Lupin has grown steadily on the strength of our fundamentals. In a rapidly transforming pharmaceutical landscape, we continue to finetune and evolve along the way. In doing so, we have broadened and integrated our product portfolio to deliver value to all our stakeholders and customers. Solid growth coupled with strong governance will help deliver long-term value.

Solid growth

Our robust business model enables us to deliver effective solutions for our clients, generate attractive returns for our stakeholders and build a sustainable business. We have leveraged our financial expertise to fast-track our growth.

Financial highlights:

- Sales stood at INR 163,694 Million in FY2019 as compared to INR 155,598 Million in FY2018, showing a growth of 5.2%.
- Net profit before exceptional items for FY2019 was INR 9,466 Million in comparison to INR 13,934 Million in FY2018.
- Net profit margin declined to 5.8% in FY2019 from 9.0% in FY2018, on lower gross margins and higher effective tax rates. As a consequence of the lower profitability, the Return on average Net Worth (RoNW) fell from 10% to 7%.
- Interest expense increased 69% on account of higher loans in the US and Brazil as well as rising interest rates as Fed increased rates during the year. Therefore, while the interest coverage ratio has dropped from 13.9 to 8.1, it remains extremely robust and backed by strong cash flows.
- The Board declared a dividend of 250%.

Even though FY2019 started on a difficult note, we ensured it ended on a high, having succeeded in turning around our US generics business. We ensured stabilisation of our base business and stellar execution on the Ranolazine launch, our largest exclusive F2F launch so far. We licensed our NCE MALT1 Inhibitor to AbbVie on attractive terms. Our goal for the next five years is to double our revenues and get our EBITDA margins back to the mid-20’s. This is very doable as we execute on our growth drivers and optimisation measures.

We continued to strengthen our capabilities and portfolio by investing 9.6% of revenues in R&D. This is going to help us reap benefits for the long-term. Over the years, we have made steady progress in building a robust pipeline, strengthening capabilities and consolidating processes for faster delivery.

Strong governance

Our operating model, sound governance structure and robust risk management practices coupled with ethics and transparency in our processes provide a robust foundation for value creation in the short, medium, and long term. In a dynamic business environment, our ethics and our commitment to compliance are a strong anchor.

Creating value for shareholders

We have put in place a robust product pipeline, strong engine for innovation, and significant manufacturing capabilities to help us reach the next level and create sustainable shareholder value. On behalf of the Board, we would like to thank the team for their hard work and commitment to deliver on our strategic objectives. We will continue to maintain a conservative balance sheet, drive organic growth, and seek out margin-accretive opportunities while improving profitability and cash flow through an effective operating model.

Research & Development

Securing the future

At Lupin, our approach is to utilize the best technology, superior competencies and strategic partnerships to advance research and development of products for global markets. Over 1,500 R&D personnel working across 9 R&D centres globally make new products accessible, affordable and available in a timely manner across markets. Lupin has carefully created a balanced portfolio of products to establish leadership in generics and is help build a Specialty pipeline for the future.

While we pursue generics research across multiple dosage forms consistently to ensure we retain our leadership positioning in generics space, we are evolving our R&D pipeline to focus more on Complex Generics and biosimilars. In addition, we are now building a select portfolio for our Specialty pipeline primarily for the US and in our Novel Drug Discovery and Development endeavours. Investment outlay on R&D for FY2019 amounted to INR 15.7 Billion, representing 9.6% of revenues, ensuring the pipeline for the future remains robust.

INR 15.7 Billion

Investment in R&D in the year

~1,500

R&D Personnel

40

First to file products pending approvals

Pharmaceutical Research

Lupin has focused on reshaping its existing generics portfolio of oral, ophthalmic and dermatology products with a clear goal of developing meaningful complex generics that are aligned to market dynamics, patent expiry and business strategy. We are developing a comprehensive pipeline of high barrier products in the inhalation and injectable space that have a high degree of complexity linked with a delivery system, device design, API and clinical trial requirements.

Lupin's Generics Pharmaceutical Research R&D hub in Pune, India marked yet another year of successful filings in the oral, ophthalmic, dermatology and inhalation space in the US and other advanced markets including filings for Global Institutional Business (GIB) in the Anti-TB, Anti-Malaria and Anti-Retroviral space.

Highlights

- Filed 27 ANDAs (20 orals, one injectable, two dermatology, two ophthalmic and two inhalation).
- ANDA filings for the year include four confirmed exclusive First-to-File (FTF) and seven shared FTF products.
- Lupin received 30 ANDA approvals from the U.S.FDA during FY2019.
- Cumulative ANDA filings with the U.S.FDA now stand at 422 with 265 approvals received to date.
- Filed 16 generics products (MAA) in other markets including EMEA region (Europe, South Africa and Russia), APAC region (Japan and Australia), Canada, Latin America and Mexico and received seven approvals in these geographies.
- Filed 10 MAAs for GIB in Anti-TB, Anti-Malaria and Anti-Retroviral space including the first PEPFAR filing for the company.

Biotechnology Research

Lupin Biotech witnessed one of the most exciting phases in its journey towards becoming a global bio-pharmaceutical powerhouse. After having filed the Common Technical Document (CTD) with the Pharmaceuticals and Medical Devices Agency (PMDA), Japan in FY2018, Lupin Biotech started the new financial year with the notable submission of the CTD and Application for Marketing Authorization to the European Medicines Agency for its flagship project – bEtanercept.

Highlights

- Received Marketing Authorization Approval (MAA) for Etanercept from PMDA (Japan) as well as DCGI (Indian regulatory agency).
- Received GMP certification from Pharmaceuticals and Medical Devices Agency (PMDA) and European Medicines Agency (EMA) for the manufacture of Etanercept drug substance and drug product at our Pune facility.
- Significant progress in the development of bPegfilgrastim and the early-stage portfolio.
- cGMP audit from Cofepris (Mexico) for a late phase oncology product and receipt of successful GMP certification.

We have planned the Qualification of the pilot facility in FY2020 to support scale-up of the early phase products and ensure readiness for seeking early scientific advice from global regulators.

Research & Development
Securing the future

Novel Drug Discovery & Development (NDDD)

The NDDD team has developed a pipeline of highly differentiated and innovative new chemical entities in focused therapy areas of Oncology, Immunology and Metabolic Disorders.

During the year, Lupin partnered with AbbVie to develop and commercialize its novel drug, a highly potent MALT1 (Mucosa-Associated Lymphoid Tissue Lymphoma Translocation Protein 1) inhibitor. Lupin's MALT1 Oncology program uses a novel compound with the potential to treat multiple hematological cancers which includes ABC Type - Diffuse Large B-Cell Lymphoma (ABC-DLBCL), Chronic Lymphocytic Leukemia (CLL) and Mantle Cell Lymphoma (MCL), in addition to other B-cell malignancies. The program has the potential to particularly address unmet medical needs in the treatment of ABC-DLBCL as well as CARD11 Mutant ABC-DLBCL, both of which are known to be recalcitrant to existing therapies.

This novel first-in-class drug discovery program has been driven by the NDDD team at Lupin in Pune, India right from concept generation to various stages of drug discovery and development through excellent conceptualization, strategic direction and impeccable execution done in-house with world-class processes and procedures to meet global standards.

Current Clinical Programs

Endocrine: Clinical Phase-II study has been completed in India in Chronic Kidney Disease patients on dialysis and also not-on-dialysis. The initial readout from the study has been positive.

Oncology: Post completion of Clinical Phase-I study in Europe on terminally-ill patients (Lung Cancer, Melanoma and Colon Cancer), a Clinical Phase-II study is ongoing in India for treating a refractory type of Lung cancer which has RAS mutations for which no treatment exists worldwide.

Lupin Bioresearch Centre

Lupin Bioresearch Center (LBC) has led a variety of clinical development needs like Bioavailability and Bioequivalence (BA/BE) studies and clinical end-point studies for generics and speciality products of Lupin and its subsidiaries across the globe.

- Made rapid progress in new areas of pharmaceutical innovation for the conduct of Large molecule pharmacokinetic (PK) studies, Ophthalmic in-vitro studies, and for in-vitro and in-vivo PK studies on MDI and DPI Inhalation products.
- Expanded the large molecule lab for conducting PK/PD and immunogenicity studies on biosimilars for regulatory submissions.

The U.S.FDA successfully inspected the in-vitro BE lab facility at Lupin Research Park without any observations in FY2019. The multi-year success of the U.S.FDA inspections exemplifies LBCs robust compliance and data integrity track record. During the year, LBC completed 82 pivotal studies including 68 BE studies for different geographies, 2 inhalation studies, 11 in-vitro studies, 1 PK study for biosimilars programme and cumulatively accounted for the development of 256 regulatory-compliant analytical methods till date.

Intellectual Property Management Group

The Company was first-to-file with respect to generics versions of Spiriva® DPI, Jublia® Topical Solution, Kerydin® Topical Solution, Jardiance® Tablets, Glyxambi® Tablets, Esbriet® Capsules, Esbriet® Tablets, Xarelto® Tablets 2.5mg, Invokamet® XR Tablets ER, Plenvu® Oral Solution, and Clenpiq® Oral Solution. Lupin's number of first to file products pending launch now stands at 40.

The Company settled 13 pending U.S. patent litigations and received favourable decisions on Prepopik® (US) and Truvada® (UK and Germany).

Regulatory Submission (U.S., Canada, Europe, Australia, New Zealand, GIB, Brazil/South Africa/ Merck)

Type of Filing	Year 2018-2019 Filed	Cumulative 31-Mar-19 Filed
U.S. DMFs	9	201
EDMFs	1	58
JDMFs	1	14
COS	1	29
AU – DMFs	2	35
NDAs	1	5
ANDAs – Lupin	23	310
ANDAs – Novel	4	110
ANDSs [Canada]	0	13
MAAs – Europe	3	59
MAAs – AU / NZ	3	37
MAAs – GIB	9	25
MAAs – BR/SA/Merck	10	60

Filed Patent Applications and Granted Patents

In FY2019, the Company filed 159 patent applications. The cumulative number of patent applications filed by Lupin in India and other countries currently stands at 3,204. The patent applications filed in FY2019 included 33 formulation patent applications, 52 API patent applications, 9 biotech patent applications and 65 NDDD patent applications. We successfully secured 64 patents, including 31 NDDD patents during FY2019.

Board of Directors

Mrs. Manju D. Gupta
Chairperson
Committee Membership: CSR Committee

Dr. Kamal K. Sharma
Vice Chairman
Committee Memberships: Audit Committee, CSR Committee and Risk Management Committee

Ms. Vinita Gupta
Chief Executive Officer
Committee Memberships: CSR Committee and Risk Management Committee

Mr. Nilesh Deshbandhu Gupta
Managing Director
Committee Memberships: CSR Committee, Stakeholders' Relationship Committee and Risk Management Committee

Dr. K. U. Mada
Independent Director
Committee Memberships: Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee

Mr. Dileep C. Choksi
Independent Director
Committee Memberships: Audit Committee, CSR Committee and Stakeholders' Relationship Committee

Mr. R. A. Shah
Independent Director
Committee Membership: Nomination & Remuneration Committee

Mr. Richard Zahn
Independent Director
Committee Membership: Nomination & Remuneration Committee

Mr. Jean-Luc Belingard
Independent Director

Ms. Christine Mundkur
Independent Director

Risk Management

Managing the Uncertainties

Lupin faces risks and uncertainties that could have a material impact on earnings and the ability to operate in the future. These are determined via robust assessment considering our risk context by the Board of Directors with inputs from the executive management. These principal risks are set out below, even as the contents of this table are not to be deemed as an exhaustive list of all the risks and uncertainties the company faces. The Board is satisfied that these risks are being managed appropriately and consistently.

MARKET DYNAMICS

Nature of Risk

The commercial viability of the Industry and the business model may change significantly as a result of

- Adverse political / regulatory action
- Drug approval patterns
- Competitor strategies and pricing

Risk mitigation measures

- Secured key talent to manage the complex commercial and regulatory environment and grow our business
- Active product life cycle and pricing management
- Continued focus on strengthening our relationships with customers by demonstrating that we are a reliable partner

NEW PRODUCT PIPELINE

Nature of Risk

Failure to secure timely approval of new products will affect our ability to generate additional business and limit the ability to provide differentiated products to patients and customers

Risk mitigation measures

- Invest ~10% of revenue in R&D and focus on developing complex generics and first-to-files, with limited competition
- Established Portfolio management to ensure optimal use of our global product portfolio
- Collaboration with external partners for development and in-licensing partnerships

REPUTATIONAL

Nature of Risk

Any damage to our reputation may affect our ability to conduct core business operations

Risk mitigation measures

- Continued communication in our core geographies
- Engagement programs on the appropriate use of our products
- Internal and external monitoring of issues that may impact the reputation
- Renowned corporate social responsibility initiatives including the establishment of community partnerships

REGULATORY COMPLIANCE

Nature of Risk

Loss of regulatory compliance certification for products and production facilities will result in

- Delayed or denied approvals for new products
- Potential suspension of operations

Risk mitigation measures

- Compliance culture regularly reinforced by communication from senior executives
- Facilities maintained as inspection-ready for assessment by relevant regulators
- Initiated multi-year program to drive quality transformation across the manufacturing network
- Documented procedures continuously improved and regular training provided to staff
- Work closely with the assistance of external consultants

- Renowned corporate social responsibility initiatives including the establishment of community partnerships

PRODUCT QUALITY

Nature of Risk

Inadequate product efficacy or safety issues may result in

- Liability and reputational issues
- Product recalls
- Regulatory action

Risk mitigation measures

- Global pharmacovigilance programme in place
- Global implementation of quality systems that ensure valid, consistent manufacturing processes leading to the consistent production of quality product

API SOURCING

Nature of Risk

Inability to manufacture or secure adequate levels of API supplies may lead to supply disruptions

Risk mitigation measures

- Continuity of API supply maintained for high-value products through alternative API suppliers, stocking strategies and supply chain modelling
- Established rigorous selection process for API suppliers and focus on building long-term supply contracts
- 6 owned API facilities with 2 vertically integrated formulation facilities

LEGAL AND INTELLECTUAL PROPERTY

Nature of Risk

Changes in laws, regulations and their application, litigation, governmental investigations and / or sanctions may result in potential business disruptions

Risk mitigation measures

- Continuous assessment of developments in legal and regulatory frameworks and impact on the organisation
- Strong experience and capability for managing intellectual property matters

INFORMATION AND DATA

Nature of Risk

Inadequately secured Information and data could result in

- Increased internal / external security threats
- Compliance and reputational damages
- Regulatory and legal litigation

Risk mitigation measures

- Industry-leading information security solutions and best practice processes adopted and adapted for local and organisational requirements
- Cyber-risk activity monitored, and changes implemented as necessary to combat evolving threats
- Partnership established with strategic third parties to implement and maintain a robust company-wide information security framework

HUMAN RESOURCES

Nature of Risk

Lack of capable, quality employees may impact our growth targets and sustainability

Risk mitigation measures

- Global programmes in place to attract, manage and develop talent within the organisation
- Deployment of company-wide human capital management system to fill strategic regional and global positions and strengthen teams
- Ongoing updates to organisation design, structures to align with our
- strategic interestsWork closely with the assistance of external consultants
- Renowned corporate social responsibility initiatives including the establishment of community partnerships

POLITICAL/SOCIAL INSTABILITY

Nature of Risk

Political or social instability as well as economic or regulatory fluctuations in several emerging markets including India can result in a wide variety of business disruptions in those markets for a substantial period

Risk mitigation measures

- Our local management, operations and sales teams are experienced in navigating challenging market conditions. We have invested in local manufacturing facilities in India, Brazil and Mexico.
- We continue to grow our broad product portfolio, and are focused on providing patients with the products that they need
- Regular interactions with key stakeholders to identify unmet demands. Our teams use this information to help select products for our pipeline.

FINANCIAL

Nature of Risk

Liquidity, exchange rates, tax uncertainty and debtor default could have adverse financial impact

Risk mitigation measures

- Selected hedging of exchange rate and interest rate exposures. Our globally diversified business also provides a natural hedge.
- Extensive financial control procedures implemented and assessed annually
- A network of banking partners maintained for lending and deposits
- Management monitors debtor payments and takes precautionary measures and action where necessary to fill strategic regional and global positions and strengthen teams
- Ongoing updates to organisation design, structures to align with our strategic interestsWork closely with the assistance of external consultants
- Renowned corporate social responsibility initiatives including the establishment of community partnerships

ACQUISITIONS

Nature of Risk

Acquisitions can add to uncertainty Misjudging key elements of an acquisition or failing to integrate the assets

- Misjudging key elements of an acquisition or failing to integrate the assets
- Acquisition of a large-scale target may entail financing-related risks and operating expenses and significantly increase leverage if financed with debt

Risk mitigation measures

- Extensive due diligence of each acquisition in partnership with external support, including financial and legal advisers, investment banks and industry specialists to strategically identify, value, and execute transactions
- Executive Committee review of significant acquisitions before the Board considers them
- The Board spends a significant amount of time reviewing major acquisitions to ensure strategic alignment
- Aligned integration teams led by the business head responsible help ensure success
- Post-acquisition performance (financial and non-financial) monitored closely to ensure integration and delivery on the business plan

People Practices

An Engaged Team of Professionals

At Lupin, we firmly believe that our success hinges on our people achieving their personal and professional goals. We strive to provide our employees with the right opportunities for professional development and personal fulfilment.

One Lupin culture

We take immense pride in our people strategy, which is to Engage, Enable and Grow those who work consistently to grow our business. For us, growth of people and the business are simultaneous processes. We have created a work culture that presents a unique mix of Lupin values and functional expertise. The heart of Lupin's success is a global footprint of highly talented and motivated professionals that comprise the Lupin family. Our 'One Lupin' culture replicated across geographies, creates a unique value proposition of innovation, high performance and continuous learning.

By virtue of our progressive people-centric HR practices and compelling employee experiences, Lupin has been consistently recognised in the top ranks of Great Places to Work in India (2019) and amongst the top 15 across industries in Asia (2016). Lupin also emerged as #1 in the Biotech and Pharma industry. These acknowledgements exemplify our commitment to diversity, capabilities and people practices; all of which are interconnected by an ethos for workplace excellence.

Our organisation is built upon the resolute values that guide us. These values inherited from our Founder, Dr. Desh Bandhu Gupta are the cornerstone of our performance. Our value-based recognition programs such as Shabaash, Bravo and the Dr. Desh Bandhu Gupta Spirit of Lupin Awards imbibe a culture to appreciate peers and teams for demonstrating exemplary conduct / performance.

We believe that every Lupinytt is a partner with us in our journey to progress. The Partners in Progress – our stock option program, is one-of-a-kind covering all Lupin employees. We believe that an individual's ability to excel and contribute exceptionally deserves special recognition. This program recognizes high performing employees who get a chance to participate in the growth story of the organisation. We empower our people with development initiatives across business verticals for their professional and personal advancement.

We transform dreams into goals with our Learn & Earn program which provides opportunities to deserving but underprivileged youth from rural areas. We help equip them with vocational skills, capabilities, tools and an academic degree to lead a professional life and obtain an assured job with us.

>20,000

Lupinytts globally

>3,500

Lupinytts covered under Lupin stock option plan

32 years

The average age of Lupinytt

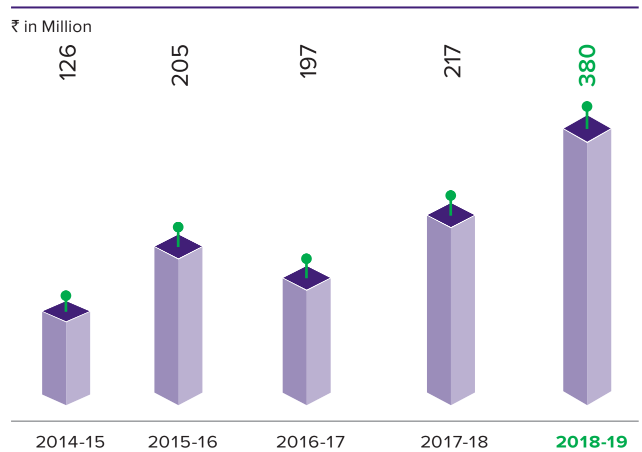
Corporate Social Responsibility

Empowering communities

Social commitment is anchored in our business philosophy. By embedding sustainability considerations within our strategies, we seek to enhance health, safety and environment standards, and reduce inequalities amongst socially backward groups. By extending necessary help and assistance, we ensure accountability and increase the positive impact of our operations.

The Lupin Human Welfare & Research Foundation (LHWRF) or Lupin Foundation was founded in 1988 by our Founder, Dr. Desh Bandhu Gupta. Today, it is at the forefront of development in the areas of Economic, Social, Infrastructural Development and Natural Resource Management. The core purpose of the Lupin Foundation's work is developing an efficient and sustainable model for development activities, which can be replicated widely through collaboration and partnerships. This focus has remained the thrust of our initiative over the years. Currently, the Lupin Foundation has its presence in 4,171 villages located in 63 blocks and 23 districts spread across seven states in India.

CSR Spend



Transforming farms through productivity enhancement and diversification

Converging on productivity enhancement, crop diversification and technology infusion are the core drivers behind the various interventions undertaken by the Lupin Foundation. Introduction of advanced seed and farming techniques have led to increased production and incomes for poor and marginal farmers who have benefitted through targeted interventions. Similarly, shifts in cropping patterns as a result of vegetable, horticulture, floriculture and fish-farming programs have led to increased incomes through diversification into commercial agriculture and a capacity of the farmers to sustain in the wake of climatic and market variations.

Triggering growth cycle through livestock

Livestock presents a vital source of income for the sustenance of the poor in rural India. However, this sector is plagued by low productivity. The Lupin Foundation focuses on improving breed quality through Artificial and Natural Insemination. Various programmes aimed at providing animal health services, ensuring fodder security and promoting advanced cattle management practices help raise livestock productivity and rural incomes.

Skill and enterprise building for livelihood security

The Lupin Foundation focuses on skill development and credit support. The emphasis is on skill building among rural youth and women to enable them to find meaningful livelihood either through self-employment or wage employment.

Nurturing women leadership in villages

Self-help groups have emerged as the trigger as well as the core mechanism for the Lupin Foundation for women empowerment in its areas of operation. With mushrooming and nurturing of successful women self-enterprises or group businesses, the Lupin Foundation is helping develop women leadership. Women have discovered their voice and confidence, which is the ultimate empowerment for any section of the society.

Bringing quality health services at the doorstep of rural folk

The Lupin Foundation is complementing governmental efforts to reduce Infant Mortality Rate and Maternal Mortality Rate in its adopted areas. It is an implementing partner of the Integrated Child Development Scheme (ICDS) in one block and our performance has been validated. The organisation has embraced the concept of 'Health Services at the doorstep' in its adopted areas, which has made health services accessible even in the most remote areas.

Decoding educational happiness

Lupin Foundation has undertaken different innovative programmes to make education accessible and relevant to enhance learning levels, retention and reduction in dropout rates.

Infrastructure development

Sensing the need of adequate rural infrastructure and recognising that it can bring all sections of rural society together, the Lupin Foundation helps communities build necessary civic infra-structures. In this, school infra-structure, rural sanitation and housing have been accorded priority. These initiatives are improving quality of life in our adopted areas and bringing much needed comfort to women, children and the poor.

Awards & Recognitions
Achievements

India Pharma Innovation of the Year Award 2019 - Department of Pharmaceuticals, Govt. of India

Vinita Gupta: Vogue and IBM **Businesswoman of the Year** 2018

Vinita Gupta selected **Women of Worth 2018** by Outlook Business

Vinita Gupta listed in **Top 50 Most Powerful Women in Business 2018** by Fortune India

Lupin ranked **No.1 in the Biotech and Pharma,** and **No. 4 amongst large organisations** in the list of top 100 – **Great Place to Work 2017**

India Pharma Bulk Drug Company of the Year 2018 - Department of Pharmaceuticals, Govt. of India

"BEST Award 2018" from **ATD**

Silver Awards for Quality by Design from ASQ (American Society of Quality)

Silver Award for Lean Six Sigma Project from QCFI (Quality Circle Forum of India)

Crystal Globe recognition award in Oct 2018, second time in a row

McKesson Supplier of the Year Award for 2019 in US

Three of our manufacturing sites (Ankleshwar, Mandideep and Tarapur) are at Level 7 of **ISRS 8^{th} edition** – the highest safety rating to be achieved by a pharmaceutical organisation

Lupin won First Prize in **CII National Six Sigma Award** for Operational Excellence in Manufacturing.

Lupin won 2^{nd} prize in **CII Kaizen competition** held at Chandigarh (restorative Kaizen).

Corporate Information

DIRECTORS
Mrs. Manju D. Gupta, Chairperson
Dr. Kamal K. Sharma, Vice Chairman
Ms. Vinita Gupta, Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta, Managing Director
Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director (up to December 11, 2018)
Mr. R. A. Shah, Independent Director
Mr. Richard Zahn, Independent Director
Dr. K. U. Mada, Independent Director
Mr. Dileep C. Choksi, Independent Director
Mr. Jean-Luc Belingard, Independent Director
Dr. Vijay Kelkar, Independent Director (up to March 28, 2019)
Ms. Christine Mundkur, Independent Director (w.e.f. April 1, 2019)

LEADERSHIP TEAM
Dr. Kamal K. Sharma, Vice Chairman
Ms. Vinita Gupta, Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta, Managing Director
Dr. Rajender Kamboj, President - Novel Drug Discovery & Development
Mr. Naresh Gupta, President - API Plus & Global TB
Mr. Rajeev Sibal, President - India Region Formulations
Dr. Cyrus Karkaria, President - Biotechnology
Mr. Sunil Makharia, President - Finance
Mr. Debabrata Chakravorty, President - Global Sourcing & Contract Manufacturing
Mr. Yashwant Mahadik, President - Global Human Resources
Mr. Rajendra Chunodkar, President - Manufacturing Operations
Mr. Alok Sonig, CEO - US Generics & Global R&D and Biosimilars
Dr. Sofia Mumtaz, Head - Pipeline Management and Legal
Mr. Martin Mercer, President - Latin America
Mr. Thierry Volle, President - Europe, Middle-East & Africa
Dr. Fabrice Egros, President - Asia Pacific & Japan
Mr. Jim Loerop, Chief Corporate Development Officer
Mr. Nicholas Hart, President - Specialty, Pharma

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Website
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info@lupin.com

CORPORATE IDENTITY NUMBER
L24100MH1983PLC029442

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.,
Unit: Lupin Limited, C 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083, India.
Tel: +91 22 4918 6000 | Toll Free No.: 1800 1020 878
Email: rnt.helpdesk@linkintime.co.in

COMPANY SECRETARY
Mr. R. V. Satam

AUDITORS
B S R & Co. LLP
Chartered Accountants

AUDIT COMMITTEE
Dr. K. U. Mada, Chairman
Dr. Kamal K. Sharma
Mr. Dileep C. Choksi

NOMINATION AND REMUNERATION COMMITTEE
Dr. K. U. Mada, Chairman
Mr. R. A. Shah
Mr. Richard Zahn

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Mr. Dileep C. Choksi, Chairman (w.e.f. April 1, 2019)
Dr. Vijay Kelkar, Chairman (up to March 28, 2019)
Dr. K. U. Mada
Mr. Nilesh Deshbandhu Gupta (w.e.f. March 30, 2019)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mrs. Manju D. Gupta, Chairperson
Dr. Kamal K. Sharma
Ms. Vinita Gupta
Mr. Nilesh Deshbandhu Gupta
Dr. Vijay Kelkar (up to March 28, 2019)
Mr. Dileep C. Choksi (w.e.f. March 30, 2019)

RISK MANAGEMENT COMMITTEE
Dr. Kamal K. Sharma, Chairman
Ms. Vinita Gupta
Mr. Nilesh Deshbandhu Gupta
Mr. Sunil Makharia

STRATEGIC ADVISORY BOARD
Mr. Paul Edick
Ms. Yvonne Greenstreet
Mr. Franceso Granata
Mr. Jean Pierre Garnier

KEY CONTACTS
Ms. Pooja Thakran,
Vice President - Corporate Communications
Email: poojathakran@lupin.com
Mr. Arvind Bothra, Head - Investor Relations
Email: arvindbothra@lupin.com
Mr. Pradeep Bhagwat, Investors' Services
Email: pradeepbhagwat@lupin.com

Ten Year Financial Summary

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at March 31,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SOURCES OF FUNDS										
Shareholders' funds										
Equity Share Capital	889.4	892.4	893.3	895.1	896.8	899.0	901.2	903.2	904.2	905.0
Reserves & Surplus	24,788.9	31,918.4	39,235.6	51,146.7	68,418.9	90,833.3	110,732.5	134,072.5	134,866.4	136,517.3
	25,678.3	32,810.8	40,128.9	52,041.8	69,315.7	91,732.3	111,633.7	134,975.7	135,770.6	137,422.3
Non-Controlling Interest	254.9	515.1	722.9	594.5	669.4	241.0	320.8	345.2	400.8	468.6
Loans	11,398.5	11,623.9	16,391.0	11,644.9	6,537.4	5,371.2	71,775.2	79,660.9	71,428.0	84,961.5
Deferred Tax Liabilities (net)	1,630.4	1,791.8	1,910.1	2,336.8	2,486.6	1,527.5	3,266.8	3,948.5	2,855.3	2,882.8
Other Liabilities (incl. Provisions)	11,892.5	14,502.0	20,669.3	22,520.6	23,051.2	33,737.7	39,252.1	47,142.5	52,599.1	53,758.5
TOTAL	**50,854.6**	**61,243.6**	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**
APPLICATION OF FUNDS										
Fixed Assets										
Net Block	15,864.9	17,313.4	22,456.6	24,928.5	26,977.3	27,200.3	64,515.2	87,229.2	79,135.0	87,063.9
Capital Work-in-Progress (incl. Capital Advances)	3,578.7	5,319.3	4,973.7	3,909.0	4,110.2	6,745.3	32,145.5	24,639.0	26,555.6	17,293.9
	19,443.6	22,632.7	27,430.3	28,837.5	31,087.5	33,945.6	96,660.7	111,868.2	105,690.6	104,357.8
Goodwill on Consolidation	3,196.8	3,254.9	5,040.0	5,073.2	6,578.7	16,252.8	22,654.4	23,100.1	24,484.9	23,803.2
Investments	264.3	31.5	28.0	20.6	20.6	55.4	143.3	220.0	267.1	317.7
Deferred Tax Assets (net)	195.4	380.5	467.8	704.4	708.1	2,561.7	3,358.5	5,076.4	7,165.6	7,340.0
Other Assets										
Inventories	9,714.9	11,999.6	17,326.7	19,489.3	21,294.5	25,036.1	32,736.5	36,422.8	36,624.9	38,367.7
Receivables	11,265.7	12,556.4	17,800.1	21,869.9	24,641.0	26,475.2	45,487.6	43,073.4	51,922.1	51,498.0
Cash & Bank Balances (refer note iii)	2,015.3	4,201.4	4,024.7	4,348.8	9,739.1	21,304.7	8,237.7	28,135.4	16,431.7	32,523.5
Others	4,758.6	6,186.6	7,704.6	8,794.9	7,990.8	6,978.2	16,969.9	18,176.5	20,466.9	21,285.8
	27,754.5	34,944.0	46,856.1	54,502.9	63,665.4	79,794.2	103,431.7	125,808.1	125,445.6	143,675.0
TOTAL	**50,854.6**	**61,243.6**	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Year ended March 31,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
INCOME										
Sales	48,009.5	57,421.7	70,017.2	95,235.3	111,671.2	126,932.2	137,578.7	171,198.0	155,598.4	163,693.7
Other Operating Income	762.5	1,121.5	1,232.1	1,796.7	1,999.3	1,703.0	4,976.7	3,745.3	2,443.1	3,488.1
Other Income	351.1	221.9	143.5	278.5	1,164.8	2,397.5	1,851.9	1,065.1	1,503.5	3,640.2
Total Revenue	**49,123.1**	**58,765.1**	**71,392.8**	**97,310.5**	**114,835.3**	**131,032.7**	**144,407.3**	**176,008.4**	**159,545.0**	**170,822.0**
EXPENSES										
Cost of Materials	19,694.2	22,379.3	26,039.0	35,485.0	38,173.8	41,570.4	43,325.7	50,014.3	52,744.0	58,457.9
Employee Benefits Expense	5,871.5	7,675.6	9,695.3	12,666.2	14,646.5	17,473.4	21,416.2	28,495.2	28,647.1	31,512.9
Manufacturing and Other Expenses	13,576.5	16,709.9	21,067.9	26,181.9	30,822.3	33,395.5	40,960.0	51,502.4	45,175.3	48,388.8
Total Expenses	**39,142.2**	**46,764.8**	**56,802.2**	**74,333.1**	**83,642.6**	**92,439.3**	**105,701.9**	**130,011.9**	**126,566.4**	**138,359.6**
Profit before Interest, Depreciation & Tax	9,980.9	12,000.3	14,590.6	22,977.4	31,192.7	38,593.4	38,705.4	45,996.5	32,978.6	32,462.4
Finance Cost	384.9	344.8	354.7	409.5	266.5	98.1	594.7	1,525.3	2,043.5	3,078.3
Depreciation and Amortisation	1,239.1	1,711.8	2,275.2	3,321.9	2,609.7	4,347.0	4,871.3	9,122.3	10,858.7	10,850.1
Profit before Exceptional Items & Tax	8,356.9	9,943.7	11,960.7	19,246.0	28,316.5	34,148.3	33,239.4	35,348.9	20,076.4	18,534.0
Exceptional Items (Refer note iv)	-	-	-	-	-	-	-	-	14,643.5	3,399.8
Profit before Tax	**8,356.9**	**9,943.7**	**11,960.7**	**19,246.0**	**28,316.5**	**34,148.3**	**33,239.4**	**35,348.9**	**5,432.9**	**15,134.2**
Current Tax	1,109.8	1,176.3	2,756.2	5,829.0	9,536.0	10,041.6	11,433.5	10,882.1	5,349.8	8,727.0
Deferred Tax	250.4	(26.5)	329.4	12.6	85.5	(337.6)	(840.1)	(1,097.0)	(2,465.2)	289.9
Net Profit before Share of Profit from Jointly Controlled Entity, Non-Controlling Interest and Share of Loss in Associates	6,996.7	8,793.9	8,875.1	13,404.4	18,695.0	24,444.3	22,646.0	25,563.8	2,548.3	6,117.3
Share of Profit from Jointly Controlled Entity	-	-	-	-	-	-	49.0	82.5	35.2	37.5
Share of Profit attributable to Non-Controlling Interest	111.6	148.4	198.6	262.8	331.3	411.9	87.6	71.7	70.9	89.3
Share of Loss in Associates	68.8	20.0	-	-	-	-	-	-	-	-
Net Profit	**6,816.3**	**8,625.5**	**8,676.5**	**13,141.6**	**18,363.7**	**24,032.4**	**22,607.4**	**25,574.6**	**2,512.6**	**6,065.5**

Notes :

i) Figures are suitably regrouped to make them comparable.

ii) The company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS with effect from April 1, 2016. Accordingly, Balance Sheet for 2019, 2018, 2017, 2016 & 2015 and Statement of Profit and Loss for 2019, 2018, 2017 & 2016 are as per Ind AS.

iii) Cash and bank balances includes Current Investments and Non Convertible Debentures having maturity more than 12 months which represents investments of surplus funds.

iv) Exceptional item for 2019 pertains to Provision for fine to European Commission and for 2018 pertains to Impairment of intangible assets.

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, 2019.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Revenue from Operations	113563.2	100881.8	167181.8	158041.5
Other Income	2913.4	1311.2	3640.2	1503.5
Profit before interest, depreciation and tax	**31441.2**	**22169.8**	**32462.4**	**32978.6**
Less: Finance Costs	354.7	332.4	3078.3	2043.5
Less: Depreciation and amortisation	4263.0	3898.1	10850.1	10858.7
Profit before share of Profit from Jointly Controlled Entity, exceptional items and Tax	**26823.5**	**17939.3**	**18534.0**	**20076.4**
Add: Share of Profit from Jointly Controlled Entity	-	-	37.5	35.2
Less: Exceptional Items	3399.8	-	3399.8	14643.5
Less: Provision for taxation (including deferred tax)	8035.4	4492.7	9016.9	2884.6
Profit after tax and before non-controlling interest	**15388.3**	**13446.6**	**6154.8**	**2583.5**
Less: Non-controlling Interest	-	-	89.3	70.9
Net Profit attributable to Shareholders of the Company	**15388.3**	**13446.6**	**6065.5**	**2512.6**

Performance Review

Consolidated Revenue from Operations for the year ended March 31, 2019 were ₹ 167181.8 million. International business contributes 68%. Consolidated profit before interest, depreciation and amortisation, exceptional item and tax was ₹ 32462.4 million. Net profit for the year after exceptional item was ₹ 6065.5 million as against ₹ 2512.6 million of the previous year. Earnings per share for the year was ₹ 13.41.

Dividend

Your Directors are pleased to recommend dividend at ₹ 5/- per equity share of ₹ 2/- each, absorbing an amount of ₹ 2262.7 million. Corporate tax on proposed dividend is ₹ 465.1 million.

In compliance with Regulation 43A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Dividend Distribution Policy has been hosted on the website of the Company www.lupin.com, (web link: https://www.lupin.com/pdf/corporate-policies/dividend-distribution-policy.pdf).

Share Capital

During the year, the paid-up equity share capital of the Company rose by ₹ 0.8 million consequent to the allotment of 410847 equity shares of ₹ 2/- each to eligible employees of the Company and its subsidiaries on exercising options under various stock option plans. Paid-up equity share capital as on March 31, 2019 was ₹ 905 million.

Credit Rating

ICRA Limited (ICRA) assigned the rating **'ICRA A1+'** (pronounced 'ICRA A one Plus') for the Company's short-term credit facilities of ₹ 15000 million, indicating very strong degree of safety regarding timely payment of financial obligations.

Subsidiary Companies/Joint Venture

As on March 31, 2019, the Company had 31 subsidiaries and a joint venture.

Pursuant to the application made to the Registrar of Companies ('ROC'), Bangalore, by Novel Clinical Research (India) Pvt. Ltd., wholly-owned subsidiary of the Company, for removal of its name from the Register of Companies w.e.f. March 27, 2018, the ROC, vide its Order dated December 8, 2018, struck-off the name of the company from the Register of Companies. As part of restructuring, Lupin Ukraine LLC, Ukraine and Gavis Pharmaceuticals, LLC, USA, wholly-owned subsidiaries of the Company, were liquidated effective February 7, 2019 and March 26, 2019, respectively.

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 ('Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statements, performance and financial position of each subsidiary and joint venture are given in Form No. AOC - 1 as **Annexure 'A'** to this Report. Pursuant to the provisions of Section 136 of the Act, financial statements of subsidiaries and joint venture are available for inspection by Members at the Registered Office of the Company during business hours. The Company shall provide free of cost, a copy of the financial statements of its subsidiaries and joint venture to Members upon their request.

In compliance with Regulation 46(2)(h) of the Listing Regulations, policy for determining material subsidiaries has been hosted on the Company's website www.lupin.com (web link: https://www.lupin.com/pdf/corporate-policies/policy-for-determining-material-subsidiaries.pdf).

Management Discussion and Analysis

In compliance with Regulation 34(3) read with Schedule V(B) of the Listing Regulations, Management Discussion and Analysis forms part of this Annual Report.

Corporate Governance

In compliance with Regulation 34(3) read with Schedule V(C) of the Listing Regulations, a Report on Corporate Governance forms part of this Annual Report. As stipulated by Schedule V(E) of the Listing Regulations, certificate from Practising Company Secretary, certifying compliance with the conditions of corporate governance is annexed to the Corporate Governance Report.

Business Responsibility Report

In compliance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report forms part of this Annual Report.

Corporate Social Responsibility (CSR)

Way back in 1988, when CSR was unheard of, the Company structured its social responsibility interventions, through Lupin Human Welfare and Research Foundation (LHWRF), its CSR arm. The CSR initiatives implemented by the Company are not imposed from the top but are designed with people's participation at the village level. LHWRF possesses elaborate and capacitated implementation mechanism right at the grass-root level which enables it to achieve high impact in its adopted areas of operations. LHWRF operates through 20 centers across India and has touched lives of more than 2.5 million residing in more than 4171 villages located in 61 blocks of 21 districts. LHWRF mobilizes additional resources from banks and government by engaging in knowledge and funding partnerships with eminent academic and government bodies. Third party impact assessment studies of CSR initiatives are regularly carried out through qualitative feedbacks collected from beneficiaries of projects undertaken. The Company broadly undertakes the following CSR activities: -

- Economic development;
- Rural infrastructure development;
- Natural Resource Management;
- Social Development;
- Learn & Earn programme; and
- TB eradication.

Pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, during the year, the Company ought to have spent ₹ 656.7 million on CSR activities. The actual spend was ₹ 379.5 million, which was substantially higher than ₹ 216.8 million spent in the previous year. The Company has been unable to execute its plan of setting-up a state-of the-art JCI and NABH accredited hospital in Mumbai as it could not identify a suitable plot. The Company aims to continuously increase its CSR spend and is looking out for new areas/activities, particularly deeper sustainable projects to accelerate the spend.

In the course of business, the Company spends on a number of social causes which strictly may not qualify as CSR activities viz. 'Punarjyoti' ('Rebirth of Eyes') campaign in association with Eye Bank Association of India, which promotes the noble message of pledging donation of eyes after death; Asthma detection camps including pediatric asthma were organised pan India which facilitated free screenings by chest physicians; multilingual website 'Right2breathe' to educate patients about Asthma and Allergies; a chatbot named ANYA, designed to provide medically verified information for health-related queries was launched with the aim to answer patient queries related to ailments; HUMRAHI app application demonstrates Insulin administration techniques, which are helpful to diabetic patients as also doctors; a unique mobile app named 'FIGHT TB', a one-stop solution for doctors treating Tuberculosis, was created. With a view to provide affordable medicines to the common man, the Company consistently spends large amounts on Research & Development which, though, is for a social cause, does not qualify as a CSR activity.

Details of CSR activities undertaken by the Company are given in **Annexure 'B'** to this Report. The policy on CSR which has been approved by the Board has been hosted on the Company's website www.lupin.com.

Directors' Responsibility Statement

In compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, your Directors confirm: -

i) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanations relating to material departures;

ii) that they 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 March 31, 2019 and of the profit of your Company for that year;

iii) that they have 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 the Company and for preventing and detecting fraud and other irregularities;

iv) that the annual financial statements have been prepared on a going concern basis;

v) that they had laid down proper internal financial controls and that the same are adequate and were operating effectively; and

vi) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors

Dr. Kamal K. Sharma, Vice Chairman, was appointed as Advisor to the Company, for a period of one-year, effective October 1, 2018. Dr. Sharma had been associated with the Lupin Group for over three decades during which, he has effectively led the senior leadership team and was involved in setting vision of the Company, building strategy and mentoring the management. The role of Dr. Sharma changed from Executive to Non-Executive.

Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director, resigned from the services of the Company effective December 11, 2018. The Board places on record its sincere appreciation of the contribution made by Mr. Swaminathan during his association with the Company.

Dr. Vijay Kelkar, Independent Director, resigned from the directorship of the Company effective March 28, 2019. The Board records its sincere appreciation of the valuable contributions of Dr. Kelkar, who is an eminent economist, technocrat and a renowned public policy thought leader.

Ms. Christine Mundkur, Independent Director, was appointed as an Additional Director effective April 1, 2019. Pursuant to the provisions of Sections 149 and 152 of the Act, Ms. Mundkur holds office up to the date of the forthcoming Annual General Meeting (AGM). Ms. Mundkur has served as Chief Executive Officer and has held senior leadership positions in large multinational pharma companies. She holds a J.D. from the St. Louis University School of Law and a B.S. degree in chemistry from St. Louis University. Notices under Sections 152 and 160(1) of the Act, have been received from certain Members proposing her name for appointment as Director.

Pursuant to the provisions of Section 152 of the Act, Ms. Vinita Gupta, Chief Executive Officer, retires by rotation at the forthcoming AGM and is eligible for re-appointment.

Pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, respectively and that there has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year, four Board meetings were held, on May 15, 2018, August 8, 2018, October 31, 2018 and February 6, 2019, the details of which, are given in the Corporate Governance Report which forms part of this Annual Report.

Board Evaluation

In compliance with the provisions of Section 134(3)(p) of the Act and Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board carried out an annual evaluation of its own performance, that of individual Directors as also Committees of the Board. Performances were evaluated after seeking inputs from all Directors, based on criteria, viz. adequacy and composition of the Board, quality of deliberations, effectiveness of Board procedures, observance of governance and contributions of Directors at Board and Committee meetings. Performance of individual Directors was evaluated taking into consideration various aspects viz. leadership qualities, transparency, qualifications, responsibilities shouldered, analytical abilities, knowledge, participation in long-term strategic planning, inter-personal relationships and attendance at meetings. Performance evaluation of Independent Directors was carried out without the participation of the Director being evaluated.

Audit Committee

The Audit Committee comprises three directors viz. Dr. K. U. Mada, Chairman and Mr. Dileep C. Choksi, both independent directors and Dr. Kamal K. Sharma, Vice Chairman. The functions performed by the Audit Committee, particulars of meetings held and attendance of Members at the said meetings are given in the Corporate Governance Report, which forms part of this Annual Report. All recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Policy

In compliance with Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations, on the recommendations of the Nomination and Remuneration Committee (NRC), the Board formulated Policy relating to the remuneration of Directors, key managerial personnel and other employees. The Policy includes criteria for determining qualifications, positive attributes and independence of directors and other matters. It broadly lays down the philosophy, guiding principles and basis for recommending payment of remuneration to the executive and non-executive Directors (by way of sitting fees and commission). The role of the NRC is disclosed in the Corporate Governance Report, which forms part of the Annual Report. In compliance with proviso to Section 178(4) of the Act, the Nomination and Remuneration Policy has been hosted on the Company's website www.lupin.com (web link: https://www.lupin.com/pdf/corporate-policies/nomination-and-remuneration-policy-II-final.pdf).

Related Party Transactions

All related party transactions entered into by the Company during the year, were in the ordinary course of business and on an arm's length pricing basis. No related party transaction was in conflict with the interests of the Company and that material related party transactions were entered into by the Company only with its subsidiaries. The Audit Committee periodically approves related party transactions. In compliance with Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, disclosure of particulars of contracts/arrangements entered into by the Company with related parties are given in Form No. AOC - 2, as **Annexure 'C'** to this Report. The policy on dealing with related party transactions, as approved by the Board, has been hosted on the Company's website www.lupin.com, web link for which is https://www.lupin.com/pdf/corporate-policies/policy-related-party-transactions.pdf.

Risk Management

The Company has a Risk Management framework in place which defines roles and responsibilities at various levels of the risk management process. Risk management team has a robust mechanism to review the overall risks with specific focus on critical 'risks that matter'. The Risk Management Committee (RMC) has a monitoring mechanism process wherein the overall risks are reviewed through periodic discussions and deliberations with the concerned operational and business teams. It includes focus on mitigation plans to address the overall risk scenario and critical 'risks that matter'. The roles and responsibilities of the RMC have been defined by the Board. Monitoring and reviewing the risk management plan was delegated to the RMC. Particulars of the RMC, its terms of reference, details of meeting held and attendance thereat are given in the Corporate Governance Report, which forms part of this Annual Report.

Particulars of loans/guarantees/investments/securities

In compliance with the provisions of Section 134(3)(g) of the Act, particulars of loans, guarantees, investments and securities given under Section 186 of the Act are given in the notes to the Financial Statements which form part of this Annual Report.

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

In compliance with provisions of Section 134(3)(m) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, are given in **Annexure 'D'** to this Report.

Human Resources

Human resources are invaluable assets of the Company. Surveys jointly conducted by 'Great Places to Work Institute' and 'The Economic Times' reconfirms that the Company continues to be ranked high on pan-industry basis. Robust people practices, best-in-class work environment and learning initiatives were the prime drivers behind the achievements.

The Company has complied with provisions relating to constitution of Internal Complaints Committee as mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Employees Stock Options

Pursuant to Regulation 14(B) of the SEBI (Share Based Employee Benefits) Regulations, 2014, details of stock options as on March 31, 2019, are given in **Annexure 'E'** to this Report.

Vigil Mechanism/Whistleblower Policy

Over the years, your Company has established a reputation for doing business with integrity and has displayed zero tolerance for any form of unethical behaviour. In compliance with Section 177(9) of the Act, Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has in place a robust vigil mechanism for Directors and employees to report concerns, details of which, are covered in the Corporate Governance Report which forms part of this Annual Report. The said mechanism provides adequate safeguards against victimization of persons who use the vigil mechanism and provides direct access to the Chairperson of the Audit Committee. Whistleblower Policy has been hosted on Company's website www.lupin.com. Policies on Code of Conduct and Prevention of Sexual Harassment are on the Company's Intranet.

Particulars of Employees Remuneration

Disclosure pertaining to particulars of remuneration of employees as stipulated by Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 'F'** to this Report. Statement containing particulars of remuneration of employees for the year ended March 31, 2019, required to be furnished in compliance with Rules 5(2) and 5(3) of the said Rules, forms part of the Board Report. The same shall be provided to Members upon written request pursuant to the second proviso of Rule 5. Pursuant to Section 136(2) of the Act, the statement containing particulars of remuneration of employees is available for inspection by Members at the Registered office of the Company during business hours on all working days up to the date of the forthcoming AGM.

Auditors

At the 34th AGM held on Wednesday, August 3, 2016, Members appointed B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as Statutory Auditors of the Company, for a period of five years from the conclusion of the 34th AGM till the conclusion of the 39th AGM, subject to ratification of their appointment by Members at every AGM. Pursuant to the Companies

Amendment Act, 2017, Members are not required to ratify appointment of Statutory Auditors at every AGM.

Pursuant to the provisions of Sections 139(1) and 141 of the Act, the Company has received Certificate from B S R & Co. LLP, certifying that their appointment would be as per the conditions prescribed by the said Sections.

Internal Audit

The Internal Audit Department and Ernst & Young LLP conduct internal audit of India operations. Local Chartered Accountant firms conduct audits of Carrying & Forwarding Agents and Central Warehouses of the Company in India. Internal audit findings are discussed at meetings of the Audit Committee and corrective actions taken.

Cost Audit

As recommended by the Audit Committee, the Board at its meeting held on May 15, 2018, appointed Mr. S. D. Shenoy, practising Cost Accountant (FCMA No. 8318), as Cost Auditor to conduct cost audit for the year ended March 31, 2019, pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014. Mr. Shenoy confirmed that he was free from disqualifications as specified under Section 141 read with Sections 139 and 148 of the Act, held a valid certificate of practice and that his appointment met the requirements of Sections 141(3)(g) and 148 of the Act. Mr. Shenoy also confirmed that he was independent, maintained an arm's length relationship with the Company and that no orders or proceedings were pending against him relating to professional matters of conduct before the Institute of Cost Accountants of India or any competent authority/court.

The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor is required to be ratified by Members. Accordingly, an Ordinary Resolution was passed by the Members approving the remuneration payable to Mr. Shenoy at the 36th AGM held on August 8, 2018.

As stipulated by Section 148(6) of the Act read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, Cost Audit Report, in Form No. CRA-4 (XBRL mode), for the year ended March 31, 2018, under the head 'Drugs and Pharmaceuticals' was filed with the Central Government on October 17, 2018, well within the prescribed time.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Board at its meeting held on May 15, 2018, appointed Ms. Neena Bhatia, Company Secretary in Practice (FCS No. 9492), to undertake Secretarial Audit of the Company for the year ended March 31, 2019. Secretarial Audit Report in prescribed Form No. MR-3 is given in **Annexure 'G'** to this Report. The Company continues to have an unqualified Secretarial Audit Report.

Annual Secretarial Compliance Report

In compliance with Circular No. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, issued by the Securities and Exchange Board of India (SEBI), Ms. Neena Bhatia, Company Secretary in Practice (FCS No. 9492), was appointed for issuing Annual Secretarial Compliance Report for the year ended March 31, 2019. The said Report confirms that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or its material subsidiaries or promoters/directors by the SEBI/Stock Exchanges.

Compliance with Secretarial Standards

The Company continues to comply with Secretarial Standards on Board Meetings (SS-1) and General Meetings (SS-2), issued by the Institute of Company Secretaries of India.

Extract of Annual Return

In compliance with the provisions of Sections 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2019, in Form No. MGT-9, is enclosed as **Annnexure 'H'** to this Report. The same is available on the Company's website www.lupin.com (web link: https://www.lupin.com/investors/extract-of-the-annual-return/).

Acknowledgements

Your Directors convey a sense of high appreciation to all employees of the Company for their commitment, hard work, significant contributions and continued dedication. They acknowledge the whole-hearted support and cooperation received by the Company from various departments of the Central and State governments, financial institutions, banks, distributors, suppliers, business associates, members, analysts, medical professionals and customers.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 15, 2019

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM NO. AOC - 1

[Pursuant to the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

Part 'A' : Subsidiaries

(₹ in million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of share holding
Lupin Pharmaceuticals, Inc., USA	30.06.2003	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	[Refer Note No. 13]	3733.6	51127.9	47394.3	Nil	52691.2	2100.4	237.4	1863.0	Nil	100%
Kyowa Pharmaceutical Industry Co., Limited, Japan	18.10.2007	N.A.	JPY and Exchange Rate INR 62.42 for 100 JPY	33.5	11816.5	32790.2	20940.2	0.2	17842.8	894.4	208.4	686.0	Nil	99.82%
Pharma Dynamics (Proprietary) Limited, South Africa	01.03.2008	N.A.	ZAR and Exchange Rate INR 4.77 for ZAR 1	0.5	4315.6	5144.0	827.9	40.5	5945.0	1565.2	465.8	1099.4	Nil	100%
Hormosan Pharma GmbH, Germany	25.07.2008	N.A.	Euro and Exchange Rate INR 77.67 for 1 Euro	8.1	528.5	1698.2	1161.6	[Refer Note No. 14]	2323.3	147.6	13.2	134.4	Nil	100%
Multicare Pharmaceuticals Philippines, Inc., Philippines	26.03.2009	N.A.	PHP and Exchange Rate INR 1.32 for PHP 1	26.9	887.8	2140.4	1225.7	Nil	2054.5	244.4	65.3	179.1	Nil	51%
Generic Health Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate INR 49.02 for 1 AUD	1344.3	(691.6)	1379.8	727.1	Nil	2373.7	245.4	Nil	245.4	Nil	100%
Kyowa CritiCare Co., Limited, Japan	30.11.2011	N.A.	JPY and Exchange Rate INR 62.42 for 100 JPY	124.3	1807.5	4464.4	2532.6	0.2	3645.5	69.8	(70.9)	140.7	Nil	99.82%
Lupin Holdings B.V., Netherlands	30.03.2007	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	6720.3	10993.8	17821.1	107.0	Nil	Nil	728.8	20.7	708.1	Nil	100%
Lupin Atlantis Holdings SA, Switzerland	05.06.2007	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	115.9	32133.3	39636.8	7387.6	Nil	5597.9	397.1	(0.6)	397.7	Nil	100%
Lupin Healthcare (UK) Limited, UK	05.06.2009	N.A.	GBP and Exchange Rate INR 90.53 for 1 GBP	279.7	(677.6)	1214.7	1612.6	Nil	776.5	(111.9)	Nil	(111.9)	Nil	100%
Lupin Australia Pty Limited, Australia	01.12.2004	N.A.	AU $ and Exchange Rate INR 49.02 for 1 AUD	33.3	(27.5)	6.2	0.4	Nil	Nil	(4.4)	Nil	(4.4)	Nil	100%
Lupin Pharma Canada Limited, Canada	18.06.2009	N.A.	CAD and Exchange Rate INR 51.54 for 1 CAD	155.5	(58.7)	1299.6	1202.8	Nil	1090.8	95.7	14.9	80.8	Nil	100%
Lupin Mexico S.A. de C.V., Mexico	23.08.2010	N.A.	MXN $ and Exchange Rate INR 3.57 for MXN $ 1	52.2	(44.9)	7.3	[Refer Note No. 15]	Nil	Nil	(0.1)	Nil	(0.1)	Nil	100%
Bellwether Pharma Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate INR 49.02 for 1 AUD	264.5	(273.2)	Nil	8.7	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Philippines Inc., Philippines	20.12.2010	N.A.	PHP and Exchange Rate INR 1.32 for PHP 1	59.9	7.4	351.2	283.9	Nil	299.2	41.4	12.5	28.9	Nil	100%
Lupin Healthcare Limited, India	17.03.2011	N.A.	INR	26.2	57.1	83.4	0.1	24.7	Nil	2.0	0.6	1.4	Nil	100%
Generic Health SDN. BHD., Malaysia	18.05.2011	N.A.	RM and Exchange Rate INR 16.94 for RM 1	7.0	(6.2)	1.1	0.3	Nil	Nil	(0.8)	Nil	(0.8)	Nil	100%
Lupin Middle East FZ-LLC, Dubai	13.06.2012	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	32.3	(204.1)	77.6	249.4	Nil	139.0	(146.4)	Nil	(146.4)	Nil	100%
Lupin Inc., USA	27.06.2013	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	[Refer Note No. 16]	6633.2	50969.5	44336.4	Nil	5040.4	(11208.7)	80.8	(11289.5)	Nil	100%

(₹ in million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of share holding
Lupin GmbH, Switzerland	15.08.2013	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	1.3	159.7	335.3	174.3	Nil	Nil	32.7	9.7	23.0	Nil	100%
Nanomi B.V., Netherlands	30.01.2014	N.A.	Euro and Exchange Rate INR 77.67 for 1 Euro	1.6	(3730.0)	560.6	4289.0	Nil	Nil	(1157.8)	Nil	(1157.8)	Nil	100%
Laboratorios Grin, S.A. de C.V., Mexico	01.10.2014	N.A.	MXN $ and Exchange Rate INR 3.58 for MXN $ 1	854.2	840.4	3404.6	1710.0	Nil	2430.8	221.6	93.3	128.3	Nil	100%
Medquimica Industria Farmaceutica LTDA, Brazil	24.06.2015	N.A.	BRL and Exchange Rate INR 17.70 for BRL 1	4401.3	(2684.2)	5500.1	3783.0	Nil	2668.0	(1254.4)	(32.9)	(1221.5)	Nil	100%
Gavis Pharmaceuticals, LLC., USA (up to March 26, 2019)	08.03.2016	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	92.2	Nil	92.2	Nil	100%
Novel Laboratories, Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	[Refer Note No. 17]	6008.8	9906.1	3897.3	Nil	7175.9	347.5	40.7	306.8	Nil	100%
Lupin Research Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	[Refer Note No. 18]	1015.9	1938.6	922.7	Nil	2,051.1	50.2	(28.9)	79.1	Nil	100%
Lupin Pharma LLC, Russia	11.02.2016	N.A.	RUB and Exchange Rate INR 1.06 for RUB 1	0.1	(0.1)	[Refer Note No. 19]	Nil	Nil	2.3	21.8	Nil	21.8	Nil	100%
Lupin Ukraine LLC, Ukraine (up to February 7, 2019)	06.07.2016	N.A.	UAH and Exchange Rate INR 2.64 for 1 UAH	Nil	Nil	Nil	Nil	Nil	Nil	0.2	Nil	0.2	Nil	100%
Lupin Latam, Inc., USA	15.12.2016	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	[Refer Note No. 20]	12.9	93.7	80.8	Nil	Nil	2.3	3.7	(1.4)	Nil	100%
Lupin Japan & Asia Pacific K.K., Japan	13.03.2017	N.A.	JPY and Exchange Rate INR 62.42 for 100 JPY	3.0	(7.3)	177.7	182.0	Nil	Nil	17.7	11.8	5.9	Nil	100%
Lupin IP Ventures Inc., USA	10.10.2017	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Symbiomix Therapeutics LLC, USA	10.10.2017	N.A.	US $ and Exchange Rate INR 69.16 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Europe GmbH, Germany	05.02.2018	N.A.	Euro and Exchange Rate INR 77.67 for 1 Euro	2.0	(0.1)	24.5	22.6	Nil	Nil	(0.1)	Nil	(0.1)	Nil	100%

Notes:

1) The shares in Lupin Pharmaceuticals, Inc.,USA are held by Lupin Inc., USA (97%) and Lupin Limited (3%).
2) The entire shareholdings of Pharma Dynamics Pty Limited, South Africa, Hormosan Pharma GmbH, Germany, Generic Health Pty Limited, Australia, Lupin Mexico S.A. de C.V., Mexico, Lupin Philippines Inc., Philippines and Generic Health SDN. BHD., Malaysia, are held by Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company.
3) The entire shareholdings of Lupin Healthcare (UK) Limited, UK, Lupin Pharma Canada Limited, Canada, Lupin Middle East FZ-LLC, Dubai, Lupin GmbH, Switzerland, Lupin Inc., USA, Nanomi B.V., Netherlands, Laboratorios Grin S.A. de C.V., Mexico, Lupin Latam, Inc., USA, Lupin Japan & Asia Pacific K.K., Japan, Lupin Europe GmbH, Germany and Lupin Pharma LLC, Russia, are held by Lupin Atlantis Holdings SA, Switzerland, wholly-owned subsidiary of the Company.
4) Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company holds 99.82% shares of Kyowa Pharmaceutical Industries Co., Limited, Japan and 51% shares of Multicare Pharmaceutical Philippines Inc., Philippines.
5) The entire shareholding of Kyowa Criticare Co., Limited, Japan is held by Kyowa Pharmaceutical Industries Co., Limited, Japan, subsidiary of the Company.
6) The entire shareholding of Bellwether Pharma Pty Limited, Australia is held by Generic Health Pty Limited, Australia, wholly-owned subsidiary of the Company.
7) Lupin Atlantis Holdings SA, Switzerland held 99.9% and Lupin Holdings B. V., Netherlands held 0.1% ownership interest in Lupin Ukraine LLC, Ukraine.
8) Lupin Atlantis Holdings SA, Switzerland holds 95.44% and Lupin Holdings B. V., Netherlands holds 4.56% ownership interest in Medquimica Industria Farmaceutica LTDA, Brazil.
9) The entire shareholdings of Novel Laboratories, Inc., USA, Lupin Research Inc., USA and Lupin IP Ventures Inc., USA are held by Lupin Inc., USA, wholly-owned subsidiary of the Company.
10) The entire shareholding of Gavis Pharmaceuticals, LLC, USA was held by Lupin Inc., USA, wholly-owned subsidiary of the Company.
11) The entire shareholding of Symbiomix Therapeutics LLC, USA is held by Lupin IP Ventures Inc., USA, wholly-owned subsidiary of the Company.
12) Lupin Mexico S.A. de C.V., Mexico, Lupin Healthcare Limited, India, Generic Health SDN. BHD., Malaysia, Lupin Europe GmbH, UK, Lupin IP Ventures Inc., USA and Sybiomix Therapeutics LLC, USA, have not yet commenced commercial operations.
13) Lupin Pharmaceuticals, Inc., USA has Share Capital of USD 1 i.e ₹ 62/-.

14) Investments (other than in subsidiaries) in Hormosan Pharma GmbH, Germany are ₹ 38,837/-.
15) Total Liabilities in Lupin Mexico S.A. de C.V. Mexico is ₹ 41,482/-.
16) Lupin Inc., USA has Share Capital of USD 1 i.e. ₹ 62/-.
17) Novel Laboratories, Inc., USA has Share Capital of USD 1 i.e. ₹ 67/-.
18) Lupin Research Inc., USA has Share Capital of USD 1 i.e. ₹ 67/-
19) Total Assets in Lupin Pharma LLC, Russia were ₹ 7276/-.
20) Lupin Latam, Inc., USA has Share Capital of USD 1 i.e. ₹ 68/-.
21) Application for dissolution of Lupin Pharma LLC, Russia was filed on March 18, 2019 and the same stood dissolved on April 9, 2019.
22) Figures in brackets denote negative amounts.

For and on behalf of the Board of Directors

Manju D. Gupta	**Nilesh Deshbandhu Gupta**	**R. V. Satam**
Chairperson	***Managing Director***	***Company Secretary***
(DIN: 00209461)	(DIN: 01734642)	(ACS 11973)

Mumbai, May 15, 2019

Part 'B' Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Jointly Controlled Entity

(₹ in million)

Name of the Jointly Controlled Entity	YL Biologics Limited, Japan
1) Latest Audited Balance Sheet Date	March 31, 2019
2) Date on which Jointly Controlled Entity was acquired	April 23, 2014
3) Shares of the Jointly Controlled Entity held by the Company on the year end *(Refer note below)	
Number	450 Common Shares of JPY Nil
Amount of investment in the Jointly Controlled Entity	251.8
Extent of Holding %	45%
4) Description of how there is significant influence	N.A.
5) Reason why the Jointly Controlled Entity is not consolidated	N.A.
6) Networth attributable to Shareholding as per latest audited Balance Sheet	251.8
7) Profit/Loss for the year	
(i) Considered in Consolidation (after inter company adjustment)	37.5
(ii) Not Considered in Consolidation	45.9

* **Note:** Shares are held by Lupin Atlantis Holdings SA, Switzerland, wholly-owned subsidiary of the Company.

For and on behalf of the Board of Directors

Manju D. Gupta	**Nilesh Deshbandhu Gupta**	**R. V. Satam**
Chairperson	***Managing Director***	***Company Secretary***
(DIN: 00209461)	(DIN: 01734642)	(ACS 11973)

Mumbai, May 15, 2019

ANNEXURE 'B' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014.

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.

The CSR Policy aims at:

- Building and replicating sustainable, evolving and dynamic models of social, economic, infrastructure and natural resource development at macro, micro and mini scales in partnership with government bodies and other stakeholders at national, regional, district, block and village level.
- Providing services and solutions to address social issues with highest social priority for the poor, marginalized and under-privileged in line with the business philosophy of providing affordable medicines for most prevalent diseases.
- Planning and executing programmes that would benefit the communities in and around Company's work-sites, factory and plant locations and adopted-areas with low Human Development Indices - scores in order to enhance the quality of life of the community in general and the poor in particular.
- Building, nurturing and reinforcing identity of the Company as a socially and ethically responsible corporate entity through its CSR initiatives for the benefit of diverse stakeholders in the society.
- Carrying out activities that would create increased happiness and empowerment of the stakeholders.
- Acting as a catalyst, integrating diverse resources through direct intervention and social investment, to address the immediate needs of the poor as also long-term development concerns.
- Responding to natural and anthropogenic disasters, calamities and provide relief, reconstruction and rehabilitation support.
- Setting up deeper sustainable institutional projects for long-term welfare of the nation.

Weblink: https://www.lupin.com/pdf/corporate-policies/corporate-social-responsibility-policy.pdf

2. Composition of the CSR Committee:

i) Mrs. Manju D. Gupta - Chairperson
ii) Dr. Kamal K. Sharma
iii) Ms. Vinita Gupta
iv) Mr. Nilesh Deshbandhu Gupta
v) Dr. Vijay Kelkar (up to March 28, 2019)
vi) Mr. Dileep C. Choksi (w.e.f. March 30, 2019)

3. Average net profit of the Company for last three financial years:

The average net profit of the Company for the last three financial years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 was ₹ 32833.3 mn.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹ 656.7 mn.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year:

₹ 656.7 mn.

(b) Amount unspent, if any:

₹ 277.2 mn.

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in million)

1.	2.	3.	4.	5.	6.	7.	8.
Sl. No.	**CSR project/activity identified**	**Sector in which the Project is covered**	**Projects/Programs (1) Local area or other (2) Specify the State and District where projects/ programs were undertaken**	**Amount outlay (budget) project/ program-wise**	**Amount spent on the projects/ programs Sub-heads: (1) Direct Expenditure on projects/ programs (2) Overheads**	**Cumulative expenditure up to the reporting period (From F.Y. 2014-15)**	**Amount spent: Direct/through implementing agency***
1.	Rural Support Programme	Social and Economic Development	Alwar, Bharatpur (Rajasthan), Dhule, Nandurbar, Sindhudurg (Maharashtra), Rishikesh (Uttarakhand)	170.0	141.5	527.2	LHWRF*/ MSGDJSN**
2.	Learn and Earn Programme	Social and Economic Development	Dabhasa (Gujarat), Tarapur (Maharashtra), Goa, Sikkim,	7.0	16.5	57.7	LHWRF
3.	Rural Support Programme	Social and Economic Development	Plant Locations: Ankleshwar, Dabhasa (Gujarat), Aurangabad, Nagpur, Tarapur (Maharashtra), Pithampur, Mandideep (Madhya Pradesh), Visakhapatnam (Andhra Pradesh), Goa, Jammu and Sikkim.	80.0	65.1	230.5	LHWRF
4.	Tuberculosis Eradication	Health	Mumbai	20.0	6.2	53.7	LHWRF
5.	Patient Awareness Camps	Health	National Level	20.0	19.0	68.0	Direct
6.	Donations for CSR	-	National Level	10.0	113.1	133.3	Direct
7.	Salary and Administrative Expenses	-	National Level	15.3	18.1	53.6	Direct
			Total:	**322.3**	**379.5**	**1124.0**	

*** LHWRF: Lupin Human Welfare & Research Foundation**
**** MSGDJSN: Mata Shree Gomati Devi Jan Seva Nidhi**

6. There is substantial increase in the CSR spend of the Company during the current year. Total spend has increased to ₹ 379.5 million as against ₹ 216.8 million in the previous year. Our aim is to continuously increase the amount. The Company is looking for new areas/activities, particularly deeper sustainable projects to accelerate the spend.

7. The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Nilesh Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 15, 2019

ANNEXURE 'C' TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. All contracts/arrangements/transactions entered into by the Company with related parties during the year ended March 31, 2019 were at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis: -

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in million)	Date(s) of approval by the Audit Committee/ Board	Amount paid as advances
1.	Lupin Pharmaceuticals, Inc., USA, (wholly-owned subsidiary)	Sale of Goods	Continuous	Based on Transfer Pricing Guidelines. ₹ 38377.2	May 15, 2018, August 8, 2018, October 31, 2018, February 5, 2019 and February 6, 2019.	Nil
2.	Lupin Atlantis Holdings SA, Switzerland (wholly-owned subsidiary)	Sale of Goods	Continuous	Based on Transfer Pricing Guidelines. ₹ 1213.7	May 15, 2018, August 8, 2018, October 31, 2018, February 5, 2019 and February 6, 2019.	Nil
3.	Lupin Atlantis Holdings SA, Switzerland (wholly-owned subsidiary)	R&D Services rendered	Continuous	Based on Transfer Pricing Guidelines. ₹ 825.8	May 15, 2018, August 8, 2018, October 31, 2018, February 5, 2019 and February 6, 2019.	Nil
4.	Lupin Research Inc., USA (wholly-owned subsidiary)	R&D Services received	Continuous	Based on Transfer Pricing Guidelines. ₹ 1118.1	May 15, 2018, August 8, 2018, October 31, 2018, February 5, 2019 and February 6, 2019.	Nil
5.	Dr. Kamal K. Sharma, Vice Chairman	Advisory Fees (office or place of profit) as approved by Members	October 1, 2018 - September 30, 2019	In terms of Advisory Agreement ₹ 21.5	September 10, 2018, September 12, 2018, February 5, 2019 and February 6, 2019.	Nil

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 15, 2019

ANNEXURE 'D' TO
THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

(A) Conservation of energy:

(i) steps taken or impact on conservation of energy;

a) Installed solar power panels.
b) Replaced conventional mercury vapor lights with LED ones.
c) Installed condensate recovery system.
d) Optimised cooling water pumping power.
e) Replaced oil lubricating pumps with dry vacuum ones.
f) Installed automatic tube brushing system for chillers.
g) Used spent effluent stream in place of fresh caustic flakes for cleaning ATFDs.
h) Replaced shell and tube condensers with finned type ones.
i) Installed centrifugal chillers with inbuilt oil cooler.
j) Installed digital IP/OP ISM ozone sensor.
k) Developed auto tube cleaning machine.
l) Installed emulsification unit.
m) Installed IP Phones.

(ii) steps taken for utilising alternate sources of energy;

a) Waste heat recovery from process air compressor.
b) Upgraded existing boilers.
c) Installed plate heat exchangers for hot water generation.
d) Installed diesel generators with synchronization.
e) Installed heat pumps.

(iii) capital investment on energy conservation equipments;

a) Nagpur - ₹ 212.5 million.
b) Mandideep - ₹ 84.36 million.
c) Ankleshwar - ₹ 1.95 million.
d) Sikkim - ₹ 0.55 million.
e) Aurangabad - ₹ 0.42 million.
f) Goa - ₹ 0.28 million.
g) Pithampur - ₹ 0.26 million.

(B) Technology absorption:

(i) efforts made towards technology absorption;

Particulars are given in the Management Discussion and Analysis which forms part of this Annual Report.

(ii) benefits derived like product improvement, cost reduction, product development or import substitution;

Particulars are given in the Management Discussion and Analysis which forms part of this Annual Report.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year);

(a) details of technology imported;

During FY 2018-19, no specific technology was imported. The Company developed technology through efforts of its in-house Research & Development.

(b) year of import;

N.A.

(c) whether the technology been fully absorbed;

N.A.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons, therefore.

N.A.

(iv) expenditure incurred on Research & Development (Consolidated):

a.	Capital	₹ 1614.1 million
b.	Recurring (excluding depreciation of ₹ 1516.5 million)	₹ 14214.3 million
	Total:	**₹ 15828.4 million**

(C) Foreign exchange earnings and outgo:

Foreign exchange earned in terms of actual inflows and foreign exchange outgo in terms of actual outflows during the year: -

Foreign Exchange earned in terms of actual inflows	₹ 59413.6 million
Foreign Exchange outgo in terms of actual outflows	₹ 22282.0 million

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 15, 2019

ANNEXURE 'E' TO
THE DIRECTORS' REPORT

Disclosure envisaged in terms of Regulation 14(B) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the details of diluted EPS on issue of shares pursuant to all the schemes as on March 31, 2019, were as under: -

DESCRIPTION	DETAILS
Diluted earnings per share (EPS) (Consolidated) on issue of shares pursuant to all the schemes covered under the Regulations, calculated in accordance with Accounting Standard IND(AS) 33 'Earnings per share'.	Diluted earnings per share (consolidated) as on 31.03.2019: ₹ 13.36 No. of Options outstanding as on 31.03.2019: 4682578

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2019

The disclosure envisaged in terms of Regulation 14(C) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the particulars of Employee Stock Option Scheme (ESOS) as on March 31, 2019, were as under:-

(i) A description of each Employee Stock Option Scheme (ESOS) existed during 01.04.2018 and 31.03.2019:

Sl. No.	Name of the Plan	Date of shareholders' approval	Total no. of options approved	Vesting Requirements	Exercise price or pricing formula	Maximum term of options granted	Source of shares	Variation In terms of options
1.	Lupin Employees Stock Option Plan 2003 (ESOP 2003)	05.12.2003	3957310	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
2.	Lupin Employees Stock Option Plan 2005 (ESOP 2005)	28.07.2005	3211290	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
3.	Lupin Employees Stock Option Plan 2011 (ESOP 2011)	10.05.2011	3600000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
4.	Lupin Employees Stock Option Plan 2014 (ESOP 2014)	21.10.2014	3375000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
5.	Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005)	28.07.2005	802820	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
6.	Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011)	10.05.2011	900000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant (Note2)	Primary	No Variation
7.	Lupin Subsidiary Companies Employees Stock Option Plan 2014 (SESOP 2014)	21.10.2014	1125000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant (Note2)	Primary	No Variation

Note 1: One option is convertible into one equity share of the face value of ₹ 2/- each.

Note 2: Effective 28.11.2018, the maximum term of options to US employees is of 60 days from the date of each vesting under SESOP 2011 and SESOP 2014.

No.	Description	Details
(ii)	**Method used to account for ESOS**	Fair Value method
(iii)	**Where the Company opts for expensing of the options using the intrinsic value of the 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.**	Not applicable

(iv) Option movement during the year (for each ESOS):

No.	Particulars	Details	
1.	Number of options outstanding at the beginning of the period	**Plan**	**No. of options**
		ESOP 2003	133603
		ESOP 2005	51770
		ESOP 2011	1341191
		ESOP 2014	1339375
		SESOP 2005	110804
		SESOP 2011	636430
		SESOP 2014	950937
		Total	**4564110**
2.	Number of options granted during the year	**Plan**	**No. of options**
		ESOP 2011	108318
		SESOP 2011	104439
		ESOP 2014	444148
		SESOP 2014	219251
		Total	**876156**
3.	Number of options forfieted/lapsed during the year	Lapsed on account of resignation of employees:	
		Plan	**No. of options**
		ESOP 2003	2253
		ESOP 2005	975
		ESOP 2011	71665
		ESOP 2014	87626
		SESOP 2011	93401
		SESOP 2014	90921
		Total	**346841**
4.	Number of options vested during the year	**Plan**	**No. of options**
		ESOP 2003	31875
		ESOP 2005	5640
		ESOP 2011	161147
		ESOP 2014	426028
		SESOP 2011	101334
		SESOP 2014	226918
		Total	**952942**
5.	Number of options exercised during the year	**Plan**	**No. of options**
		ESOP 2003	4500
		ESOP 2005	15000
		ESOP 2011	60775
		ESOP 2014	318733
		SESOP 2005	10236
		SESOP 2011	1603
		Total	**410847**
6.	Number of shares arising as a result of exercise of options	**Plan**	**No. of shares**
		ESOP 2003	4500
		ESOP 2005	15000
		ESOP 2011	60775
		ESOP 2014	318733
		SESOP 2005	10236
		SESOP 2011	1603
		Total	**410847**
7.	Money realised by exercise of options (₹), if scheme is implemented directly by the company	**Plan**	**Amount (₹)**
		ESOP 2003	1137660.00
		ESOP 2005	1719600.00
		ESOP 2011	30360941.85
		ESOP 2014	637466.00
		SESOP 2005	2229707.88
		SESOP 2011	952021.70
		Total	**37037397.43**

No.	Particulars	Details	
8.	Loan repaid by the Trust during the year from exercise price received	Not Applicable	
9.	Number of options outstanding at the end of the year	**Plan**	**No. of options**
		ESOP 2003	126850
		ESOP 2005	35795
		ESOP 2011	1317069
		ESOP 2014	1377164
		SESOP 2005	100568
		SESOP 2011	645865
		SESOP 2014	1079267
		Total	**4682578**
10.	Number of options exercisable at the end of the year	**Plan**	**No. of options**
		ESOP 2003	126850
		ESOP 2005	35795
		ESOP 2011	1216441
		ESOP 2014	249057
		SESOP 2005	100568
		SESOP 2011	487225
		SESOP 2014	531600
		Total	**2747536**

(v) Weighted average exercise prices and weighted average fair values of options

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:	N.A.
		b. Exercise price is greater than market price:	N.A.
		c. Exercise price is less than the market price:	₹ 2.00
	(ii)	Weighted average fair value of options granted during the year whose: -	
		a. Exercise price equals market price:	N.A.
		b. Exercise price is greater than market price:	N.A.
		c. Exercise price is less than the market price:	₹ 828.07

(vi) Employee-wise details of options granted to

a.	Senior Managerial Personnel (Chairman, Vice Chairman, CEO and Managing Director)	Nil
b.	Employees to whom options granted amounting to 5% or more, of the total options granted during the year.	i) Mr. Alok Sonig was granted 36000 options under SESOP 2014. The exercise price of the options is ₹ 2.00. ii) Mr. Thierry Volle was granted 7350 options under SESOP 2011. The exercise price of the options is ₹ 2.00. iii) Dr. Fabrice Egros was granted 7350 options under SESOP 2011. The exercise price of the options is ₹ 2.00.
c.	Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year.	Nil

(vii) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following information:

- Fair value calculated by using Black-Scholes option pricing model.
- Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- Exercise Price: Exercise Price is the face value of share or such other price as determined by the Remuneration and Compensation Committee.
- Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.
- Expected Option Life: 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 dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.
- 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.

Variables	Weighted Average Information								
	1	2	3	4	5	6	7	8	9
Plan	**ESOP 2014**	**ESOP 2014**	**SESOP 2014**	**ESOP 2011**	**SESOP 2011**	**ESOP 2011**	**ESOP 2011**	**ESOP 2014**	**ESOP 2011**
Grant date	02.04.18	30.04.18	30.04.18	23.08.18	23.08.18	03.09.18	26.09.18	26.09.18	28.11.18
Risk free rate (%)	7.01	7.50	7.50	7.73	7.73	7.81	7.96	7.96	7.38
Expected life (years)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Volatility (%)	28.90	46.61	46.61	29.02	29.02	28.93	29.12	29.12	29.17
Dividend yield (%)	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Stock price (NSE closing rate) ₹	777.10	811.55	811.55	903.30	903.30	936.10	891.75	891.75	866.60
Option Fair Value ₹	**764.58**	**796.22**	**796.22**	**886.43**	**886.43**	**918.67**	**875.08**	**875.08**	**856.48**

Variables	Weighted Average Information							
	10	11	12	13	14	15	16	17
Plan	**SESOP 2011**	**SESOP 2011**	**ESOP 2014**	**SESOP 2014**	**SESOP 2011**	**SESOP 2011**	**ESOP 2014**	**SESOP 2011**
Grant date	28.11.18	28.11.18	02.01.19	02.01.19	02.01.19	02.01.19	26.02.19	26.02.19
Risk free rate (%)	7.25	7.38	7.00	7.03	7.03	7.00	6.99	6.99
Expected life (years)	2.67	3.50	3.50	2.67	2.67	3.50	3.50	3.50
Volatility (%)	29.93	29.17	29.29	29.48	29.48	29.29	29.12	29.12
Dividend yield (%)	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Stock price (NSE closing rate) ₹	866.60	866.60	832.80	832.80	832.80	832.80	776.10	776.10
Option Fair Value ₹	**853.70**	**856.48**	**817.08**	**820.33**	**820.33**	**817.08**	**762.92**	**762.92**

DETAILS OF STOCK APPRECIATION RIGHTS AS ON MARCH 31, 2019

The disclosure envisaged in terms of Regulation 14(E) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: -

(i) A description of each SAR Scheme existed during 01.04.2018 and 31.03.2019: No Scheme existed.

DETAILS RELATED TO TRUST AS ON MARCH 31, 2019

The disclosure envisaged in terms of Regulation 14(G) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: -

(i) General information of all schemes: No Scheme Existed.
(ii) Brief details of transactions in shares by the Trust: Not Applicable.
(iii) In case of secondary acquisition of shares by the Trust: Not Applicable

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 15, 2019

ANNEXURE 'F' TO
THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Sl. No.	Name of the Director/Key Managerial Personnel and Designation	Remuneration of Director/Key Managerial Personnel for the year ended March 31, 2019 (₹ in million)	% increase in the remuneration in the year ended March 31, 2019	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mrs. Manju D. Gupta, *Chairperson*	3.60	No increase	8
2.	Dr. Kamal K. Sharma, *Vice Chairman* (Executive up to September 28, 2018 and Advisor effective October 1, 2018)	175.91	-do-	407
3.	Mr. Nilesh Deshbandhu Gupta, *Managing Director*	18.12	-do-	42
4.	Mr. Ramesh Swaminathan, *Chief Financial Officer & Executive Director* (up to December 11, 2018)	68.32	-do-	158
5.	Dr. Vijay Kelkar, *Independent Director* (up to March 28, 2019)	3.64	-do-	8
6.	Mr. R. A. Shah, *Independent Director*	3.68	-do-	9
7.	Dr. K. U. Mada, *Independent Director*	3.37	-do-	8
8.	Mr. Dileep C. Choksi, *Independent Director*	3.20	-do-	7
9.	Mr. Richard Zahn, *Independent Director*	7.08	5.4%	16
10.	Mr. Jean-Luc Belingard *Independent Director*	7.02	5.7%	16
11.	Mr. R. V. Satam, *Company Secretary*	8.56	8.5%	N.A.

i) The median remuneration of employees of the Company during the year ended March 31, 2019 was ₹ 0.43 million.

ii) During the year ended March 31, 2019, there was an increase of 7.06% in the median remuneration of employees.

iii) During the year ended March 31, 2019, there was an average 7.55% increase in the salaries of employees other than key managerial personnel.

iv) As on March 31, 2019, the Company had 17684 permanent employees.

v) We affirm that the remuneration paid is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 15, 2019

ANNEXURE 'G' TO
THE DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2019

[Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015]

To,
The Members,
Lupin Limited

I have conducted Secretarial Audit of the compliance with applicable statutory provisions and adherence to good corporate practices by Lupin Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company as also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: -

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the year ended March 31, 2019 according to the provisions of: -

1. The Companies Act, 2013, amendments thereto and Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
3. The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder to the extent of Foreign Direct Investment, as amended from time to time;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time;
   b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time; and
   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

I have also examined compliance with the applicable clauses of the following: -

- **(i)** Secretarial Standards issued by The Institute of Company Secretaries of India; and
- **(ii)** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

To the best of my understanding, I am of the view that during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company: -

- **a.** Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945, as amended from time to time;
- **b.** Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, as amended from time to time; and
- **c.** Drugs (Price Control) Order, 2013, as amended from time to time.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Companies Act, 2013, amendments thereto and Rules made thereunder. *The Chief Financial Officer of the Company resigned effective December 11, 2018 and the Company is in the process of identifying a suitable candidate for the said position.*

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in case of agenda having price-sensitive information and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

I further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with my letter of even date which is enclosed as **Annexure 'G'-1** and forms integral part of this Report.

Ms. Neena Bhatia
(Company Secretary)
FCS No: 9492
CP. No.: 2661

Place: Mumbai
Date: May 15, 2019

ANNEXURE ‘G’-1

(TO THE SECRETARIAL AUDIT REPORT OF LUPIN LIMITED FOR YEAR ENDED MARCH 31, 2019)

To,
The Members,
Lupin Limited

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Ms. Neena Bhatia
(Company Secretary)
FCS No: 9492
CP. No.: 2661

Place: Mumbai
Date: May 15, 2019

**ANNEXURE 'H' TO
THE DIRECTORS' REPORT**

FORM NO. MGT - 9.
EXTRACT OF ANNUAL RETURN
as on the year ended March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	Corporate Identity Number (CIN)	:	L24100MH1983PLC029442
(ii)	Registration Date	:	March 1, 1983
(iii)	Name of the Company	:	LUPIN LIMITED
(iv)	Category/Sub-Category of the Company	:	Company having Share Capital
(v)	Address of the Registered office and contact details	:	Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055, India. Tel. No. + 91 22 6640 2323
(vi)	Whether listed Company	:	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	:	Link Intime India Pvt. Ltd. (Share Transfer Agent) Unit: Lupin Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083. Tel: +91 22 4918 6000 Toll Free No.: 1800 1020 878 E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Pharmaceuticals	210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Lupin Pharmaceuticals, Inc., Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, USA.	N.A.	Subsidiary	100%	2(87)
2.	Kyowa Pharmaceutical Industry Co., Ltd., Nakanoshima Festival Tower West 27F, 3-2-4 Nakanoshima, Kita-ku, Osaka 530-0005, Japan	N.A.	Subsidiary	99.82%	2(87)
3.	Pharma Dynamics (Proprietary) Ltd., 1st Floor, Grapevine House, Steenberg Office Park, Silverwood Close, Westlake, Cape Town, 7945, P.O. Box 30958, South Africa.	N.A.	Subsidiary	100%	2(87)
4.	Hormosan Pharma GmbH, Hanauer Landstraße 139-143 60314 Frankfurt am Main Germany	N.A.	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5.	Multicare Pharmaceuticals Philippines, Inc., 26th Floor, Rufino Tower, Ayala Avenue, Makati City, Philippines.	N.A.	Subsidiary	51%	2(87)
6.	Generic Health Pty Ltd., Level 2, Suite 2, 19-23 Prospect St, Box Hill, Victoria 3128, Australia.	N.A.	Subsidiary	100%	2(87)
7.	Kyowa CritiCare Co., Ltd., 4-18-29, Asahicho, Atsugi-City, Kanagawa 243-0014, Japan.	N.A.	Subsidiary	99.82%	2(87)
8.	Lupin Holdings B.V., Naritaweg 165, Telestone 8, 1043 BW Amsterdam. Netherlands.	N.A.	Subsidiary	100%	2(87)
9.	Lupin Atlantis Holdings SA, Landis + Gyr-Strasse 1, 6300 Zug, Switzerland.	N.A.	Subsidiary	100%	2(87)
10.	Lupin Healthcare (UK) Limited, The Urban Building, Floor 2, 3-9 Albert Street, Slough, Berkshire, SL1 2BE, UK.	N.A.	Subsidiary	100%	2(87)
11.	Lupin Australia Pty Ltd., Level 2, Suite 2, 19-23 Prospect St, Box Hill, Victoria 3128, Australia.	N.A.	Subsidiary	100%	2(87)
12.	Lupin Pharma Canada Ltd., 15 Wertheim Crt, Suite 707 Richmond Hill, Ontario L4B 3H7.	N.A.	Subsidiary	100%	2(87)
13.	Lupin Mexico S.A. de C.V., Gabriel Mancera 1761, Colonia De Valle, Ciudad de Mexico, c.p. 03100.	N.A.	Subsidiary	100%	2(87)
14.	Bellwether Pharma Pty Ltd., Level 2, Suite 2, 19-23 Prospect St, Box Hill, Victoria 3128, Australia.	N.A.	Subsidiary	100%	2(87)
15.	Lupin Philippines, Inc., 1135 Chino Roces Avenue, Makati City, 1231, Philippines.	N.A.	Subsidiary	100%	2(87)
16.	Lupin Healthcare Ltd., Kalpataru Inspire, 3rd Floor Off Western Express Highway, Santacruz (East), Mumbai - 400 055.	U24100MH2011PLC214885	Subsidiary	100%	2(87)
17.	Generic Health SDN. BHD., Upper Penthouse, Wisma RKT, No.2, Jalan Raja Abdulla, Off Jalan Sultan Ismail, 50300 Kuala Lumpur, Malaysia.	N.A.	Subsidiary	100%	2(87)
18.	Lupin Middle East FZ-LLC, Executive Office No. 9, Floor No. 1, Block No. 03, Dubai International Academic City, P.O. Box - 345029, Dubai, U.A.E.	N.A.	Subsidiary	100%	2(87)
19.	Lupin Inc., HarborPlace Tower, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A.	Subsidiary	100%	2(87)
20.	Lupin GmbH, Landis + Gyr-Strasse 1, 6300 Zug, Switzerland.	N.A.	Subsidiary	100%	2(87)
21.	Nanomi B.V., Zutphenstraat 51, 7575 EJ OLDEN ZAAL, Netherlands.	N.A.	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
22.	Laboratorios Grin, S.A. de C.V., Rodriguez Saro#630, Col Del Valle, Ciudad de Mexico, CP 03100, RFC LGR8309144M3.	N.A.	Subsidiary	100%	2(87)
23.	Medquimica Industria Farmaceutica LTDA, Rua Fernando Lamarca, 255 - Distrito Industrial, Juiz de Fora, Minas Gerais, Brazil 36092-030.	N.A.	Subsidiary	100%	2(87)
24.	Gavis Pharmaceuticals, LLC, 400 Campus Drive, Somerset, New Jersey-00873-1145, USA. (up to March 26, 2019)	N.A.	Subsidiary	100%	2(87)
25.	Novel Laboratories, Inc., 400 Campus Drive, Somerset, New Jersey-00873-1145, USA.	N.A.	Subsidiary	100%	2(87)
26.	Lupin Research Inc., HarborPlace Tower, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A.	Subsidiary	100%	2(87)
27.	Lupin Pharma LLC, Russia Russian Federation, 1 17246, Moscow, Nauchny proezd 17, Premises XXXIV, Rooms 1 - 14.	N.A.	Subsidiary	100%	2(87)
28.	Lupin Ukraine LLC, 02121, Kuiv Kharkov Highway 201 - 203, 2" A" Ukraine. (up to February 7, 2019)	N.A.	Subsidiary	100%	2(87)
29.	Lupin Latam, Inc., 5801, Pelican Bay Boulevard - suite 500 Naples, Florida 34108, USA.	N.A.	Subsidiary	100%	2(87)
30.	Lupin Japan & Asia Pacific KK Toranoman Hills, Mori Tower, 1-23-3, Toranoman, Minato-ku, Tokyo 105-630, Japan.	N.A.	Subsidiary	100%	2(87)
31.	Lupin IP Ventures Inc. 5801 Pelican Bay Blvd, Suite 500 Naples, FL 34108, USA.	N.A.	Subsidiary	100%	2(87)
32.	Symbiomix Therapeutics, LLC, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A.	Subsidiary	100%	2(87)
33.	Lupin Europe GmbH, LLC, Hanauer Landstraße 139-143 60314 Frankfurt am Main, Germany	N.A.	Subsidiary	100%	2(87)

Note: All companies except Lupin Healthcare Ltd. (Sl. No. 16) are incorporated outside India, hence CIN/GLN are not applicable.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Shareholding:

Category of Shareholders		No. of Shares held at the beginning of the year i.e. as on 01.04.2018				No. of Shares held at the end of the year i.e. as on 31.03.2019				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individuals / HUF	5635201	0	5635201	1.25	5650113	0	5650113	1.25	0.00
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	205608135	0	205608135	45.48	205609135	0	205609135	45.44	-0.04
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1):	**211243336**	**0**	**211243336**	**46.73**	**211259248**	**0.00**	**211259248**	**46.69**	**-0.04**
(2)	**Foreign**									
(a)	NRIs - Individuals	1286394	0	1286394	0.28	1286394	0	1286394	0.28	0.00
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2):	**1286394**	**0**	**1286394**	**0.28**	**1286394**	**0**	**1286394**	**0.28**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**212529730**	**0**	**212529730**	**47.01**	**212545642**	**0**	**212545642**	**46.97**	**-0.04**
(B)	**Public shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	28725143	30200	28755343	6.36	28990464	30200	29020664	6.41	0.05
(b)	Banks / FI	1749641	3900	1753541	0.39	1961655	3900	1965555	0.43	0.04
(c)	Central Government	890149	0	890149	0.20	1270832	0	1270832	0.28	0.08
(d)	State Government(s)	-			-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	23070684	100	23070784	5.10	22425287	100	22425387	4.96	-0.14
(g)	FIIs	114784774	3600	114788374	25.39	117059368	3600	117062968	25.87	0.48
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
	Any other:	-	-	-	-	-	-	-	-	-
	Alternate Investment Funds	692161	0	692161	-0.15	522589	0	522589	0.12	-0.03
	Foreign Bodies	5015	0	5015	0.00	5000	0	5000	0.00	0.00
	Sub Total: (B)(1)	**169917567**	**37800**	**169955367**	**37.59**	**172235195**	**37800**	**172272995**	**38.07**	**0.48**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
	i) Indian	7116923	21200	7138123	1.58	5654673	21300	5675973	1.25	-0.32
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	40959364	1405210	42364574	9.37	37079994	1242988	38322982	8.47	-0.90
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13936363	0	13936363	3.08	13494116	0	13494116	2.98	-0.10
(c)	**Others (specify):**									
	Non-Resident Indians	2603942	21400	2625342	0.58	2444024	21400	2465424	0.54	-0.04
	Foreign Nationals	118751	0	118751	0.03	103606	0	103606	0.02	0.00
	Clearing Members	629593	0	629593	0.14	1933229	0	1933229	0.43	0.29
	Trusts	2413873	0	2413873	0.53	5279617	0	5279617	1.17	0.63
	IEPF	371134	0	371134	0.08	400113	0	400113	0.09	0.01
	Sub Total: (B)(2)	**68149943**	**1447810**	**69597753**	**15.39**	**66389372**	**1285688**	**67675060**	**14.96**	**-0.44**
	Total Public Share holding (B) = (B)(1) + (B)(2)	**238067510**	**1485610**	**239553120**	**52.99**	**238624567**	**1323488**	**239948055**	**53.03**	**0.04**
	TOTAL (A) + (B)	**450597240**	**1485610**	**452082850**	**100.00**	**451170209**	**1323488**	**452493697**	**100.00**	**0.00**
(C)	**Shares held by Custodians for GDRs and ADRS**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL: (A)+(B)+(C)	**450597240**	**1485610**	**452082850**	**100.00**	**451170209**	**1323488**	**452493697**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 01.04.2018			No. of Shares held at the end of the year as on 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Lupin Investments Pvt. Ltd.	205608135	45.48	0.00	205608135	45.44	0.00	-0.04
2.	Manju D. Gupta	3871162	0.86	0.00	3871162	0.86	0.00	0.00
3.	D. B. Gupta (HUF)	647580	0.14	0.00	647580	0.14	0.00	0.00
4.	Nilesh Deshbandhu Gupta	901064	0.20	0.00	901064	0.20	0.00	0.00
5.	Anuja Gupta	725705	0.16	0.00	725705	0.16	0.00	0.00
6.	Richa Gupta	233265	0.05	0.00	233265	0.05	0.00	0.00
7.	Vinita Gupta	327424	0.07	0.00	327424	0.07	0.00	0.00
8.	Kavita Gupta	200170	0.04	0.00	200170	0.04	0.00	0.00
9.	Veda Nilesh Gupta	14675	0.01	0.00	28385	0.01	0.00	0.00
10.	Shefali Nath Gupta	550	0.00	0.00	1752	0.00	0.00	0.00
11.	Manju D. Gupta (As a Trustee of Gupta Family Trust)	0	0.00	0.00	1000	0.00	0.00	0.00
	Total:	**212529730**	**47.01**	**0.00**	**212545642**	**46.97**	**0.00**	**-0.04**

iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 01.04.2018			No. of Shares held at the end of the year as on 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Lupin Investments Pvt. Ltd.	205608135	45.48	0.00	205608135	45.44	0.00	-0.04
2.	Manju D. Gupta	3871162	0.86	0.00	3871162	0.86	0.00	0.00
3.	D. B. Gupta (HUF)	647580	0.14	0.00	647580	0.14	0.00	0.00
4.	Nilesh Deshbandhu Gupta	901064	0.20	0.00	901064	0.20	0.00	0.00
5.	Anuja Gupta	725705	0.16	0.00	725705	0.16	0.00	0.00
6.	Richa Gupta	233265	0.05	0.00	233265	0.05	0.00	0.00
7.	Vinita Gupta	327424	0.07	0.00	327424	0.07	0.00	0.00
8.	Kavita Gupta	200170	0.04	0.00	200170	0.04	0.00	0.00
9.	Veda Nilesh Gupta	14675	0.01	0.00	28385	0.01	0.00	0.00
10.	Shefali Nath Gupta	550	0.00	0.00	1752	0.00	0.00	0.00
11.	Manju D. Gupta (As a Trustee of Gupta Family Trust)	0	0.00	0.00	1000	0.00	0.00	0.00
	Total:	**212529730**	**47.01**	**0.00**	**212545642**	**46.97**	**0.00**	**-0.04**

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors and Promoters):

Sl. No.	Name of the Shareholder	Date	Increase/ decrease and reason* for the same	No. of Shares held at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**Life Insurance Corporation of India**	**At the beginning of the year**	-	**12100102**	**2.68**	-	-
		21.12.2018	-306500	-	-	11793602	2.61
		31.12.2018	-153190	-	-	11640412	2.57
		04.01.2019	-146274	-	-	11494138	2.54
		11.01.2019	-15000	-	-	11479138	2.54
		18.01.2019	-183500	-	-	11295638	2.50
		25.01.2019	-277361	-	-	11018277	2.44
		01.02.2019	-66500	-	-	10951777	2.42
		At the end of the year	**-**	**-**	**-**	**10951777**	**2.42**

Sl. No.	Name of the Shareholder	Date	Increase/ decrease and reason* for the same	No. of Shares held at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	**Rakesh Jhunjhunwala (Including as a Partner of Rare Enterprise)**	**At the beginning of the year**	**-**	**8698605**	**1.92**	**-**	**-**
		01.06.2018	350000	-	-	9048605	2.00
		22.06.2018	-200000	-	-	8848605	1.96
		30.06.2018	-50000	-	-	8798605	1.95
		10.08.2018	-100000	-	-	8698605	1.92
		17.08.2018	-575000	-	-	8123605	1.80
		31.08.2018	25000	-	-	8148605	1.80
		14.09.2018	-50000	-	-	8098605	1.79
		12.10.2018	-50000	-	-	8048605	1.78
		19.10.2018	-175000	-	-	7873605	1.74
		31.12.2018	150000	-	-	8023605	1.77
		30.03.2019	700000	-	-	8723605	1.93
		At the end of the year	**-**	**-**	**-**	**8723605**	**1.93**
3.	**Comgest Growth PLC**	**At the beginning of the year**	**-**	**4531613**	**1.00**	**-**	**-**
		01.06.2018	507766	-	-	5039379	1.11
		08.06.2018	802591	-	-	5841970	1.29
		21.09.2018	-161336	-	-	5680634	1.26
		30.11.2018	305742	-	-	5986376	1.32
		07.12.2018	854736	-	-	6841112	1.51
		At the end of the year	**-**	**-**	**-**	**6841112**	**1.51**
4.	**Government Pension Fund Global**	**At the beginning of the year**	**-**	**5882039**	**1.30**	**-**	**-**
		18.05.2018	145296	-	-	6027335	1.33
		01.06.2018	-121705	-	-	5905630	1.31
		08.06.2018	-226025	-	-	5679605	1.26
		22.06.2018	340000	-	-	6019605	1.33
		30.06.2018	241985	-	-	6261590	1.38
		06.07.2018	463462	-	-	6725052	1.49
		13.07.2018	82	-	-	6725134	1.49
		31.07.2018	526840	-	-	7251974	1.60
		10.08.2018	300000	-	-	7551974	1.67
		24.08.2018	129040	-	-	7681014	1.70
		14.09.2018	-265348	-	-	7415666	1.64
		02.11.2018	-300000	-	-	7115666	1.57
		14.12.2018	-333000	-	-	6782666	1.50
		21.12.2018	-74095	-	-	6708571	1.48
		04.01.2019	-153000	-	-	6555571	1.45
		At the end of the year	**-**	**-**	**-**	**6555571**	**1.45**
5.	**Franklin Templeton Mutual Fund**	**At the beginning of the year**	**-**	**4417737**	**0.98**	**-**	**-**
		06.04.2018	-324	-	-	4417413	0.98
		13.04.2018	530	-	-	4417943	0.98
		08.06.2018	175505	-	-	4593448	1.02
		15.06.2018	99859	-	-	4693307	1.04
		30.06.2018	100000	-	-	4793307	1.06
		06.07.2018	-33	-	-	4793274	1.06
		13.07.2018	-167169	-	-	4626105	1.02
		20.07.2018	173457	-	-	4799562	1.06
		31.07.2018	409745	-	-	5209307	1.15
		10.08.2018	378983	-	-	5588290	1.24
		17.08.2018	55142	-	-	5643432	1.25
		24.08.2018	-900000	-	-	4743432	1.05
		07.09.2018	38	-	-	4743470	1.05
		29.09.2018	-13470	-	-	4730000	1.05
		At the end of the year	**-**	**-**	**-**	**4730000**	**1.05**

Sl. No.	Name of the Shareholder	Date	Increase/ decrease and reason* for the same	No. of Shares held at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6.	**ICICI Prudential Long Term Equity Fund Tax Savings**	**At the beginning of the year**	**-**	**7071717**	**1.56**	**-**	**-**
		06.04.2018	-362	-	-	7071355	1.56
		13.04.2018	31	-	-	7071386	1.56
		20.04.2018	11100	-	-	7082486	1.57
		27.04.2018	-61	-	-	7082425	1.57
		04.05.2018	9	-	-	7082434	1.57
		11.05.2018	609162	-	-	7691596	1.70
		18.05.2018	339919	-	-	8031515	1.78
		25.05.2018	-46	-	-	8031469	1.78
		01.06.2018	-4068	-	-	8027401	1.78
		08.06.2018	823	-	-	8028224	1.78
		15.06.2018	-258817	-	-	7769407	1.72
		22.06.2018	-738289	-	-	7031118	1.56
		30.06.2018	-1202377	-	-	5828741	1.29
		06.07.2018	-97958	-	-	5730783	1.27
		13.07.2018	-88190	-	-	5642593	1.25
		20.07.2018	1419357	-	-	7061950	1.56
		31.07.2018	926844	-	-	7988794	1.77
		10.08.2018	1610833	-	-	9599627	2.12
		17.08.2018	1656843	-	-	11256470	2.49
		24.08.2018	292693	-	-	11549163	2.55
		31.08.2018	12079	-	-	11561242	2.56
		07.09.2018	85627	-	-	11646869	2.58
		14.09.2018	79220	-	-	11726089	2.59
		21.09.2018	-16779	-	-	11709310	2.59
		29.09.2018	432334	-	-	12141644	2.69
		05.10.2018	249006	-	-	12390650	2.74
		12.10.2018	-85765	-	-	12304885	2.72
		19.10.2018	-426894	-	-	11877991	2.63
		26.10.2018	-715020	-	-	11162971	2.47
		02.11.2018	-735173	-	-	10427798	2.31
		09.11.2018	-25069	-	-	10402729	2.30
		16.11.2018	-582104	-	-	9820625	2.17
		23.11.2018	-230218	-	-	9590407	2.12
		30.11.2018	-2955659	-	-	6634748	1.47
		07.12.2018	-575590	-	-	6059158	1.34
		14.12.2018	11948	-	-	6071106	1.34
		21.12.2018	732	-	-	6071838	1.34
		31.12.2018	-8154	-	-	6063684	1.34
		04.01.2019	-276232	-	-	5787452	1.28
		11.01.2019	16824	-	-	5804276	1.28
		18.01.2019	-47622	-	-	5756654	1.27
		25.01.2019	-209676	-	-	5546978	1.23
		01.02.2019	-1613680	-	-	3933298	0.87
		08.02.2019	76041	-	-	4009339	0.89
		15.02.2019	2384	-	-	4011723	0.89
		22.02.2019	340398	-	-	4352121	0.96
		01.03.2019	1656	-	-	4353777	0.96
		08.03.2019	903	-	-	4354680	0.96
		15.03.2019	101550	-	-	4456230	0.98
		22.03.2019	54324	-	-	4510554	1.00
		30.03.2019	97037	-	-	4607591	1.02
		At the end of the year	**-**	**-**	**-**	**4607591**	**1.02**
7.	**Kotak Standard Multicap Fund**	**At the beginning of the year**	**-**	**2116675**	**0.47**	**-**	**-**
		06.04.2018	2276	-	-	2118951	0.47
		13.04.2018	32951	-	-	2151902	0.48
		20.04.2018	-66537	-	-	2085365	0.46
		27.04.2018	167215	-	-	2252580	0.50

Sl. No.	Name of the Shareholder	Date	Increase/ decrease and reason* for the same	No. of Shares held at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		04.05.2018	219063	-	-	2471643	0.55
		11.05.2018	-484894	-	-	1986749	0.44
		18.05.2018	-182707	-	-	1804042	0.40
		25.05.2018	17184	-	-	1821226	0.40
		01.06.2018	-218308	-	-	1602918	0.35
		08.06.2018	-705000	-	-	897918	0.20
		15.06.2018	-86381	-	-	811537	0.18
		22.06.2018	127598	-	-	939135	0.21
		30.06.2018	-494665	-	-	444470	0.10
		06.07.2018	595	-	-	445065	0.10
		13.07.2018	81	-	-	445146	0.10
		20.07.2018	59632	-	-	504778	0.11
		31.07.2018	435777	-	-	940555	0.21
		10.08.2018	-669803	-	-	270752	0.06
		17.08.2018	-3987	-	-	266765	0.06
		24.08.2018	100163	-	-	366928	0.08
		31.08.2018	-23401	-	-	343527	0.08
		07.09.2018	84877	-	-	428404	0.09
		14.09.2018	20355	-	-	448759	0.10
		21.09.2018	-68187	-	-	380572	0.08
		29.09.2018	482697	-	-	863269	0.19
		05.10.2018	2687791	-	-	3551060	0.79
		12.10.2018	289245	-	-	3840305	0.85
		19.10.2018	11300	-	-	3851605	0.85
		26.10.2018	19600	-	-	3871205	0.86
		02.11.2018	66100	-	-	3937305	0.87
		09.11.2018	8400	-	-	3945705	0.87
		16.11.2018	47600	-	-	3993305	0.88
		23.11.2018	9800	-	-	4003105	0.89
		30.11.2018	-84000	-	-	3919105	0.87
		07.12.2018	-19010	-	-	3900095	0.86
		14.12.2018	166200	-	-	4066295	0.90
		21.12.2018	177100	-	-	4243395	0.94
		31.12.2018	19000	-	-	4262395	0.94
		04.01.2019	9800	-	-	4272195	0.94
		11.01.2019	37800	-	-	4309995	0.95
		18.01.2019	13675	-	-	4323670	0.96
		25.01.2019	-192200	-	-	4131470	0.91
		01.02.2019	-188975	-	-	3942495	0.87
		08.02.2019	18600	-	-	3961095	0.88
		15.02.2019	152600	-	-	4113695	0.91
		22.02.2019	240100	-	-	4353795	0.96
		01.03.2019	131700	-	-	4485495	0.99
		08.03.2019	167400	-	-	4652895	1.03
		15.03.2019	-106475	-	-	4546420	1.00
		22.03.2019	-46535	-	-	4499885	0.99
		30.03.2019	-49900	-	-	4449985	0.98
		At the end of the year	**-**	**-**	**-**	**4449985**	**0.98**
8.	**Magellan**	**At the beginning of the year**	**-**	**2785741**	**0.62**	**-**	**-**
		01.06.2018	303739	-	-	3089480	0.68
		08.06.2018	480099	-	-	3569579	0.79
		21.09.2018	-95416	-	-	3474163	0.77
		30.11.2018	172174	-	-	3646337	0.81
		07.12.2018	481330	-	-	4127667	0.91
		At the end of the year	**-**	**-**	**-**	**4127667**	**0.91**

Sl. No.	Name of the Shareholder	Date	Increase/ decrease and reason* for the same	No. of Shares held at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	**SBI Magnum Taxgain Scheme**	**At the beginning of the year**	**-**	**2155234**	**0.48**	**-**	**-**
		06.04.2018	38673	-	-	2193907	0.49
		13.04.2018	4734	-	-	2198641	0.49
		20.04.2018	14678	-	-	2213319	0.49
		27.04.2018	229379	-	-	2442698	0.54
		04.05.2018	793492	-	-	3236190	0.72
		11.05.2018	21641	-	-	3257831	0.72
		18.05.2018	16023	-	-	3273854	0.72
		25.05.2018	9055	-	-	3282909	0.73
		01.06.2018	13078	-	-	3295987	0.73
		08.06.2018	12289	-	-	3308276	0.73
		15.06.2018	11215	-	-	3319491	0.73
		22.06.2018	11598	-	-	3331089	0.74
		30.06.2018	7454	-	-	3338543	0.74
		06.07.2018	11866	-	-	3350409	0.74
		13.07.2018	12704	-	-	3363113	0.74
		20.07.2018	11990	-	-	3375103	0.75
		31.07.2018	8032	-	-	3383135	0.75
		10.08.2018	232979	-	-	3616114	0.80
		17.08.2018	-43583	-	-	3572531	0.79
		24.08.2018	404585	-	-	3977116	0.88
		31.08.2018	23888	-	-	4001004	0.88
		07.09.2018	195082	-	-	4196086	0.93
		14.09.2018	99667	-	-	4295753	0.95
		21.09.2018	16671	-	-	4312424	0.95
		29.09.2018	-2175347	-	-	2137077	0.47
		05.10.2018	57334	-	-	2194411	0.49
		12.10.2018	-52996	-	-	2141415	0.47
		19.10.2018	108	-	-	2141523	0.47
		26.10.2018	40204	-	-	2181727	0.48
		02.11.2018	180000	-	-	2361727	0.52
		09.11.2018	6	-	-	2361733	0.52
		16.11.2018	109	-	-	2361842	0.52
		30.11.2018	140712	-	-	2502554	0.55
		14.12.2018	21102	-	-	2523656	0.56
		31.12.2018	97198	-	-	2620854	0.58
		04.01.2019	821	-	-	2621675	0.58
		18.01.2019	204	-	-	2621879	0.58
		01.02.2019	100	-	-	2621979	0.58
		08.02.2019	75703	-	-	2697682	0.60
		15.02.2019	304629	-	-	3002311	0.66
		22.02.2019	215	-	-	3002526	0.66
		01.03.2019	4531	-	-	3007057	0.66
		08.03.2019	300629	-	-	3307686	0.73
		15.03.2019	3914	-	-	3311600	0.73
		22.03.2019	1247	-	-	3312847	0.73
		30.03.2019	490828	-	-	3803675	0.84
		At the end of the year	**-**	**-**	**-**	**3803675**	**0.84**
10.	**Vanguard Total International Stock Index Fund**	**At the beginning of the year**	**-**	**3008665**	**0.67**	**-**	**-**
		01.06.2018	73710	-	-	3082375	0.68
		08.06.2018	55283	-	-	3137658	0.69
		24.08.2018	43643	-	-	3181301	0.70
		29.09.2018	128027	-	-	3309328	0.73
		16.11.2018	67761	-	-	3377089	0.75
		08.03.2019	172299	-	-	3549388	0.78
		15.03.2019	55226	-	-	3604614	0.80
		At the end of the year	**-**	**-**	**-**	**3604614**	**0.80**

* Transfer of shares i.e. Purchase and Sale of Shares were the reasons for Increase/Decrease.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director/ Key Managerial Personnel			No. of Shares held at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year	
		Date	Reason for increase / decrease	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares
1.	Mrs. Manju D. Gupta	At the beginning of the year	-	3871162	0.86	-	-
		At the end of the year	-	-	-	3871162	0.86
2.	Dr. Kamal K. Sharma	At the beginning of the year	-	169900	0.04	-	-
		At the end of the year	-	-	-	169900	0.04
3.	Ms. Vinita Gupta	At the beginning of the year	-	327424	0.07	-	-
		At the end of the year	-	-	-	327424	0.07
4.	Mr. Nilesh Deshbandhu Gupta	At the beginning of the year	-	901064	0.20	-	-
		At the end of the year	-	-	-	901064	0.20
5.	Mr. R. A. Shah	At the beginning of the year	-	32000	0.01	-	-
		At the end of the year	-	-	-	32000	0.01
6.	Mr. Richard Zahn	At the beginning of the year	-	-	-	-	-
		At the end of the year	-	-	-	-	-
7.	Dr. K. U. Mada	At the beginning of the year	-	4000	0.00	-	-
		At the end of the year	-	-	-	4000	0.00
8.	Mr. Dileep C. Choksi	At the beginning of the year	-	-	-	-	-
		At the end of the year	-	-	-	-	-
9.	Mr. Jean-Luc Belingard	At the beginning of the year	-	-	-	-	-
		At the end of the year	-	-	-	-	-
10.	Mr. R. V. Satam	At the beginning of the year	-	1420	0.00	-	-
		19.06.2018	Market Sale	-1400	-	20	0.00
		11.02.2019	Allotment under Esop	962	-	982	0.00
		At the end of the year	-	-	-	982	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Standalone):

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	82.1	88.9	-	171.0
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	0.4	-	0.4
Total: (i) + (ii) + (iii)	**82.1**	**89.3**	**-**	**171.4**
Change in Indebtedness during the financial year				
• Addition, Net	-	-	-	-
• Reduction, Net	(65.3)	(48.4)	-	(113.7)
Net Change	**(65.3)**	**(48.4)**	**-**	**(113.7)**
Indebtedness at the end of the financial year				
(i) Principal Amount	16.8	40.8	-	57.6
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	0.1	-	0.1
Total: (i) + (ii) + (iii)	**16.8**	**40.9**	**-**	**57.7**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors:

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Dr. Kamal, K. Sharma (up to September 28, 2018)	**Mr. Nilesh Deshbandhu Gupta**	**Mr. Ramesh Swaminathan (up to December 11, 2018)**	
1)	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	156.51	24.28	49.69	**230.48**
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961.	3.12	6.83	0.72	**10.67**
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-	-	-	**-**
2)	Stock Options	12.39	-	(4.33) **(Note 2)**	**8.06**
3)	Sweat Equity				
4)	Commission	-	-	-	**-**
	- as % of profit	-	-	-	**-**
	- others	-	-	-	**-**
5)	Others - Performance-linked Incentive	(17.77) **(Note 1)**	(12.99) **(Note 1)**	22.24	**(8.52)**
	Total (A)	**154.25**	**18.12**	**68.32**	**240.69**

Note 1: Amount is negative due to reversal in the current year, of excess Incentive provided for the year 2017-18.

Note 2: Amount is negative due to lapse of unvested stock options on account of resignation.

B. Remuneration to other directors:

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1)	**Independent Directors**	**Dr. Vijay Kelkar (up to March 28, 2019)**	**Mr. R. A. Shah**	**Mr. Richard Zahn**	**Dr. K. U. Mada**	**Mr. Dileep C. Choksi**	**Mr. Jean-Luc Belingard**	
	• Fee for attending Board/ Committee Meetings	0.14	0.18	0.16	0.37	0.20	0.10	1.15
	• Commission	3.50	3.50	6.92	3.00	3.00	6.92	26.84
	• Others	-	-	-	-	-	-	-
	Total (B)(1)	**3.64**	**3.68**	**7.08**	**3.37**	**3.20**	**7.02**	**27.99**
2)	**Other Non-Executive Directors**	**Mrs. Manju D. Gupta**	*** Dr. Kamal K. Sharma (w.e.f. September 29, 2018)**					
	• Fee for attending Board/ Committee Meetings	0.10	0.12	-	-	-	-	0.22
	• Commission	3.50	-	-	-	-	-	3.50
	• Others	-	21.54	-	-	-	-	21.54
	Total (B)(2)	**3.60**	**21.66**	-	-	-	-	**25.26**
	Total (B) = (B)(1) + (B)(2)							**53.25**
	Overall Ceiling as per the Act	₹ 236.8 million (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).						
	Total Managerial Remuneration (A) + (B)	₹ **294.06 million**						

* The Board appointed Dr. Kamal K. Sharma, Vice Chairman, as an Advisor to the Company, for a period of one-year, effective October 1, 2018 at fixed fee of ₹ 36.5 million per annum (payable quarterly) and an amount not exceeding 30% of the fixed fees as may be decided by the Management based on performance. Advisory Fees paid to Dr. Sharma have been mentioned under Others.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ in million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. R. V. Satam, Company Secretary
1)	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	5.17
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961.	1.37
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-
2)	Stock Options	1.10
3)	Sweat Equity	-
4)	Commission	
	- as % of profit	-
	- others	-
5)	Others (Performance-linked Incentive)	0.92
	Total (C)	**8.56**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Appeal made, if any (give details)
A. COMPANY				
Penalty Punishment Compounding			None	
B. DIRECTORS				
Penalty Punishment Compounding			None	
C. OTHER OFFICERS IN DEFAULT				
Penalty Punishment Compounding			None	

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 15, 2019

Corporate Governance Report

[1] Company's Philosophy on Corporate Governance:

The Company firmly believes that sound Corporate Governance practices hold the key to raise the long-term value of stakeholders and form an integral part of its business. The Company's Corporate Governance philosophy rests on the bedrock of fairness, professionalism, complete disclosures, transparency, accountability and close monitoring. The Company strives adopting the best of Corporate Governance practices worldwide in its pursuit of the highest standards of governance. It is committed to benchmark itself with the best standards in letter form and spirit.

The Company does believe that its Board would be strategically looking ahead with insight and competency. The Company's Board has an optimum blend of executive, non-executive and independent directors. In addition to two women directors, Ms. Christine Mundkur was appointed as an Independent Director on the Board, effective April 1, 2019. Apart from complying with all mandatory requirements, the Company complies with a few non-mandatory requirements as well, mentioned under Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) like unmodified audit opinions on financial statements and appointment of separate persons as Chairperson, Chief Executive Officer and Managing Director.

The Company has adopted Codes of Conduct for Directors and Senior Management personnel and a Code for Independent Directors. These Codes are hosted on the website of the Company (www.lupin.com). Pursuant to Regulation 26(3) of the Listing Regulations, Directors and Senior Management personnel affirmed compliance with their respective Codes for the year ended March 31, 2019 and that Mr. Nilesh Deshbandhu Gupta, Managing Director, provided declaration in respect of the compliance.

The Company adheres to uncompromising integrity in its conduct of business and abides by well-accepted norms of ethical, lawful and moral conduct. Where the mind is without fear, the head is held high. In line with this belief, the Company instituted an initiative, **P**reparing **L**upin **E**mployees to **D**emonstrate Corporate **G**overnance and **E**thical Conduct **(P.L.E.D.G.E.)**, which encompasses three important policies viz. Code of Conduct and Workplace Ethics, Whistleblower Policy and Policy on Prevention of Workplace Harassment [including The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules]. **P.L.E.D.G.E.** initiative enforces a common code of ethics, empowers employees to report unethical practices, facilitates swift redressal and sets in place specified mechanisms to deal with workplace harassment. Employees take pride in being part of this culture and live up to their commitment both in letter and spirit. The initiative lays down rules and procedures, by which employees could report any suspected wrongdoings or fraudulent business practices against anyone in the organization, regardless of the grade or hierarchy, without any fear of punishment or retribution. All complaints received from the employees pertaining to fraudulent business practices, unethical behavior, discriminative or gender-biased misconduct and violation of the Company's policies or the Code of Conduct are responded to in a prompt, professional manner by the Office of Ombudsperson. Anonymous complaints are also investigated following similar process. The Ombudsperson received 25 complaints, pertaining to employment related grievances which were of minor nature. The said complaints were investigated by the officers appointed by the Ombudsperson/Strategic Business Unit Heads and they were resolved satisfactorily. The Company did not receive any complaint of sexual harassment during the year.

The Company has sound mechanism and systems of internal checks and balances which are evaluated and updated at regular intervals. The Company is committed to protect its information. It provides assurance to stakeholders through information security and privacy framework. Information Security Management System 'KAVACH' was rolled out pan India to implement the information security controls and create awareness. With technology orchestration, KAVACH protects information of the Company by adopting various policies, procedures and guidelines. The Company has been accredited ISO/IEC 27001:2013 certification for its Information Security Management Systems at select locations at Head Office, Pune Research Park, manufacturing facilities at Biotech, Mandideep and Indore with the intention of adding two more locations viz. Ankleshwar and Visakhapatnam to the certification list. The Company has also extended its information security commitment to its global locations i.e. USA, EMEA, APAC, LATAM regions under the project brand name 'SHIELD' to provide the information security assurance.

The Company is in compliance with Chapter IV of the Listing Regulations on Corporate Governance.

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, 2019 was nine, of which two are executive promoter-directors, one non-executive promoter-director, one professional non-executive director and five independent directors which is in conformity with provisions of Section 149 of the Companies Act, 2013 ('Act') and Rules made thereunder and Regulation 17 of the Listing Regulations. In compliance with

Schedule V(C)(10)(i) of the Listing Regulations, the Company has obtained a certificate from Ms. Neena Bhatia, Practising Company Secretary, certifying that no Director has been disqualified by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any statutory authority from being appointed or continuing as director of the Company. Regulation 17 of the Listing Regulations, mandates that the Board of Directors should have at least one woman director; the Company has two women directors. Particulars prescribed by Schedule V(C)(2) of the Listing Regulations are given below: -

Sl. No.	Name of the director	Whether Promoter/ Executive/ Independent	No. of Board Meetings during		Attendance at the last AGM	Number of directorships of other companies	Member/Chairman of committees other than Company
			Held	Attended			
1.	Mrs. Manju D. Gupta, *Chairperson*	P. & N.E.D.	4	4	Yes	6	-
2.	Dr. Kamal K. Sharma, *Vice Chairman* (In Executive capacity up to September 28, 2018)	N.E.D.	4	4	Yes	6	-
3.	Ms. Vinita Gupta, *Chief Executive Officer*	P. & E.D.	4	4	Yes	13	-
4.	Mr. Nilesh Deshbandhu Gupta, *Managing Director*	P. & E.D.	4	4	Yes	7	-
5.	Mr. Ramesh Swaminathan, *Chief Financial Officer & Executive Director* (up to December 11, 2018)	E.D.	3	3	Yes	4	-
6.	Dr. Vijay Kelkar (up to March 28, 2019)*	I. N-E.D.	4	4	Yes	8	5/2
7.	Mr. R. A. Shah**	I. N-E.D.	4	4	Yes	10	8/4
8.	Mr. Richard Zahn	I. N-E.D.	4	4	Yes	1	-
9.	Dr. K. U. Mada**	I. N-E.D.	4	3	Yes	1	1/-
10.	Mr. Dileep C. Choksi**	I. N-E.D.	4	3	Yes	11	9/4
11.	Mr. Jean-Luc Belingard	I.N-E.D.	4	4	No	7	-

* Dr. Vijay Kelkar is Independent Director of JM Financial Limited;

** As on March 31, 2019: -

Mr. R. A. Shah is Independent Director of Procter & Gamble Hygiene and Healthcare Limited, Pfizer Limited, BASF India Limited, The Bombay Dyeing & Manufacturing Company Limited, Abbott India Limited, Colgate-Palmolive (India) Limited and Non-Independent Director of Godfrey Philips India Limited and Atul Limited;

Dr. K. U. Mada is Independent Director of Tamilnadu Petroproducts Limited; and

Mr. Dileep C. Choksi is Independent Director of ICICI Bank Limited, Hexaware Technologies Limited, AIA Engineering Limited, Arvind Limited, Swaraj Engines Limited and ICICI Prudential Life Insurance Company Limited.

Notes:

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

(b) Ms. Vinita Gupta is daughter and Mr. Nilesh Deshbandhu Gupta is son of Mrs. Manju D. Gupta.

(c) No Director holds directorships in more than ten public companies and no Independent Director holds Independent directorships in more than seven listed entities.

(d) No Independent Director is Member of more than ten committees or Chairman of more than five committees across all public companies in which they are directors. Membership/Chairmanship of Committees includes only Audit Committee and Stakeholders Relationship Committee.

Core Skills/Expertise/Competencies identified by the Board

The following core skills/expertise/competencies have been identified for the efficient functioning of the Company and are currently available with the Board:-

Business Operations	Being a global pharmaceutical player, the Company has the understanding of business dynamics to offer wide range of Branded & Generic Formulations, Biotechnology/Specialty Products and Active Pharmaceutical Ingredients while retaining its global leadership position in Anti-TB and Cephalosporins segments.
Strategic Planning	Seizing business opportunities in complex generics, specialty and biosimilars, in the advanced markets. Tap organic and inorganic growth targets. Ramp-up the R&D pipeline.
Corporate Governance	Set the highest standards of Corporate Governance based on ideology of integrity, accountability, transparency, fairness and professionalism and to assiduously adopt the best practices so as to maximize the long-term value of its stakeholders.

Board Meetings

The primary role of the Board of Directors is to protect the interests of stakeholders. The Board operates within the framework of responsibility matrix and ensures that highest standards of Corporate Governance are maintained. The Board provides direction, strategic guidance and leadership to the management as also monitors operational performance with a view to ensuring transparency in corporate dealings and compliance with applicable laws and regulations. The Board is regularly apprised about the important business developments. Detailed presentations are made at its meetings by Chief Executive Officer and Managing Director as also by business/functional heads.

Board meeting dates are finalised after ascertaining the convenience of directors. Agenda backed by comprehensive notes incorporating material information for deliberations at Board/Committee meetings were circulated seven days in advance. Also, Minutes of the Board meetings were circulated to all the directors within 30 days of the Board Meeting and confirmed at the subsequent meetings. Actions taken/Status report on decisions taken or recommendations made by the Directors at Board meetings are placed at the subsequent meetings. Copies of minutes of the Board meetings of subsidiaries as also minutes of various Committees of the Board and compliance reports/ certificates in respect of compliance with various applicable laws were tabled at Board meetings. Board Members are free to express their opinions and bring up matters for discussions at meetings. Directors keep the Company informed of about Board/Committee positions held by them (including Chairmanships), their shareholdings and also changes, if any. The Company arranges for video conferencing for Directors who could not attend in person so as to enable them to participate.

Details of Board Meetings

Board meetings were held four times in a year and the time-gap between two consecutive meetings was not more than 120 days, which are in compliance with provisions of Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations. During the year, four Board meetings were held on May 15, 2018, August 8, 2018, October 31, 2018 and February 6, 2019. The Board passed nineteen resolutions by circulation, vide Circulars dated September 12, 2018, September 27, 2018, January 11, 2019 and March 30, 2019.

Brief profiles, other directorships and committee memberships etc. of directors seeking appointment/ re-appointment at the 37th Annual General Meeting.

Ms. Vinita Gupta

Ms. Vinita Gupta (DIN: 00058631) is a graduate in pharmacy from the University of Mumbai and an MBA from the Kellogg School of Management at Northwestern University. She has been instrumental in formulating and executing the strategy that helped the Company to emerge as a global pharmaceutical powerhouse. Through a combination of organic growth and strategic acquistions, Ms. Vinita has led the Company's global expansion plans. She founded the Company's offices in the United States. Ms. Vinita has been regularly named by Forbes Asia in its Top 50 Power Business Women listings for Asia Pacific. She was also recognized by Business Today Hall of Fame - Most Powerful Women in Business in 2016 and was recently named Outstanding Business Woman Leader of the Year by CNBC India Business Leader Awards. Ms. Vinita was the winner of the inaugural EY, U.S. 2012 Family Business Award of Excellence and EY Entrepreneur of the Year® 2012 award winner for Health Services and Technology in Maryland. During the year 2017, Ms. Vinita was appointed to the Board for Intrexon Corporation, USA. She is also a member of the Global Advisory Board at the Kellogg School of Management at Northwestern University.

List of other directorships	Chairman/ Member of the Committees of the Board of the companies on which she is a director
Lupin Inc., USA	-
Lupin Pharmaceuticals, Inc., USA	-
Kyowa Pharmaceutical Industry Co., Ltd., Japan	-
Lupin GmbH, Switzerland	-
Lupin Research Inc., USA	-
Novel Laboratories, Inc., USA	-
Intrexon Corporation, USA	-
Symbiomix Therapeutics, LLC, USA	-
Lupin IP Ventures Inc., USA	-
Lupin Atlantis Holdings SA, Switzerland	-
Lupin Investments Private Limited	-
Zyma Properties Private Limited	-
Synchem Properties Private Limited	-

Ms. Christine Mundkur

Ms. Christine Mundkur (DIN: 08408494), joined the Board of your Company on April 1, 2019. Ms. Mundkur most recently served as Chief Executive Officer and Non-voting Chairman of the Board of Directors for Impopharma Inc. (Impopharma), a developer of complex formulations focused on inhalation pharmaceutical products. While at Impopharma, she led the transition of the company from a successful clinical research organization into a generic pharmaceutical inhalation development company. She also held leadership positions as President and Chief Executive Officer for North America for Sandoz, Inc. Earlier, she served as Chief Executive Officer of Barr Laboratories, Inc. Ms. Mundkur started her career at Barr as quality and regulatory counsel. In addition, she served as a strategic advisor to clients on generics, 505(b)2, biosimilars and NDA business strategies. She currently serves on the Board of Directors for MannKind Corporation in the U.S. Ms. Mundkur holds a J.D. from the St. Louis University School of Law and also received a B.S. degree in chemistry from the St. Louis University.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which she is a director
Mannkind Corporation, USA,	Mannkind Corporation, USA, Member of Audit Committee.

[3] Audit Committee:

The Audit Committee functions as an interface between the statutory, internal and cost auditors, Management and the Board of Directors. The Audit Committee assists the Board in fulfilling its responsibilities pertaining to monitoring internal financial controls, reliability of financial statements, supervising the governance systems, reviewing the adequacy of provisions for liabilities and appropriateness of audit test checks. The Audit Committee comprises Dr. K. U. Mada and Mr. Dileep C. Choksi, independent directors, and Dr. Kamal K. Sharma, Vice Chairman. Dr. Mada, an economist-cum-development banker, who had wide and varied experience of handling company managements engaged in setting up projects and operating in diverse industries, is the Chairman. Mr. Choksi, an eminent Chartered Accountant has valuable experience in advising large companies on taxation and complex financial issues. Dr. Sharma is Ph.D in Economics from IIT Mumbai. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. The composition of the Audit Committee is in compliance with provisions of Section 177 of the Act and Regulation 18(1) of the Listing Regulations. As stipulated by Regulation 18(1)(c) of the Listing Regulations, all Members of the Audit Committee have the ability to read and understand the financial statements and have accounting or related financial management expertise. Dr. Mada attended the 36th Annual General Meeting of the Company held on August 8, 2018. Executives from the Finance Department and Statutory Auditors regularly attend the meetings of the Audit Committee. Internal Auditors make presentations on audit findings at the meetings of the Audit Committee. The Cost Auditor attends the Audit Committee meeting, where the Cost Audit Report is tabled. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

The Committee performs functions enumerated in Section 177(4) of the Act and Regulation 18(3) of the Listing Regulations. Matters deliberated upon and reviewed by the Committee include: -

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2) Recommending to the Board, the appointment, remuneration and terms of appointment of auditors.

3) Approving payments to Statutory Auditors for any other additional services rendered by them except those enumerated under Section 144 of the Act.

4) Reviewing with the management, the annual financial statements and auditors' report thereon 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 Section 134(3)(c) of the Act;
- **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)** modified opinion(s) in the draft audit report, if any.

5) Reviewing with the management, the quarterly unaudited financial results together with the Limited Review Report of the Auditors before submission to the Board for approval.

6) Reviewing and monitoring the auditors' independence, performance and effectiveness of audit process.

7) Approving or any subsequent modification of transactions of the Company with related parties.

8) Scrutinising inter-corporate loans and investments.

9) Evaluating internal financial controls and risk management systems.

10) Reviewing with the management, the performance of statutory and internal auditors and adequacy of the internal control systems.

11) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, its staffing and seniority of the official heading the department, reporting structure, coverage and frequency of audits.

12) Discussion with the internal auditors on significant findings and follow-up thereon.

13) Reviewing the findings of internal auditors and reporting them to the Board.

14) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern, if any.

15) Reviewing the functioning of Whistle Blower mechanism.

16) Recommending to the Board, the appointment and remuneration of Cost Auditor to conduct audit of cost records in compliance with the provisions of the Act and Rules made thereunder.

17) Reviewing the financial statements of subsidiary companies as also the consolidated financial statements, including investments made by the subsidiary companies.

18) Review and discuss with the management the status and implications of major legal cases.

19) 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, statement of related party transactions, including granting omnibus approvals, management letters/internal audit reports relating to observations on internal controls, etc.

Details of Audit Committee Meetings

Pursuant to Regulation18(2)(a) of the Listing Regulations, Audit Committee shall meet at least four times in a year and the time-gap between two meetings shall not be more than 120 days. During the year, six Audit Committee meetings were held on May 15, 2018, August 8, 2018, September 26, 2018, October 31, 2018, February 5, 2019 and March 28, 2019 and the attendance at the meetings was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, Chairman	6	6
b.	Dr. Kamal K. Sharma	6	6
c.	Mr. Dileep C. Choksi	6	6

The Committee passed two Resolutions by circulation vide Circulars dated June 25, 2018 and September 10, 2018.

[4] Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises Dr. Vijay Kelkar, Chairman (up to March 28, 2019) and Dr. K. U. Mada, Independent Directors and Mr. Nilesh Deshbandhu Gupta, Managing Director (w.e.f. March 30, 2019). Mr. Dileep C. Choksi, Independent Director, was appointed as Chairman/Member of the Committee w.e.f. April 1, 2019. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee.

The Stakeholders' Relationship Committee regularly reviews activities related to investors services viz. dematerialization and transfer of shares in physical mode, dividend disbursement and activities related to the Investor Education and Protection Fund, implementation of employees stock option plans and compliances with regulatory provisions to ensure that the highest standards of services are maintained. The Committee also closely monitors redressal of investors grievances.

During the year, the Company received and resolved 61 complaints from shareholders in regard to transfer of shares, non-receipt of annual report, non-receipt of dividends etc. As on March 31, 2019, no complaint remained pending or unattended. During the year, no share transfers/complaints remained pending for more than 15 days.

Details of Stakeholders' Relationship Committee Meetings

During the year, two meetings of the Stakeholders' Relationship Committee were held on January 18, 2019 and March 18, 2019, whereat the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. Vijay Kelkar, Chairman (up to March 28, 2019)	2	2
b.	Dr. K. U. Mada	2	2
c.	Mr. Nilesh Deshbandhu Gupta (w.e.f. March 30, 2019)	-	-

[5] Nomination and Remuneration Committee:

The Nomination and Remuneration Committee ('NRC') comprises Dr. K. U. Mada, Mr. R. A. Shah and Mr. Richard Zahn, all independent directors which is in compliance with the provisions of Section 178(1) of the Act and Regulation 19(1) of the Listing Regulations. In compliance with Regulation 19(2) of the Listing Regulations, Dr. Mada, Chairman of the Committee, is an Independent Director. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. Dr. Mada attended the 36th Annual General Meeting of the Members held on August 8, 2018.

Role of the NRC:

NRC performs the functions enumerated in Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, as follows: -

1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors, a policy relating to the remuneration of the directors, key managerial personnel and other employees;

2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

3) devising a policy on diversity of the Board of Directors;

4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;

5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

6) recommend to the Board, all remuneration in whatever form, payable to the senior management;

7) specifying the manner for effective evaluation of performance of the Board, its Committees and individual Directors to be carried out either by the Board, by the NRC or by an Independent external agency and review its implementation and compliance; and

8) administration of the Employees Stock Option Plans.

Remuneration of Executive Directors:

The Nomination and Remuneration Committee ('NRC') reviews and recommends to the Board, the remuneration payable to Executive Directors at the time of their appointment/re-appointment subject to approval by Members and such other approvals as may be necessary. While reviewing the remuneration, the NRC considers its reasonableness and adequacy to attract, motivate, reward and retain qualified and best managerial talent. Remuneration is approved by the NRC based on several factors, such as qualifications, position, leadership qualities, relevant experience, expertise, responsibilities shouldered by the person and volume of business and profits of the Company. Remuneration limits are as prescribed by Section 197, Schedule V, Part II, Section I of the Act and the Rules made thereunder. In line with the annual increment cycle of the Company, the NRC approves annual revisions and performance-linked incentives within the limits approved by the Members. The Company follows a market-linked remuneration policy. Ms. Vinita Gupta and Mr. Nilesh Deshbandhu Gupta opted out of receiving any remuneration for one-year period from August 8, 2018 to August 7, 2019. Ms. Vinita Gupta, is an employee of Lupin Gmbh, Switzerland, wholly-owned subsidiary of the Company.

Details of Remuneration paid to Executive Directors are as under: -

₹ in million

Name of Director	Salary	Perquisites	Stock Options	Others (Performance-Linked Incentive)	Total
Dr. Kamal K. Sharma, Vice Chairman (up to September 28, 2018)	156.51	3.12	12.39	(17.77) **(Note 1)**	**154.25**
Ms. Vinita Gupta, Chief Executive Officer	49.10	-	-	(34.0) **(Note 1)**	**15.10**
Mr. Nilesh Deshbandhu Gupta, Managing Director	24.28	6.83	-	(12.99) **(Note 1)**	**18.12**
Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director (up to December 11, 2018)	49.69	0.72	(4.33) **(Note 2)**	22.24	**68.32**

Note 1: Amount is negative due to reversal in the current year, of excess Incentive provided for the year 2017-18.
Note 2: Amount is negative due to lapse of unvested stock options on account of resignation.

Remuneration of Non-Executive Directors:

The Non-Executive Directors are paid sitting fees for attending meetings of the Board and its Committees. In addition to sitting fees, they are paid commission in recognition of contributions made by them to the Company's business. At the 33rd Annual General Meeting held on July 23, 2015, the Members approved payment of commission to Non-Executive Directors, not exceeding in the aggregate 0.5% per annum of the net profit of the Company, computed in the manner laid down under Sections 197 and 198 and other applicable provisions of the Act, for a period of five years commencing from April 1, 2015. The Board is authorised to decide upon the eligibility criteria and quantum of commission payable to each Non-Executive Director. An amount of ₹ 30.34 million has been provided for towards commission payable to non-executive directors for FY 2018-19 which would be paid after the audited accounts for the year ended March 31, 2019 are approved by the Board.

Details of Remuneration of Non-Executive Directors are as under: -

Name of the Director	No. of Equity Shares held as on March 31, 2019	Remuneration for 2018-19 (₹ in million)			
		Remuneration	Sitting Fees	Commission	Total
Mrs. Manju D. Gupta, Chairperson	3,871,162	-	0.10	3.50	**3.60**
Dr. Kamal K. Sharma* (w.e.f. October 1, 2018)	169,900	21.54	0.12	-	**21.66**
Dr. Vijay Kelkar, Independent Director (up to March 28, 2019)	-	-	0.14	3.50	**3.64**
Mr. R. A. Shah, Independent Director	32,000	-	0.18	3.50	**3.68**
Mr. Richard Zahn, Independent Director	-	-	0.16	6.92	**7.08**
Dr. K. U. Mada, Independent Director	4,000	-	0.37	3.00	**3.37**
Mr. Dileep C. Choksi, Independent Director	-	-	0.20	3.00	**3.20**
Mr. Jean-Luc Belingard, Independent Director	-	-	0.10	6.92	**7.02**

* The Board appointed Dr. Kamal K. Sharma, Vice Chairman, as an Advisor to the Company, for a period of one-year, effective October 1, 2018.

Details of the Nomination and Remuneration Committee Meetings

Regulation 19(3A) of the Listing Regulations mandates that the Nomination and Remuneration Committee (NRC) shall meet at least once a year. The NRC met four times during FY 2018-19 viz. May 15, 2018, September 3, 2018, September 26, 2018 and March 14, 2019, attendance at which, was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, Chairman	4	4
b.	Mr. R. A. Shah	4	4
c.	Mr. Richard Zahn	4	3

The Committee passed fifteen Resolutions by circulation vide Circulars dated April 2, 2018, April 30, 2018, August 23, 2018, November 28, 2018, January 2, 2019 and February 26, 2019.

[6] Corporate Social Responsibility Committee:

The Corporate Social Responsibility (CSR) Committee comprises Mrs. Manju D. Gupta, Chairperson, Dr. Kamal K. Sharma, Ms. Vinita Gupta, Mr. Nilesh Deshbandhu Gupta, Dr. Vijay Kelkar (up to March 28, 2019) and Mr. Dileep C. Choksi (effective March 30, 2019). The composition of the Committee is in compliance with the provisions of Section 135(1) of the Act. Mrs. Manju D. Gupta and Dr. Kamal K. Sharma are Non-Executive Directors, Ms. Vinita Gupta and Mr. Nilesh Deshbandhu Gupta are Executive Directors and Mr. Dileep C. Choksi is Independent Director. The terms of reference of the CSR broadly comprises: -

- Monitoring the Corporate Social Responsibility Policy from time to time; and
- Recommending and approving the amount of expenditure incurred on Corporate Social Responsibility activities to be undertaken by the Company in area or subject specified in Schedule VII of the Act.

Details of the CSR Committee Meeting.

Meeting of the CSR Committee was held on March 28, 2019, attendance at which was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Mrs. Manju D. Gupta, Chairperson	1	-
b.	Dr. Kamal K. Sharma	1	1
c.	Ms. Vinita Gupta	1	-
d.	Mr. Nilesh Deshbandhu Gupta	1	1
e.	Dr. Vijay Kelkar (up to March 28, 2019)	1	-
f.	Mr. Dileep C. Choksi (w.e.f. March 30, 2019)	-	-

[7] Risk Management Committee:

In compliance with Regulation 21 of the Listing Regulations, the Board constituted a Risk Management Committee comprising Dr. Kamal K. Sharma, Vice Chairman, Ms. Vinita Gupta, Chief Executive Officer, Mr. Nilesh Deshbandhu Gupta, Managing Director, Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director (up to December 11, 2018) and Mr. Sunil Makharia, President - Finance. The Company has a risk management framework in place which defines roles and responsibilities at various levels of the risk management process. The risk management team has a well set mechanism to review the overall risks with specific focus on critical 'risks that matter'. The Risk Management Committee has evolved a monitoring mechanism process through which the overall risks are evaluated by deliberating with the operational and business teams concerned. It includes focus on mitigation plans to address the risk scenario and the critical 'risks that matter'.

Details of the Risk Management Committee Meeting

On May 18, 2018, a meeting of the Risk Management Committee was held, the attendance of which was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. Kamal K. Sharma	1	1
b.	Ms. Vinita Gupta	1	1
c.	Mr. Nilesh Deshbandhu Gupta	1	1
d.	Mr. Ramesh Swaminathan (up to December 11, 2018)	1	1
e.	Mr. Sunil Makharia	1	1

[8] Independent Directors' Meeting:

In compliance with the provisions of Section 149(8) read with Clause VII of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors was held on February 6, 2019. The meeting was attended by all the independent directors and chaired by Mr. R. A. Shah. No non-independent director was present. The Independent Directors reviewed the performance of each director and the Board as a whole. The Independent Directors appreciated the quality, adequacy and timeliness of flow of information from the Management and the Board. Independent Directors also appreciated the detailed presentations made both by the Chief Executive Officer and the Managing Director at Board meetings, which inter alia covered business operations in all the geographies, growth plans, inorganic initiatives, regulatory issues (including U.S. FDA), R & D activities, Annual Operating/Capex Plans, major challenges, etc. They also appreciated the presentations made by the President - Finance on quarterly/annual financial results. The independent directors expressed satisfaction over the overall functioning of the Board, adequacy of evaluation process, openness of the Board deliberations on business issues and the Agenda items. They noted that the suggestions made by them were implemented satisfactorily.

[9] Performance evaluation of Independent Directors:

In compliance with Regulation 17(10) of the Listing Regulations, the Board carried out performance evaluation of Independent Directors without participation of the director having been evaluated. The performance was evaluated based on parameters like contributions, leadership qualities, knowledge, inter-personal relationships, initiative, analytical skill, attendance at meetings and consensus building in planning strategies. There were no conflicts of interest of the Independent Directors with the Company. It was acknowledged that Independent Directors were a diversified group of recognised professionals with wide horizon of knowledge, competence and integrity, who expressed their opinions freely and they exercised their own judgements in decision-making. Independent Directors include Mr. R. A. Shah, an eminent Solicitor with high legal acumen and long experience of having dealt with large domestic and multinational companies; Dr. Vijay Kelkar, a well-known economist, well-versed in macro-economics, contributes significantly on issues of concern; Dr. K. U. Mada, an economist-cum-development banker, has wide and varied experience of handling company managements engaged in projects in diverse industries; Mr. Dileep C. Choksi, an eminent Chartered Accountant, has valuable experience in advising large companies on taxation and financial issues; Mr. Richard Zahn, an American National and Mr. Jean-Luc Belingard, a French National, have a great deal hands-on experiences at the highest levels in internationally-renowned pharmaceutical companies. They have international perspectives and bring them to bear upon the Board deliberations.

[10] Familiarisation Programme for Independent Directors:

In compliance with Regulation 25(7) of the Listing Regulations, the Company, through various programmes, familiarizes its Independent Directors and provides them with an in-depth insight of the pharma industry and the business model of the Company. A newly appointed Independent Director is advised by way of a formal letter of appointment, about rights, duties, roles and responsibilities. Presentations are made at meetings of Directors on Company's financial performance, unit-wise performance of business and environment, health and safety measures undertaken at different plant locations. The Executive Directors at meetings of the Board/Committees, keep the Independent Directors informed of the policies, procedures, strategies, operations, risk assessment/risk minimization procedures and operations of the Company and its subsidiaries. Independent Directors are regularly apprised about material information disseminated to the Stock Exchanges. Articles and write-ups about the Company published in leading business magazines and newspapers are shared with the Independent Directors. They are also invited to annual Investors meets which provide them opportunity to interact with investors, analysts, and financial advisors. In compliance with Regulation 46 of the Listing Regulations, the Familiarisation Programme formulated by the Company for Independent Directors has been hosted on the Company's website www.lupin.com the web link for which is https://www.lupin.com/pdf/corporate-policies/familiarisation-programme.pdf

[11] General Body Meetings:

Details of the last three Annual General Meetings: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
2015 - 16	Wednesday, August 3, 2016, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.	-
2016 - 17	Wednesday, August 2, 2017, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.	One Special Resolution was passed for granting loans and/or providing guarantees/securities and/or making investments for amounts exceeding 60% of the paid-up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding ₹ 50000 million over and above the aggregate of free reserves and securities premium account.
2017 - 18	Wednesday, August 8, 2018, at 2:30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.	One Special Resolution was passed for keeping the Register of Members and other registers/records of the Company maintained under Section 88 of the Act and copies of the Annual returns filed under Section 92 of the Act at Link Intime Pvt. Ltd., C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, Registrars & Share Transfer Agent, instead of the Registered Office of the Company.

No business was required to be transacted through postal ballot at the above meetings.

During the year, two postal ballots were conducted, the details of which are as under: -

Postal ballot, the results of which were declared on November 6, 2018: -

1. **Ordinary Resolution** for approving the appointment of Dr. Kamal K. Sharma, Vice Chairman, as Advisor to the Company for a period of one-year, effective October 1, 2018 and fees payable to him, was passed with a majority of 99.345%.

2. **Ordinary Resolution** for ratifying the variation in remuneration payabale to Mr. Nilesh Deshbandhu Gupta, Managing Director, during the period from August 8, 2018 to August 7, 2019, was passed with a majority of 99.998%.

Postal ballot, the results of which were declared on March 29, 2019: -

1. **Special Resolution** for approving the continuation of directorship, effective April 1, 2019, of Mrs. Manju D. Gupta, Chairperson, Non-Executive Director, who has attained the age of 75 years, was passed with special majority of 97.75%.

2. **Special Resolution** for approving the continuation of directorship, effective April 1, 2019, of Mr. R. A. Shah, Independent Director, who has attained the age of 75 years, was passed with special majority of 77.45%.

3. **Special Resolution** for approving the continuation of directorship, effective April 1, 2019, of Dr. K. U. Mada, Independent Director, who has attained the age of 75 years, was passed with special majority of 90.82%.

4. **Special Resolution** for approving the continuation of directorship, effective April 1, 2019, of Dr. Vijay Kelkar, Independent Director, who has attained the age of 75 years, was not passed.

Ms. Neena Bhatia, Practising Company Secretary, acted as Scrutiniser for conducting the aforesaid postal ballots in a fair and transparent manner. Procedures prescribed by Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014, as amended by the Companies (Management & Administration) Amendment Rules, 2015, had been followed for conducting the ballots. The Company offered e-voting facility to its shareholders through the e-voting system of Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company. Results of the postal ballots together with the Scrutinizer's Reports were published in newspapers and hosted on the Company's website www.lupin.com.

[12] Related party transactions and other disclosures:

During the year under review, all related party transactions entered into by the Company were in the ordinary course of business and on arm's length basis. No related party transactions were in conflict with the interests of the Company. In compliance with the provisions of Sections 177(4)(iv) and 188 of the Act and Regulation 23(2) of the Listing Regulations, statements of transactions with related parties were periodically placed before the Audit Committee and approved. The Company entered into material related party transactions only with its subsidiaries.

In compliance with Regulation 24(1) of the Listing Regulations, Mr. Jean-Luc Belingard, Independent Director, was appointed as Director on the Boards of Lupin Pharmaceuticals, Inc., USA and Lupin Atlantis Holdings SA, Switzerland, wholly-owned material subsidiaries of the Company. The policy for determining material subsidiaries has been hosted on the Company's website (weblink: https://www.lupin.com/pdf/corporate-policies/policy-for-determining-material-subsidiaries.pdf).

Pursuant to Regulation 23(3) of the Listing Regulations and Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee granted requisite omnibus approvals to transactions likely to be entered into by the Company with related parties during FY 2018-19. The Committee reviewed, on a quarterly basis, details of transactions entered into by the Company pursuant to each omnibus approval given.

Apart from sitting fees and commission, there was no pecuniary transaction with any Independent Director, which had potential conflicts of interest with the Company. In compliance with Ind AS 24, details of transactions with related parties are disclosed in the notes that form part of the financial statements.

Pursuant to the provisions of Section 189(1) of the Act and the Rules made thereunder, particulars of transactions with related parties, in which directors were interested, were recorded in the 'Register of Contracts with related party and contracts and bodies etc.' (Form No. MBP - 4), placed at Board meetings and signed by Directors present. In compliance with Regulation 23(1) of the Listing Regulations and provisions of Section 188 of the Act and Rules made thereunder, the Company formulated a policy on materiality of related party transactions and dealing with related party transactions. The policy, as approved by the Board, is hosted on the Company's website www.lupin.com, web link of which is https://www.lupin.com/pdf/corporate-policies/policy-related-party-transactions.pdf.

[13] Means of communication:

The Company communicates with its stakeholders through multiple channels such as press releases, annual reports, hosting relevant information on its website and dissemination of information on online portals of the BSE and NSE. Pursuant to the Listing Regulations, unaudited quarterly financial results and audited annual financial results are announced within 45 days from the end of the quarter and within 60 days from the end of the financial year respectively. Quarterly and annual financial results are electronically uploaded on BSE's online Portal - 'BSE Corporate Compliance & Listing Centre' (Listing Centre) and on NSE's 'Electronic Application Processing System' (NEAPS) within 30 minutes of their approval by the Board. Quarterly and annual consolidated financial results are also published in the prescribed format in 'The Economic Times' (all editions) and Marathi translation thereof in 'The Maharashtra Times' (Mumbai edition) newspapers. Shareholding pattern and corporate governance reports on quarterly basis are filed with the Listing Centre and NEAPS. The website of the Company displays official press releases and presentations made to investors and analysts. At presentations made to analysts and at investors meets, unpublished price sensitive information is not disclosed.

The Company disseminates to the BSE and NSE, information required to be disclosed under Regulation 30 read with

Part A of Schedule III of the Listing Regulations, including material information having a bearing on the performance/ operations of the Company or other price sensitive information. Policy for determining materiality of events for the purpose of making disclosures to the Exchanges as also disclosures made thereunder are available on the Company's website. As a good Corporate practice, a week before the date of the Board meeting at which financial results are to be considered, black-out period is announced during which, the Company does not interact with investors/ analysts and the media. The Company has complied with all requirements of the BSE, NSE, SEBI and other statutory authorities on matters relating to capital markets during the last three years and that no penalties have been imposed nor any strictures passed against the Company. In compliance with Regulation 9 of the Listing Regulations, a policy on preservation of documents and archival policy has been hosted on the website of the Company.

[14] General Members' information:

INVESTORS' SERVICES

The Company has appointed Link Intime India Pvt. Ltd. ('Link Intime') as the Registrar and Share Transfer Agent (RTA) for rendering share related services to the shareholders of the Company. Link Intime are leaders in the corporate registry business, have the best facilities and infrastructure, and has a well-trained and professional team.

Shareholders are requested to contact Link Intime for any query or assistance, through letter, telephone, e-mail or in person at Link Intime India Pvt. Ltd. Unit: Lupin Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, Tel: 22 4918 6000, Toll Free No. 1800 1020 878, E-mail: rnt.helpdesk@linkintime.co.in.

ANNUAL GENERAL MEETING

The 37th Annual General Meeting will be held at 2.30 p.m. on Wednesday, August 7, 2019, at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.

FINANCIAL CALENDAR

First quarter results	:	July/August 2019
Second quarter results	:	October/November 2019
Third quarter results	:	January/February 2020
Annual results	:	April/May 2020
Annual General Meeting	:	July/August 2020

BOOK CLOSURE

The Register of Members and the Share Transfer Register will remain closed from Wednesday, July 31, 2019 to Wednesday, August 7, 2019, (both days inclusive).

Dividend for the year ended March 31, 2019, if declared, at the Annual General Meeting, shall be paid to:

a) beneficial owners at the end of business day on Tuesday, July 30, 2019, as per lists furnished by NSDL and CDSL, in respect of shares held in electronic form; and

b) persons whose names appear on the Register of Members as at the end of the business day on Tuesday, July 30, 2019, in respect of shares held in physical form.

DIVIDEND PAYMENT DATE

Dividend, if declared, shall be paid within five working days from the date of the Annual General Meeting. Dividend shall be remitted electronically i.e. through NECS/NEFT/NACH 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: -

The 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 2019 -20 were paid to the BSE and the NSE.

STOCK CODES

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

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN, an unique identification number, allotted to dematerialised scrip 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)

The CIN of the Company is **L24100MH1983PLC029442**.

EXCLUSIVE E-MAIL ID FOR COMMUNICATION OF INVESTORS' GRIEVANCES

The following email ID has been designated exclusively for communicating investors' grievances:
rnt.helpdesk@linkintime.co.in

MARKET PRICE DATA

The market price data covering the year April 2018 to March 2019 are given below: -

MONTH	BSE				NSE			
	(₹)		(₹)		(₹)		(₹)	
	High	Date	Low	Date	High	Date	Low	Date
Apr - 2018	842.45	06.04.18	740.05	02.04.18	842.80	06.04.18	740.00	02.04.18
May - 2018	821.90	04.05.18	723.55	15.05.18	819.45	02.05.18	723.65	15.05.18
Jun - 2018	923.10	15.06.18	746.00	05.06.18	924.50	15.06.18	745.10	05.06.18
Jul - 2018	945.85	05.07.18	788.90	19.07.18	946.20	05.07.18	787.15	19.07.18
Aug - 2018	939.80	31.08.18	802.00	13.08.18	939.80	31.08.18	801.00	13.08.18
Sep - 2018	986.00	10.09.18	851.00	21.09.18	986.10	10.09.18	851.60	24.09.18
Oct - 2018	914.20	03.10.18	818.90	08.10.18	914.90	31.10.18	818.05	08.10.18
Nov - 2018	893.00	29.11.18	830.00	28.11.18	894.00	29.11.18	830.00	28.11.18
Dec - 2018	905.90	04.12.18	803.00	11.12.18	906.00	04.12.18	802.30	11.12.18
Jan - 2019	885.00	31.01.19	815.00	08.01.19	885.95	31.01.19	818.30	03.01.19
Feb - 2019	887.70	04.02.19	754.00	20.02.19	888.65	04.02.19	752.60	20.02.19
Mar - 2019	810.55	12.03.19	720.40	28.03.19	810.80	12.03.19	719.80	28.03.19

DEMATERIALISATION OF SHARES AND LIQUIDITY

Trading in shares of the Company is permitted only in dematerialised form and are available for trading through both the depositories, CDSL and NSDL. Requests received for dematerialisation of shares are regularly monitored to expedite the demat process. The demat requests are confirmed to the depositories within five working days of receipt. The International Securities Identification Number (ISIN) assigned to the Company's equity shares by the depositories is INE 326A01037.

Shareholders holding shares in physical form are requested to get them dematerialised. All the shareholders are requested to update their bank account details, e-mail id etc. for prompt disbursement of dividend amount and faster assimilation of Company information.

During the year, the Company has electronically confirmed demat requests for 142622 equity shares. As on March 31, 2019, 99.71% of the equity share capital of the Company was held in dematerialised form.

Company's shares are fairly liquid on the bourses and are traded actively at the BSE and the NSE. Trading data of the same for the year April 2018 to March 2019 is as under: -

(Value in million ₹)

MONTH	BSE		NSE		Total	
	Shares	Value (₹)	Shares	Value (₹)	Shares	Value (₹)
Apr - 2018	2857542	2280.51	36100460	28851.36	38958002	31131.87
May - 2018	2586243	1975.31	36004096	27502.79	38590339	29478.10
Jun - 2018	5735332	4988.59	77232100	67310.21	82967432	72298.80
Jul - 2018	5151763	4393.43	59057243	50581.59	64209006	54975.02
Aug - 2018	6799948	5894.54	85543802	74076.64	92343750	79971.18
Sep - 2018	4593899	4254.61	74343310	68970.71	78937209	73225.32
Oct - 2018	3545044	3096.97	45792783	39957.91	49337827	43054.88
Nov - 2018	2715422	2322.56	34027435	29260.70	36742857	31583.26
Dec - 2018	2307248	1948.01	40723979	34472.50	43031227	36420.51
Jan - 2019	1984880	1690.06	29863779	25505.10	31848659	27195.16
Feb - 2019	2225423	1801.82	41307635	33142.13	43533058	34943.95
Mar - 2019	2288822	1743.43	44202027	33729.05	46490849	35472.48
Total:	**42791566**	**36389.84**	**604198649**	**513360.69**	**646990215**	**549750.53**

PERFORMANCE IN COMPARISON WITH BROAD BASED INDICES

Lupin share price compared with S&P BSE Sensex and Nifty 50 (Month-end closing) during the year April 2018 to March 2019: -

MONTH	BSE		NSE	
	Lupin share price (₹)	S&P BSE Sensex	Lupin share price (₹)	Nifty 50
Apr-2018	811.70	35160.36	811.55	10739.35
May-2018	768.00	35322.38	770.35	10736.15
Jun-2018	903.70	35423.48	903.80	10714.30
Jul-2018	821.35	37606.58	824.40	11356.50
Aug-2018	932.55	38645.07	931.45	11680.50
Sep-2018	900.70	36227.14	900.95	10930.45
Oct-2018	888.95	34442.05	885.45	10386.60
Nov-2018	884.50	36194.30	886.75	10876.75
Dec-2018	845.60	36068.33	844.30	10862.55
Jan-2019	880.35	36256.69	875.70	10830.95
Feb-2019	764.75	35867.44	763.75	10792.50
Mar-2019	739.10	38672.91	739.60	11623.90

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)	1482024	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
2014 - 15	1112531 shares under ESOP	1112531	898976670
2015 - 16	1094634 shares under ESOP	1094634	901165938
2016 - 17	993900 shares under ESOP	993900	903153738
2017 - 18	505981 shares under ESOP	505981	904165700
2018 - 19	410847 shares under ESOP	410847	904987394

* Amalgamation of Lupin Laboratories Limited with Lupin Chemicals Limited; the merged entity was christened Lupin Limited.

SHARE TRANSFER SYSTEM

The equity shares of the Company are being traded compulsorily in demat form and they are transferable through the depository system. The transfer of shares in physical form are placed before the Share Transfer Committee for its approval. The Committee met 28 times during the year to approve the transfer of 18450 equity shares in physical form.

The Board has constituted a Share Transfer Committee comprising Mrs. Manju D. Gupta, Dr. Kamal K. Sharma, Mr. Nilesh Deshbandhu Gupta and Dr. K. U. Mada.

In terms of Regulation 40(9) of the Listing Regulations, every six months, a Company Secretary in practice undertakes audit of the share transfer related activities and issues the compliance certificate which the Company submits to BSE and NSE.

SHARE ALLOTMENT COMMITTEE

The Board has delegated powers to the Allotment Committee of Directors to allot the shares of the Company. Mrs. Manju D. Gupta, Dr. Kamal K. Sharma and Mr. Nilesh Deshbandhu Gupta are Members of the Committee.

The Allotment Committee met 13 times during the year. It approved allotment of 410847 shares to the employees of the Company and those of its subsidiaries, upon their exercising the vested options granted to them under various Stock Option Plans of the Company.

Executives of the Company are authorized by the Share Allotment Committee to comply with pre and post-allotment formalities including listing of allotted shares with the stock exchanges.

UNCLAIMED SHARES

As on April 1, 2018, 136450 shares pertaining to 219 shareholders remained outstanding as unclaimed in the 'Lupin Limited - Unclaimed Suspense Account'.

During the year, 5 shareholders have claimed 450 shares which were transferred by the Company in the name of the respective claimant shareholders after due verification of the claim documents submitted by them.

Further, 7250 shares pertaining to 50 shareholders were transferred to the IEPF authority in terms of Section 124 (6) of the Companies Act, 2013.

As on March 31, 2019, the balance in the Unclaimed Suspense Account was 128750 shares of 164 shareholders, the voting rights in respect of which shall remain frozen till the claim of the rightful shareholders is approved by the Company.

SHAREHOLDING PROFILE AS ON MARCH 31, 2019

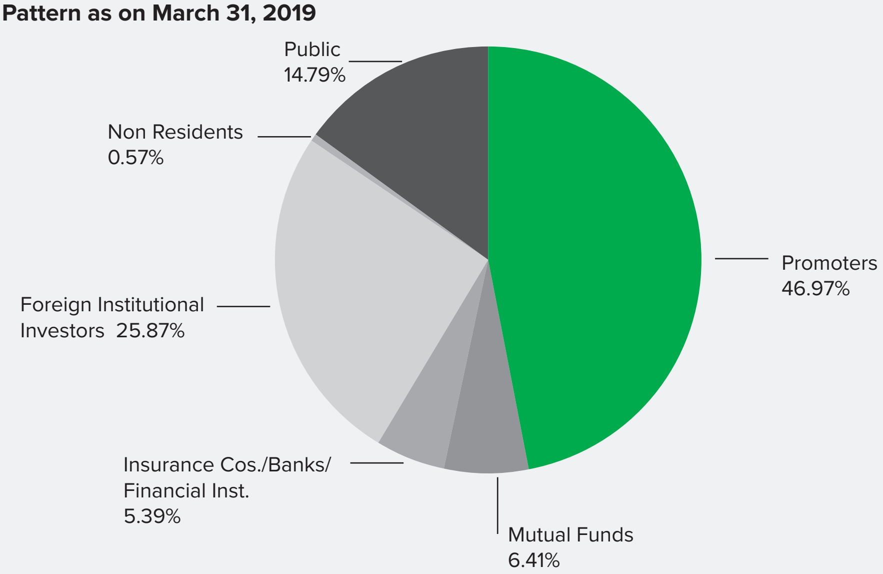
i. Distribution of Shareholding

Shareholding range	Shareholders		Shareholding	
	Numbers	%	Numbers	%
1 - 500	309343	95.35	19807160	4.38
501 - 1000	7281	2.24	5432550	1.20
1001 - 2000	4774	1.47	6469486	1.43
2001 - 3000	993	0.31	2485877	0.55
3001 - 4000	374	0.12	1331372	0.29
4001 - 5000	263	0.08	1228213	0.27
5001 - 10000	469	0.15	3333528	0.74
10001 and above	917	0.28	412405511	91.14
Total	**324414**	**100.00**	**452493697**	**100.00**

ii. Shareholding Pattern

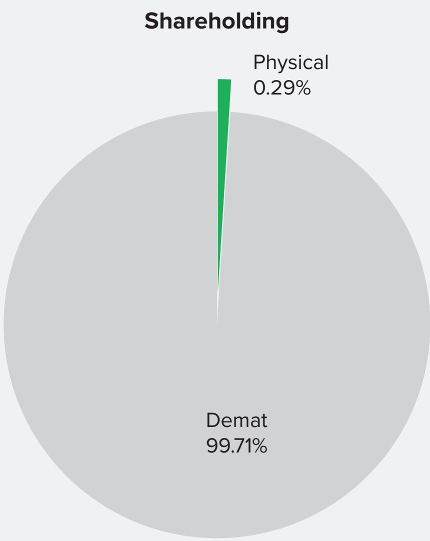
Category	As on 31.03.2019		As on 31.03.2018	
	No. of shares	%	No. of shares	%
Promoters	212545642	46.97	212529730	47.01
Mutual Funds	29020664	6.41	28755343	6.36
Insurance Cos./ Banks/ Financial Institutions	24390942	5.39	24824325	5.49
Foreign Institutional Investors (FIIs)	117062968	25.87	114788374	25.39
Foreign Bodies	5000	0.00	5015	0.00
Non Residents	2569030	0.57	2744093	0.61
Public	66899451	14.79	68435970	15.14
Total	**452493697**	**100.00**	**452082850**	**100.00**

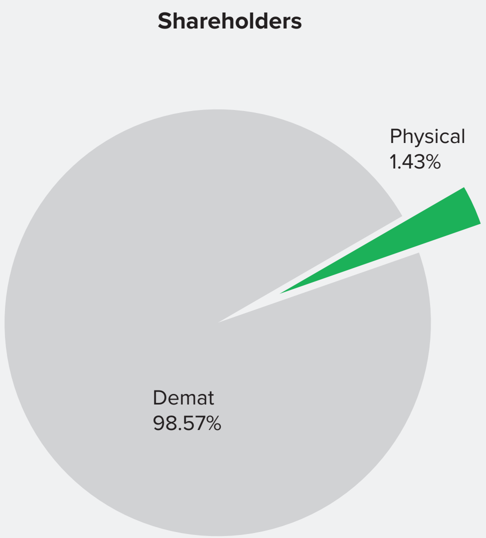
Shareholding Pattern as on March 31, 2019



iii. Shareholding Profile

	Demat		Physical		Total
	(nos.)	%	(nos.)	%	(nos.)
Shareholding	451170209	99.71	1323488	0.29	452493697
Shareholders	319761	98.57	4653	1.43	324414





iv. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	9537	2.94	Madhya Pradesh	8277	2.55
Assam	1381	0.43	Maharashtra	108552	33.46
Bihar	2471	0.76	North Eastern States	310	0.10
Chhattisgarh	1351	0.42	Orissa	2765	0.85
Delhi	18871	5.82	Punjab	5213	1.61
Goa	1716	0.53	Rajasthan	10593	3.27
Gujarat	39229	12.09	Tamilnadu	18973	5.85
Haryana	7022	2.16	Telangana	7072	2.18
Himachal Pradesh	635	0.20	Uttarakhand	5365	1.65
Jammu and Kashmir	639	0.20	Uttar Pradesh	13916	4.29
Jharkhand	4512	1.39	West Bengal	21351	6.58
Karnataka	22460	6.92	Others	4973	1.53
Kerala	7230	2.23	**Total**	**324414**	**100.00**

DIVIDEND PROFILE

Particulars of dividend declared by the Company: -

Financial year	Book closure/Record date	Dividend %	Dividend per share (₹)	Date of declaration	Date of payment
2017 - 18	01.08.18 - 08.08.18	250	5.00	08.08.2018	13.08.2018
2016 - 17	26.07.17 - 02.08.17	375	7.50	02.08.2017	05.08.2017
2015 - 16	27.07.16 - 03.08.16	375	7.50	03.08.2016	06.08.2016
2014 - 15	16.07.15 - 23.07.15	375	7.50	23.07.2015	27.07.2015
2013 - 14 (Final)	23.07.14 - 30.07.14	150	3.00	30.07.2014	31.07.2014
2013 - 14 (Interim)	14.02.14	150	3.00	03.02.2014	21.02.2014
2012 - 13	31.07.13 - 07.08.13	200	4.00	07.08.2013	08.08.2013
2011 - 12	17.07.12 - 24.07.12	160	3.20	24.07.2012	25.07.2012
2010 - 11	20.07.11 - 27.07.11	150	3.00	27.07.2011	28.07.2011
2009 - 10	21.07.10 - 28.07.10	135	13.50	28.07.2010	29.07.2010
2008 - 09	22.07.09 - 29.07.09	125	12.50	29.07.2009	30.07.2009
2007 - 08	15.07.08 - 22.07.08	100	10.00	22.07.2008	23.07.2008
2006 - 07	12.07.07 - 19.07.07	50	5.00	19.07.2007	20.07.2007
2005 - 06	11.07.06 - 12.07.06	65	6.50	25.07.2006	26.07.2006
2004 - 05	19.07.05 - 20.07.05	65	6.50	28.07.2005	29.07.2005
2003 - 04	15.07.04 - 16.07.04	65	6.50	29.07.2004	30.07.2004
2002 - 03	17.07.03 - 18.07.03	50	5.00	06.08.2003	07.08.2003
2001 - 02 (Final)	20.08.02 - 21.08.02	25	2.50	02.09.2002	03.09.2002
2001 - 02 (Interim)	07.02.02	25	2.50	17.01.2002	15.02.2002

Notes: 1. Dividend for the year 2006-07 onwards was on enhanced equity share capital, consequent to the Bonus Issue in the ratio of 1:1.
2. Face value of the equity share was reduced from ₹ 10.00 each to ₹ 2.00 each, effective August 31, 2010.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, ("Regulations"), which has been designed to maintain the highest ethical standards. The Code elaborately prescribes the procedures to be followed while dealing in the shares of the Company and is applicable to Designated Persons and their immediate relatives.

The Code restricts the said persons to deal in the shares of the Company while 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.

The Company also follows the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' as envisaged by the Regulations, which is hosted on the Company's website.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In terms of the provisions of Clause 76 (1) of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, an audit of share Capital of the Company is conducted for each calendar quarter, by a practising Company Secretary, with a view 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, confirms that the Register of Members is duly updated and that demat/remat requests were confirmed to the depositories within stipulated time. Details of changes in the share capital 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 Stakeholders' Relationship Committee and the Boad of Directors.

UNCLAIMED DIVIDENDS

Dividends declared by the Company up to the financial year 2010-11 which remained unclaimed/unpaid were transferred to the Investor Education and Protection Fund (IEPF), pursuant to the relevant provisions, as and when the same were due.

In the interest of the shareholders, the Company sends personalized reminders to the shareholders concerned to claim their unpaid dividends from time to time and also before transferring the same to IEPF.

The unclaimed/unpaid dividends for the year 2011-12 onwards will be transferred to the IEPF, as given below: -

Financial Year	Date of Declaration	Due date for transfer to IEPF
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
2013 - 14 (Final)	30.07.2014	04.09.2021
2014 - 15	23.07.2015	28.08.2022
2015 - 16	03.08.2016	08.09.2023
2016 - 17	02.08.2017	07.09.2024
2017 - 18	08.08.2018	13.09.2025

Shareholders are advised to check their records and claim dividend before the due date of transfer to IEPF, if not already encashed.

OUTSTANDING GDRs/ADRs/WARRANTS/ CONVERTIBLE INSTRUMENTS

The Company has granted stock options to its employees and those of its subsidiaries under various employees stock option plans. Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the respective plans, the Company allots equity shares from time to time, upon the employees exercising the options vested in them.

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

PLANT LOCATIONS

The Company's plants are located at:

i)	T-142,MIDC Industrial Estate, Tarapur Industrial Area, Boisar, Dist. Thane, Maharashtra - 401 506.
ii)	198-202, New Industrial Area II, Mandideep, Dist. Raisen, Madhya Pradesh - 462 046.
iii)	124, GIDC Industrial Estate, Ankleshwar, Gujarat - 393 002.
iv)	A-28/1, MIDC Area, Chikalthana, Aurangabad, Maharashtra - 431 001.
v)	B-15, Phase I-A, Verna Industrial Area, Verna Salcette, Goa - 403 722.
vi)	EPIP, SIDCO Industrial Complex, Bari Brahmana, Jammu - 181 133.
vii)	Gat No. 1156, Village Ghotawade, Taluka Mulshi, Dist. Pune, Maharashtra - 412 115.
viii)	Block 21, Dabhasa, Padra Taluka, Vadodara, Gujarat - 391 440.
ix)	Plot Nos. M-1, M-2, M-2A and M-3-A, Special Economic Zone, Phase - II, Misc. Zone, Apparel Park, Pithampur, Dist. Dhar, Madhya Pradesh - 454 775.
x)	Plot 6A, Sector-17, Special Economic Zone, Mihan Notified Area, Nagpur - 441 108.
xi)	Plot #130, Road #11, J. N. Pharma City Parwada, Visakhapatnam, Andhra Pradesh - 531 019.
xii)	4th Â Mile, Bhasmey, Karmarey-Bhasmey Block, Duga Ilaka, East Sikkim, Sikkim - 737 132.
xiii)	Kyowa Pharmaceutical Industry Co. Ltd., 11-1 Techno Park, Sanda, Hyogo 669 - 1339, Japan.
	Kyowa Pharmaceutical Industry Co. Ltd., 3-201-2, Minami-Yoshikata, Tottori - City, Tottori, 680 - 0843, Japan.
xiv)	Kyowa CritiCare Co., Ltd., Post code 243-0014, 4-18-29, Asahi-cho, Atsugi city, Kanagawa prefecture, Japan.
xv)	Laboratorios Grin S.A. de C.V., q Rodriguez Saro#630, Col Del Valle, Mexico DF, CP 03100, RFC LGR8309144M3.
xvi)	Medquimica Industria Farmaceutica LTDA, RUA FERNANDO LAMARCA, 255 - Bairro Distrito Industrial Juiz de Fora, Minas Gerais, CEP 36092-030, Brazil.
xvii)	Novel Laboratories Inc., 400, Campus Drive, Somerset, New Jersey - 00873 - 1145, USA.

ADDRESS FOR CORRESPONDENCE

Members may address their queries/communications to:

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
Unit: Lupin Limited
C 101, 247 Park, LBS Marg,
Vikhroli (West),
Mumbai - 400 083.
Tel: (022) - 4918 6000
Toll Free No. 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board of Directors

Nilesh Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 15, 2019

CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

We, Mr. Nilesh Deshbandhu Gupta, Managing Director and Mr. Sunil Makharia, President - Finance, do hereby certify to the Board that: -

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2019 and that to the best of our knowledge and belief: -

- **(i)** the said statements do not contain any materially untrue statements or omit any material fact, or contain statements that might be misleading; and
- **(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 DESHBANDHU GUPTA
MANAGING DIRECTOR
(DIN: 01734642)

For LUPIN LIMITED

SUNIL MAKHARIA
PRESIDENT - FINANCE

Mumbai, May 15, 2019

DECLARATION FOR COMPLIANCE WITH THE CODES OF CONDUCT

I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Codes of Conduct as applicable to them for the year ended March 31, 2019.

For LUPIN LIMITED

NILESH DESHBANDHU GUPTA
MANAGING DIRECTOR
(DIN: 01734642)

Mumbai, May 15, 2019

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To,
The Members,
Lupin Limited

1. This report contains details of compliance of conditions of corporate governance by Lupin Limited ('the Company') for the year ended March 31, 2019, as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the 'Stock Exchanges').

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the Corporate Governance, including the preparation and maintenance of all relevant supporting records and documents, is the responsibility of the management of the Company.

Practising Company Secretary's Responsibility

3. The examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is my responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2019.

Opinion

5. In my opinion, and to the best of my information and according to explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.
6. I 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.

Restriction on use

7. The certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirements of the Listing Regulations, and the same shall not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

Ms. Neena Bhatia
(Company Secretary)
FCS No.: 9492
CP. No.: 2661

Place: Mumbai
Date: May 15, 2019

Business Responsibility Report

The Company firmly believes that in order to achieve sustained growth, all the sections of the community should flourish. The Company is committed in giving back to the society in which it prospers. The Company has in compliance with Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prepared the Business Responsibility Report as under: -

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** : Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.
4. **Website** : www.lupin.com
5. **E-mail id** : hosecretarial@lupin.com
6. **Financial Year reported** : Year ended March 31, 2019.
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, Diabetology and Respiratory Drugs.
9. **Total number of locations where business activity is undertaken by the Company:**
   a. **Number of International Locations:**
   The Company has 30 international subsidiaries located in 15 countries and a Joint Venture in Japan. The Company has Representative Offices in China, Myanmar, Vietnam and Russia. Offices in Ukraine and Kazakhstan are under process of liquidation. The Company has six manufacturing plants located in 4 countries. The Company also has research facilities in USA, Japan and the Netherlands.
   b. **Number of National Locations:**
   The Company has 12 manufacturing plants situated at Aurangabad, Tarapur, Pune and Nagpur in Maharashtra, Ankleshwar and Dabhasa in Gujarat, Mandideep and Pithampur in Madhya Pradesh, Visakhapatnam in Andhra Pradesh, Sikkim, Goa and Jammu. The main R&D Centre is located at Pune. The Registered office is in Mumbai. The Company has 28 Carrying & Forwarding Agents, six Central Warehouses and eight Consignee Agents across the country.
10. **Markets served by the Company - Local/State/National/International:**
In addition to serving the Indian market, the Company exports to around 75 countries worldwide.

Section B: Financial Details of the Company

1. **Paid up Share Capital** : ₹ 905 million
2. **Total Turnover** : ₹ 110315.6 million (Standalone)
3. **Total Profit after Taxes** : ₹ 15388.3 million (Standalone)
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%): -**
   The total CSR spend for the year was ₹ 379.5 million which is 1.16% of the average net profit of the Company for the last three years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.
5. **List of activities in which expenditure in 4 above has been incurred: -**
   In accordance with the comprehensive CSR policy of the Company, varied initiatives were implemented in the reporting year to bring about profound change in the area of operations. These initiatives can be grouped as follows: -

   a. **Economic development**
   Diverse measures aimed at enhancing productivity, technology infusion as also diversification was undertaken in various sectors such as agriculture, rural industries, skill enhancement and animal husbandry. These measures led to increase in income of the targeted poor families in the project areas.

   b. **Social development**
   Simultaneously with Economic development, Social development is undertaken with an objective to improve key human development indicators such as health and education apart from women empowerment. In the health sector focus is on delivering quality health service in remote rural hinterland. Improved learning levels and retention through enjoyable and effective education is a result of various interventions in the education sector. Through economic empowerment triggered by well-designed Self-Help Group programmes, women in the project areas are entering and seizing public spaces.

   c. **Natural Resource Management (NRM)**
   The Company focuses on conservation of natural resources such as water and soil through construction of check dams, farm ponds, renovation of defunct lakes and similar measures. These NRM measures have enhanced availability and accessibility of water and significantly improved quality of life.

   d. **Rural Infrastructure Development**
   Varied infra-structure development activities were carried out to give boost to rural economy. The said infrastructure building initiatives comprised chauraha or crossroad development, economic housing for rural poor, school and other common assets and sanitation facilities in the project areas.

   e. **Learn and Earn programme**
   With an aim to provide an opportunity to deserving students, particularly from small towns and rural areas for pursuing higher education with stipend or earning, the Company has in place the Learn & Earn programme. The said programme is in line with the Company's philosophy to share and care, to nurture and enable an inclusive growth. The purpose is to provide an opportunity to the young, deserving minds to dream, dare and do what they are capable of doing.

   f. **TB Eradication**
   The Company continues to undertake public health initiative termed 'Lupin's Initiative for Management of India's Tuberculosis'. The Company realises the responsibility that comes with being the world's largest manufacturer of anti-TB drugs. The overall goal of the project is to support the National Strategic Plan for TB control and contribute to the vision of universal access for quality diagnosis and treatment for all TB patients in the community.

Section C: Other Details

1. **Does the Company have Subsidiary Companies?**
   As on March 31, 2019, the Company had 31 subsidiaries.
2. **Do the Subsidiary Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary companies:**
   Of the 31 subsidiaries, 30 are incorporated outside India, which comply with the requirements of their respective countries and have independent business responsibility initiatives. Lupin Healthcare Limited, the only 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%]:**
   The Company's suppliers, distributors, etc. do not directly participate in the BR initiatives of the Company; however, they support the same.

Section D: BR Information

1. **Details of Director responsible for BR:**
   a) **Details of the Director responsible for implementation of the BR policies:**
      1) **DIN:** 01734642
      2) **Name:** Mr. Nilesh Deshbandhu Gupta
      3) **Designation:** Managing Director

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

Sl. No.	Particulars	Details
1.	DIN	01734642
2.	Name	Mr. Nilesh Deshbandhu Gupta
3.	Designation	Managing Director
4.	Telephone number	+91 22 6640 2323
5.	E-mail id	hosecretarial@lupin.com

2. **Principle-wise (as per NVGs) BR Policy/policies**
   a) **Details of compliance (Reply in Y/N):**

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of employees	Stakeholder engagement CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policies for.	Y	Y	Y	Y	Y (The policy is broadly covered in various HR policies and practices as also codes of conduct)	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify.	Y	Y	Y	Y	Y	Y	-	Y	Y
		The policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								

4.	**Has the policy been approved by the Board?** **If yes, has it been signed by MD /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.lupin.com
@ https://lupinworld.sharepoint.com/sites/Intranet/en-in

b) If answer to question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

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

3. Governance related to BR:

a) 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.

b) 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 are provided in the Management Discussion and Analysis Report forming part of Annual Report every year.

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 firmly believes that good Corporate Governance practices hold the key to raise the long-term value of stakeholders and form an integral part of its business. The Company strives adopting the best of Corporate Governance practices worldwide in its pursuit of the highest standards of governance. It is committed to benchmark itself with the best standards in letter form and spirit. The Company has adopted Codes of Conduct for Directors and Senior Management personnel and a Code for Independent Directors. These Codes are hosted on the website of the Company (www.lupin.com). The Company adheres to uncompromising integrity in its conduct of business and abides by well-accepted norms of ethical, lawful and moral conduct. The Company instituted an initiative which encompasses three important policies viz. Code of Conduct and Workplace Ethics, Whistleblower Policy and Policy on Prevention of Workplace Harassment [including The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules]. The said initiative enforces a common code of ethics, empowers employees to report unethical practices, facilitates swift redressal and sets in place specified mechanisms to deal with workplace harassment. Employees take pride in being part of this culture and live up to their commitment both in letter and spirit. The initiative lays down rules and procedures, by which employees could report any suspected wrongdoings or fraudulent business practices against anyone in the organization, regardless of the grade or hierarchy, without any fear of punishment or retribution.

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.**

During the year, the Ombudsperson received 25 complaints, pertaining to employment related grievances which were of minor nature. The said complaints were investigated by the officers appointed by the Ombudsperson/Strategic Business Unit Heads and were resolved satisfactorily.

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

   ii. 'Rablet' (Rabeprazole) an Anti-Ulcer Drug for treatment of hyperacidity.

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

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

   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   The Company manufactures and distributes at its world-class manufacturing facilities a wide range of branded formulations, generics and active pharmaceutical ingredients. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

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

   The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several ongoing measures to reduce consumption of water and energy.

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.**

The Company has standard operating procedures for approving vendors. Materials are procured from approved vendors both local as also international. The Company's quality assurance team conducts periodic audits of vendors, especially those who supply key materials. The Company has long standing business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive unrelenting support from its vendors.

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

The Company procures goods and avail services from local and small vendors, particularly those located around its manufacturing locations. As a result of procurement of goods from local vendors, the Company saves on transportation as also inventory carrying costs. The Company provides technical support and guidance to vendors in developing products.

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.**

A mechanism for recycling and reuse of products is in place in the Company and it actively and continually promotes the concept of recovery, reuse and recycling. About 63% of the waste water generated in plants, is recovered, recycled and reused thereby reducing usage of fresh water. Besides, steam condensate is recovered and reused which has resulted in reduction in use of fresh water. Treated waste water is also used for gardening inside the Company premises in place of fresh water. About 57% of incinerable waste generated at plants is sent for co-processing in cement kilns and utilization in other industry. In cement plant high calorific incinerable hazardous wastes are used in place of fossil fuels. Most of the solvents are recycled and reused.

Principle 3

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

   17,684 permanent employees in India as on March 31, 2019.

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

   5,741 as on March 31, 2019.

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

   868 as on March 31, 2019.

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

   9 as on March 31, 2019.

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 associations of employees at the respective locations.

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

   About 12% of the permanent employees are members of recognised employee associations.

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

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

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

   (a) **Permanent Employees: -** Safety training is considered to be an integral part of the induction training program and is imparted to employees at the time of joining the Company. It includes procedural and chemical safety, first-aid, firefighting etc. More than 95% of operating personnel are trained in safety. Procedural safety trainings are imparted regularly and firefighting as also first-aid trainings are given at scheduled intervals.

   (b) **Permanent Women Employees: -** More than 88% of permanent women employees are trained in safety. The Company makes no discrimination while imparting training to women employees vis-a-vis their male counterparts. Induction safety training is imparted to all women employees who are fresh recruits while other trainings like first aid etc. are imparted periodically.

   (c) **Casual/Temporary/Contractual Employees: -** 100% casual/temporary/contractual employees in operating functions are trained.

   (d) **Employees with Disabilities: -** The Company makes no discrimination 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.**

   Yes, 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.**

   The Company's ophthalmology division, 'Lupin Blue Eyes' is associated with Eye Bank Association of India in a unique co-campaign called 'Punarjyoti' ('Rebirth of Eyes'), which promotes the noble message of pledging donation of eyes after death. Asthma detection camps are organised pan India which facilitates free screening of patients where chest physicians are present to diagnose patients and provide appropriate treatment. About 800 camps were organised, at which, information on causes of COPD and symptoms were shared with patients who were offered free Spirometry diagnosis, doctors consultations and advised lifestyle modifications. The Company organised programs in schools and residential societies to educate parents and teachers about pediatric asthma. A dedicated multilingual website Right2breathe to educate patients about Asthma and Allergies was developed. With an aim to answer patient queries related to ailments, a chatbot named ANYA, designed to provide medically verified information for health-related queries was launched. The Company developed the HUMRAHI app application which provides demonstration of Insulin administration techniques and is helpful to diabetic patients as well as doctors. The said app also provides information on diet for diabetic patients. In continuation of the Company's commitment towards TB eradication from the country, a unique mobile app named FIGHT TB, a one-stop solution for doctors treating Tuberculosis, was created.

The said app promotes WHO recommended treatment guidelines for TB as also helps clinicians to notify TB patients.

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?**

   In line with the Company's commitment to respect and protect human rights, the Company neither hires child labour, forced labour or involuntary labour nor discriminates between its employees. The Company's code of conduct and the human resource practices cover most of these aspects. This policy extends to the entire Lupin Group.

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

   The Company did not receive any complaint during the financial year, in respect of violation of human rights.

Principle 6

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

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

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

   Conservation and optimum utilization of natural resources has been and continues to be the topmost priority for the Company. The Environment, Health and Safety policy of the Company (https://lupinworld.sharepoint.com)stresses on conservation of energy by eliminating/reducing waste. Water is a precious resource and the Company has in place a mechanism to recover and recycle waste water. The Company has installed solar power panels at some of its plant locations to reduce dependency on conventional sources of energy. The Company is exploring possibilities to improve solar power generation as also its use in future.

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

   Yes, all new facilities and products are risk assessed through internal and external mechanisms which includes environmental impact assessment as also development of environmental management plans. The said environmental management plans are reviewed regularly during internal meetings.

   The Company received prestigious International Sustainability Rating System (ISRS) certification after audit by external independent parties. The Company continues to be the first in the pharmaceutical industry in India to have received the certification for three of its units. The said sites are audited every year by external independent parties.

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?**

   Yes, the Company plans to go for co-generation plant which will be based on agro based fuel.

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

   Some energy-efficient and clean technology initiatives carried out by the Company at different locations were as under: -

   - Installed solar power panels.
   - Replaced conventional mercury vapor lights with LED ones.
   - Installed condensate recovery system.
   - Optimised cooling water pumping power.
   - Replaced oil lubricating pumps with dry vacuum ones.
   - Installed automatic tube brushing system for chillers.
   - Used spent effluent stream instead of fresh caustic flakes for cleaning ATFDs.
   - Replaced shell and tube condensers with finned type ones.
   - Installed centrifugal chillers with inbuilt oil cooler.
   - Installed digital IP/OP ISM ozone sensor.
   - Developed auto tube cleaning machine.
   - Installed emulsification unit.
   - Installed IP Phones.

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

   Yes and the same are monitored by both internal as also 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 notice received from CPCB/SPCB.

Principle 7

1. **Is the 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 (BDMA);

   (g) Pharmaceutical Export Promotion Council of India (PHARMEXCIL);

   (h) Bombay Chamber of Commerce and Industry; and

   (i) Federation of Indian Export Organisation (FIEO).

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

   Over the years, the Company has advocated at various forums about measures to be taken to address basic issues pertaining to improvement of public health and promote balanced as well as sustainable economic development. The Company supports the government in its efforts to harness the country's innovation capabilities and suggests measures to offer facilities and incentives viz. encourage investments in R&D. The Company makes 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.

Principle 8

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

   Dedicated to high moral values, the Company established the Lupin Human Welfare and Research Foundation (LHWRF) to carry out activities of social responsibility way back in 1988 and has been in operation for the last three decades. LHWRF has touched the lives of more than 2.5 million people residing in more than 4171 villages located in 61 blocks of 21 districts across India. The portfolio of the CSR activities is given below: -

   Economic Development Programme

   - Agriculture;
   - Animal Husbandry;
   - Rural Industries and Skill Development;
   - Financial Inclusion;
   - Skill development; and
   - Learn and Earn programme

   Social Development Programme

   - Women empowerment;
   - Education;
   - Health including Awareness and treatment programmes of Tuberculosis in rural and urban areas; and
   - Social Security;

   Rural infrastructure Development Programme

   - Rural Economic Housing;
   - Crossroad development as market hub;
   - Village inroads; and
   - Civic amenities Community health management.

   Natural Resource Management

   - Water Resource Development; and
   - Alternate Energy Development and promotion such solar lights, biogas, biomass stoves and similar green initiatives.

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

   The entire CSR activities of the Company are implemented through LHWRF, which operates across 20 centers in India. LHWRF possesses elaborate and capacitated implementation mechanism right at the grass-root level. LHWRF mobilizes additional resources from banks and government to achieve high impact within the areas of its opeartions.

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

   During the year LHWRF carried out third party impact assessment study in Bharatpur. The Company regularly conducts third party impact assessments of its CSR initiatives through qualitative feedbacks collected from the beneficiaries of projects. Several projects are undertaken in partnership with government and semi-government agencies that have their own monitoring mechanisms and impact assessment systems. A robust internal M & E system has been established.

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

   During the year, an amount of ₹ 379.5 million was spent on various community development projects viz. Women empowerment, Agricultural development, Community health management, Natural resource management, economic advancement through Education and training, Animal husbandry, Promotion of rural industries, Infrastructure development, and Learn and earn activities for the needy.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   Most of the CSR initiatives undertaken by the Company are not imposed from the top but are designed with people's participation right from the village level. Consequently, only activities, which have buy in of the community and the beneficiaries are taken up. Various initiatives aimed at productivity enhancement, livelihood development, income generation, and technological infusion have struck cord with the rural community and have been accepted on wider scale.

Principle 9

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

   As on March 31, 2019, about 4% 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 complies with all the legal statutes regarding display of product information on labels.

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.**

   A stockist based in Bengaluru filed a case before the Competition Commission of India (CCI), against the Karnataka Drug & Chemists Association, its office bearers and the Company alleging anti-competitive arrangements. CCI passed an Order against the parties which was set aside in an appeal filed by the Company before the Competition Appellate Tribunal (COMPAT). CCI has preferred an appeal against the COMPAT Order before the Supreme Court and the matter is sub-judice.

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

   The Company regularly carries out consumer surveys at doctor level.

For and on behalf of the Board of Directors

Nilesh Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 15, 2019

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Consolidated Financial Statements

Independent Auditor's Report

To the Members of LUPIN Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Lupin Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, which comprise the consolidated Balance Sheet as at 31 March, 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and a joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its joint venture as at 31 March, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How the matter was addressed in audit
1. Revenue Recognition: Refer to note 1A(m) of significant accounting policies and note 40 in consolidated financial statements. The Group recognises revenue from the sales of pharmaceutical products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Group has a large number of customers operating in various geographies and sales contracts with customers have a variety of different terms relating to the recognition of revenue, the entitlement to sales rebates, the right of return and price adjustments. Sales arrangements in certain jurisdictions lead to material deductions to gross sales in arriving at revenue. We identified the recognition of revenue from sale of products as a key audit matter because • Revenue is a key performance indicator of the Group and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period. • Establishing an appropriate accrual towards rebate, discount, returns, chargebacks and allowances requires significant estimation on the part of management and change in this estimates can have a significant financial impact.	Our audit procedures in respect of the recognition of revenue included the following: – Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; – Evaluating the design, testing the implementation and operating effectiveness of the Group's internal controls including general IT controls and key IT application controls over recognition of revenue and measurement of rebates, discounts, returns and chargebacks; – Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents. Obtaining and assessing appropriateness of positions for returns, rebates and chargebacks. Performing retrospective review to identify any management bias; – Reviewing the terms of the research and development/ licensing arrangements to determine whether the rights transferred under the contract qualified for revenue recognition having regard to the remaining performance obligations under the Contract and assessing whether appropriate proportion of revenue is deferred in respect of ongoing performance obligations. Testing controls over review of contracts and revenue recognition;

Key audit matter description	How the matter was addressed in audit
The Group routinely enters into development and commercialization arrangements relating to research and development of new products in the pharmaceutical sector including collaboration with other pharmaceutical companies. This includes in-licensing and out-licensing arrangements and other types of complex agreements. The nature of these arrangements are often inherently complex and unusual requiring management judgment to be applied in respect of revenue recognition. Considering the extent of estimation and judgment involved, recognition of revenue from such contracts has also been considered as key audit matter.	– Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing; – Evaluating the adequacy of the Consolidated financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities; and – Evaluating adequacy of disclosures given in Note 40 to Consolidated financial statements.
2. Litigation, claims and related provisions: Refer to note 1A(q) of significant accounting policies and note 38 in consolidated financial statements. The Group operates in multiple jurisdictions in the pharmaceutical industry which is heavily regulated, resulting in increased exposure to litigation risk. The Group is involved in a number of litigations/ legal actions. As at 31 March 2019, the Group held provisions of ₹ 4,027.5 million in respect of legal claims (31 March 2018: ₹ 651.8 million). These provisions are based on judgement and incorporated accounting estimates by management in determining the likelihood and magnitude of an unfavorable outcome on the claims. Accordingly, unexpected adverse outcomes could significantly impact the Group's reported profit and balance sheet position.	Evaluating the design and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims; Corroborating management's assessment by – making enquiries with the in-house legal counsel of the group; – verifying correspondence, orders and appeals in respect of open litigation; – Obtaining confirmations from external legal counsels where relevant and/ or evaluating legal opinions obtained by the management; Evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of management bias; and Evaluating adequacy of disclosures given in Note 38 to consolidated financial statements.
3. Intangible Assets: Refer to note 1A(d) of significant accounting policies. The carrying value of Intangible Assets including goodwill and IP R&D aggregate to ₹ 67,963.0 million. These assets are evaluated for any impairment annually. Management performs the annual assessment of the intangible assets including goodwill and IP R&D, at each cash generating unit (CGU) level, to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operations costs, terminal value growth rates, the impact of the expiry of patents on the product and potential product obsolescence and the weighted average cost of capital (discount rate). Considering the inherent uncertainty, complexity and management judgment involved and the significance of the value of the assets, impairment assessment of intangible assets has been considered as a key audit matter.	We assessed the appropriateness of the carrying value of the intangible assets by performing the following audit procedures : – Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; – Assessing the valuation methodology used by management and management review control around making this assessment and testing the mathematical accuracy of the impairment models; – Assessing management's identification of CGUs with reference to the guidance in the applicable accounting standards; and – Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; – Challenging the appropriateness of the business assumptions used by management, such as sales growth and the probability of success of new products; and – Evaluating past performances where relevant and assessed historical accuracy of the forecast produced by management; – Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; – Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures; and – Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rate applied in the valuation models.

Key audit matter description	How the matter was addressed in audit
4. Uncertain tax positions: (UTPs) The Group operates in numerous tax jurisdictions with various tax exemptions available across regions which are subject to periodic challenges by local tax authorities leading to protracted litigations. There are a number of open tax and transfer pricing matters under litigation with tax authorities over a number of years and tax exposures with overseas tax authorities giving risk to uncertain tax provisions. The range of possible outcomes for provisions and contingencies can be wide and management is required to make certain judgement in respect of estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. The group also carries deferred tax assets aggregating to ₹ 7,340.0 million arising from temporary differences in various jurisdictions. These assets are tested for realisability based on projections of taxable profits prepared by management. These projections involves judgement with respect to growth rates, new product launches and cost escalations. Provision for current tax, valuation of UTPs and recognition of deferred assets/liabilities have been identified as a key audit matter due to the inherent level of complexity in the underlying tax laws and the extent of management judgement involved in developing these estimates. These matters are disclosed in note 46 to the consolidated financial statements. Refer note 1A(k) in significant accounting policies. Total tax related liabilities carried in the books aggregate to ₹ 2,882.8 (Deferred tax liabilities) and ₹ 442.1 (Current tax liabilities).	With the support of tax specialists, we assessed the appropriateness of the provisions for UTPs and carrying value of deferred tax assets by performing the following audit procedures; – Testing the design and operating effectiveness of the Group's controls over provisions for current tax, deferred tax and uncertain tax positions; – Assessing and challenging the completeness of UTPs in conjunction with our internal tax specialists by considering changes to business and tax legislation in key jurisdictions by having discussions with management and review of correspondence with authorities where relevant; – Assessing and challenging the calculation for current tax provisions and the procedures performed to analyse movements including the rationale for any release, increase or continued provision in the year; – Assessing and challenging management's judgements regarding the recoverability of temporary differences pertaining to deferred tax balances by obtaining and critically examining the forecasts and demonstrating the expected utilization of key temporary differences in order to assess their recoverability; – Assessing and challenging management's judgments with respect to probability of outflow arising out of litigation after considering the status of recent tax assessments, audits and enquiries, recent judicial pronouncements and judgments in similar matters, developments in the tax environment and outcome of past litigations. We focused our work on the jurisdictions with greatest potential exposure involving higher level of judgements; – Involving transfer pricing specialists to review the transfer pricing methodology of the group and associated approach to provisioning; and – Evaluating adequacy of disclosures given in Note 46 to consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) as well as joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information/ the consolidated financial statements / consolidated financial information of 31 subsidiaries, and 1 joint venture, whose financial statements / financial information/ the consolidated financial statements / consolidated financial information reflect total assets of ₹ 232,155 million as at March 31, 2019, total revenues of ₹ 120,353 million and net cash out flows amounting to ₹ 8,226 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit and other comprehensive income of ₹ 38 million for the year ended 31 March, 2019, as considered in the consolidated financial statements, in respect of joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information/ the consolidated financial statements / consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and its joint venture, is based solely on the reports of the other auditors.

(b) Certain of these subsidiaries and a joint venture are located outside India whose financial statement/ consolidated financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and its joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and a joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and its joint venture as audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its Subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 separate financial statements of the subsidiaries and a joint venture, as noted in the 'Other Matters' paragraph:

i) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its joint venture. Refer Note 38 to the consolidated financial statements.

ii) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March, 2019.

iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act.

The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

Annexure A to the Independent Auditor's report on the consolidated financial statements of Lupin Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under section 143(3)(i) of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of Lupin Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company incorporated in India, in terms of their report referred to in Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary company which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in million)

	Note	**As at 31.03.2019**	As at 31.03.2018
Assets			
Non-Current Assets			
a. Property, Plant and Equipment	2	49,115.3	49,074.2
b. Capital Work-in-Progress		10,185.9	9,563.1
c. Goodwill on Consolidation	50	23,803.2	24,484.9
d. Other Intangible Assets	3	37,948.6	30,060.8
e. Intangible Assets Under Development		6,211.2	16,418.9
f. Investment accounted for using equity method	4	251.8	211.4
g. Financial Assets			
(i) Non-Current Investments	5	1,604.5	55.7
(ii) Non-Current Loans	6	814.6	829.2
(iii) Other Non-Current Financial Assets	7	433.5	41.9
h. Deferred Tax Assets (Net)	46	7,340.0	7,165.6
i. Non-Current Tax Assets (Net)		1,424.1	1,464.3
j. Other Non-Current Assets	8	1,825.2	1,588.4
		140,957.9	140,958.4
Current Assets			
a. Inventories	9	38,367.7	36,624.9
b. Financial Assets			
(i) Current Investments	10	21,098.6	2,348.6
(ii) Trade Receivables	11	51,498.0	51,922.1
(iii) Cash and Cash Equivalents	12	5,722.1	13,941.1
(iv) Other Bank Balances	13	4,149.9	139.2
(v) Current Loans	14	248.4	199.0
(vi) Other Current Financial Assets	15	6,393.4	4,364.9
c. Current Tax Assets (Net)		296.8	8.0
d. Other Current Assets	16	10,760.9	12,461.6
e. Assets Classified as Held for Sale	68	-	86.0
		138,535.8	122,095.4
Total		**279,493.7**	**263,053.8**
Equity and Liabilities			
Equity			
a. Equity Share Capital	17	905.0	904.2
b. Other Equity	18	136,517.3	134,866.4
Equity attributable to Owners of the Company		137,422.3	135,770.6
c. Non-Controlling Interest	52	468.6	400.8
		137,890.9	136,171.4
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	19	66,417.2	64,245.0
(ii) Trade Payables	20	22.8	37.1
(iii) Other Non-Current Financial Liabilities	21	4,128.6	3,476.7
b. Non-Current Provisions	22	3,707.9	3,568.5
c. Deferred Tax Liabilities (Net)	46	2,882.8	2,855.3
d. Other Non-Current Liabilities	23	3,144.8	1,744.3
		80,304.1	75,926.9
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	24	15,802.1	4,517.6
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	25	1,046.1	1,063.8
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	25	23,935.7	24,690.2
(iii) Other Current Financial Liabilities	26	10,885.3	12,827.2
b. Other Current Liabilities	27	1,912.9	2,344.4
c. Current Provisions	28	7,274.5	4,651.6
d. Current Tax Liabilities (Net)		442.1	860.7
		61,298.7	50,955.5
Total		**279,493.7**	**263,053.8**
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
DIN: 00009851

Place: Mumbai
Date: May 15, 2019

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in million)

	Note	**For the Current Year ended 31.03.2019**	For the Previous Year ended 31.03.2018
Income			
Revenue from Operations	29	167,181.8	158,041.5
Other Income	30	3,640.2	1,503.5
Total Income		**170,822.0**	**159,545.0**
Expenses			
Cost of Materials Consumed	31	35,596.7	29,554.3
Purchases of Stock-in-Trade		24,595.5	21,561.9
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	32	(1,734.3)	1,627.8
Employee Benefits Expense	33	31,512.9	28,647.1
Finance Costs	34	3,078.3	2,043.5
Depreciation and Amortisation Expense	2&3	10,850.1	10,858.7
Other Expenses	35	48,388.8	45,175.3
Total Expenses		**152,288.0**	**139,468.6**
Profit before Share of Profit of Jointly Controlled Entity and Exceptional items		**18,534.0**	**20,076.4**
Share of Profit from Jointly Controlled Entity (net of tax)		37.5	35.2
Profit before Exceptional items and Tax		**18,571.5**	**20,111.6**
Exceptional items			
- Provision for fine (European Commission)	56	3,399.8	-
- Impairment of intangible assets	57	-	14,643.5
Profit before Tax		**15,171.7**	**5,468.1**
Tax Expense	46		
- Current Tax (Net)		8,727.0	5,349.8
- Deferred Tax (Net)		289.9	(2,465.2)
Total Tax Expense		**9,016.9**	**2,884.6**
Profit for the year		**6,154.8**	**2,583.5**
Share of profit attributable to Non-Controlling Interest		89.3	70.9
Profit for the year attributable to Owners of the Company		**6,065.5**	**2,512.6**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be re-classified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(24.0)	25.2
(ii) Income tax relating to items that will not be re-classified to profit or loss:	46	1.9	4.2
(B) (i) Items that will be re-classified subsequently to profit or loss:			
(a) The effective portion of gain & losses on hedging instruments in a cash flow hedge		(372.6)	(456.9)
(b) Exchange differences in translating the financial statements of foreign operations		(2,079.6)	1,665.3
(ii) Income tax relating to items that will be re-classified to profit or loss:	46	137.4	142.1
Other Comprehensive Income / (Loss) for the year, net of tax		**(2,336.9)**	**1,379.9**
Less : Share of Other Comprehensive Income/(Loss) attributable to Non-Controlling Interest		6.9	15.9
Other Comprehensive Income / (Loss) for the year attributable to Owners of the Company		**(2,343.8)**	**1,364.0**
Total Comprehensive Income attributable to:			
Owners of the Company		3,721.7	3,876.6
Non-Controlling Interest		96.2	86.8
Total Comprehensive Income for the year		**3,817.9**	**3,963.4**
Earnings per equity share (in ₹)	42		
Basic		**13.41**	**5.56**
Diluted		**13.36**	**5.54**
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 **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
DIN: 00009851

Place: Mumbai
Date: May 15, 2019

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital [Refer note 17]

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	452,082,850	904.2	451,576,869	903.2
Changes in equity share capital during the year	410,847	0.8	505,981	1.0
Balance at the end of the reporting year	452,493,697	905.0	452,082,850	904.2

B. Other Equity [Refer note 18]

(₹ in million)

Particulars	Reserves and Surplus							Amalgamation Reserve	Other items of Other Comprehensive Income			Non-Controlling Interest	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Legal Reserve	Securities Premium	Employees Stock Options Outstanding	General Reserve	Retained Earnings		Foreign Currency Translation Reserve	Effective portion of Cash Flow Hedges	Remeasurement of the net Defined Benefit Plans		
Balance as at 31.03.2017	**263.9**	**126.5**	**0.3**	**7,551.8**	**1,737.5**	**16,560.7**	**107,067.3**	**317.9**	**111.3**	**652.8**	**(317.5)**	**345.2**	**134,417.7**
Profit for the year	-	-	-	-	-	-	2,512.6	-	-	-	-	70.9	2,583.5
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	1,667.5	(313.4)	11.3	15.9	1,381.3
Final dividend on Equity Shares	-	-	-	-	-	-	(3,388.1)	-	-	-	-	-	(3,388.1)
Corporate Tax on Dividend	-	-	-	-	-	-	(689.7)	-	-	-	-	-	(689.7)
Addition on allotment of shares	-	-	-	577.6	-	-	-	-	-	-	-	-	577.6
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(31.2)	(31.2)
Share based payment to employees	-	-	-	-	376.3	39.8	-	-	-	-	-	-	416.1
Balance as at 31.03.2018	**263.9**	**126.5**	**0.3**	**8,129.4**	**2,113.8**	**16,600.5**	**105,502.1**	**317.9**	**1,778.8**	**339.4**	**(306.2)**	**400.8**	**135,267.2**
Profit for the year	-	-	-	-	-	-	6,065.5	-	-	-	-	89.3	6,154.8
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	(2,085.3)	(234.0)	(23.2)	6.9	(2,335.6)
Final dividend on Equity Shares	-	-	-	-	-	-	(2,260.8)	-	-	-	-	-	(2,260.8)
Corporate Tax on Dividend	-	-	-	-	-	-	(464.7)	-	-	-	-	-	(464.7)
Addition on allotment of shares	-	-	-	514.8	-	-	-	-	-	-	-	-	514.8
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(28.4)	(28.4)
Share based payment to employees	-	-	-	-	70.4	68.2	-	-	-	-	-	-	138.6
Balance as at 31.03.2019	**263.9**	**126.5**	**0.3**	**8,644.2**	**2,184.2**	**16,668.7**	**108,842.1**	**317.9**	**(306.5)**	**105.4**	**(329.4)**	**468.6**	**136,985.9**

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

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

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
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Richard Zahn
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Dr. K. U. Mada
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DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Consolidated Statement of Cash Flows

as at March 31, 2019

(₹ in million)

		For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	15,171.7	5,468.1
	Adjustments for:		
	Depreciation and Amortisation Expense	10,850.1	10,858.7
	Loss / (Profit) on sale / write-off of Property, Plant and Equipment (Net)	0.2	(188.7)
	Finance Costs	3,078.3	2,043.5
	Net Gain on Sale of Mutual Fund Investments	(123.9)	(383.9)
	Interest on Deposits with Bank and Others	(620.7)	(132.4)
	Dividend on Mutual Fund Investments	(420.9)	(275.1)
	Doubtful Trade Receivables / Advances / Deposits written off and provided	212.4	138.5
	Unrealised Loss/ (Gain)on Mutual Fund Investments (net)	(121.2)	(56.5)
	Provisions / Credit balances no longer required Written Back	(165.0)	(16.8)
	Shares Based Payment Expense	617.2	849.5
	Impairment of Intangible Assets / Intangible Assets Under Development	7.7	14,675.0
	Impairment in value of Non-Current investments	30.1	-
	Share of Profit from Jointly Controlled Entities	(37.5)	(35.2)
	Provision for fine (European Commission)	3,399.8	-
	Unrealised Exchange loss on revaluation (Net)	(822.5)	345.7
	Operating Cash flows before Working Capital Changes	**31,055.8**	**33,290.4**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Non-Current Loans	(11.0)	(55.5)
	Other Non-Current Financial Assets	(391.6)	(29.5)
	Other Non-Current Assets	29.1	3,454.7
	Inventories	(2,948.0)	172.7
	Trade Receivables	(556.1)	(8,880.7)
	Current Loans	107.8	(21.6)
	Other Current Financial Assets	(2,012.6)	(1,064.7)
	Other Current Assets	1,481.2	(4,694.5)
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-current Trade Payables	(14.3)	(21.9)
	Other Non-Current Financial liabilities	303.9	(3,810.9)
	Non-Current Provisions	279.1	433.4
	Other Non-Current liabilities	1,499.3	517.8
	Trade Payables	(1,627.9)	(283.9)
	Other Current Financial liabilities	(221.1)	2,795.5
	Other Current Liabilities	(435.3)	1,404.6
	Current Provisions	(484.4)	(109.8)
	Cash Generated from Operations	**26,053.9**	**23,096.2**
	Net Income tax paid	(9,394.2)	(5,584.3)
	Net Cash Flow generated / (used in) from Operating Activities	**16,659.7**	**17,511.9**
B.	**Cash Flow from Investing Activities**		
	Capital expenditure on Property, Plant and Equipment, including capital advances	(9,853.5)	(15,534.2)
	Proceeds from sale of Property, Plant and Equipment	254.8	636.3
	Purchase of Non-Current Investments	(1,619.3)	-
	Purchase of Current Investments	(89,966.9)	(50,292.7)
	Proceeds from sale of Current Investments	71,340.8	69,448.0
	Bank balances not considered as Cash and Cash Equivalents (net)	(4,022.2)	33.8
	Interest on Bank Fixed Deposits and Others	620.7	132.4
	Dividend on Mutual Fund Investments	420.9	275.1
	Net Cash Used in Investing Activities	**(32,824.7)**	**4,698.7**

Consolidated Statement of Cash Flows

as at March 31, 2019

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
C. Cash Flow from Financing Activities		
Proceeds from / Repayment of Non-Current Borrowings (net)	1,579.2	9,723.4
Proceeds from / Repayment of Current Borrowings (net)	11,342.4	(18,676.5)
Proceeds from issue of equity shares (ESOPs)	0.8	1.0
Securities Premium Received (ESOPs)	36.2	144.2
Finance Costs	(2,804.2)	(2,040.0)
Dividend paid	(2,248.4)	(3,383.4)
Corporate Tax on Dividend	(464.7)	(689.7)
Net Cash flow generated from Financing Activities	**7,441.3**	**(14,920.9)**
Net increase / (decrease) in Cash and Cash Equivalents	**(8,723.7)**	**7,289.7**
Cash and Cash Equivalents as at the beginning of the year	14,164.3	6,874.7
Cash and Cash Equivalents as at the end of the year	**5,440.6**	**14,164.3**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet [Refer note 12]	5,722.1	13,941.1
Unrealised loss / (gain) on foreign currency Cash and Cash Equivalents	(281.5)	223.2
Cash and Cash Equivalents as restated as at the year end	**5,440.6**	**14,164.3**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".

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), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
DIN: 00009851

Place: Mumbai
Date: May 15, 2019

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Notes

Forming part of the Consolidated Financial Statements

1A. Significant Accounting Policies:

a) Basis of accounting and preparation of Consolidated Financial Statements:

Basis of preparation

i) These consolidated financial statements (hereinafter referred to as 'consolidated financial statements') of Lupin Limited ('the Company') and its subsidiaries and its Jointly controlled entity (hereinafter referred to as 'the Group'), have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These consolidated financial statements were authorized for issue by the Company's Board of Directors on May 15, 2019.

Functional and Presentation Currency

ii) These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent Company. All financial information presented in Indian rupees has been rounded to the nearest million, except otherwise indicated.

Basis of measurement

iii) These consolidated financial statements are prepared under the historical cost convention unless otherwise indicated.

Use of Estimates and Judgements

iv) The preparation of the consolidated financial statements in conformity with Ind AS requires 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. Management believes that the estimates used in 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/materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Measurement of defined benefit obligations (Refer note n)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note q)
- Recognition of deferred tax assets (Refer note k)
- Measurement of consideration and assets acquired as part of business combination (Refer note j)
- Useful lives of property, plant and equipment and Intangibles (Refer note c & d)
- Impairment of assets (Refer note g)
- Goodwill impairment (Refer note g)
- Impairment of financial assets (Refer note i)
- Share-based payment transactions (Refer note o)

b) Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and a jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

Joint ventures (equity accounted investees)

A joint venture is an arrangement in which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic

Notes

Forming part of the Consolidated Financial Statements

financial and operating decisions. Investments in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Property, Plant and Equipment & Depreciation:

I. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Group incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Consolidated Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

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.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

III. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment of the Company and its subsidiaries incorporated in India has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on independent technical evaluation and management's assessment thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Useful Life
Leasehold Land	Over the period of lease
Plant and Equipment	10 to 15 years
Office Equipment (Desktop)	4 years
Certain assets provided to employees	3 years

Notes

Forming part of the Consolidated Financial Statements

Depreciation on property, plant and equipment of the Company's foreign subsidiaries and a jointly controlled entity has been provided on straight-line method as per the estimated useful life of such assets as follows:

Particulars	Estimated Useful Life
Buildings[1]	5 to 50 years
Leasehold Improvements	Over the period of lease
Plant and Equipment[2,3]	3 to 20 years
Furniture and Fixtures[2]	2 to 20 years
Vehicles[2,3]	3 to 7 years
Office Equipment[2]	2 to 21 years

1. In respect of subsidiaries in Japan, assets acquired from April 1, 1998 onwards, are depreciated based on straight line method.
2. In respect of subsidiaries in Japan, assets acquired from April 1, 2016 onwards, are depreciated based on straight line method.
3. Assets acquired on lease are depreciated based on straight line method over their respective lease periods.

Depreciation method, useful live and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed of).

d) Intangible assets:

I. Recognition and Measurement:

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.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

III. Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated Useful Life
Computer Software	2 to 6 years
Trademark and Licenses	3 to 13 years
Dossiers/Marketing Rights	5 to 20 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, if any.

e) Non-current assets held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

f) 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 Consolidated 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. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment 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 Group has sufficient resources to complete the development and to use and sell the asset.

g) Impairment of assets:

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

i) an intangible asset that is not yet available for use; and

ii) an intangible asset that is having indefinite useful life

Notes

Forming part of the Consolidated Financial Statements

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 rate.

When there is indication that an impairment loss recognised for an asset (other than a revalued 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, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Goodwill impairment

For testing of impairment of goodwill, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (CGUs) (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the Group using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgment involves, but is not limited to, industry trends including pricing, estimating long-term revenues, revenue growth and operating expenses.

Impairment of CMPs/ANDA filings/Acquired In-Process Research & Development

Intangible assets with definite useful lives are subject to amortization, are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the intangible assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the Consolidated Statement of Profit and Loss.

Management judgement is required in the area of intangible asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the Group.

h) Foreign Currency Transactions/Translations:

i) Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate of the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items (except for long term monetary items outstanding as at March 31, 2016) at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

iv) In case of long term monetary items outstanding as at March 31, 2016, exchange differences arising on settlement/restatement thereof 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. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in foreign operations, where such amortisation is taken to Foreign Currency Translation Reserve (FCTR) until disposal/recovery of the net investment. The unamortised exchange difference is carried

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under Reserves and Surplus as Foreign Currency Monetary Item Translation Difference Account (FCMITDA) net of the tax effect thereon, where applicable.

v) In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Consolidated Statement of Profit and Loss as a part of gain or loss on disposal.

i) Financial Instruments:

I. Financial Assets

Classification

On initial recognition the Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's financial statements) when:

- The rights to receive cash flows from the asset have expired, or

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- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

i) the Group has transferred substantially all the risks and rewards of the asset, or

ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value, through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognised in the Consolidated Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans, borrowings and payables) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are

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not subsequently transferred to Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in Other Comprehensive Income ('OCI') and accumulated in "Cash Flow Hedge Reserve Account" under Other Equity, 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 Consolidated Statement of 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

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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.

III. Measurement

The Group determines the fair value of its financial instruments on the basis of the following hierarchy:

(a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

j) Business combinations:

i) The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably). When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

viii) Any goodwill that arises on account of such business combination is tested annually for impairment.

ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

k) Income tax:

Income tax expense comprises current tax and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in OCI.

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Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Group:

i) has a legally enforceable right to set off the recognised amounts; and

ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealised profit on inventory etc.).

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

i) When the Group is able to control the timing of the reversal of the temporary difference; and

ii) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

l) 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 non-creditable taxes and other levies, transit insurance and receiving charges. Work-in-process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

m) Revenue Recognition:

Sale of Goods

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/ GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Income from research services

Income from research services including sale of technology/know-how (rights, licenses and other intangibles) is recognised in accordance with the

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terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable i.e. over time.

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Interest income
Interest income is recognised with reference to the Effective Interest Rate method.

Dividend income
Dividend from investment is recognised as revenue when right to receive is established.

Income from Export Benefits and Other Incentives
Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

n) Employee Benefits:

Short term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Group will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans
The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognised in Consolidated Statement of Profit and Loss in the period in which they arise.

o) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in Other Equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

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p) Leases:

Determining whether an arrangement contains a lease

An arrangement, which is not in the legal form of a lease, should be accounted for as a lease,if:

i) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

ii) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Consolidated Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

q) Provisions and Contingent Liabilities:

A provision is recognised when the Group 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. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for asset retirement obligations is measured at the present value of the best estimate of the cost of restoration at the time of asset retirement.

Contingent liabilities are disclosed in the Notes to the consolidated financial statements. Contingent liabilities are disclosed for

i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or

ii) 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.

r) Borrowing costs:

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are 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.

All other borrowing costs are recognised as an expense in the period which they are incurred.

s) Government Grants:

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Consolidated Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

- In case of grants that compensate the Group for expenses incurred are recognised in Consolidated

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Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

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.

t) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

u) 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.

v) Goods and Services tax input credit:

Goods and Services 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.

w) Segment reporting:

The Group operates in one reportable business segment i.e. “Pharmaceuticals”.

x) Operating cycle:

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

1B. Recent Accounting Pronouncements:

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 116 ‘Leases’, which replaces Ind AS 17 ‘Leases’. The new standard shall require lessees to recognize the leases on their balance sheets with limited exemptions related to low value asset and assets with a lease term lower than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize “Right-Of-Use” asset representing its right to use the underlying asset and a “Lease Liability” representing its obligation to make lease payments.

The Group is required to adopt Ind AS 116 Leases from April 1, 2019. The Group will have to recognize “Right-Of-Use” assets and “Lease Liability” for its operating leases. Upon application of the new standard, the nature of expenses related to the leases will change and accordingly the Group will recognize a depreciation charge for right-of-use assets and interest expense on unwinding of lease liabilities as against lease expenses recognized upto March 31, 2019.The new standard also provides two broad alternative transition approach - Retrospective Method and Cumulative Effect Method with practical expedient.

Based on preliminary assessment, there is no significant impact on initial application to the statement of profit and loss of the company.

Other Amendments:

The MCA has notified below amendments which are effective 1st April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

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2. Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block					Accumulated Depreciation and Impairment Loss						Net Block
	As at 01.04.2018	Additions	Translation Adjustments	Disposals*	As at 31.03.2019	As at 01.04.2018	For the period	Impairment Loss	Translation Adjustments	Disposals*	As at 31.03.2019	As at 31.03.2019
Freehold Land	**3,454.1**	**4.4**	**4.7**	-	**3,463.2**	-	-	-	-	-	-	**3,463.2**
	3,096.8	*310.0*	*91.6*	*44.3*	*3,454.1*	-	-	-	-	-	-	*3,454.1*
Leasehold Land	**997.1**	**107.5**	-	-	**1,104.6**	**24.6**	**10.9**	-	-	-	**35.5**	**1,069.1**
	535.7	*504.9*	-	*43.5*	*997.1*	*17.8*	*8.8*	-	-	*2.0*	*24.6*	*972.5*
Buildings	**16,466.8**	**815.9**	**79.4**	**5.9**	**17,356.2**	**1,479.1**	**669.4**	-	**(1.1)**	**1.1**	**2,146.3**	**15,209.9**
	15,776.9	*631.6*	*134.8*	*76.5*	*16,466.8*	*852.7*	*636.7*	-	*12.6*	*22.9*	*1,479.1*	*14,987.7*
Leasehold Improvements	**1,384.0**	**301.5**	**58.8**	-	**1,744.3**	**469.9**	**245.6**	-	**17.9**	-	**733.4**	**1,010.9**
	1,300.0	*69.0*	*15.0*	-	*1,384.0*	*252.9*	*211.6*	-	*5.4*	-	*469.9*	*914.1*
Plant and Equipment	**36,576.3**	**4,249.1**	**165.3**	**275.0**	**40,715.7**	**10,615.6**	**4,413.6**	-	**15.5**	**179.7**	**14,865.0**	**25,850.7**
	30,590.7	*5,643.4*	*568.2*	*226.0*	*36,576.3*	*6,549.7*	*4,079.4*	-	*128.6*	*142.1*	*10,615.6*	*25,960.7*
Furniture and Fixtures	**2,280.8**	**387.2**	**15.2**	**132.7**	**2,550.5**	**812.0**	**383.7**	-	**3.1**	**27.2**	**1,171.6**	**1,378.9**
	1,757.6	*510.7*	*59.1*	*46.6*	*2,280.8*	*469.4*	*353.7*	-	*25.2*	*36.3*	*812.0*	*1,468.8*
Vehicles	**338.4**	**76.8**	**3.4**	**60.0**	**358.6**	**137.5**	**72.4**	-	**3.0**	**49.9**	**163.0**	**195.6**
	278.1	*90.8*	*(3.0)*	*27.5*	*338.4*	*93.1*	*65.6*	-	*(0.9)*	*20.3*	*137.5*	*200.9*
Office Equipment	**2,186.3**	**285.5**	**19.7**	**73.5**	**2,418.0**	**1,073.1**	**448.3**	-	**11.2**	**49.8**	**1,482.8**	**935.2**
	1,912.3	*294.7*	*4.1*	*24.8*	*2,186.3*	*651.0*	*445.0*	-	*0.1*	*23.0*	*1,073.1*	*1,113.2*
Assets under Lease:												
- Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-
	15.1	-	-	*15.1*	-	*15.1*	-	-	-	*15.1*	-	-
- Vehicles	**3.2**	-	**(0.5)**	-	**2.7**	**1.0**	**0.7**	-	**(0.8)**	-	**0.9**	**1.8**
	1.5	*1.3*	*0.4*	-	*3.2*	*0.1*	*0.7*	-	*0.2*	-	*1.0*	*2.2*
Total	**63,687.0**	**6,227.9**	**346.0**	**547.1**	**69,713.8**	**14,612.8**	**6,244.6**	-	**48.8**	**307.7**	**20,598.5**	**49,115.3**
	55,264.7	*8,056.4*	*870.2*	*504.3*	*63,687.0*	*8,901.8*	*5,801.5*	-	*171.2*	*261.7*	*14,612.8*	*49,074.2*

a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).
b) Previous year figures are given in italics below current year figures in each class of assets.
* Disposals include Assets classified as held for sale [Refer note 1A (e) and 68].

3. Other Intangibles Assets - Acquired

(₹ in million)

Particulars	Gross Block					Accumulated Depreciation and Impairment Loss						Net Block
	As at 01.04.2018	Additions	Translation Adjustments	Disposals	As at 31.03.2019	As at 01.04.2018	For the period	Impairment Loss*	Translation Adjustments	Disposals	As at 31.03.2019	As at 31.03.2019
Computer Software	**831.3**	**150.3**	**16.3**	**3.2**	**994.7**	**434.7**	**147.4**	-	**6.7**	**2.8**	**586.0**	**408.7**
	618.5	*192.1*	*23.4*	*2.7*	*831.3*	*273.2*	*153.1*	-	*10.7*	*2.3*	*434.7*	*396.6*
Trademarks and Licences	**928.3**	**3.5**	**(40.2)**	**48.0**	**843.6**	**301.5**	**104.4**	-	**(10.8)**	**40.9**	**354.2**	**489.4**
	885.2	*72.1*	*(9.8)*	*19.2*	*928.3*	*201.0*	*117.1*	-	*(1.0)*	*15.6*	*301.5*	*626.8*
Dossiers/Marketing rights	**48,667.1**	**10,880.9**	**2,427.5**	**12.0**	**61,963.5**	**19,629.7**	**4,353.7**	-	**933.5**	**3.9**	**24,913.0**	**37,050.5**
	44,084.5	*5,295.5*	*(655.0)*	*57.9*	*48,667.1*	*4,247.7*	*4,787.0*	*10,382.9*	*225.6*	*13.5*	*19,629.7*	*29,037.4*
Total	**50,426.7**	**11,034.7**	**2,403.6**	**63.2**	**63,801.8**	**20,365.9**	**4,605.5**	-	**929.4**	**47.6**	**25,853.2**	**37,948.6**
	45,588.2	*5,559.7*	*(641.4)*	*79.8*	*50,426.7*	*4,721.9*	*5,057.2*	*10,382.9*	*235.3*	*31.4*	*20,365.9*	*30,060.8*

a) Previous year figures are given in italics below current year figures in each class of assets.
* Impairment Loss (Refer note 57).

Notes

Forming part of the Consolidated Financial Statements

4. Investment Accounted For Using Equity Method

(₹ in million)

	Number	Face Value	**As at 31.03.2019**	As at 31.03.2018
Unquoted				
- Investments accounted for using equity method				
In Jointly Controlled Entity:				
- YL Biologics Ltd., Japan	450	JPY	251.8	211.4
	(450)	*		
Total			**251.8**	**211.4**

* Shares do not have face value

i)	Investment in shares are fully paid up		
ii)	Aggregate amount of unquoted investments	251.8	211.4
iii)	Aggregate amount for impairment in value of investments	-	-
iv)	Previous year numbers are within brackets below current year numbers		

5. Non-Current Investments

(₹ in million)

	Number	Face Value	**As at 31.03.2019**	As at 31.03.2018
a) In Equity Instruments (at Fair value through Profit or Loss):				
Unquoted				
i) Equity Instruments				
- Biotech Consortium India Ltd., India	50,000 (50,000)	₹ 10	0.5	0.5
- Enviro Infrastructure Co. Ltd., India	100,000 (100,000)	₹ 10	1.0	1.0
- Bharuch Enviro Infrastructure Ltd., India [31.03.2019 - ₹ 44,100/-, 31.03.2018 - ₹ 45,850/-]	4,410 (4,585)	₹ 10		
- Narmada Clean Tech Ltd., India	1,100,388 (1,145,190)	₹ 10	11.0	11.5
- Tarapur Environment Protection Society, India	72,358 (72,358)	₹ 100	7.2	7.2
- Sai Wardha Power Ltd., India [Aggregate impairment of ₹ 30.1 million (previous year - Nil)]	3,007,237 (3,007,237)	₹ 10	-	30.1
- Japan Medical Products Exporter's Association, Japan [31.03.2019 - ₹ 31,210/-, 31.03.2018 - ₹ 30,775/-]	10 (10)	JPY 5,000		
- The Pharmaceuticals and Medical Devices Agency, Japan	30 (30)	JPY 10,000	0.2	0.2
- Osaka Fire Mutual Aid Association, Japan [31.03.2019 - ₹ 624/-, 31.03.2018 - ₹ 615/-]	10 (10)	JPY 100		
- Frankfurter Volksbank eG Bank, Germany [31.03.2019 - ₹ 38,837/-, 31.03.2018 - ₹ 40,404/-]	10 (10)	Eur 50		
- Atsugi Gas Corporation, Japan	600 (600)	JPY *	0.2	0.2
- nReach One (Pty) Ltd, South Africa	8,500,000 (-)	ZAR 1	40.5	-

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

	Number	Face Value	As at 31.03.2019	As at 31.03.2018
b) In Bonds/ Debentures /Securities (at Amortised Cost)				
- Government Bonds				
Unquoted				
- National Highways Authority of India, India	500 (500)	₹ 10,000	5.3	5.0
- Non Convertible Debentures				
Quoted				
- 8.83% Tata Capital Financial Services Ltd., India Maturing on June 29, 2020	500 (-)	₹ 1,000,000	508.0	-
- 9.39% Aditya Birla Housing Finance Ltd., India Maturing on April 29, 2020	500 (-)	₹ 1,000,000	521.5	-
- 7.50% Kotak Mahindra Prime Ltd., India Maturing on November 10, 2020	500 (-)	₹ 1,000,000	509.1	-
- Government Securities				
Unquoted				
- National Saving Certificates [Deposited with Government Authority]				
[31.03.2019 - ₹ 5,500/-, 31.03.2018 - ₹ 6,000/-]				
Total			**1,604.5**	**55.7**

* Shares do not have face value		
i) All investments in shares are fully paid up		
ii) Aggregate amount of quoted investments and market value thereof		
Book value	1,538.6	-
Market value	1,538.6	-
iii) Aggregate amount of unquoted investments	65.9	55.7
iv) Aggregate amount for impairment in value of investments	30.1	-
v) Previous year numbers are within brackets below current year numbers		

6. Non- Current Loans

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
Security Deposits		
- with Related Parties [Refer note 66(C)]	43.4	43.4
- with Others	719.3	674.1
Loans to Employees	14.9	49.0
Advance to Vendors	37.0	62.7
Total	**814.6**	**829.2**

[There are no other non-current loans which have significant increase in credit risk.]

Notes

Forming part of the Consolidated Financial Statements

7. Other Non-Current Financial Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Mark to Market Derivative Assets	-	0.4
Earmarked Bank Deposits against guarantees & other commitments	14.3	2.8
Other Non-Current Financial Assets (includes miscellaneous receivables, etc.)	419.2	38.7
Total	**433.5**	**41.9**

8. Other Non-Current Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Capital Advances	896.8	573.6
Advances other than Capital Advances		
- With Government Authorities (Drawback / Customs and Excise duties receivable)	556.6	606.0
- Advance against investments	334.0	356.9
Prepaid Expenses	37.8	51.9
Total	**1,825.2**	**1,588.4**

9. Inventories

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Raw Materials	8,129.1	8,297.1
Packing Materials	1,867.8	1,931.3
Work-in-Process	6,441.5	5,699.8
Finished Goods	8,870.0	7,783.7
Stock-in-Trade	8,367.1	7,636.1
Consumable Stores and Spares	1,485.7	1,313.3
Goods-in-Transit		
- Raw Materials	435.5	475.5
- Packing Materials	18.3	31.7
- Stock-in-Trade	2,742.4	3,434.9
- Consumable Stores and Spares	10.3	21.5
Total	**38,367.7**	**36,624.9**

During the year, the Group recorded inventory write-downs of ₹ 2,512.6 million (previous year ₹ 2,577.8 million). These adjustments were included in cost of material consumed and changes in inventories.

Notes

Forming part of the Consolidated Financial Statements

10. Current Investments

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	2,047.0	-
Unquoted		
In Commercial Papers	2,284.9	-
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	16,766.7	2,348.6
Total	**21,098.6**	**2,348.6**

a)	Aggregate amount of quoted investments and market value thereof		
	Book value	2,047.0	-
	Market value	2,054.9	-
b)	Aggregate amount of Unquoted Investments	19,051.6	2,348.6
c)	Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-

11. Trade Receivables

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Unsecured		
- Considered Good	51,504.6	51,934.5
- Credit Impaired	391.9	294.5
	51,896.5	52,229.0
Less : Impairment Allowances for		
- Considered Good	6.6	12.4
- Credit Impaired	391.9	294.5
	398.5	306.9
Total	**51,498.0**	**51,922.1**

[There are no other trade receivables which have significant increase in credit risk. Refer note 61 (C) for information about credit risk and market risk of trade receivables]

Notes

Forming part of the Consolidated Financial Statements

12. Cash and Cash Equivalents

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Cash and Cash Equivalents (as per Ind AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	5,013.2	9,679.5
- In EEFC Account	35.2	67.2
- In Deposit Accounts	600.5	4,129.4
Cheques on hand	61.9	9.7
Cash on hand	11.3	55.3
Total	**5,722.1**	**13,941.1**

13. Other Bank Balances

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Earmarked Balances with Banks		
- Unpaid dividend accounts	54.6	42.2
- Deposits against guarantees and other commitments	17.0	30.8
Bank Deposits with original maturity of more than 3 months but less than 12 months	4,078.3	66.2
Total	**4,149.9**	**139.2**

14. Current Loans

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
(Financial assets stated at cost)		
Unsecured, considered good		
Security Deposits	217.3	172.7
Other Loans (includes Loans to employees, etc.)	31.1	26.3
Total	**248.4**	**199.0**

[There are no other current loans which have significant increase in credit risk.]

15. Other Current Financial Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Receivables from Related Parties [Refer note 66 (C)]	-	5.3
Mark to Market Derivative Assets	101.7	85.8
Export Benefits receivable	5,514.2	3,390.0
With Government Authorities (VAT/Cenvat/Service tax /GST credit/refund receivable)	370.7	224.5
Other Current Financial Assets (includes Interest receivables, etc.)	406.8	659.3
Total	**6,393.4**	**4,364.9**

Notes

Forming part of the Consolidated Financial Statements

16. Other Current Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Advances other than Capital Advances		
Prepaid Expenses	810.1	901.1
Advance to Employees	149.7	125.4
Advance to Vendors		
- Considered Good	1,055.7	885.7
- Credit Impaired	44.1	42.8
	1,099.8	928.5
Less: Impairment Allowances for Credit Impaired	44.1	42.8
	1,055.7	885.7
Advance against investments	3,347.1	3,154.5
Export Benefits receivable	887.6	1,034.9
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	4,456.4	6,309.4
Assets Recoverable From Customers	52.4	45.8
Other Current Assets (Includes miscellaneous receivables, etc.)	1.9	4.8
Total	**10,760.9**	**12,461.6**

17. Equity Share Capital

a) Equity Share Capital

Particulars	**As at 31.03.2019**		As at 31.03.2018	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	452,493,697	905.0	452,082,850	904.2
Total	**452,493,697**	**905.0**	**452,082,850**	**904.2**

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

Particulars	**As at 31.03.2019**		As at 31.03.2018	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	452,082,850	904.2	451,576,869	903.2
Equity Shares issued during the year pursuant to exercise of ESOPs	410,847	0.8	505,981	1.0
Equity Shares outstanding at the end of the year	452,493,697	905.0	452,082,850	904.2

c) Rights attached to Equity Shares

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

During the year ended March 31, 2019, the amount of dividend per equity share distributed to equity shareholders is ₹ 5.0 (previous year ended March 31, 2018, ₹ 7.5).

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.

Notes

Forming part of the Consolidated Financial Statements

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

Name of Shareholder	**As at 31.03.2019**		As at 31.03.2018	
	No. of Shares	Percentage of Holding	No. of Shares	Percentage of Holding
Lupin Investments Pvt. Limited	205,608,135	45.45	205,608,135	45.48

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

Particulars	**As at 31.03.2019**		As at 31.03.2018	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	126,850	0.3	133,603	0.3
Plan 2005	35,795	0.1	51,770	0.1
Plan 2011	1,367,241	2.7	1,428,016	2.9
Plan 2014	2,656,712	5.3	2,975,445	6.0
Lupin Subsidiary Companies Employees Stock Options				
Plan 2005	100,568	0.2	110,804	0.2
Plan 2011	708,527	1.4	710,130	1.4
Plan 2014	1,125,000	2.3	1,125,000	2.3

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

Particulars	**As at 31.03.2019 Aggregate No. of Shares**	As at 31.03.2018 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	4,117,893	4,553,357

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.

Notes

Forming part of the Consolidated Financial Statements

18. Other Equity

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Legal Reserve		
Opening and Closing Balance as per last Balance Sheet	0.3	0.3
Securities Premium		
Opening Balance as per last Balance Sheet	8,129.4	7,551.8
Add : Additions during the year*	514.8	577.6
Balance as at the year end	8,644.2	8,129.4
Employees Stock Options Outstanding [Refer note 44]		
Opening Balance as per last Balance Sheet	2,113.8	1,737.5
Add : Amortisation during the year	617.2	849.5
Less : Exercised during the year	478.6	433.4
Less : Transfer to General Reserve	68.2	39.8
Balance as at the year end	2,184.2	2,113.8
General Reserve		
Opening Balance as per last Balance Sheet	16,600.5	16,560.7
Add : Transfer from share based payments	68.2	39.8
Balance as at the year end	16,668.7	16,600.5
Retained Earnings		
Opening Balance as per last Balance Sheet	105,502.1	107,067.3
Add : Profit for the year	6,065.5	2,512.6
Less : Final Dividend on Equity Shares [Refer note 17 (c)]	2,260.8	3,388.1
Less : Corporate Tax on Dividend**	464.7	689.7
Balance as at the year end	108,842.1	105,502.1
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Other Comprehensive Income		
Foreign Currency Translation Reserve [Refer note 54]		
Opening Balance as per last Balance Sheet	1,778.8	111.3
Add / (Less) : Additions during the year	(2,085.3)	1,667.5
Balance as at the year end	(306.5)	1,778.8
Cash Flow Hedge Reserve [Refer note 63(C)]		
Opening Balance as per last Balance Sheet	339.4	652.8
Add/(Less) : Effect of foreign exchange rate variations on hedging instruments outstanding	(235.2)	(314.8)
[net of deferred tax of ₹ (137.4) million (previous year - ₹ (142.1) million)]		
Add/(Less) : Hedge Ineffectiveness recognised in Statement of Profit and Loss	1.2	1.4
Balance as at the year end	105.4	339.4
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(306.2)	(317.5)
Add / (Less) : Additions during the year	(23.2)	11.3
Balance as at the year end	(329.4)	(306.2)
Total	**136,517.3**	**134,866.4**

*Represents amount received on allotment of 410,847 (previous year - 505,981) Equity Shares of the face value of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 44]

**Represents Corporate Tax on Final Dividend ₹ 464.6 million (previous year ₹ 689.5 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.1 million (previous year ₹ 0.2 million).

Notes

Forming part of the Consolidated Financial Statements

Nature of Reserves

a) Capital Reserve

The Capital reserve is created on receipts of government grants for setting up the factories in backward areas for performing research on critical medicines for the betterment of the society and on restructuring of the Capital of the Company under various schemes of Amalgamation.

b) Capital Redemption Reserve

This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) Securities Premium

Securities premium account comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

d) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

e) Amalgamation Reserve

This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

f) Cash Flow Hedge Reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for Cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged items affect the profit or loss.

g) Legal Reserve

This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of few subsidiaries.

h) Foreign Currency Translation Reserve

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

Notes

Forming part of the Consolidated Financial Statements

19. Non- Current Borrowings

[Refer note 26]

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Secured		
Term Loans from Banks	3,587.7	4,478.8
Long Term Maturities of Finance Lease Obligations [Refer note 43]	0.5	1.5
	3,588.2	4,480.3
Unsecured		
Term Loans from Banks	62,823.7	59,723.9
Deferred Sales Tax Loan from Government of Maharashtra	5.3	9.9
Term Loans from Council for Scientific and Industrial Research (CSIR)	-	30.9
	62,829.0	59,764.7
Total	**66,417.2**	**64,245.0**

a) Secured Term Loan of a subsidiary located in Brazil carries fixed interest rate of 12.82% p.a. and floating interest rate of TJLP plus 6.60% p.a. Loan is secured against mortigage of immovable property of that subsidiary company. Loan of ₹ 26.9 million is repayable till May 15, 2022.

b) Secured Loans of ₹ 4,516.6 million being loans availed by a subsidiary company located in Japan are secured by way of hypothecation of immovable property of that subsidiary and carries interest rate in the range of 0.26% to 0.30% p.a. and guaranteed by the Company.

c) Unsecured Term Loan of a subsidiary located in Mexico carries fixed interest rate in the range of 10.35% to 10.50% p.a. and guarantee given by the Company. Loan of ₹ 505.0 million is repayable till May 23, 2023.

d) Unsecured Loans of ₹ 54,946.2 million being loans availed by a subsidiary company located in USA carries interest rate of 1.25% plus 3 months LIBOR and guaranteed by the Company. Loan is repayable in three annual installments of ₹ 18,441.0 million commencing from May 02, 2020 till May 02, 2022.

e) Unsecured Term Loans of a subsidiary company located in Japan aggregating to ₹ 9,122.6 million carries interest rate of 0.2% to 0.38% p.a. Out of total loan,
₹ 7,008.5 million loan is backed by guarantee given by the Company.

f) Deferred Sales Tax Loan is interest free and payable in 5 annual installments after expiry of initial 10 years moratorium period from each such year of deferral period beginning from 1998-99 to 2009-10 and ending from 2013-14 to 2024-25.

g) Term Loans from CSIR carry interest of 3% p.a. and is payable in 1 annual installment of ₹ 30.9 million alongwith interest.

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

20. Trade Payables

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Trade Payables	22.8	37.1
Total	**22.8**	**37.1**

(There are no outstanding dues of Micro Enterprises and Small Enterprises.)

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21. Other Non-Current Financial Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Payable for Capital Expenditure	2,873.0	2,525.0
Payable for Purchase of Non-Current Investment	1,071.3	904.9
Employee Benefits Payables	44.1	46.8
Other Payables	140.2	-
Total	**4,128.6**	**3,476.7**

22. Non- Current Provisions

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits [Refer note 28]		
Gratuity [Refer note 45]	1,315.5	1,351.6
Retirement Benefits	840.3	772.7
Compensated Absences	790.3	726.3
Other Provisions		
Asset Retirement Obligation	70.2	66.1
Others	691.6	651.8
Total	**3,707.9**	**3,568.5**

23. Other Non-Current Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Deferred Revenue	3,144.8	1,694.5
Other Payables (Includes Miscellaneous payables etc.)	-	49.8
Total	**3,144.8**	**1,744.3**

24. Current Borrowings

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Secured		
Loans from Banks	873.6	2,484.6
Unsecured		
Loans from Banks	14,928.5	2,033.0
Total	**15,802.1**	**4,517.6**

a) Secured loans of ₹ 16.8 millions comprise of Cash Credit and Working Capital Demand Loan and are secured by hypothecation of inventories and book debts and carry interest rate at MCLR plus market driven margins.

b) Secured Loans of ₹ 270.7 million being loans availed by a subsidiary company located in Australia and carries interest rate in the range of 2.66% to 2.91% p.a. and is secured by fixed and floating charge over all assets of the said subsidiary and are guaranteed by the Company.

c) Secured Loans of ₹ 430.0 million being loans 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 5.00% p.a.

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d) Secured Loans of ₹ 156.1 million being loans availed by a subsidiary company located in Japan are secured by way of hypothecation of immovable property of said subsidiary and carries interest rate in the range of 0.310% to 0.313% p.a.

e) Unsecured Loans of ₹ 2,100.0 million availed by a subsidiary company located in Brazil and carries fixed interest interest rate in the range of 7.3 % to 17.46% and variable interest rate of TJLP + 6.6% pa.

f) Unsecured Loans of ₹ 12,033.0 million availed by a subsidiary company located in USA and carries interest rate in the range of 0.045% to 0.035% + 3 months LIBOR and guaranteed by the Company.

g) Unsecured Loans of ₹ 77.7 million availed by a subsidiary company located in Germany and carries interest rate of 0.60 %p.a. and guaranteed by the Company.

h) Unsecured Loans aggregating to ₹ 717.8 million being loans availed by a subsidiary company located in Japan and carries interest rate in the range of 0.28% to 0.32% p.a.

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

25. Trade Payables

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Acceptances	3,745.1	3,370.2
Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises [Refer note 60]	1,046.1	1,063.8
- Total outstanding dues of Others	20,190.6	21,320.0
Total	**24,981.8**	**25,754.0**

26. Other Current Financial Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Current Maturities of Non-Current Borrowings [Refer note 19]		
- Term Loans from Banks	2,705.9	2,616.4
- Current Maturities of Finance Lease Obligations [Refer note 43]	0.8	0.9
- Deferred Sales Tax Loan from Government of Maharashtra	4.6	6.8
- Term Loans from CSIR	30.9	30.9
- Term Loans from Department of Science and Technology	-	10.4
Interest Accrued but not due on Borrowings	309.6	35.5
Unpaid Dividend *	54.6	42.2
Mark to Market Derivative Liabilities	25.3	-
Payable for Capital Expenditure	712.9	2,905.8
Payable for Purchase of Non-Current Investment	3,535.5	3,748.0
Trade Deposits received	508.4	548.9
Employee Benefits Payables	2,608.0	2,878.8
Other Payables (Includes retention money, etc.)	388.8	2.6
Total	**10,885.3**	**12,827.2**

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

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27. Other Current Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	1,154.7	1,852.2
Deferred Revenue	298.4	229.0
Advances from customers	420.3	243.8
Other Payables	39.5	19.4
Total	**1,912.9**	**2,344.4**

28. Current Provisions

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits [Refer note 22]		
Gratuity [Refer note 45]	206.3	251.4
Retirement Benefits	103.1	124.9
Compensated Absences	496.8	489.4
Other Provisions		
For Sales Returns [Refer note 58]	3,132.4	3,785.9
For European Commission Fine [Refer note 56]	3,335.9	-
Total	**7,274.5**	**4,651.6**

29. Revenue from Operations

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Sale [Refer note 40 & 67]		
Goods	160,766.0	154,574.2
Research Services	2,927.7	1,024.2
	163,693.7	155,598.4
Other Operating Revenue		
Export Benefits and Other Incentives	2,506.6	2,238.8
Insurance Claims	43.4	51.8
Business Compensation and Settlement Income	879.0	29.1
Miscellaneous Income	59.1	123.4
Total	**167,181.8**	**158,041.5**

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30. Other Income

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	289.8	132.4
Other Interest	374.8	63.2
Income on Financial Assets carried at fair value through Profit or loss		
Dividend on Mutual Fund Investments	420.9	275.1
Net gain on Sale of Mutual Fund Investments	123.9	383.9
Unrealised Gain on Mutual Fund Investments (net)	121.2	56.5
Net gain on Foreign Currency Transactions	1,493.3	19.3
Exchange Rate Difference (net)	174.7	80.9
Provisions / Credit balances no longer required written back	165.0	16.8
Profit on Sale of Property, Plant & Equipment / Intangible Assets (net)	-	188.7
Other Non-Operating Income (including interest on income tax refund)	476.6	286.7
Total	**3,640.2**	**1,503.5**

31. Cost of Materials Consumed

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Raw Materials Consumed	29,484.7	24,071.9
Packing Materials Consumed	6,112.0	5,482.4
Total	**35,596.7**	**29,554.3**

32. Changes in Inventories of Finished Goods, Work-In-Process and Stock-In-Trade

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Opening Stock:		
Finished Goods	7,783.7	8,011.6
Stock-in-Trade	11,071.0	13,264.7
Work-in-Process	5,699.8	4,906.0
	24,554.5	26,182.3
Less:		
Closing Stock:		
Finished Goods	8,870.0	7,783.7
Stock-in-Trade	11,109.5	11,071.0
Work-in-Process	6,441.5	5,699.8
	26,421.0	24,554.5
Changes In Inventories:		
Finished Goods	(1,086.3)	227.9
Stock-in-Trade	(38.5)	2,193.7
Work-in-Process	(741.7)	(793.8)
Foreign Currency Translation Difference	132.2	-
Total	**(1,734.3)**	**1,627.8**

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33. Employee Benefits Expense

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Salaries and Wages	26,668.1	23,985.8
Contribution to Provident and Other Funds	2,425.2	2,155.3
Retirement Benefits Expense	444.2	206.1
Share based payment expense [Refer note 44]	617.2	849.5
Staff Welfare Expenses	1,358.2	1,450.4
Total	**31,512.9**	**28,647.1**

34. Finance Costs

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Interest on Financial Liabilities - borrowings carried at amortised cost	2,471.2	1,423.3
Net Interest on net defined benefit liability	199.1	160.5
Interest on Income Tax	1.2	4.5
Interest cost on finance lease obligation	8.6	0.1
Other Borrowing Costs (includes bank charges, etc.)	398.2	455.1
Total	**3,078.3**	**2,043.5**

35. Other Expenses

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Processing Charges	2,377.6	1,684.3
Stores and Spares Consumed	4,649.5	4,739.7
Repairs and Maintenance:		
- Buildings	459.2	451.6
- Plant and Machinery	1,605.7	1,446.6
- Others	1,680.5	1,600.2
Rent and Other Hire Charges [Refer note 43]	2,093.0	1,901.8
Rates and Taxes	1,916.3	1,581.9
Insurance	576.3	575.9
Power and Fuel	4,755.1	4,338.8
Contract Labour Charges	1,527.8	1,583.5
Excise Duty (net) [Refer note 55]	-	76.0
Selling and Promotion Expenses	9,219.6	8,161.5
Commission and Brokerage	1,166.2	1,191.1
Freight and Forwarding	2,420.1	2,120.3
Postage and Telephone Expenses	522.6	498.6
Travelling and Conveyance	3,348.5	2,709.0
Legal and Professional Charges	5,835.1	4,931.0
[Net of recoveries of ₹ 461.7million (previous year ₹ 328.2 million)]		
Donations	75.5	54.3

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(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Clinical and Analytical Charges	1,891.9	3,886.9
Loss on Sale / Write-off of Property, Plant & Equipment / Intangible Assets (net)	0.2	-
Bad Trade Receivables / Advances / Deposits written off	3.9	79.7
[Net of provision of earlier years adjusted ₹ 141.9 million (previous year ₹ 53.8 million)]		
Impairment Allowances for Doubtful Trade Receivables / Advances / Deposits (net)	208.5	58.8
Provision for Impairment of Intangible Assets/ Intangible Assets Under Development [Refer note 57]	7.7	31.5
Impairment in value of Non-Current investments	30.1	-
Corporate Social Responsibility Expenses [Refer note 59]	379.5	216.8
Directors Sitting Fees	1.4	1.4
Business Compensation and Settlement Expenses	181.8	33.2
Miscellaneous Expenses	1,455.2	1,220.9
Total	**48,388.8**	**45,175.3**

36. The Consolidated Financial Statements present the consolidated accounts of Lupin Limited ("the Company") and its following subsidiaries and its jointly controlled entity ("the Group"):

Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2019	As at 31.03.2018
Lupin Pharmaceuticals, Inc.	USA	100%[1]	100%[1]
Kyowa Pharmaceutical Industry Co., Limited	Japan	99.82%[2]	99.82%[2]
Kyowa CritiCare Co., Limited	Japan	99.82%[3]	99.82%[3]
Hormosan Pharma GmbH	Germany	100%[2]	100%[2]
Pharma Dynamics (Proprietary) Limited	South Africa	100%[2]	100%[2]
Lupin Australia Pty Limited	Australia	100%	100%
Lupin Holdings B.V.	Netherlands	100%	100%
Lupin Atlantis Holdings SA	Switzerland	100%	100%
Multicare Pharmaceuticals Philippines Inc.	Philippines	51%[2]	51%[2]
Generic Health Pty Limited	Australia	100%[2]	100%[2]
Bellwether Pharma Pty Limited	Australia	100%[4]	100%[4]
Lupin Healthcare (UK) Limited	UK	100%[5]	100%[5]
Lupin Pharma Canada Limited	Canada	100%[5]	100%[5]
Lupin Healthcare Limited	India	100%	100%
Lupin Mexico S.A. de C.V.	Mexico	100%[2]	100%[2]
Lupin Philippines Inc.	Philippines	100%[2]	100%[2]
Generic Health SDN. BHD.	Malaysia	100%[2]	100%[2]
Lupin Middle East FZ-LLC	UAE	100%[5]	100%[5]
Lupin GmbH	Switzerland	100%[5]	100%[5]
Lupin Inc.	USA	100%[5]	100%[5]
Nanomi B.V.	Netherlands	100%[5]	100%[5]
Laboratorios Grin S.A. de C.V.	Mexico	100%[5]	100%[5]
Medquímica Indústria Farmacêutica LTDA	Brazil	100%[6]	100%[6]
Lupin Pharma LLC#	Russia	100%[6]	100%[6]
Gavis Pharmaceuticals, LLC (upto March 26, 2019)	USA	100%[7]	100%[7]
Novel Laboratories, Inc.	USA	100%[7]	100%[7]
Novel Clinical Research (India) Private Limited (upto March 27, 2018)	India	-	-
Lupin Research Inc.	USA	100%[7]	100%[7]
YL Biologics Limited	Japan	45%[8]	45%[8]

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Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2019	As at 31.03.2018
Lupin Ukraine LLC (upto February 7, 2019)	Ukraine	100%[6]	100%[6]
Lupin Latam, Inc.	USA	100%[5]	100%[5]
Lupin Japan & Asia Pacific K.K.	Japan	100%[5]	100%[5]
Lupin Europe GmbH (w.e.f. February 5, 2018)	Germany	100%[5]	100%[5]
Saker Merger Sub LLC (from April 7, 2017 and upto October 10,2017)	USA	-	-
Symbiomix Therapeutics, LLC (w.e.f. October 10, 2017)	USA	100%[9]	100%[9]
Lupin IP Ventures Inc. (w.e.f. from October 10, 2017)	USA	100%[7]	100%[7]

[1] 97% interest held through Lupin Inc., USA.

[2] Ownership interest held through Lupin Holdings B.V., Netherlands.

[3] Ownership interest held through Kyowa Pharmaceutical Industry Co., Limited, Japan.

[4] Wholly owned subsidiary of Generic Health Pty Limited, Australia.

[5] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland.

[6] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Lupin Holdings B.V., Netherlands.

[7] Wholly owned subsidiaries of Lupin Inc., USA.

[8] Jointly Controlled Entity of Lupin Atlantis Holdings SA, Switzerland (with Yoshindo Inc., Japan having 55% share of interest).

[9] Wholly owned subsidiary of Lupin IP Ventures Inc., USA.

Application for Dissolution filed on March 18, 2019 and it got dissolved on April 9, 2019.

37. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Tangible assets ₹ 3943.6 million (previous year ₹ 2562.7 million) and Intangible assets ₹ 106.1 million (previous year ₹ 94.5 million).

b) Other commitments – Non-cancellable operating and finance leases (Refer note 43).

c) There are no capital commitments at the jointly controlled entity of the Group as at 31.03.2019.

d) Dividends proposed of ₹ 5/- (previous year ₹ 5/-) per equity share before the financial statements were approved for issue, but not recognised as a liability in the financial statements is ₹ 2262.7 million (previous year ₹ 2260.5 million).

e) There are product supply commitments pursuant to contracts with customers under dossier agreements.

38. Contingent Liabilities:

(₹ in million)

		As at 31.03.2019	As at 31.03.2018
a)	Income tax demands/matters on account of deductions/disallowances for earlier years, pending in appeals [including ₹ 38.6 million (previous year ₹ 42.7 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 "Non-current Tax Assets (Net)" ₹ 631.2 million (previous year ₹ 330.3 million).	1818.5	952.1
b)	Customs duty, Excise duty, Service tax, Goods and Services Tax and Sales tax demands, for input tax credit disallowances and demand for Entry Tax are in appeals and pending decisions. Amount paid there against and included under note 14 "Current Loans" ₹ 40.3 million (previous year ₹ 23.4 million).	191.2	163.3
c)	Claims against the Company not acknowledged as debts (excluding interest where the amount is unascertainable) for transfer charges of land, octroi duty, employee claims, power*, trade marks, pricing, indemnity, stamp duty and price reported under Medicaid** for one subsidiary. Amount paid there against without admitting liability and included under note 14 "Current Loans" ₹ 115.1 million (previous year ₹ 115.9 million). *Demand raised by Maharastra State Electricity Develoment Corporation Limited (MSEDCL), challenging Group Captive Generating Plant (GCGP) status of power supplier's plant at Tarpur and Pune location.	5949.8	5410.0
d)	Financial guarantees aggregating to ₹ 8575.2 million (previous year ₹ 8081.7 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-

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e)	The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.
f)	Lupin Pharmaceuticals, Inc. (LPI), a step-down wholly owned subsidiary of the Company, is involved in government investigations and litigation arising from the marketing and promotion of its pharmaceutical products in the United States. In January 2017, LPI and one of its employees (David Berthold) were issued subpoenas by Department of Justice (DOJ) requesting documents as part of DOJ's investigation into possible antitrust violations within the generic drug industry. LPI has been cooperating in the ongoing investigation. Further in April 2018, LPI and one of its employees received a non-party subpoena from the state of Connecticut Attorney General related to an civil antitrust case they filed in 2016, requesting documents and other information. LPI is negotiating the scope of documents required by the subpoena. LPI was named in both class action and individual cases based on allegations of anticompetitive behaviour related to certain products. These cases were subsequently consolidated into the Philadelphia court that was assigned all cases of this type against generic pharmaceutical manufacturers, "In RE: Generic Pharmaceutical Pricing Antitrust Litigation". The plaintiffs have requested extensive document discovery from LPI, and negotiations are underway about the appropriate scope of such discovery. The case is still in the early stage, an estimate of the possible loss or range of loss cannot be made.

** The Texas Attorney General's office served LPI with several Civil Investigative Demands from May 2012 and continuing through 2016. The State of Texas filed a lawsuit against LPI, the Company, Lupin Inc. (LINC), a step-down subsidiary of the Company and certain executives of LPI in June 2016 (the Original Lawsuit) alleging violations of the Texas Medicaid Fraud Prevention Act (TMFPA). Texas voluntarily dismissed the Original Lawsuit in November 2016. In December 2016, a substantially similar lawsuit (the Current Lawsuit) was filed by a private party, and Texas intervened as an additional plaintiff in the Current Lawsuit. The Current Lawsuit is titled State of Texas ex rel Express Med Pharmaceuticals vs. Lupin Pharmaceuticals, Inc., Lupin Ltd., Lupin Inc., Vinita Gupta and Robert Hoffman. All defendants have filed general denials. On April 30, 2018, Texas filed a Fifth Amended Petition. The case's fact discovery phase ended on August 31, 2018, where depositions began in February 2018. The case is set for jury trial on August 5, 2019. The parties continue to discuss resolution through settlement. In March 2019, Texas decided to drop the claim of obstruction of justice against LPI which simplified the case. LPI had in earlier years offered to pay USD 10.0 million towards settlement which has been accrued under long term legal accruals.

There are no contingent liabilities at the jointly controlled entity of the Group as at 31.03.2019.

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 Group is involved in various legal proceedings, including claims against the Group pertaining to Income tax, Excise, Customs, Sales/VAT tax, product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability where applicable, in the Consolidated Financial Statements. 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 defences, the ultimate disposition of these matters will not have material adverse effect on its Consolidated Financial Statements.

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

(₹ in million)

Particulars	**2018-2019**	2017-2018
Opening balance	427.4	273.0
Incurred during the year:		
Salaries, allowances and contribution to funds	97.1	120.8
Legal and Professional Charges	0.1	6.1
Travelling and Conveyance	10.2	18.0
Power and fuel	34.7	-
Others	28.2	111.5
Total incurred during the year	170.3	256.4
Less: Capitalised during the year	190.2	102.0
Closing balance	407.5	427.4

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40. Revenue (Ind AS 115)

A. The operations of the Company are limited to one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

Variable components such as discounts, chargebacks, rebates, sales returns etc. continues to be recognised as deductions from revenue in compliance with Ind AS 115.

B. Disaggregation of revenue:

(₹ in million)

Nature of segment	**2018-2019**	2017-2018
A. Major Product/Service line:		
- Sale of pharmaceutical goods	160766.0	154574.2
- Income from research services and sale of IPs	2927.7	1024.2
- Business Compensation & Settlement income	879.0	29.1
Total revenue from contracts with customers	164572.7	155627.5
B. Primary geographical market:		
- India	51675.8	45501.2
- USA	57596.8	56974.4
- Japan	21510.3	20808.2
- Others	33789.8	32343.7
Total revenue from contracts with customers	164572.7	155627.5
C. Timing of the revenue recognition:		
- Goods / Services transferred at a point in time	163758.2	154629.1
- Services transferred over time	814.5	998.4
Total revenue from contracts with customers	164572.7	155627.5

c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	**2018-2019**	2017-2018
Revenue as per contracted price	285712.5	269212.2
Adjusted for:		
- Sales Return	5837.6	4769.8
- Discounts / Chargebacks / Rebates	111698.8	104724.0
- Others	3603.4	4090.9
Total revenue from contracts with customers	**164572.7**	**155627.5**

D. Reconciliation of revenue recognised from Contract liability

(₹ in million)

Particulars	**2018-2019**	2017-2018
Balance in contract liability at the beginning of the period that was not recognized as revenue	956.2	1159.9
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	1407.4	50.3
Less: Revenue recognized that was included in the contract liability balance at the beginning of the period	295.3	254.0
Balance in contract liability at the end of the period that is not recognized as revenue	2068.3	956.2

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41. Operating Segments:

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Company.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from operations

(₹ in million)

Particulars	**Year ended 31.03.2019**	Year ended 31.03.2018
India	54243.5	47844.1
USA	57618.0	64747.7
Japan	21521.0	20893.6
Others	33799.3	24556.1
	167181.8	**158041.5**

b) Non-current assets (other than financial instruments and deferred tax assets)

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
India	46697.3	44026.8
USA	41197.7	41836.8
Japan	23968.1	25645.1
Others	21069.5	22030.7
	132932.6	**133539.5**

c) Major customer

Revenue from the largest customer based in USA represented ₹ 12854.1 million (previous year ₹ 11235.9 million) out of the Group's total revenues.

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

Particulars	**Year Ended 31.03.2019**	Year Ended 31.03.2018
Net Profit after non-controlling interest attributable to equity shareholders (₹ in million)	6065.5	2512.6
Weighted average number of Equity Shares:		
- Basic	452244908	451847593
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1871725	1481004
- Diluted	454116633	453328597
Earnings per Share (in ₹)		
- Basic	13.41	5.56
- Diluted	13.36	5.54

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43. 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 are included in 'Lease Rent and Hire Charges' in the Consolidated Statement of Profit and Loss (Refer note 35) for the year are ₹ 1498.8 million (previous year ₹ 1304.4 million). The contingent rent recognised in the Statement of Profit and Loss for the year is ₹ nil (previous year ₹ nil). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Not later than one year	1186.4	982.8
Later than one year but not later than five years	1832.4	1929.9
Later than five years	260.8	450.7
Total	**3279.6**	**3363.4**

b) A subsidiary located in South Africa has future obligations under finance lease arrangements to procure Vehicles which are as under:

(₹ in million)

	As at 31.03.2019		
Particulars	**Present Value of minimum lease payment**	**Future Interest Cost**	**Minimum lease payment**
Not later than one year	0.8	0.1	0.9
Later than one year but not later than five years	0.5	-	0.5
Later than five years	-	-	-
Total	**1.3**	**0.1**	**1.4**

(₹ in million)

	As at 31.03.2018		
Particulars	Present Value of minimum lease payment	Future Interest Cost	Minimum lease payment
Not later than one year	0.9	0.1	1.0
Later than one year but not later than five years	1.4	0.1	1.5
Later than five years	-	-	-
Total	**2.3**	**0.2**	**2.5**

44. Share-based payment arrangements:

Employee stock options – equity settled

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), "Lupin Subsidiary Companies Employees Stock Option Plan 2011" (SESOP 2011), "Lupin Employees Stock Option Plan 2014" (ESOP 2014) and "Lupin Subsidiary Companies Employees Stock Option Plan 2014" (SESOP 2014) in earlier years, as approved by the Shareholders of the Company and the Nomination and Remuneration Committee of the Board of Directors (the Committee).

The Committee determines which eligible employees will receive options, the number of options to be granted, the vesting period and the exercise period. 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 issued under the above schemes vest in a phased manner after completion of the minimum period of one year with an exercise period of ten years from the respective grant dates.

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Category A - Fair Market Value of Options (comprising of options granted under ESOP 2003, ESOP 2005, SESOP 2005, ESOP 2011, SESOP 2011, ESOP 2014 and SESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3046524	114.6-2037.5	1119.1	6.4
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	234756	280.8-1521.7	1337.3	NA
Less: Options exercised during the year	92114	114.6-923.9	395.2	NA
Options outstanding at the year end	2719654	217.8-2037.5	1124.7	5.5
Exercisable at the end of the period	2311113	217.8-2037.5	1060.2	5.1

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3540762	114.6-2037.5	1088.7	7.3
Add: Options granted during the year	23795	831.5-1407.9	1036.2	9.5
Less: Options lapsed during the year	246039	138.6-2037.5	1323.4	NA
Less: Options exercised during the year	271994	114.6-1164.8	532.1	NA
Options outstanding at the year end	3046524	114.6-2037.5	1119.1	6.4
Exercisable at the end of the period	2063215	114.6-2037.5	975.0	5.7

The weighted average grant date fair value of the options granted under Category A during the years ended March 31, 2019 and 2018 was ₹ nil and ₹ 337.0 per option, respectively.

Category B - Par Value Options (comprising of options granted under ESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1318808	2.0	2.0	8.7
Add: Options granted during the year	876156	2.0	2.0	9.5
Less: Options lapsed during the year	113307	2.0	2.0	NA
Less: Options exercised during the year	318733	2.0	2.0	NA
Options outstanding at the year end	1762924	2.0	2.0	8.6
Exercisable at the end of the period	236423	2.0	2.0	7.3

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1060444	2.0	2.0	8.9
Add: Options granted during the year	549854	2.0	2.0	9.6
Less: Options lapsed during the year	57503	2.0	2.0	NA
Less: Options exercised during the year	233987	2.0	2.0	NA
Options outstanding at the year end	1318808	2.0	2.0	8.7
Exercisable at the end of the period	134944	2.0	2.0	7.7

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The weighted average grant date fair value of the options granted under Category B during the years ended March 31, 2019 and 2018 was ₹ 828.8 and ₹ 905.4 per option, respectively.

Category C - Discounted Fair Market Value Options (comprising of options granted under ESOP 2003, ESOP 2005 and ESOP 2011)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	200000	415.7-891.5	688.1	8.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	7.1
Exercisable at the end of the period	200000	415.7-891.5	688.1	7.1

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	150000	720.5-891.5	778.9	8.6
Add: Options granted during the year	50000	415.7	415.7	9.7
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	8.1
Exercisable at the end of the period	150000	720.5-891.5	778.9	7.6

The weighted average grant date fair value of options granted under Category C during the years ended March 31, 2019 and 2018 was ₹ nil and ₹ 483.2 per option, respectively.

The weighted average share price during the year ended March 31, 2019 and 2018 was ₹ 837.0 and ₹ 1010.3 per share respectively

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share Price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: 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 dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

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.

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These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The weighted average inputs used in computing the fair value of options granted were as follows:

Weighted average information – 2018-19

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Option Fair Value
B	April 2, 2018	2.0	7.0	3.5	28.9	0.5	777.1	764.6
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	September 3, 2018	2.0	7.8	3.5	28.9	0.5	936.1	918.7
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	November 28, 2018	2.0	7.3	2.7	29.9	0.5	866.6	853.7
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	828.8	843.6

Weighted average information – 2017-18

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 24, 2017	1407.9	6.7	4.5	27.2	0.6	1361.5	431.2
B	April 24, 2017	2.0	6.5	3.5	28.2	0.6	1361.5	1334.0
B	July 19, 2017	2.0	6.4	3.5	28.4	0.6	1172.3	1148.4
B	October 17, 2017	2.0	6.5	3.5	27.8	0.6	1066.2	1044.3
A	November 28, 2017	831.5	6.9	4.5	28.6	0.6	832.3	285.2
B	November 28, 2017	2.0	6.7	3.5	29.4	0.6	832.3	814.9
C	November 28, 2017	415.7	6.6	3.0	30.4	0.6	832.3	483.2
B	January 2, 2018	2.0	6.9	3.5	29.1	0.6	875.2	856.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	337.0	1020.3
B	905.4	924.6
C	483.2	832.3

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45. 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 ₹ 1117.1 million (previous year ₹ 880.3 million) for superannuation contribution and other retirement benefit contribution 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 ₹ 253.2 million (previous year ₹ 243.0 million) for provident and pension 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, 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, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2019	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018
I)	**Reconciliation in present value of obligations ('PVO') – fined benefit obligation:**				
	Current service cost	160.5	131.3	85.4	104.2
	Past service cost	-	211.2	-	(211.2)
	Interest cost	123.2	91.4	81.6	82.8
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	85.2	16.2	68.6	34.3
	- Due to experience assumption	20.7	29.9	(141.4)	(83.3)
	Benefits paid	(198.2)	(135.3)	-	-
	PVO at the beginning of the year	1580.3	1235.6	1047.1	1120.3
	PVO at the end of the year	1771.7	1580.3	1141.3	1047.1
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	16.3	(1.7)	-	-
	Interest Income	79.9	74.6	-	-
	Contributions by the employer	468.8	74.7	-	-
	Benefits paid	(198.2)	(132.5)	-	-
	Fair value of plan assets at the beginning of the year	1024.4	1009.3	-	-
	Fair value of plan assets at the end of the year	1391.2	1024.4	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	1771.7	1580.3	1141.3	1047.1
	Fair Value of plan assets at the end of the year	1391.2	1024.4	-	-
	Funded status	(380.5)	(555.9)	(1141.3)	(1047.1)

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(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2019	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(380.5)	(555.9)	(1141.3)	(1047.1)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	160.5	131.3	85.4	104.2
	Past service cost	-	211.2	-	(211.2)
	Interest cost	43.4	16.7	81.6	82.8
	Total expense recognised in the Statement of Profit and Loss	203.9*	359.2*	167.0*	(24.2)*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	85.2	16.2	68.6	34.3
	- Due to experience assumption	20.7	29.9	(141.4)	(83.3)
	Return on plan assets excluding net interest	(16.3)	1.7	-	-
	Total amount recognised in OCI	89.6	47.8	(72.8)	(49.0)
VI)	**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)	1391.2	1024.4	NA	NA
VII)	**Actual return on the plan assets:**	96.2	72.9	NA	NA
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08			
	Discount rate (%)	7.7	7.8	7.7	7.8
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first two years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first two years and 6.0 thereafter
	Average Remaining Service (years)	11.6	11.9	11.6	11.9
	Employee Attrition Rate (%)				
	up to 5 years	15.0	15.0	15.0	15.0
	above 5 years	5.0	5.0	5.0	5.0
iX)	**Estimate of amount of contribution in immediate next year**	267.4	239.1	NA	NA

*₹ 1.9 million (previous year ₹ 2.9 million) capitalised as pre-operative expenses, out of above amount.

X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2019
1 year	378.3
2 to 5 years	1104.6
6 to 10 years	1269.0
More than 10 years	3763.9

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.

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Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Gratuity (Funded)	2018-2019		2017-2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(221.4)	255.4	(194.3)	224.1
Future salary growth (1% movement)	255.0	(224.8)	224.5	(198.0)

B) The provident fund plan of the Company, except at one plants, is operated by "Lupin Limited Employees Provident Fund Trust" ("Trust"), a separate legal entity. 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 of India. 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 Board of Trustees administer the contributions made by the Company to the schemes and also defines the investment strategy to act in the best interest of the plan participants.

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 in accordance with Ind AS 19 "Employee Benefits". 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, 2019 and based on the same, there is no shortfall towards interest rate obligation.

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 length of service, employment grades 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, 2019. 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:

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	35.5	30.5
	Past service cost	-	-
	Interest cost	1.5	1.5
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	(7.2)	(2.9)
	- Due to Finance Assumption	3.0	3.1
	- Due to Experience	(5.9)	2.8
	Benefits paid	(37.2)	(11.4)
	Foreign exchange translation difference	3.8	14.2

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(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
	PVO at the beginning of the year	251.2	213.4
	PVO at the end of the year	244.7	251.2
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	244.7	251.2
	Fair Value of plan assets at the end of the year	-	-
	Funded status	(244.7)	(251.2)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(244.7)	(251.2)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	35.5	30.5
	Past service cost	-	-
	Net interest	1.5	1.5
	Total expense recognised in the Consolidated Statement of Profit and Loss	37.0	32.0
IV)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the period		
	- Due to Demographic Assumption	(7.2)	(2.9)
	- Due to Finance Assumption	3.0	3.1
	- Due to Experience	(5.9)	2.8
	Return on plan assets excluding net interest	-	-
	Total amount recognised in OCI	(10.1)	3.0
V)	**Assumptions used in accounting for the retirement benefit plan:**		
	Mortality (%)	Rate stipulated in the Financial Management Standard of the Employees' Pension Fund	
	Discount rate (%)	0.5	0.6
	Salary escalation rate (%)	NA	NA
	Average Remaining Service (years)	11.7	13.8
	Employee attrition rate (%)	From 0.8 to 7.7 depending on age bracket	From 0.3 to 6.1 depending on age bracket

(₹ in million)

	VI) Expected future benefit payments	
	Particulars	**As at 31.03.2019**
	First year	13.3
	Second year	17.8
	Third year	19.6
	Fourth year	23.1
	Fifth year	22.6
	Beyond five years	130.7

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Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Gratuity (Funded)	2018-2019		2017-2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.25% movement)	(7.3)	7.6	(8.2)	8.6
Future salary growth (%)	NA	NA	NA	NA

Liability of lump sum retirement benefit as above along with liability for retirement benefits of directors ₹ 52.5 million (previous year ₹ 44.9 million) is shown under "Non-Current Provisions" (Refer note 22).

c) Kyowa CritiCare 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 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, 2019. 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:

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	31.0	28.2
	Past service cost	-	-
	Interest cost	0.7	0.6
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	0.3	0.4
	- Due to Finance Assumption	-	-
	- Due to Experience	(1.0)	1.9
	Benefits paid	(36.1)	(7.4)
	Foreign exchange translation difference	5.5	20.7
	PVO at the beginning of the year	364.6	320.2
	PVO at the end of the year	365.0	364.6
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	365.0	364.6
	Fair Value of plan assets at the end of the year	-	-
	Funded status	(365.0)	(364.6)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(365.0)	(364.6)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	31.0	28.2
	Past service cost	-	-
	Net interest	0.7	0.6
	Total expense recognised in the Consolidated Statement of Profit and Loss	31.7	28.8
IV)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the period		

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(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
	- Due to Demographic Assumption	0.3	0.4
	- Due to Finance Assumption	-	-
	- Due to Experience	(1.0)	1.9
	Total amount recognised in OCI	(0.7)	2.3
V)	**Assumptions used in accounting for the Retirement Benefit plan:**		
	Mortality (%)	0.1	0.1
	Discount rate (%)	0.2	0.2
	Salary escalation rate (%)	NA	NA
	Average Remaining Service (years)	10.0	9.5
	Employee attrition rate (%)	7.2	7.2

VI) Expected future benefit payments (₹ in million)

Particulars	**As at 31.03.2019**
First year	51.4
Second year	43.8
Third year	27.2
Fourth year	36.0
Fifth year	29.4
Beyond five years	124.2

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.

Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Gratuity (Funded)	**2018-2019**		2017-2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.25% movement)	(6.7)	6.8	(6.3)	6.4

Liability of lump sum retirement benefit as above along with liability for retirement benefits of directors ₹ nil (previous year ₹ nil) is shown under "Non-Current Provisions" (Refer note 22).

In addition to above plan, the company is a member of Tokyo Pharmaceutical Industry Employee Pension Fund. This multi-employer pension plan does not permit us to reasonably calculate the value of the pension assets based on our contribution. As a result, this multi-employer pension plan is excluded from the calculation of projected benefit obligation. The required contribution to this plan along with the contribution under the retirement plan is charged to Statement of Profit and Loss amounting to ₹ 9.5 million (previous year ₹ 11.1 million).

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 Retirement Plan is a non-contributory and of the defined benefit type which provides a retirement benefit equal to 200% of Plan Salary for every year of Credited Service.

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, 2019. 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.

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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:

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	16.3	21.4
	Past service cost	-	-
	Interest cost	6.5	4.9
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	(7.1)	-
	- Due to Finance Assumption	22.2	(26.2)
	- Due to Experience	(19.8)	(10.8)
	Benefits paid	(0.9)	(0.5)
	Foreign exchange translation difference	5.0	(3.2)
	PVO at the beginning of the year	85.2	99.6
	PVO at the end of the year	107.4	85.2
II)	**Change in fair value of plan assets:**		
	Return on Plan Assets excluding interest income	(1.5)	1.5
	Interest income	2.2	-
	Contributions by the employer	-	-
	Contributions by the employee	-	-
	Benefits paid	(0.9)	(0.5)
	Foreign exchange translation difference	1.8	(1.2)
	Fair value of plan assets at the beginning of the year	29.5	29.7
	Fair value of plan assets at the end of the year	31.1	29.5
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	107.4	85.2
	Fair Value of plan assets at the end of the year	31.1	29.5
	Funded status	(76.3)	(55.7)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(76.3)	(55.7)
IV)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	16.3	21.4
	Past service cost	-	-
	Net interest	4.3	3.6
	Return on Plan Assets excluding interest income	1.5	(1.5)
	Total expense recognised in the Consolidated Statement of Profit and Loss	22.1	25.0
V)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the period		
	- Due to Demographic Assumption	(7.1)	-
	- Due to Finance Assumption	22.2	(26.2)
	- Due to Experience	(19.8)	(10.8)
	Return on plan assets excluding net interest	1.5	-
	Total amount recognised in OCI	(3.2)	(37.0)
VI)	**Category of assets as at the end of the year:**		
	Cash & Cash Equivalents	7.4%	9.7%
	Equity Instruments	3.9%	6.4%
	Debt Instruments - Government Bonds	27.3%	22.9%
	Debt Instruments - Other Bonds	23.3%	23.6%
	Unit Investment Trust Funds	38.1%	37.4%
VII)	**Actual return on the plan assets**	2.4	1.4
VIII)	**Assumptions used in accounting for the Retirement Benefit plan:**		
	Mortality %	Rates stipulated in 2001 CSO Table	

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(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
	Discount rate (%)	6.1	7.2
	Salary escalation rate (%)	8.0	7.0
	Average Remaining Service (years)	25.6	25.8
	Employee attrition rate (%)	14.7	Nil

IX) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2019**
First year	5.8
Second year	4.3
Third year	6.1
Fourth year	7.8
Fifth year	10.0
Beyond five years	61.9

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.

Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

	2018-2019		2017-2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(11.7)	13.7	(11.1)	9.4
Future salary growth (1% movement)	13.3	(11.6)	10.1	(8.8)

e) Laboratorios Grin S.A. de C.V., Mexico

The Group's subsidiary at Mexico has retirement plan to cover its employees which are required by law.

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, 2019. 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:

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	23.7	1.2
	Past service cost	-	-
	Interest cost	1.9	1.5
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-

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(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2019	As at 31.03.2018
	- Due to Experience	21.3	7.6
	Benefits paid	(26.8)	-
	Foreign exchange translation difference	(0.1)	0.8
	PVO at the beginning of the year	25.8	14.7
	PVO at the end of the year	45.8	25.8
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	45.8	25.8
	Fair Value of plan assets at the end of the year	-	-
	Funded status	-	-
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(45.8)	(25.8)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	23.7	1.2
	Past service cost	-	-
	Net interest	1.9	1.5
	Total expense recognised in the Consolidated Statement of Profit and Loss	25.6	2.7
IV)	**Other Comprehensive Income:**		
	Actuarial gain/ (loss) recognised for the period		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	21.3	7.6
	Total amount recognised in OCI	21.3	7.6
V)	**Assumptions used in accounting for the retirement benefit plan:**		
	Mortality (%)	Experience Social insurance by gender	
	Discount rate (%)	8.9	7.9
	Salary escalation rate (%)	5.6	5.6
	Average Remaining Service (years)	9.4	9.5
	Employee attrition rate (%)	30.5	24.1

VI) Expected future benefit payments (₹ in million)

	Particulars	**As at 31.03.2019**
	First year	10.8
	Second year	9.7
	Third year	10.2
	Fourth year	10.5
	Fifth year	10.8
	Beyond five years	54.9

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.

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Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

	2018-2019		2017-2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(2.3)	2.6	(1.7)	1.9
Future salary growth (1% movement)	2.0	(1.8)	1.2	(1.1)

46. Income taxes:

a) Tax expense recognised in profit and loss:

(₹ in million)

Particulars	**Year ended 31.03.2019**	Year ended 31.03.2018
Current Tax Expense for the year	8958.4	5600.2
Tax expense w/back of prior years	(231.3)	(250.4)
Net Current Tax Expense	8727.0	5349.8
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	289.9	(2465.2)
Tax expense for the year	**9016.9**	**2884.6**

b) Tax expense recognised in other comprehensive income:

(₹ in million)

Particulars	**Year ended 31.03.2019**	Year ended 31.03.2018
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1.9	4.2
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	137.4	142.1
Total	**139.3**	**146.3**

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets. During the year, the company has recognized deferred tax asset of ₹ 13.0 million (previous year ₹ 687.8 million) on unused tax loss. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the company will realize the benefits of those recognized deductible differences and tax loss carry forwards.

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.

As on March 31, 2019, tax liability with respect to the dividends proposed before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 465.1 million (previous year ₹ 464.7 million).

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c) Reconciliation of Consolidated tax expense and the Consolidated accounting profit multiplied by India's domestic tax rate:

(₹ in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before tax before jointly controlled entity but including exceptional item	15134.2	5432.9
Tax using the Company's domestic tax rate (March 31, 2019: 34.94 %, March 31, 2018: 34.61%)	5288.5	1880.3
Tax effect of:		
Differences in tax rates of foreign jurisdictions	989.4	472.8
Effect on deferred Tax balance due to the change in income tax rate	297.7	1020.9
Recognition of deferred tax asset on previous year's tax losses	(98.8)	(85.8)
Current year losses/deductible expenditure for which no deferred tax asset was recognised	2671.4	329.3
Change in tax base due to intra-group asset purchase arrangement	378.6	(3573.9)
Non-deductible expenses	2821.1	5730.7
Incremental deduction on account of Research and Development costs	(1108.2)	(1459.3)
Exemption of profit link incentives	(1510.1)	(827.1)
Investment Allowance	-	(19.0)
Other exempt income	(147.3)	(96.3)
Foreign exchange differences	(234.4)	16.2
Others	(99.6)	(253.8)
Current and Deferred Tax expense (excluding prior year taxes) as per note 45(a)	**9248.3**	**3135.0**

d) Movement in deferred tax balances:

(₹ in million)

Particulars	As at 01.04.2018	Recognised in/under				As at 31.03.2019
	Net balance	Profit or Loss	OCI	Business Combination / Asset Acquisition	FCTR	**Net balance**
Property, plant and equipment	(4516.0)	(83.6)	-	-	(257.1)	(4856.7)
Intangibles assets/Intangibles assets under development	2939.8	(298.1)	-	-	161.6	2803.3
Cash Flow Hedge Reserve	69.5	(134.8)	137.4	-	-	72.1
Operating Tax loss and interest loss carry forward	803.2	151.7	-	-	20.1	975.0
Government Grants	104.0	28.6	-	-	6.2	138.8
Provision for Obsolete inventory	143.5	(39.1)	-	-	9.2	113.6
Litigation Reserve	160.3	(0.6)	-	-	9.7	169.4
Provision for Expenses	271.4	6.2	-	-	(50.5)	227.1
Deferred Income	343.7	11.2	-	-	(1.7)	353.2
Provision for Employee Benefit	973.1	59.5	1.9	-	263.4	1297.9
Impairment Allowances for Trade Receivable / Bad Debts	803.9	(256.7)	-	-	43.6	590.8
Unrealised Profits on Unsold inventories	1562.9	298.9	-	-	-	1861.7
Others	651.1	(33.1)	-	-	93.0	711.0
Net Deferred tax assets / (liabilities)	**4310.3**	**(289.9)**	**139.3**	**-**	**297.5**	**4457.2**

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(₹ in million)

Particulars	As at 01.04.2017	Recognised in/under				As at 31.03.2018
	Net balance	Profit or Loss	OCI	Business Combination / Asset Acquisition	FCTR	Net balance
Property, plant and equipment	(5043.0)	252.7	-	-	274.3	(4516.0)
Intangibles assets/Intangibles assets under development	(1141.4)	4048.3	-	-	32.9	2939.8
Cash Flow Hedge Reserve	(75.3)	2.7	142.1	-	-	69.5
Operating Tax loss and interest loss carry forward	-	322.5	-	461.2	19.5	803.2
Government Grants	79.7	51.4	-	-	(27.1)	104.0
Provision for Obsolete inventory	90.4	52.1	-	-	1.0	143.5
Litigation Reserve	245.1	(85.2)	-	-	0.4	160.3
Provision for Expenses	279.5	25.8	-	-	(33.9)	271.4
Deferred Income	401.7	(58.0)	-	-	-	343.7
Provision of claims	539.5	(539.5)	-	-	-	-
Provision for Employee Benefit	995.9	76.3	4.2	-	(103.3)	973.1
Impairment Allowances for Trade Receivable / Bad Debts	1158.7	(357.3)	-	-	2.5	803.9
Unrealised Profits on Unsold inventories	3351.9	(1789.1)	-	-	-	1562.8
Others	245.2	462.5	-	31.0	(87.6)	651.1
Net Deferred tax assets / (liabilities)	**1127.9**	**2465.2**	**146.3**	**492.2**	**78.7**	**4310.3**

Reflected in the balance sheet as follows:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Deferred Tax Asset	7340.0	7165.6
Deferred Tax Liability	(2882.8)	(2855.3)
Deferred Tax Asset/(Liabilities)(net)	**4457.2**	**4310.3**

e) Operating loss carry forward consists of business losses, capital losses, unabsorbed depreciation and unabsorbed interest carry-forwards. Deferred tax assets have not been recognized on operating losses of ₹ 21218.6 million (previous year ₹ 12554.9 million) because currently there is most reasonable certainty that the Group will be utilizing the benefits in near future. A portion of this total loss can be carried indefinitely, and the remaining amounts expire at various dates ranging from 2021 through 2029 (previous year from 2021 through 2027). Also, deferred tax assets to the extent of ₹ 2211.1 million on difference between tax and book value of certain intangible assets/intangible assets under development of Gavis as there is no reasonable certainty of realisation (refer note 57).

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47. 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 ₹ 15730.9 million (previous year ₹ 18510.4 million).

48. a) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands (LHBV), acquired/subscribed to the equity stake in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 1.1 million (previous year ₹ 0.8 million).

b) During the year, Gavis Pharmaceuticals, LLC, USA (Gavis), wholly owned subsidiary of Lupin Inc., USA (LINC) got dissolved on March 26, 2019. LINC has written off its investment of ₹ nil in Gavis.

c) During the year, Lupin Ukraine LLC, Ukraine (Lupin Ukraine), step-down subsidiary got dissolved on February 7, 2019. Investment of ₹ 0.3 million in Lupin Ukraine has been written-off.

d) During the year, Lupin Pharma LLC, Russia (Lupin Russia) step-down subsidiary had filed for dissolution on March 18, 2019 and got dissolved on April 9, 2019. Investment of ₹33.8 million in Lupin Russia has been written-off.

e) During the year, the Company has made additional Capital Contribution of ₹ nil (previous year ₹ 3283.5 million) in LAHSA, a wholly owned subsidiary.

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

i) Additional investment in Lupin Inc., USA at a total cost of ₹ 4843.8 million (previous year ₹ 3294.3 million) as additional paid-in capital – securities premium.

ii) Additional investment in Lupin Latam, Inc., USA at a total cost of ₹ nil as capital contribution (previous year ₹ 12.9 million).

iii) 100% equity stake in Lupin Europe GmbH at total cost of ₹ nil (previous year ₹ 2.0 million).

g) During the year, Lupin Inc., USA (LINC), a wholly owned subsidiary of LAHSA, has made additional investment as capital contribution in Lupin Research Inc., USA at a total cost of ₹ nil (previous year ₹ 769.1 million).

h) During the previous year, Novel Clinical Research (India) Private Limited, India (Novel India), wholly owned subsidiary of the Company had applied for removal of its name from the Register of Companies w.e.f. March 27, 2018 with the Registrar of Companies, Bangalore, and the order pursuant to such application has been received in current year. The Company had written-off its investment of ₹ 0.1 million in Novel India in previous year.

The above acquisitions/subscriptions/disposals 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

49. During the previous year, the Company through its wholly owned subsidiary, Lupin Inc., USA, acquired the entire share capital of Symbiomix Therapeutics LLC (Symbiomix) for a consideration of ₹ 8075.2 million. The arrangement has been classified as an asset acquisition resulting in acquisition of the Intellectual Property (IP) developed by Symbiomix and accordingly, the consideration paid has been attributed towards the cost of such intangible asset and other insignificant assets and liabilities.

50. Goodwill on consolidation:

Impairment testing of Goodwill

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGU's) as follows:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
South Africa	5759.1	6734.7
Germany	295.2	307.1
Philippines	259.9	245.5
Australia	376.9	384.8
Netherlands	735.3	765.0
Brazil	1114.1	1237.0
Mexico	4046.9	4041.3
United States of America	6575.9	6197.4
Japan	4639.9	4572.1
Total	**23803.2**	**24484.9**

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below:

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The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The cash flow projections included specific estimates for ten years developed using internal forecasts, and a terminal growth rate thereafter. The planning horizon reflects the assumptions for short-to-midterm market developments.

The average growth rates used in extrapolating cash flows beyond the planning period ranged from -5% to 4% for the year ended March 31, 2019 and from -5% to 2% for the year ended March 31, 2018.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rate used ranged from 3% to 15% for the year ended March 31, 2019 and from 6% to 15% for the year ended March 31, 2018.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

51. a) The Company through Lupin Atlantis Holdings SA, Switzerland (LAHSA) holds 100% equity stake at a cost of ₹ 279.7 million (previous year ₹ 279.7 million) in Lupin Healthcare UK Ltd, UK (LHL). 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 LHL's projections / plans for introducing new products (including products from the Company) 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 LAHSA holds 100% equity stake at a cost of ₹ 857.0 million (previous year ₹ 857.0 million) in Nanomi B.V., Netherlands (Nanomi). Nanomi has incurred losses during the year and has negative net worth as at the end of the year. Considering Nanomi's research work, the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

c) The Company through LAHSA holds 100% equity stake at a cost of ₹ 32.0 million (previous year ₹ 32.0 million) in Lupin Middle East FZ-LLC (LME). 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 LME's projections / plans 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.

d) The Company through LAHSA holds 100% equity stake at a cost of ₹ 2.9 million (previous year ₹ 2.9 million) in Lupin Japan & Asia Pacific K.K. (APAC). The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and APAC's projections / plans 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.

e) Further, net worth of Kyowa CritiCare Co., Limited, Hormosan Pharma GmbH, Pharma Dynamics (Proprietary) Limited, Lupin Australia Pty Limited, Lupin Atlantis Holdings SA, Generic Health Pty Limited, Lupin Pharma Canada Limited, Lupin Mexico S.A. de C.V., Generic Health SDN. BHD., Lupin Inc., Laboratorios Grin S.A. de C.V., Medquímica Indústria Farmacêutica LTDA, Inc., Lupin Europe GmbH is substantially less than the carrying amount of investments made by the Company directly or through its subsidiaries. Also, networth of Bellwether Pharma Pty Ltd., is negative.

The Group considers its investments in subsidiaries as strategic and long-term in nature and accordingly no provision for diminution in value of investments is considered necessary.

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52. Non-controlling Interest represents the non-controlling's share in equity of the subsidiaries as below:

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Multicare Pharmaceuticals Philippines Inc., Philippines		
- Share in Equity Capital	13.2	13.2
- Share in Reserves and Surplus	416.7	357.4
- Share in Other Comprehensive Income	16.7	9.9
	446.6	380.5
Kyowa Pharmaceutical Industry Co., Limited, Japan (Consolidated)		
- Share in Equity Capital	0.1	0.1
- Share in Reserves and Surplus	20.6	19.0
- Share in Other Comprehensive Income	1.3	1.2
	22.0	20.3
Total	**468.6**	**400.8**

Given that non-controlling interest in subsidiaries and interest in jointly controlled entity are not material to the Group, hence other disclosures are not given.

53. Auditors' Remuneration:

(₹ in million)

	2018-2019	2017-2018
Payment to Auditors of the Company and its subsidiaries:		
a) As Auditors	131.7	131.9
b) for other services including Taxation matters and certifications	23.3	60.5
c) Reimbursement of out-of-pocket expenses	3.9	3.8
Total	**158.9**	**196.2**

54. Foreign Currency Translation Reserve (Refer note 18) represents the net exchange difference on translation of net investment in foreign operations located at Japan, Australia, Germany, South Africa, Philippines, Mexico, Switzerland, Brazil, USA, Netherlands, UAE and Canada from their local currency to the Indian currency. Consequently, in accordance with the Indian Accounting Standard 21 (Ind AS 21) "The Effects of Changes in Foreign Exchange Rates", the exchange rate difference on translation of ₹ 2085.3 million (previous year ₹ 1667.5 million is credited) is debited during the year to such reserve.

55. Excise duty (Refer note 35) includes ₹ nil (previous year ₹ 165.8 million) credit being net impact of the excise duty provision on opening and closing stock.

56. During the year, the General Court of the European Union delivered its judgement concerning Lupin's appeal against the European Commission's (EC) 2014 decision in the Perindopril litigation. The General Court upheld the EC's decision holding the Company liable to pay a fine of EUR 40 million (₹ 3106.9 million). Considering that the matter was not settled in favour of the Company, provision of EUR 43.7 million (₹ 3399.8 million) has been made including interest and withholding tax thereon of EUR 3.7 million (₹ 292.9 million) which is disclosed as an exceptional item. The Company has filed appeal against this judgement in the Court of Justice of the European Union.

57. During the previous year impairment loss recognized in the consolidated statement of profit and loss in relation to certain intangible assets/intangible assets under development are as under:

Intangible assets - ₹ 10382.9 million
Intangible assets under development - ₹ 4260.6 million

Both the categories referred to above relate to intangibles acquired as part of the acquisition of Gavis Group (Gavis), having impaired primarily on account of (i) significant pricing pressure resulting from customer consolidation into large buying groups capable of extracting greater price reductions, (ii) implementation of countermeasures against usage of Opioids in United states and (iii) delays in the launch of some of our new generic products.

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The impairment has been determined by considering each individual intangible asset as a cash generating unit (CGU). Recoverable amount (i.e. higher of value in use and fair value less cost to sell) of each individual CGU was compared to carrying value and impairment amount was arrived as follows:

- CGUs where carrying value was higher than recoverable amount were impaired and
- CGUs where recoverable amount was higher than carrying value were carried at carrying value.

The fair value so used is categorized as a level 3 valuation in line with the fair value hierarchy per requirements of Ind AS 113 "Fair Value Measurement" (Ind AS 113).

The fair value has been determined with reference to the discounted cash flow technique.

The key assumptions used in the estimation of the recoverable amounts is as mentioned below. The value assigned to the key assumptions represents management's assessment of the future trends in the industry and have been based on historical data from both external and internal sources.

Assumption	How Determined
Projected cash flows	Based on past experience and adjusted for the following: - Current market dynamics - Anticipated competition
Long term growth rate	Long term growth rate has been determined with reference to market dynamics of each individual product
Post-tax risk adjusted discounting rate	Projected cash flows were discounted to present value at a discount rate that is commensurate with all risks of ownership and associated risks of realizing the projected residual profits. Each product category face different risks and accordingly, different discount rates were determined based on each product category's risk profile. Discount rate was combination of cost of debt and cost of equity. Cost of equity was estimated using capital asset pricing model.

The projected cashflows are discounted at post-tax rate ranging from 6% to 15%. Further, the budgeted EBITA growth rate is 5.5% and the terminal growth rate is considered at -5%.

The cashflow projections include specific estimates for the period of ten years and a terminal growth rate thereafter. The management has considered ten year growth rate since the same appropriately reflects the period over which the future benefits of the intangibles will accrue to the Company.

Deferred tax for the previous year includes deferred tax assets of ₹ 3223.3 million created on difference between tax and book value of certain intangible assets/intangible assets under development of Gavis.

Based on assessment carried out as at March 31, 2019, after considering the performance for the year ended March 31, 2019, no further impairment provision have been identified.

In addition to above, due to change in business circumstances in certain geographies, management has decided to discontinue further development of certain Intangible assets under development amounting to ₹ 7.7 million (previous year ₹ 31.5 million). Consequently, the same have been impaired during the current year.

58. As per best estimates of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

(₹ in million)

	2018-2019	2017-2018
Carrying amount at the beginning of the year	3785.9	3807.6
Add : Additional Provisions made during the year	6522.1	4328.5
Less : Amounts used/utilised during the year	7346.2	4367.9
Add : Exchange Difference during the year	170.6	17.7
Carrying amount at the end of the year	**3132.4**	**3785.9**

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59. The aggregate amount of cash expenditure incurred during the year on Corporate Social Responsibility (CSR) is ₹ 379.5 million (previous year ₹ 216.8 million) and is shown separately under note 35 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

(₹ in million)

Particulars	2018-2019	2017-2018
Donations	342.4	187.4
Employee Benefits Expense	18.1	10.3
Others – Patient Awareness, etc.	19.0	19.1
Total	**379.5**	**216.8**

The amount required to be spent by the company during the year is ₹ 656.7 million (previous year ₹ 750.5 million).
No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure.

60. 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.

(₹ in million)

	Particulars	As at 31.03.2019	As at 31.03.2018
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	1046.1 (interest ₹ nil)	1063.8 (interest ₹ nil)
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

61. Financial Instruments:

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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(₹ in million)

As at 31.03.2019	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Convertible Debentures	-	-	1538.6	1538.6	-	-	-	-
Non-Current Investments – others	60.6	-	5.3	65.9	-	-	60.6*	60.6
Non-Current Loans								
- Security Deposit	-	-	762.7	762.7	-	-	-	-
- Others	-	-	51.9	51.9	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	433.5	433.5	-	-	-	-
Current Investments	16766.7	-	4331.9	21098.6	16766.7	-	-	16766.7
Trade Receivables	-	-	51498.0	51498.0	-	-	-	-
Cash and Cash Equivalents	-	-	5722.1	5722.1	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	4149.9	4149.9	-	-	-	-
Current Loans	-	-	248.4	248.4	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	1.2	100.5	-	101.7	-	101.7	-	101.7
- Others	-	-	6291.7	6291.7	-	-	-	-
	16828.5	**100.5**	**75034.0**	**91963.0**	**16766.7**	**101.7**	**60.6**	**16929.0**
Financial liabilities								
Non-Current Borrowings	-	-	66417.2	66417.2	-	-	-	-
Trade Payables	-	-	22.8	22.8	-	-	-	-
Other Non-Current Financial Liabilities	-	-	4128.6	4128.6	-	-	-	-
Current Borrowings	-	-	15802.1	15802.1	-	-	-	-
Trade Payables	-	-	24981.8	24981.8	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	25.3	-	-	25.3	-	25.3	-	-
- Others	-	-	10860.0	10860.0	-	-	-	-
	25.3	**-**	**122212.4**	**122237.8**	**-**	**25.3**	**-**	**-**

(₹ in million)

As at 31.03.2018	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments – others	50.7	-	5.0	55.7	-	-	50.7*	50.7
Non-Current Loans								
- Security Deposit	-	-	717.5	717.5	-	-	-	-
- Others	-	-	111.7	111.7	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	0.4	-	0.4	-	0.4	-	0.4
- Others	-	-	41.5	41.5	-	-	-	-
Current Investments	2348.6	-	-	2348.6	2348.6	-	-	2348.6
Trade Receivables	-	-	51922.1	51922.1	-	-	-	-
Cash and Cash Equivalents	-	-	13941.1	13941.1	-	-	-	-

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(₹ in million)

As at 31.03.2018	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Other Bank Balances including earmarked balances with banks	-	-	139.2	139.2	-	-	-	-
Current Loans	-	-	199.0	199.0	-	-	-	-
Other Current Financial Assets	-	-	-	-	-	-	-	-
- Derivative instruments	0.4	85.4	-	85.8	-	85.8	-	85.8
- Others	-	-	4279.1	4279.1	-	-	-	-
	2399.7	**85.8**	**71356.2**	**73841.7**	**2348.6**	**86.2**	**50.7**	**2485.5**
Financial liabilities								
Non-Current Borrowings	-	-	64245.0	64245.0	-	-	-	-
Trade Payables	-	-	37.1	37.1	-	-	-	-
Other Non-Current Financial Liabilities	-	-	3476.7	3476.7	-	-	-	-
Current Borrowings	-	-	4517.6	4517.6	-	-	-	-
Trade Payables	-	-	25754.0	25754.0	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	12827.2	12827.2	-	-	-	-
	-	**-**	**110857.6**	**110857.6**	**-**	**-**	**-**	**-**

* These are for operation purposes and the Group expects its refund on exit. The Group estimates that the fair value of these investments are not materially different as compared to its cost.

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Non-current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial risk management:

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

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The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As at March 31, 2019, the carrying amount of the Group's largest customer (a wholesaler based in North America) was ₹ 17900.1 million (previous year ₹ 16562.6 million):

(₹ in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Not past due but impaired	2.9	10.9
Neither past due not impaired	44989.1	44172.1
Past due not impaired		
- 1-180 days	6078.9	6521.3
- 181- 365 days	430.1	852.5
- more than 365 days	-	376.2
Past due impaired		
- 1-180 days	56.9	55.0
- 181- 365 days	245.0	26.3
- more than 365 days	93.6	214.7
Total	**51896.5**	**52229.0**

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

Expected credit loss assessment

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

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Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in million)

Particulars	**2018-2019**	2017-2018
Balance as at the beginning of the year	306.9	318.4
Impairment loss recognised (net)	240.7	40.5
Amounts written off	(141.9)	(53.8)
Exchange differences	(7.2)	1.8
Balance as at the year end	398.5	306.9

The impairment loss at March 31, 2019 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents
As at the year end, the Group held cash and cash equivalents of ₹ 5722.1 million (previous year ₹ 13941.1 million). The cash and cash equivalents are held with banks.

Other Bank Balances
Other bank balances are held with banks.

Derivatives
The derivatives are entered into with banks.

Investment in mutual funds, Non-Convertible debentures and Commercial papers
The Group limits its exposure to credit risk by generally investing in liquid securities, Non-Convertible debentures and Commercial papers only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties.

Other financial assets
Other financial assets are neither past due nor impaired.

ii. Liquidity risk:
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, non-convertible debentures, commercial papers which carry no/low mark to market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

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(₹ in million)

As at 31.03.2019	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	69159.4	69517.8	2858.0	21270.6	43839.2	1550.0
Interest Payables	309.6	10504.7	2358.7	2064.3	6080.1	1.6
Trade Payables Non-Current	22.8	22.8	-	13.8	9.0	-
Other Non-Current Financial Liabilities	4128.6	5102.8	8.3	954.1	2495.3	1645.1
Current Borrowings	158021	158021	158021	-	-	-
Trade Payables Current	24981.7	24981.7	24981.7	-	-	-
Other Current Financial Liabilities	7833.5	7833.5	7833.5	-	-	-
Total	**122237.7**	**133765.4**	**53842.3**	**24302.8**	**52423.6**	**3196.7**

(₹ in million)

As at 31.03.2018	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	66910.4	67404.5	2665.3	2724.4	59925.9	2088.9
Interest Payables	35.5	1452.8	263.4	459.2	705.2	25.0
Trade Payables Non-Current	37.1	37.1	-	18.0	19.1	-
Other Non-Current Financial Liabilities	3476.7	4537.7	158.2	386.9	1805.5	2187.1
Current Borrowings	4517.6	4517.6	4517.6	-	-	-
Trade Payables Current	25754.0	25754.0	25754.0	-	-	-
Other Current Financial Liabilities	10126.3	10126.3	10126.3	-	-	-
Total	**110857.6**	**113830.0**	**43484.8**	**3588.5**	**62455.7**	**4301.0**

iii. Market Risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Group uses derivatives to manage market risk. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate in the future. Consequently, the Group uses both derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

The Group enters 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/receivables.

The Group also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivatives contracts are entered into by the Group for hedging purposes only, and are accordingly classified as cash flow hedge.

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Following is the derivative financial instruments to hedge the foreign exchange rate risk:

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2019**	As at 31.03.2018	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 149.0	USD 96.0	Sell
Hedges of existing payable	Forward contract	USD	BRL	USD 10.0	-	Buy
Hedges of existing payable	Forward contract	EUR	ZAR	EURO 0.3	-	Buy

The Group has not entered into foreign currency forward contract for purposes other than hedging.

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities:

(₹ in million)

Particulars	**As at 31.03.2019**				
	USD	**EURO**	**GBP**	**JPY**	**Others**
Financial assets					
Trade Receivables	30464.6	1311.5	251.3	238.6	1829.3
Non-current Loan	-	3926.3	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	5.6	-	-	-
Current Loans	2.6	-	-	-	-
Current Financial Assets	21.5	458.8	-	-	-
Other current assets	-	91.0	-	36.6	10.8
Cash and cash equivalents	35.6	269.9	-	68.8	73.5
Other current financial assets	104.8	4.2	1.5	29.4	1.9
	30629.1	6067.3	252.8	373.4	1915.5
Financial liabilities					
Trade Payables	3556.7	1126.6	117.8	76.1	214.5
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	-	-	-	-	-
Current Financial Liabilities	-	-	-	-	-
Current Liabilities	179.5	37.0	-	-	140.9
Current Tax Liabilities	-	105.2	-	-	-
Cash and cash equivalents	-	-	-	-	-
Long Term Borrowings	1059.2	-	-	-	-
Other financial Liabilities	63.3	3352.8	25.5	0.3	6.4
Current Borrowings	-	77.7	-	-	-
	4858.7	4699.3	143.3	76.4	361.8
Net statement of financial position exposure	**25770.4**	**1368.0**	**109.5**	**297.0**	**1553.7**

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(₹ in million)

Particulars	As at 31.03.2018				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	43124.4	1049.3	242.7	27.7	2321.8
Non-current Loan	-	3191.9	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	-	-	-	-
Current Loans	-	-	-	-	-
Current Financial Assets	-	0.3	-	-	-
Other current assets	-	73.9	-	-	0.2
Cash and cash equivalents	553.7	145.4	-	30.4	123.3
Other current financial assets	248.6	3.6	0.7	24.1	1.4
	43926.7	4464.4	243.4	82.2	2446.7
Financial liabilities					
Trade Payables	6208.1	513.7	120.3	88.1	256.3
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	-	-	-	-	-
Current Financial Liabilities	3910.5	-	-	-	-
Current Liabilities	33.5	1.9	-	-	23.7
Current Tax Liabilities	-	65.2	-	-	0.1
Cash and cash equivalents	206.3	-	1.9	-	-
Long Term Borrowings	1096.0	-	-	-	-
Other financial Liabilities	10.9	-	-	-	-
Current Borrowings	-	-	-	-	-
	11465.3	580.8	122.2	88.1	280.1
Net statement of financial position exposure	**32461.3**	**3883.5**	**121.2**	**(5.9)**	**2166.5**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

March 31, 2019	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(257.7)	257.7	(96.1)	96.1
EUR	(13.7)	13.7	0.2	(0.2)
GBP	(1.1)	1.1		
JPY	(3.0)	3.0		
Others	(15.5)	15.5		
	(291.0)	**291.0**	**(95.9)**	**95.9**

(₹ in million)

March 31, 2018	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(324.6)	324.6	(62.6)	62.6
EUR	(38.8)	38.8	-	-
GBP	(1.2)	1.2	-	-
JPY	0.1	(0.1)	-	-
Others	(21.7)	21.7	-	-
	(386.3)	**386.3**	**(62.6)**	**62.6**

Notes

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Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk
The Group's interest rate risk arises from borrowings and obligations under finance leases. The interest rate profile of the Group's interest-bearing borrowings is as follows:

₹ in million

Particulars	**As at 31.03.2019**	As at 31.03.2018
Non-Current Borrowings		
Fixed rate borrowings	2198.5	941.2
Variable rate borrowings	66960.9	65969.2
	69159.4	66910.4
Current Borrowings		
Fixed rate borrowings	2603.7	1123.6
Variable rate borrowings	13198.4	3394.0
	15802.1	4517.6
Total	**84961.5**	**71428.0**

Fair value sensitivity analysis for fixed-rate instruments
The Group does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments
A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in million)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
March 31, 2019		
Variable-rate borrowings	(801.6)	801.6
March 31, 2018		
Variable-rate borrowings	(693.6)	693.6

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Commodity rate risk
The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As of March 31, 2019 and March 31, 2018 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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62. Capital Management:

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents, other bank balances and current investments.

The Group's policy is to keep the ratio below 1.5. The Company's adjusted net debt to total equity ratio at March 31, 2019 was as follows:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Total borrowings	84961.5	71428.0
Less : Cash and cash equivalent	5722.1	13941.1
Less : Other Bank Balances*	4164.2	142.0
Less : Current Investments	21098.6	2348.6
Adjusted net debt	53976.6	54996.3
Total equity	137422.3	135770.6
Adjusted net debt to total equity ratio	0.39	0.41

* includes earmarked bank deposits against guarantees & other commitments of ₹ 14.3 million (previous year ₹ 2.8 million) classified as Other Non-Current Financial Assets.

63. Hedge accounting:

The Company's risk management policy is to hedge above 15% of its estimated net foreign currency exposure in respect of highly probable forecast sales over the following 12-18 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 12-18 months from the reporting date. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

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a. Disclosure of effects of hedge accounting on financial position

(₹ in million)

As at 31.03.2019

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	149.0	101.5	-	Other current financial assets	April 2019 – March 2020	1:1	71.25	106.9	(107.2)
Fair Value Hedge									
Forward exchange forward contracts	0.3 EURO	0.2	-	Other current financial assets	April 2019	1:1	77.92	(0.2)	0.2
Forward exchange forward contracts	10.0	25.3	-	Other current financial assets	April 2019 – March 2020	1:1	69.0	25.3	(25.3)

(₹ in million)

As at 31.03.2018

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	86.0	85.8	-	Other current financial assets	April 2018 – August 2019	1:1	67.82	90.2	(90.6)
Forward exchange forward contracts	10.0	0.4	-	Other non-current financial assets					

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b. Disclosure of effects of hedge accounting on financial performance

(₹ in million)

As at 31.03.2019	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(283.2)	(1.2)	Other Expenses - Net loss on Foreign Currency Transactions	(298.4)	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2018	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	369.1	1.4	Other Expenses - Net loss on Foreign Currency Transactions	833.9	Revenue from operations - Sale of goods

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

(₹ in million)

Movements in cash flow hedging reserve	
Balance at 1 April 2017	**652.8**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	369.1
Less : Amounts re-classified to profit or loss	824.6
Less: Deferred tax	(142.1)
As at March 31, 2018	**339.4**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(283.2)
Less : Amounts re-classified to profit or loss	88.2
Less: Deferred tax	(137.4)
As at March 31, 2019	**105.4**

64. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet:

(₹ in million)

As at 31.03.2019	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	101.7	-	101.7	-	101.7
Trade and other receivables	44100.6	(12492.7)	31607.9	-	-
Financial liabilities					
Derivative instruments	25.3	-	25.3	-	25.3
Trade and other payables	(12492.7)	12492.7	-	-	-

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(₹ in million)

As at 31.03.2018	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	86.2	-	86.2	-	86.2
Trade and other receivables	43478.2	(10002.4)	33475.8	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	(10002.4)	10002.4	-	-	-

Offsetting arrangements

(i) Trade receivables and payables

The Company has certain customers which are also supplying materials. The Group also gives rebates and discount to customers. Under the terms of agreement, there are no amounts payable by the Company that are required to be offset against receivables

(ii) Derivatives

The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

*During the previous year, the Company has entered into foreign currency forward contracts (buy) for purposes other than hedging.

65. Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Parent								
Lupin Ltd	124.1	171173.4	253.7	15388.3	(0.2)	4.9	413.6	15393.2
Indian Subsidiaries								
Lupin Healthcare Limited, India	0.1	83.3	-	1.4	-	-	-	1.4
Novel Clinical Research (India) Private Limited, India (upto March 27, 2018)	-	-	-	-	-	-	-	-
Foreign Subsidiaries								
Lupin Pharmaceuticals, Inc., USA	2.8	3929.4	34.0	2060.5	13.1	(308.2)	47.1	1752.3
Kyowa Pharmaceutical Industry Co., Limited, Japan	8.7	11850.0	11.3	686.0	(2.5)	58.8	20.0	744.8
Kyowa CritiCare Co., Limited, Japan	1.4	1931.8	2.3	140.7	(0.7)	15.4	4.2	156.1
Hormosan Pharma GmbH, Germany	0.4	536.6	2.2	134.4	(0.6)	14.3	4.0	148.7
Pharma Dynamics (Proprietary) Limited, South Africa	3.1	4316.2	18.1	1099.3	21.7	(509.2)	15.9	590.1
Lupin Australia Pty Limited, Australia	-	5.8	(0.1)	(4.4)	-	-	(0.1)	(4.4)
Lupin Holdings B.V., Netherlands	12.8	17714.1	11.7	708.1	2.9	(68.2)	17.2	639.9
Lupin Atlantis Holdings SA, Switzerland	23.4	32249.2	6.6	397.7	(7.7)	180.3	15.5	578.0
Multicare Pharmaceuticals Philippines Inc., Philippines	0.7	914.6	3.0	179.1	(0.6)	13.6	5.2	192.7
Lupin Healthcare (UK) Limited, UK	(0.3)	(397.9)	(1.8)	(111.9)	0.5	(11.0)	(3.3)	(122.9)
Lupin Pharma Canada Limited, Canada	0.1	96.8	1.3	80.8	1.9	(45.4)	1.0	35.4
Generic Health Pty Limited, Australia	0.5	652.6	4.0	245.5	0.1	(2.9)	6.5	242.6

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Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Bellwether Pharma Pty Limited, Australia	-	-	-	-	-	-	-	-
Lupin Mexico S.A. de C.V., Mexico	-	7.3	-	(0.1)	-	-	-	(0.1)
Lupin Philippines Inc., Philippines	-	67.3	0.5	28.9	-	0.4	0.8	29.3
Generic Health SDN. BHD., Malaysia	-	0.9	-	(0.8)	-	-	-	(0.8)
Lupin Middle East FZ-LLC, UAE	(0.1)	(171.8)	(2.4)	(146.4)	-	(0.3)	(3.9)	(146.7)
Lupin GmbH, Switzerland	0.1	161.0	0.4	23.0	-	-	0.6	23.0
Lupin Inc., USA	4.6	6352.6	(190.8)	(11572.4)	54.9	(1286.1)	(345.5)	(12858.5)
Nanomi B.V., Netherlands	(2.7)	(3728.4)	(19.1)	(1157.8)	(6.5)	151.6	(27.0)	(1006.2)
Laboratorios Grin S.A. de C.V., Mexico	1.2	1694.6	2.1	128.3	0.7	(16.9)	3.0	111.4
Lupin Pharma LLC, Russia	-	-	0.4	21.7	-	-	0.6	21.7
Medquimica Industria Farmaceutica LTDA, Brazil	1.2	1717.1	(20.1)	(1221.5)	10.2	(238.0)	(39.2)	(1459.5)
Lupin Research Inc., USA	0.8	1074.9	2.3	138.5	(1.9)	45.3	4.9	183.8
Gavis Pharmaceuticals, LLC., USA (upto March 26, 2019)	-	-	1.5	92.2	0.3	(6.1)	2.3	86.1
Lupin Europe GmbH, Germany (w.e.f. February 5, 2018)	-	1.9	-	(0.1)	-	-	-	(0.1)
Novel Laboratories, Inc., USA	4.4	6034.6	5.5	332.9	(12.9)	302.1	17.1	635.0
Lupin Ukraine LLC, Ukraine (upto February 7, 2019)	-	-	-	-	-	-	-	-
Lupin Latam, Inc., USA	-	12.9	-	(1.4)	-	-	-	(1.4)
Lupin Japan & Asia Pacific K.K., Japan	-	(4.4)	0.1	5.9	-	-	0.2	5.9
Saker Merger Sub LLC, USA (from April 7, 2017 and upto October 10, 2017)	-	-	-	-	-	-	-	-
Symbiomix Therapeutics LLC, USA (w.e.f. October 10, 2017)	-	-	-	-	-	-	-	-
Lupin IP Ventures Inc., USA (w.e.f. October 10, 2017)	-	-	-	-	-	-	-	-
Non-Controlling Interests in the Subsidiaries								
Multicare Pharmaceuticals Philippines Inc., Philippines	(0.3)	(446.6)	(1.3)	(87.8)	0.3	(6.7)	(2.5)	(94.5)
Kyowa Pharmaceutical Industry Co., Limited, Japan (consolidated)	-	(22.0)	-	(1.5)	-	(0.2)	-	(1.7)
Foreign Jointly Controlled Entity (to the extent of shareholding)								
YL Biologics Ltd., Japan	-	-	0.6	37.5	-	-	1.0	37.5
Total Eliminations/Consolidation Adjustments	(87.0)	(119916.9)	(26.0)	(1559.1)	27.0	(631.3)	(59.2)	(2190.4)
Total	**100.0**	**137890.9**	**100.0**	**6065.5**	**100.0**	**(2343.8)**	**100.0**	**3721.7**

The above amounts/percentage of net assets and net profit or (loss) in respect of Lupin Limited and its subsidiaries and a jointly controlled entity are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations/consolidation adjustments.

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66. Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships –

Category I: Entity having significant influence over the Company:

Lupin Investments Pvt. Limited (w.e.f. July 28, 2017)

Category II: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category III: Key Management Personnel (KMP)

Dr. D. B. Gupta (upto June 26, 2017)	Chairman
Mrs. Manju D. Gupta (w.e.f. August 11,2017)	Chairperson
Dr. Kamal K. Sharma (upto September 28, 2018)	Vice Chairman
Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta	Managing Director
Mrs. Manju D. Gupta (upto August 10,2017)	Executive Director
Mr. Ramesh Swaminathan (upto December 11,2018)	Chief Financial Officer & Executive Director
Mr. R.V. Satam	Company Secretary

Non- Executive Directors

Dr. Kamal K. Sharma (w.e.f. September 29, 2018)	Vice Chairman
Dr. Vijay Kelkar (upto March 28, 2019)	
Mr. R. A. Shah	
Mr. Richard Zahn	
Dr. K. U. Mada	
Mr. Dileep C. Choksi	
Mr. Jean-Luc Belingard	

Category IV: Others (Relatives of KMP and Entities in which the KMP and Relatives of KMP have control or significant influence)

Ms. Kavita Gupta (Daughter of Chairman)
Dr. Anuja Gupta (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Mrs. Pushpa Khandelwal (Sister of Chairman) (upto June 26, 2017)
Ms. Shefali Nath Gupta (Wife of Managing Director)
Miss. Veda Nilesh Gupta (Daughter of Managing Director)
D. B. Gupta (HUF)
Gupta Family Trust
Lupin Human Welfare and Research Foundation
Lupin Foundation
Lupin Investments Pvt. Limited (upto July 27, 2017)
BS Merc Private Limited (upto July 28,2017)
Lupin Holdings Pvt. Limited (upto July 28,2017)
Matashree Gomati Devi Jana Seva Nidhi
Polynova Industries Limited
Rahas Investments Pvt. Limited (upto July 28,2017)
Visiomed Investments Pvt. Limited (upto July 28,2017)
Zyma Laboratories Limited (upto July 28,2017)
Zyma Properties Pvt. Limited
Concept Pharmaceuticals Limited (upto June 26, 2017)
Shuban Prints
S. N. Pharma
Team Lease Services Limited

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B. Transactions with the related parties:

(₹ in million)

Sr. No.	Transactions	**For the year ended 31.03.2019**	For the year ended 31.03.2018
1.	Rent Expenses		
	Others	75.8	70.5
2.	Expenses Recovered/Rent Received		
	Jointly Controlled Entity	-	120.3
	Others	1.9	3.2
3.	Remuneration Paid		
	Key Management Personnel	264.4	666.3
4.	Purchases of Goods/Materials		
	Others	150.7	63.4
5.	Sale of Goods		
	Jointly Controlled Entity	67.0	119.4
6.	License Fees Received		
	Jointly Controlled Entity	212.4	123.6
7.	Commission, Advisory Fees & Sitting Fees to Non Executive Directors		
	Key Management Personnel	53.2	29.7
8.	Donations Paid		
	Others	262.1	213.1
9.	Dividend Paid		
	Entity having significant influence over the Company	1028.0	1530.2
	Key Management Personnel	26.4	42.8
	Others	9.1	12.2
10.	Services Received (Expense)		
	Jointly Controlled Entity	271.0	586.1
	Others	112.6	103.4
11.	Expenses Reimbursed		
	Jointly Controlled Entity	95.6	55.6
	Others	3.1	2.9
12.	Sale of Property, Plant and Equipment		
	Others	0.2	-

(₹ in million)

Compensation paid to Key Management Personnel	**For the year ended 31.03.2019**	For the year ended 31.03.2018
Short-term employee benefits	161.4	516.9
Post-employment benefits	93.8	108.8
Share based payments	9.2	40.6
Total	**264.4**	**666.3**

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (previous year ₹ nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	**As at 31.03.2019**	As at 31.03.2018
1.	Deposits paid under Leave and License arrangement for premises		
	Others	43.4	43.4
2.	Trade Receivables		
	Jointly Controlled Entity	109.9	81.9
3.	Trade Payables		
	Others	29.2	25.0
4.	Advance to Vendors		
	Jointly Controlled Entity	-	6.4
	Others	-	4.2
5.	Commission Payable		
	Key Management Personnel	-	45.5
6.	Expenses Receivable		
	Jointly Controlled Entity	-	0.9
	Others	-	0.2
7.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1

Transactions and balances with Jointly Controlled Entity have been reported at full value.

67. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise has been subsumed into GST. In accordance with Ind AS 115 / Ind AS18 and Schedule III to the Companies Act, 2013, levies like GST, VAT etc. are not part of revenue, unlike Excise Duty, which was presented as part of revenue. Accordingly, the figures for the year ended March 31, 2019 are not comparable with the previous year, to that extent. The following additional information is being provided to facilitate such understanding:

(₹ in million)

Particulars	**2018-2019**	2017-2018
Revenue from Operations – Sale of Goods & Research Services	163693.7	155598.4
Excise duty on sale	-	(276.2)
Revenue from Operations excluding excise duty on sale	163693.7	155322.2

68. Assets classified as Held for Sale:

a) During the year, Lupin Pharma LLC, Russia, step-down subsidiary had filed for dissolution on March 18, 2019 and got dissolved on April 9, 2019. The fair value of net asset held for sale as at March 31, 2019 is nil.

b) During the previous year, the Company had entered into a Memorandum of Understanding (MOU) to sell a parcel of land along with the related manufacturing facility (collectively referred to as "Facility") in Ankleshwar, Gujarat for a consideration in excess of the carrying value of the Facility which got concluded in the current year.

The value associated to the Facility is as follows:

(₹ in million)

Particulars	**Carrying Value As at 31.03.2019**	Carrying Value As at 31.03.2018
Land	-	41.6
Buildings	-	32.5
Plant and Equipment	-	11.9
Total non-current asset held for sale	**-**	**86.0**

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69. In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. These amendments are in accordance with the amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The below disclosure is in line with such amendments suggested:

(₹ in million)

Particulars	April 1, 2018	Cash Flows	Non-Cash Changes			**March 31, 2019**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	4478.8	(891.1)	-	-	-	3587.7
Long Term Maturities of Finance Lease Obligations	1.5	(1.0)	-	-	-	0.5
Unsecured						
Term Loans from Banks	59723.9	2430.0	-	669.8	-	62823.7
Deferred Sales Tax Loan from Government of Maharashtra	9.9	(4.6)	-	-	-	5.3
Term Loans from Council for Scientific and Industrial Research (CSIR)	30.9	(30.9)	-	-	-	-
Current maturities of Non-Current Borrowings	2665.4	76.8	-	-	-	2742.2
Current Borrowings						
Secured						
Loans from banks	2484.6	(1611.0)	-	-	-	873.6
Unsecured						
Loans from banks	2033.0	12953.4	-	(57.9)	-	14928.5
Interest accrued but not due on Borrowings	35.5	(2804.2)	3078.3	-	-	309.6
Total Liabilities from financing activities	**71463.5**	**10117.4**	**3078.3**	**611.9**	**-**	**85271.1**

(₹ in million)

Particulars	April 1, 2017	Cash Flows	Non-Cash Changes			March 31, 2018
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	2170.5	2308.3	-	-	-	4478.8
Long Term Maturities of Finance Lease Obligations	1.0	0.5	-	-	-	1.5
Unsecured						
Term Loans from Banks	54217.4	4937.1	-	569.4	-	59723.9
Deferred Sales Tax Loan from Government of Maharashtra	16.7	(6.8)	-	-	-	9.9
Term Loans from Council for Scientific and Industrial Research (CSIR)	61.9	(31.0)	-	-	-	30.9
Term Loans from Council for Science and Technology (DST)	10.3	(10.3)	-	-	-	-
Current maturities of Non-Current Borrowings	139.8	2525.6	-	-	-	2665.4
Current Borrowings						
Secured						
Loans from banks	13152.2	(10667.6)	-	-	-	2484.6
Unsecured						
Loans from banks	9891.1	(8008.9)	-	150.8	-	2033.0
Interest accrued but not due on Borrowings	32.0	(2040.0)	2043.5	-	-	35.5
Total Liabilities from financing activities	**79692.9**	**(10993.1)**	**2043.5**	**720.2**	**-**	**71463.5**

Notes

Forming part of the Consolidated Financial Statements

70. The Company evaluates events or transactions that occur after the consolidated balance sheet date but prior to the issuance of consolidated financial statements and concluded that no subsequent events have occurred through May 14, 2019 that require adjustment to or disclosure in the consolidated financial statements, except for the following:

On May 10, 2019, 43 state attorney generals filed a lawsuit against 19 companies [including Lupin Pharmaceuticals, Inc., (LPI), a step-down subsidiary of the Company] and 15 individuals (including David Berthold, one of LPI employee) with allegations of violations of federal and state antitrust laws. The states claim to have been injured by paying supra-competitive prices for the products they purchased or reimbursed. LPI has not been served with the complaint. As the case is still in the early stage, an estimate of the possible loss or range of loss, if any, cannot be made.

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

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta Chairperson DIN: 00209461	**Dr. Kamal K. Sharma** Vice Chairman DIN: 00209430	**Vinita Gupta** Chief Executive Officer DIN: 00058631	**Nilesh Deshbandhu Gupta** Managing Director DIN: 01734642	**R. A. Shah** Director DIN: 00009851
Richard Zahn Director DIN: 02937226	**Dr. K. U. Mada** Director DIN: 00011395	**Dileep C. Choksi** Director DIN: 00016322	**Sunil Makharia** President - Finance	**R.V. Satam** Company Secretary ACS - 11973

Place: Mumbai
Date: May 15, 2019

Standalone Financial Statements

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Independent Auditor's Report

To the Members of LUPIN Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Lupin Limited ("the Company"), which comprise the standalone balance sheet as at 31 March, 2019, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described *in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.* We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How the matter was addressed in audit
1. Revenue Recognition: Refer note 1B(k) of accounting policy and note 39 in standalone financial statements. The Company recognises revenue from the sales of pharmaceutical products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Company has a large number of customers operating in various geographies and sales contracts with customers have a variety of different terms relating to the recognition of revenue, the right of return and price adjustments. We identified the recognition of revenue from sale of products as a key audit matter because • Revenue is a key performance indicator of the Company and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period. • Establishing an appropriate accrual towards rebate, discount, returns and allowances requires significant estimation on the part of management and change in this estimates can have a significant financial impact.	Our audit procedures in respect of the recognition of revenue included the following: – Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; – Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue and measurement of rebates, discounts, returns; – Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents. Obtaining and assessing appropriateness of positions for returns and rebates. Performing retrospective review to identify any management bias; – Reviewing the terms of the research and development/ licensing arrangements to determine whether the rights transferred under the contract qualified for revenue recognition having regard to the remaining performance obligations under the Contract and assessing whether appropriate proportion of revenue is deferred in respect of ongoing performance obligations. Testing controls over review of contracts and revenue recognition;

Key audit matter description	How the matter was addressed in audit
The Company routinely enters into development and commercialization arrangements relating to research and development of new products in the pharmaceutical sector including collaboration with other pharmaceutical companies. This includes in-licensing and out-licensing arrangements and other types of complex agreements. The nature of these arrangements are often inherently complex and unusual requiring management judgment to be applied in respect of revenue recognition. Considering the extent of estimation and judgment involved, recognition of revenue from such contracts has also been considered as key audit matter.	– Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing; – Evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities; and – Evaluating adequacy of disclosures given in Note 39 to standalone financial statements.
2. Investment in Subsidiaries and Joint Venture: The carrying value of investment in subsidiaries and a joint venture (JV) as at 31 March 2019 is ₹ 51,247.3 millions. These investments are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such evidence exists, impairment loss is determined and recognised in accordance with note 1B(h) of accounting policies to the standalone financial statements. We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment in subsidiaries/joint venture as a key audit matter because of. • The significance of the amount of these investments in the Standalone Balance Sheet. • Performance and net worth of these entities and • The degree of management judgement involved in determining the recoverable amount of these investments including: – Valuation assumptions, such as discount rates. – Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments.	Our audit procedures in respect of impairment of investment in subsidiaries and JV included the following: – Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; – Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models; – Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; – Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products; – Evaluating past performances where relevant and assessed historical accuracy of the forecast produced by management; – Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; – Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and – Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rates applied in the valuation models.
3. Intangible Assets: The carrying value of Intangible Assets including IP R&D aggregate to ₹ 6,010.2 million as at 31 March 2019. These assets are evaluated for any indicators of impairment annually. Refer note no. 1B(f) of accounting policies in respect of impairment. Management performs the annual assessment of the intangible assets including IP R&D, at each cash generating unit (CGU) level, to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operations costs, terminal value growth rates the impact of the expiry of patents on the product and potential product obsolescence and the weighted average cost of capital (discount rate). Considering the inherent uncertainty, complexity and management judgment involved and the significance of the value of the assets, impairment assessment of intangible assets has been considered as a key audit matter.	We assessed the appropriateness of the carrying value of the intangible assets by performing the following audit procedures: – Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; – Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models; – Assessing management's identification of CGUs with reference to the guidance in the applicable accounting standards; – Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; – Challenging the appropriateness of the business assumptions used by management, such as sales growth and the probability of success of new products;

Key audit matter description	How the matter was addressed in audit
	– Evaluating past performances where relevant and assessed historical accuracy of the forecast produced by management; – Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; – Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures; and – Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rate applied in the valuation models.
4. Uncertain tax positions: (UTPs) The Company operates in numerous tax jurisdiction with various tax exemptions available across regions which are subject to periodic challenges by local tax authorities leading to protracted litigations. There are a number of open tax and transfer pricing matters under litigation with tax authorities over a number of years. The range of possible outcomes for provisions and contingencies can be wide and management is required to make certain judgement in respect of estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Provision for current tax, valuation of UTPs and recognition of deferred assets/liabilities have been identified as a key audit matter due to the inherent level of complexity in the underlying tax laws and the extent of management judgement involved in developing these estimates. These matters are disclosed in note 46 to the standalone financial statements. Refer note 1B(i) in significant accounting policies. Total tax related liabilities carried in the books aggregate to ₹ 2662.2 million (Deferred tax liability) and ₹ 66.1 million (Current tax liability).	With the support of tax specialists, we assessed the appropriateness of the provisions for UTPs and carrying value of deferred tax assets by performing the following audit procedures; – Testing the design and operating effectiveness of the Company's controls over provisions for current tax, deferred tax and uncertain tax positions; – Assessing and challenging the completeness of UTPs in conjunction with our internal tax specialists by considering changes to business and tax legislation in key jurisdictions by having discussions with management and review of correspondence with authorities where relevant; – Assessing and challenging the calculation for the current tax provision and the procedures performed to analyse movements including the rationale for any release, increase or continued provision in the year; – Assessing and challenging management's judgements regarding the recoverability of temporary differences pertaining to deferred tax balances by obtaining and critically examining the forecasts and demonstrating the expected utilization of key temporary differences in order to assess their recoverability; – Assessing and challenging management's judgments with respect to probability of outflow arising out of litigation after considering the status of recent tax assessments, audits and enquiries, recent judicial pronouncements and judgments in similar matters, developments in the tax environment and outcome of past litigations. We focused our work on the jurisdictions with greatest potential exposure involving higher level of judgements; – Involving transfer pricing specialists to review the transfer pricing methodology of the group and associated approach to provisioning; and – Evaluating adequacy of disclosures given in Note 46 to standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of change in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone Financial statements – Refer Note 36 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March, 2019.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

Annexure A to the Independent Auditor's Report - 31 March 2019

(Referred to our report of even date)

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

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / share certificate / other documents evidencing title and provided to us, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in Note 2 to the standalone financial statements, are held in the name of the Company, except for the following:

(₹ in million)

Particulars of the land and building	Gross Block (As at 31.03.2019)	Net Block (As at 31.03.2019)	Remarks
Freehold land located in Maharashtra admeasuring 7 Hectare and 70.91 Acre	29.6	29.6	The title deeds are in the name of the erstwhile company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court
Freehold building located in Maharashtra admeasuring 8038 sqft	133.9	91.3	The title deeds are in the name of erstwhile company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in Note 2 to the standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

(₹ in million)

Particulars of the building	Gross Block (As at 31.03.2019)	Net Block (As at 31.03.2019)	Remarks
Leasehold building located in Delhi admeasuring 1628 sqft	2.8	2.3	The title deeds are in the name of erstwhile company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court

In respect of immovable properties of land and buildings which are disclosed as fixed asset in the standalone Ind AS financial statements, the original documents for the following assets are not available for verification.

(₹ in million)

Particulars of the land and building	Gross Block (As at 31.03.2019)	Net Block (As at 31.03.2019)
Building located in Maharashtra	7.5	5.1
Land located in Uttarakhand	0.3	0.3

(ii) Inventories, apart from goods in transit and inventories lying with third parties, have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable. Inventories lying with third parties have been substantially confirmed by them as at the year-end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the investments made and guarantees provided, as applicable. The Company has not granted any loans or provided any security to the parties covered under Section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, duty of Customs, Goods and Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, duty of Customs, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax, Value added tax, Service tax, duty of Customs, duty of Excise, Goods and Service tax and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or government. The Company has not taken any loans or borrowings from financial institutions and has not issued any debentures during the year.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the Management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act read with the relevant rules issued thereunder.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

Annexure – I to the Independent Auditor's Report – 31 March 2019

Amounts of dues of Income tax, sales tax, Value added tax, Service tax, duty of Customs, duty of Excise, Goods and Service tax which have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount demanded (₹ million)	Amount unpaid (₹ million)
Income tax Act, 1961	Income tax	Commissioner of Income tax (Appeals)	2004-2016	1,818.5	1,164.9
Central Excise Act, 1944	Excise duty De-bonding matters	Customs, Excise, and Service Tax Appellate Tribunal (CESTAT)	2010 & 2012	371.1	-
	Excise duty -Others	Customs, Excise, and Service Tax Appellate Tribunal (CESTAT)	Various	64.8	48.3
	Excise duty -Others	Commissioner	Various	102.4	102.4
	Excise duty -Others	Joint Commissioner	2005-06	10.0	10.0
	Excise duty -Others	Additional Commissioner	2001-04	7.7	7.7
	Excise duty -Others	Assistant Commissioner	2004-05 2011 2017-18	14.5	14.5
	Excise duty -Others	High Court	2005 to 2007	12.9	12.9
	Service Tax Matters	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2005-08	55.1	55.1
	Service Tax Matters	Commissioner	2005-08	7.4	7.4
	Service Tax Matters	High Court	2005-06	22.2	22.2
Goods and Service tax, Central and various States' Sales Tax Acts and various States' Value Added Tax Acts	Goods and Service tax, Sales tax, Value added tax,	Sales Tax Tribunal	2000-01 2003-06 2009-11	32.4	26.7
		Supreme Court	2000-01	0.5	0.5
		High Court	2002-03 2004-05	11.6	5.3
		Commissioner of Sales Tax (Appeal)	2002-03 2004-05 2005-09 2014-15 2018-19	8.5	7.8
		Joint Commissioner	2001-04 2005-06 2013-14 2015-16	16.9	9.5
		Deputy Commissioner	1994-95 2000-01 2012-14	7.0	7.0
		Additional Commissioner	1994-95 2010-11 2012-13 2015-16	18.1	15.6
		Commercial Tax Officer	2014-15	0.02	0.02
		Assistant Commissioner	2003-04	0.3	-
The Customs Act 1962	Customs duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2010-2011	0.8	0.8

Annexure B to the Independent Auditor's report on the standalone financial statements of Lupin Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Lupin Limited ("the

Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

Balance Sheet

as at March 31, 2019

(₹ in million)

	Note	As at 31.03.2019	As at 31.03.2018
Assets			
Non-Current Assets			
a. Property, Plant and Equipment	2	30,672.0	30,272.3
b. Capital Work-in-Progress		9,038.2	8,499.9
c. Intangible Assets	3	3,057.5	3,134.3
d. Intangible Assets Under Development		2,952.7	3,210.5
e. Financial Assets			
(i) Non-Current Investments			
- In Subsidiaries	4	51,247.3	51,247.3
- In Others	4	1,563.6	55.3
(ii) Non-Current Loans	5	627.4	616.9
(iii) Other Non-Current Financial Assets	6	14.3	3.2
f. Non-Current Tax Assets (Net)		1,424.1	1,464.3
g. Other Non-Current Assets	7	1,459.9	1,131.5
		102,057.0	99,635.5
Current Assets			
a. Inventories	8	23,059.8	21,800.2
b. Financial Assets			
(i) Current Investments	9	21,073.8	2,325.9
(ii) Trade Receivables	10	37,243.2	49,463.1
(iii) Cash and Cash Equivalents	11	559.4	1,056.7
(iv) Other Bank Balances	12	55.0	52.9
(v) Current Loans	13	229.1	176.3
(vi) Other Current Financial Assets	14	6,304.8	4,044.8
c. Current Tax Assets (Net)		2.0	-
d. Other Current Assets	15	6,318.0	8,168.6
e. Assets Classified as Held for Sale	59	-	86.0
		94,845.1	87,174.5
Total		**196,902.1**	**186,810.0**
Equity and Liabilities			
Equity			
a. Equity Share Capital	16	905.0	904.2
b. Other Equity	17	170,267.7	156,945.4
		171,172.7	157,849.6
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	18	5.3	40.8
(ii) Trade Payables	19	16.1	31.6
(iii) Other Non-Current Financial Liabilities	20	149.6	48.3
b. Non-Current Provisions	21	2,094.6	2,062.9
c. Deferred Tax Liabilities (Net)	46	2,662.2	2,583.3
d. Other Non-Current Liabilities	22	827.7	831.4
		5,755.5	5,598.3
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	23	16.8	82.1
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	24	1,046.1	1,063.8
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	24	11,494.1	13,214.9
(iii) Other Current Financial Liabilities	25	1,577.2	6,031.3
b. Other Current Liabilities	26	869.8	1,231.9
c. Current Provisions	27	4,903.8	1,470.4
d. Current Tax Liabilities (Net)		66.1	267.7
		19,973.9	23,362.1
Total		**196,902.1**	**186,810.0**
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
DIN: 00009851

Place: Mumbai
Date: May 15, 2019

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in million)

	Note	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Income			
Revenue from Operations	28	113,563.2	100,881.8
Other Income	29	2,913.4	1,311.2
Total Income		**116,476.6**	**102,193.0**
Expenses			
Cost of Materials Consumed	30	26,930.8	22,595.3
Purchases of Stock-in-Trade		13,470.5	11,301.5
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	31	(1,472.3)	846.7
Employee Benefits Expense	32	15,154.2	14,416.4
Finance Costs	33	354.7	332.4
Depreciation and Amortisation Expense	2&3	4,263.0	3,898.1
Other Expenses	34	30,952.2	30,863.3
Total Expenses		**89,653.1**	**84,253.7**
Profit before Exceptional items and Tax		**26,823.5**	**17,939.3**
Exceptional item			
- Provision for fine (European Commission)	50	3,399.8	-
Profit before Tax		**23,423.7**	**17,939.3**
Tax Expense	46		
- Current Tax (Net)		7,950.0	3,865.7
- Deferred Tax (Net)		85.4	627.0
Total Tax Expense		**8,035.4**	**4,492.7**
Profit for the year		**15,388.3**	**13,446.6**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(16.8)	1.2
(ii) Income tax relating to items that will not be reclassified to profit or loss:	46	6.0	1.0
(B) (i) Items that will be reclassified subsequently to profit or loss:			
(a) The effective portion of gain & losses on hedging instruments in a cash flow hedge		15.2	(464.7)
(ii) Income tax relating to items that will be reclassified to profit or loss:	46	0.5	144.8
Other Comprehensive Income / (Loss) for the year, net of tax		**4.9**	**(317.7)**
Total Comprehensive Income for the year		**15,393.2**	**13,128.9**
Earnings per equity share (in ₹)	43		
Basic		**34.03**	**29.76**
Diluted		**33.89**	**29.66**
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 **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
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Richard Zahn
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Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Date: May 15, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital [Refer note 16]

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Balance at the beginning of the reporting year	452,082,850	904.2	451,576,869	903.2
Changes in equity share capital during the year	410,847	0.8	505,981	1.0
Balance at the end of the reporting year	**452,493,697**	**905.0**	452,082,850	904.2

B. Other Equity [Refer note 17]

(₹ in million)

Particulars	Reserves and Surplus							Other items of Other Comprehensive Income		Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employees Stock Options Outstanding	General Reserve	Retained Earnings	Amalgamation Reserve	Effective portion of Cash Flow Hedges	Remeasurement of the net Defined Benefit Plans	
Balance as at 31.03.2017	263.9	126.5	7,551.9	1,737.5	16,560.7	120,241.8	317.9	379.1	(280.1)	146,899.2
Profit for the year	-	-	-	-	-	13,446.6	-	-	-	13,446.6
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	(318.5)	2.2	(316.3)
Final dividend on Equity Shares	-	-	-	-	-	(3,388.1)	-	-	-	(3,388.1)
Corporate Tax on Dividend	-	-	-	-	-	(689.7)	-	-	-	(689.7)
Addition on allotment of shares	-	-	577.6	-	-	-	-	-	-	577.6
Share based payment to employees	-	-	-	376.3	39.8	-	-	-	-	416.1
Balance as at 31.03.2018	**263.9**	**126.5**	**8,129.5**	**2,113.8**	**16,600.5**	**129,610.6**	**317.9**	**60.6**	**(277.9)**	**156,945.4**
Profit for the year	-	-	-	-	-	15,388.3	-	-	-	15,388.3
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	16.9	(10.8)	6.1
Final dividend on Equity Shares	-	-	-	-	-	(2,260.8)	-	-	-	(2,260.8)
Corporate Tax on Dividend	-	-	-	-	-	(464.7)	-	-	-	(464.7)
Addition on allotment of shares	-	-	514.8	-	-	-	-	-	-	514.8
Share based payment to employees	-	-	-	70.4	68.2	-	-	-	-	138.6
Balance as at 31.03.2019	**263.9**	**126.5**	**8,644.3**	**2,184.2**	**16,668.7**	**142,273.4**	**317.9**	**77.5**	**(288.7)**	**170,267.7**

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

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

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
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Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Statement of Cash Flows

for the year ended March 31, 2019

(₹ in million)

		For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	23,423.7	17,939.3
	Adjustments for:		
	Depreciation and Amortisation Expense	4,263.0	3,898.1
	Loss/(Profit) on Sale/Write-off of Property, Plant and Equipment/Intangible Assets (net)	(17.7)	26.6
	Net Gain on sale of Mutual Fund Investments	(122.4)	(383.9)
	Finance Costs	354.7	332.4
	Interest on Deposits with Banks and Others	(383.9)	(7.5)
	Dividend on Mutual Fund Investments	(420.9)	(274.8)
	Unrealised Loss/ (Gain)on Mutual Fund Investments (net)	(120.5)	(55.4)
	Dividend on Non-Current Investment from Subsidiary company	-	(14.5)
	Doubtful Trade Receivables / Advances / Deposits written off and provided (net)	(63.3)	(12.5)
	Bad Trade Receivables / Advances / Deposits written off	-	7.0
	Share Based Payments Expense	477.0	643.2
	Impairment in value of Non-Current investments	30.1	-
	Provision for fine (European Commission)	3,399.8	-
	Unrealised Exchange loss / (gain) on revaluation (net)	(822.8)	345.7
	Operating Cash flows before Working Capital Changes	**29,996.8**	**22,443.7**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(1,259.6)	(543.6)
	Trade Receivables	13,161.6	(10,889.4)
	Current Loans	(52.8)	(26.3)
	Non- Current Loans	(10.5)	(81.7)
	Other Current Financial Asset	(2,104.1)	(318.3)
	Other Current Asset	1,850.3	(3,464.4)
	Other Non-Current Assets	60.2	47.7
	Other Non-Current Financial Assets	(11.1)	9.2
	Adjustments for increase / (decrease) in operating liabilities:		
	Current Trade Payable	(1,809.5)	(391.5)
	Non-Current Trade Payable	(15.5)	(13.8)
	Other Current Financial liabilities	(193.4)	(475.8)
	Other Current Liabilities	(426.0)	634.7
	Other Non-Current liabilities	(3.7)	(221.1)
	Other Non-Current Financial liabilities	99.1	(7.4)
	Current Provisions	97.5	65.7
	Non- Current Provisions	(159.0)	229.4
	Cash Generated from Operations	**39,220.3**	**6,997.1**
	Net Income tax paid	(8,113.1)	(4,902.3)
	Net Cash Flow from Operating Activities	**31,107.2**	**2,094.8**
B.	**Cash Flow from Investing Activities**		
	Capital expenditure, including capital advances	(9,709.4)	(9,103.8)
	Proceeds from sale of Property, Plant and Equipments / Intangible Assets	300.1	13.2
	Purchase of Non-Current Investment in subsidiaries	-	(3,283.4)
	Purchase of Non-Current Investment in others	(1,539.4)	-
	Purchase of Current Investment	(89,820.9)	(50,214.6)
	Proceeds from sale of Current Investments	71,316.2	69,448.0
	Bank balances not considered as Cash and Cash Equivalents (net)	(2.1)	95.4
	Dividend on Mutual Fund Investments	420.9	274.8
	Dividend on Non-Current Investment from Subsidiary company	-	14.5
	Interest on Deposits with Banks and others	383.9	7.5
	Net Cash Used in Investing Activities	**(28,650.7)**	**7,251.6**

Statement of Cash Flows

for the year ended March 31, 2019

(₹ in million)

		For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
C.	**Cash Flow from Financing Activities**		
	Repayment of Non Current Borrowings (net)	(48.1)	(49.7)
	Proceeds from / (Repayment of) Current Borrowings (net)	(65.3)	(5,714.1)
	Proceeds from issue of equity shares (ESOPs)	0.8	1.0
	Securities Premium Received (ESOPs)	36.2	144.2
	Finance Costs	(164.3)	(178.1)
	Dividends paid	(2,248.4)	(3,383.4)
	Corporate Tax on Dividend	(464.7)	(689.7)
	Net Cash (Used) / generated in Financing Activities	**(2,953.8)**	**(9,869.8)**
	Net (decrease) / Increase in Cash and Cash Equivalents	**(497.3)**	**(523.4)**
	Cash and Cash Equivalents as at the beginning of the year	1,056.7	1,580.1
	Cash and Cash Equivalents as at the end of the year (refer note 11)	**559.4**	**1,056.7**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".

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), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 15, 2019

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

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
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Dr. K. U. Mada
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DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Notes

Forming part of the Standalone Financial Statements

1A. Overview:

Lupin Limited, ('the Company') incorporated in 1983, is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded and generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) globally. The Company has significant presence in the Cardiovascular, Diabetology, Asthama, Pediatrics, Central Nervous System, Gastro-Intestinal, Anti-Infectives and Nonsteroidal Anti Inflammatory Drug therapy segments and is a global leader in the Anti-TB and Cephalosporins segments. The Company along with its subsidiaries has manufacturing locations spread across India, Japan, USA, Mexico and Brazil with trading and other incidental and related activities extending to the global markets.

1B. Significant Accounting Policies:

a) Basis of accounting and preparation of Standalone Financial Statements:

Basis of preparation

i) These standalone financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements were authorized for issue by the Company's Board of Directors on May 15, 2019.

Functional and Presentation Currency

ii) These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest million, except otherwise indicated.

Basis of measurement

iii) These standalone financial statements are prepared under the historical cost convention unless otherwise indicated.

Use of Estimates and Judgements

iv) The preparation of the Standalone Financial Statements in conformity with Ind AS 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 preparation of the Standalone 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/materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Measurement of defined benefit obligations (Refer note l)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note o)
- Recognition of deferred tax assets (Refer note i)
- Useful lives of property, plant and equipment and intangibles (Refer note b & c)
- Impairment of assets (Refer note f)
- Impairment of financial assets (Refer note h)
- Share-based payment transactions (Refer note m)

b) Property, Plant and Equipment & Depreciation:

I. Recognition and Measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- income and expenses related to the incidental operations, not necessary to bring the item to

Notes

Forming part of the Standalone Financial Statements

the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

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.

II. Subsequent Expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

III. Depreciation
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on independent technical evaluation and management's assessment thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Useful Life
Leasehold Land	Over the period of lease
Plant and Equipment	10 to 15 years
Office Equipment (Desktop)	4 years
Certain assets provided to employees	3 years

Depreciation method, useful live and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c) Intangible assets:

I. Recognition and Measurement:
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.

II. Subsequent Expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

III. Amortisation
Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated Useful Life
Computer Software	5 to 6 years
Trademark and Licenses	4 to 5 years
Dossiers/Marketing Rights	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, if any.

d) Non-current assets held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

e) 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

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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. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment 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.

f) 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 following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

i) an intangible asset that is not yet available for use; and

ii) an intangible asset that is having indefinite useful life.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 (other than a revalued 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, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

g) 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) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate of the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items (except for long term monetary items outstanding as at March 31, 2016) at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognized in the Statement of Profit and Loss in the period in which they arise.

iv) In case of long term monetary items outstanding as at March 31, 2016, exchange differences arising on settlement/restatement thereof 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. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

h) Financial Instruments:

I. Financial Assets

Classification

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

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Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

i) the Company has transferred substantially all the risks and rewards of the asset, or

ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans, borrowings and payables) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial

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liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in (OCI) and accumulated in “Cash Flow Hedge Reserve Account” under Other Equity, 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 Statement of 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.

III. Measurement

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

(a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm’s length transactions.

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

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i) Income tax:

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

i) has a legally enforceable right to set off the recognised amounts; and

ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Company recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

i) When the Company is able to control the timing of the reversal of the temporary difference; and

ii) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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 non-creditable taxes 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:

Sale of Goods

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/ GST and applicable trade discounts and allowances.

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Revenue includes shipping and handling costs billed to the customer.

Income from research services
Income from research services including sale of technology/know-how (rights, licenses 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 i.e. over time.

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Interest income
Interest income is recognised with reference to the Effective Interest Rate method.

Dividend income
Dividend from investment is recognised as revenue when right to receive is established.

Income from Export Benefits and Other Incentives
Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

l) Employee Benefits:

Short term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans
The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits
The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

m) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in

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substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in Other Equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

n) Leases:

Determining whether an arrangement contains a lease

An arrangement, which is not in the legal form of a lease, should be accounted for as a lease, if:

i) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

ii) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease. Payments made under operating leases are recognised in Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

o) Provisions and Contingent Liabilities:

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. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

ii) 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.

p) Borrowing costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are 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.

All other borrowing costs are recognised as an expense in the period which they are incurred.

q) Government Grants:

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

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.

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r) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

s) 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.

t) Goods and Services tax input credit:

Goods and Services 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.

u) Segment reporting:

The Company operates in one reportable business segment i.e. "Pharmaceuticals".

v) Operating cycle:

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

1C. Recent Accounting Pronouncements:

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 116 'Leases', which replaces Ind AS 17 'Leases'. The new standard shall require lessees to recognize the leases on their balance sheets with limited exemptions related to low value asset and assets with a lease term lower than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize "Right-Of-Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligation to make lease payments.

The Company is required to adopt Ind AS 116 Leases from April 1, 2019. The Company will have to recognize "Right-Of-Use" assets and "Lease Liability" for its operating leases. Upon application of the new standard, the nature of expenses related to the leases will change and accordingly the Company will recognize a depreciation charge for right-of-use assets and interest expense on unwinding of lease liabilities as against lease expenses recognized upto March 31, 2019. The new standard also provides two broad alternative transition approach - Retrospective Method and Cumulative Effect Method with practical expedient.

Based on preliminary assessment, there will be no significant impact on initial application to the statement of profit and loss of the company.

Other Amendments:

The MCA has notified below amendments which are effective 1st April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

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2. Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 01.04.2018	Additions	Disposals*	**As at 31.03.2019**	As at 01.04.2018	For the period	Disposals*	**As at 31.03.2019**	**As at 31.03.2019**
Freehold Land	**861.5**	**4.4**	**-**	**865.9**	**-**	**-**	**-**	**-**	**865.9**
	551.5	*310.0*	*-*	*861.5*	*-*	*-*	*-*	*-*	*861.5*
Leasehold Land	**997.0**	**107.5**	**-**	**1,104.5**	**24.4**	**10.8**	**-**	**35.2**	**1,069.3**
	535.6	*504.9*	*43.5*	*997.0*	*17.6*	*8.8*	*2.0*	*24.4*	*972.6*
Buildings	**11,572.3**	**666.7**	**1.5**	**12,237.5**	**1,119.0**	**483.8**	**0.7**	**1,602.1**	**10,635.4**
	11,025.6	*590.0*	*43.3*	*11,572.3*	*660.8*	*463.6*	*5.4*	*1,119.0*	*10,453.3*
Leasehold Improvements	**266.7**	**158.4**	**-**	**425.1**	**99.2**	**67.7**	**-**	**166.9**	**258.2**
	229.1	*37.6*	*-*	*266.7*	*41.1*	*58.1*	*-*	*99.2*	*167.5*
Plant and Equipment	**23,913.8**	**3,118.2**	**201.6**	**26,830.4**	**7,726.5**	**2,861.0**	**139.5**	**10,448.0**	**16,382.4**
	21,560.5	*2,475.1*	*121.8*	*23,913.8*	*5,042.4*	*2,767.8*	*83.7*	*7,726.5*	*16,187.3*
Furniture and Fixtures	**1,020.4**	**186.4**	**118.1**	**1,088.7**	**300.1**	**129.3**	**14.2**	**415.2**	**673.5**
	929.4	*113.5*	*22.5*	*1,020.4*	*190.7*	*127.7*	*18.3*	*300.1*	*720.3*
Vehicles	**71.4**	**5.6**	**1.0**	**76.0**	**23.0**	**9.8**	**1.0**	**31.8**	**44.2**
	67.1	*4.3*	*-*	*71.4*	*13.4*	*9.6*	*-*	*23.0*	*48.4*
Office Equipment	**1,630.5**	**212.7**	**67.0**	**1,776.2**	**769.1**	**308.5**	**44.5**	**1,033.1**	**743.1**
	1,473.8	*178.1*	*21.4*	*1,630.5*	*476.8*	*313.2*	*20.9*	*769.1*	*861.4*
Total	**40,333.6**	**4,459.9**	**389.2**	**44,404.3**	**10,061.3**	**3,870.9**	**199.9**	**13,732.3**	**30,672.0**
	36,372.6	*4,213.5*	*252.5*	*40,333.6*	*6,442.8*	*3,748.8*	*130.3*	*10,061.3*	*30,272.3*

a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).
b) Additions to Property, Plant and Equipment include items aggregating ₹ 1,094.9 million (previous year ₹ 963.2 million) located at Research and Development Centers of the Company.
c) Previous year figures are given in italics below current year figures in each class of assets.
* Disposals of prevous year are inclusive of Assets classified as held for sale (Refer note 1B (d) and 59).

3. Intangible Assets - Acquired

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 01.04.2018	Additions	Disposals*	**As at 31.03.2019**	As at 01.04.2018	For the period	Disposals*	**As at 31.03.2019**	**As at 31.03.2019**
Computer Software	**174.7**	**63.1**	**-**	**237.8**	**98.4**	**30.5**	**-**	**128.9**	**108.9**
	134.8	*39.9*	*-*	*174.7*	*67.7*	*30.7*	*-*	*98.4*	*76.3*
Trademarks and Licences	**233.3**	**-**	**48.0**	**185.3**	**96.9**	**44.5**	**40.9**	**100.5**	**84.8**
	182.8	*63.0*	*12.5*	*233.3*	*54.5*	*51.3*	*8.9*	*96.9*	*136.4*
Dossiers / Marketing rights	**2,988.9**	**259.3**	**-**	**3,248.2**	**67.3**	**317.1**	**-**	**384.4**	**2,863.8**
	-	*2,988.9*	*-*	*2,988.9*	*-*	*67.3*	*-*	*67.3*	*2,921.6*
Total	**3,396.9**	**322.4**	**48.0**	**3,671.3**	**262.6**	**392.1**	**40.9**	**613.8**	**3,057.5**
	317.6	*3,091.8*	*12.5*	*3,396.9*	*122.2*	*149.3*	*8.9*	*262.6*	*3,134.3*

a) Previous year figures are given in italics below current year figures in each class of assets.

Notes

Forming part of the Standalone Financial Statements

4. Non-Current Investments

(₹ in million)

	Number	Face Value	**As at 31.03.2019**	As at 31.03.2018
a. In Subsidiary Companies (at Cost)				
Unquoted				
i) Equity Instruments				
- Lupin Holdings B.V., Netherlands	105,829 (105,829)	Euro 1,000	6,720.3	6,720.3
- Lupin Pharmaceuticals, Inc., USA	30 (30)	USD 0.001	13.8	13.8
- Lupin Australia Pty Ltd., Australia	800,000 (800,000)	AUD *	33.3	33.3
- Lupin Healthcare Ltd., India (Including 6 shares held by nominees)	2,616,677 (2,616,677)	₹ 10	81.7	81.7
- Lupin Atlantis Holdings SA, Switzerland [Refer note 37 (e)]	2,486 (2,486)	CHF 1,000	2,993.7	2,993.7
ii) Capital Contributions:				
- Lupin Holdings B.V., Netherlands			6,385.5	6,385.5
- Lupin Atlantis Holdings SA, Switzerland			35,019.0	35,019.0
			51,247.3	51,247.3
b. In Others				
i) In Equity Instruments (at Fair Value through Profit or Loss)				
Unquoted				
- Biotech Consortium India Ltd., India	50,000 (50,000)	₹ 10	0.5	0.5
- Enviro Infrastructure Co. Ltd., India	100,000 (100,000)	₹ 10	1.0	1.0
- Bharuch Enviro Infrastructure Ltd., India [31.03.2019 - ₹ 44,100; 31.03.2018 - ₹ 45,850/-]	4,410 (4,585)	₹ 10		
- Narmada Clean Tech Ltd., India	1,100,388 (1,145,190)	₹ 10	11.0	11.5
- Tarapur Environment Protection Society, India	72,358 (72,358)	₹ 100	7.2	7.2
- Sai Wardha Power Ltd., India [Aggregate impairment of ₹ 30.1 million (Previous year - Nil)]	3,007,237 (3,007,237)	₹ 10	-	30.1
			19.7	50.3
ii) In Bonds/ Debentures /Securities (at Amortised Cost)				
- Government Bonds				
Unquoted				
- National Highways Authority of India, India	500 (500)	₹ 10,000	5.3	5.0
- Non Convertible Debentures				
Quoted				
- 8.83% Tata Capital Financial Services Ltd., India Maturing on June 29, 2020	500 (-)	₹ 1,000,000	508.0	-
- 9.39% Aditya Birla Housing Finance Ltd., India Maturing on April 29, 2020	500 (-)	₹ 1,000,000	521.5	-
- 7.50% Kotak Mahindra Prime Ltd., India Maturing on November 10, 2020	500 (-)	₹ 1,000,000	509.1	-

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

	Number	Face Value	**As at 31.03.2019**	As at 31.03.2018
- Government Securities				
Unquoted				
- National Saving Certificates				
[Deposited with Government Authority]				
[31.03.2019- ₹ 5,500; 31.03.2018 - ₹ 6,000]				
			1,543.9	5.0
			1,563.6	55.3
Total			**52,810.9**	**51,302.6**

* Shares do not have face value

i) All investments in shares are fully paid up		
ii) All the above subsidiaries are directly or indirectly, wholly owned by the Company		
iii) Aggregate amount of quoted investments and market value thereof		
Book value	1,538.6	-
Market value	1,538.6	-
iv) Aggregate amount of unquoted investments	51,272.3	51,302.6
v) Aggregate amount for impairment in value of investments	30.1	-
vi) Previous year numbers are within brackets below current year numbers		

5. Non- Current Loans

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
Security Deposits		
With Related Parties [Refer note 56 (C)]	43.4	43.4
Others	569.1	524.5
Loans to Employees	14.9	49.0
Total	**627.4**	**616.9**

(There are no other non-current loans which have significant increase in credit risk)

6. Other Non-Current Financial Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Mark to Market Derivative Assets	-	0.4
Earmarked Bank Deposits against guarantees and other commitments	14.3	2.8
Total	**14.3**	**3.2**

7. Other Non-Current Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Capital Advances	895.5	506.9
Advances other than Capital Advances		
- With Government Authorities (Drawback/Customs & Excise duties receivable)	539.8	588.8
- Prepaid Expenses	24.6	35.8
Total	**1,459.9**	**1,131.5**

Notes

Forming part of the Standalone Financial Statements

8. Inventories

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Raw Materials	6,041.6	6,268.8
Packing Materials	1,132.9	1,179.8
Work-in-Process	5,127.4	4,519.7
Finished Goods	5,718.4	5,104.9
Stock-in-Trade	3,299.3	3,048.2
Consumable Stores and Spares	1,346.5	1,216.5
Goods-in-Transit		
- Raw Materials	367.0	414.3
- Packing Materials	16.4	26.5
- Consumable Stores and Spares	10.3	21.5
Total	**23,059.8**	**21,800.2**

During the year, the Company recorded inventory write-downs of ₹ 1,439.8 million (previous year ₹ 1,401.0 million).These adjustments were included in cost of material consumed and changes in inventories.

9. Current Investments

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	2,047.0	-
Unquoted		
In Commercial Papers	2,284.9	-
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	16,741.9	2,325.9
Total	**21,073.8**	**2,325.9**

a)	Aggregate amount of quoted investments and market value thereof		
	Book value	2,047.0	-
	Market value	2,054.9	-
b)	Aggregate amount of Unquoted Investments	19,026.8	2,325.9
c)	Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-

Notes

Forming part of the Standalone Financial Statements

10. Trade Receivables

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Unsecured		
- Considered Good	37,246.1	49,469.9
- Credit Impaired	115.9	175.3
	37,362.0	49,645.2
Less: Impairment Allowances for		
- Considered Good	2.9	6.8
- Credit Impaired	115.9	175.3
	118.8	182.1
Total	37,243.2	49,463.1

[There are no other trade receivables which have significant increase in credit risk. Refer note 52 (C) for information about credit risk and market risk of trade receivables]

Trade receivables include debts due from subsidiary companies ₹ 29,281.6 million (31.03.2018 ₹ 41,182.5 million) [Refer note 56 (C)]

11. Cash and Cash Equivalents

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Cash and Cash Equivalents (as per Ind AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	462.2	978.1
- In EEFC Account	35.2	67.2
Cheques on hand	55.4	7.4
Cash on hand	6.6	4.0
Total	**559.4**	**1,056.7**

12. Other Bank Balances

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Earmarked Balances with Banks		
- Unpaid dividend accounts	54.6	42.2
- Deposits against guarantees and other commitments	0.4	10.7
Total	**55.0**	**52.9**

13. Current Loans

(Financial assets stated at cost)

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
Security Deposits	198.7	151.1
Other Loans (includes Loans to employees, etc.)	30.4	25.2
Total	**229.1**	**176.3**

(There are no other current loans which have significant increase in credit risk.)

Notes

Forming part of the Standalone Financial Statements

14. Other Current Financial Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Receivables from Related Parties [Refer note 56 (C)]	141.8	282.7
Mark to Market Derivative Assets	101.5	85.8
Export Benefits receivable	5,514.2	3,390.0
With Government Authorities (VAT/Cenvat/Service tax /GST credit/refund receivable)	370.7	224.5
Other Current Financial Assets (includes Interest receivables, etc.)	176.6	61.8
Total	**6,304.8**	**4,044.8**

15. Other Current Assets

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Advances other than Capital Advances		
Prepaid Expenses	280.3	357.6
Advance to Employees	96.8	94.3
Advance to Vendors		
- Considered Good	747.6	561.1
- Credit Impaired	44.1	42.8
	791.7	603.9
Less : Impairment Allowances for Credit Impaired	44.1	42.8
	747.6	561.1
Export Benefits receivable	887.6	1,034.9
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	4,253.3	6,074.9
Assets Recoverable From Customers	52.4	45.8
Total	**6,318.0**	**8,168.6**

16. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	452,493,697	905.0	452,082,850	904.2
Total	**452,493,697**	**905.0**	**452,082,850**	**904.2**

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	452,082,850	904.2	451,576,869	903.2
Equity Shares issued during the year pursuant to exercise of ESOPs	410,847	0.8	505,981	1.0
Equity Shares outstanding at the end of the year	452,493,697	905.0	452,082,850	904.2

Notes

Forming part of the Standalone Financial Statements

c) Rights attached to Equity Shares

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

During the year ended March 31, 2019, the amount of dividend per equity share distributed to equity shareholders is ₹ 5.0 (previous year ended March 31, 2018, ₹ 7.5).

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

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

Name of Shareholder	**As at 31.03.2019**		As at 31.03.2018	
	No. of Shares	%of Holding	No. of Shares	%of Holding
Lupin Investments Pvt. Limited	205,608,135	45.44	205,608,135	45.48

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

Particulars	**As at 31.03.2019**		As at 31.03.2018	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	126,850	0.3	133,603	0.3
Plan 2005	35,795	0.1	51,770	0.1
Plan 2011	1,367,241	2.7	1,428,016	2.9
Plan 2014	2,656,712	5.3	2,975,445	6.0
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2005	100,568	0.2	110,804	0.2
Plan 2011	708,527	1.4	710,130	1.4
Plan 2014	1,125,000	2.3	1,125,000	2.3

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

Particulars	**As at 31.03.2019 Aggregate No. of Shares**	As at 31.03.2018 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	4,117,893	4,553,357

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.

Notes

Forming part of the Standalone Financial Statements

17. Other Equity

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Securities Premium		
Opening Balance as per last Balance Sheet	8,129.5	7,551.9
Add : Additions during the year*	514.8	577.6
Balance as at the year end	8,644.3	8,129.5
Employees Stock Options Outstanding [Refer note 44]		
Opening Balance as per last Balance Sheet	2,113.8	1,737.5
Add : Amortisation during the year	617.2	849.5
Less : Exercised during the year	478.6	433.4
Less : Transfer to General Reserve	68.2	39.8
Balance as at the year end	2,184.2	2,113.8
General Reserve		
Opening Balance as per last Balance Sheet	16,600.5	16,560.7
Add : Transfer from share based payments	68.2	39.8
Balance as at the year end	16,668.7	16,600.5
Retained Earnings		
Opening Balance as per last Balance Sheet	129,610.6	120,241.8
Add : Profit for the year	15,388.3	13,446.6
Less : Final Dividend on Equity Shares [Refer note 16 (c)]	2,260.8	3,388.1
Less : Corporate Tax on Dividend**	464.7	689.7
Balance as at the year end	142,273.4	129,610.6
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Other Comprehensive Income		
Cash Flow Hedge Reserve [Refer note 54 (c)]		
Opening Balance as per last Balance Sheet	60.6	379.1
Add / (Less) : Effect of foreign exchange rate variations on hedging	15.7	(319.9)
instruments outstanding [net of deferred tax of ₹ (0.5) million		
(31.03.2018 ₹ (144.8) million)]		
(Less)/ Add : Hedge Ineffectiveness recognised in Statement of Profit & Loss	1.2	1.4
Balance as at the year end	77.5	60.6
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(277.9)	(280.1)
Add / (Less) : Additions during the year	(10.8)	2.2
Balance as at the year end	(288.7)	(277.9)
Total	**170,267.7**	**156,945.4**

* Represents amount received on allotment of 410,847 (previous year 505,981) Equity Shares of the face value of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 44]

** Represents Corporate Tax on Final Dividend ₹ 464.6 million (previous year ₹ 689.5 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.1 million (previous year ₹ 0.2 million).

Notes

Forming part of the Standalone Financial Statements

Nature of Reserves

a) Capital Reserve

The Capital reserve is created on receipts of government grants for setting up the factories in backward areas, for performing research on critical medicines for the betterment of the society and on restructuring of the Capital of the Company under various schemes of Amalgmation.

b) Capital Redemption Reserve

This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) Securities Premium

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

d) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

e) Amalgamation Reserve

This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

f) Cash Flow Hedge Reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for Cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassfied to statement of profit and loss only when the hedged items affect the profit or loss.

18. Non- Current Borrowings

[Refer note 25]

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Term Loans - from other parties		
Unsecured		
Deferred Sales Tax Loan from Government of Maharashtra	5.3	9.9
Term Loans from Council for Scientific and Industrial Research (CSIR)	-	30.9
Total	**5.3**	**40.8**

a) Deferred Sales Tax Loan is interest free and payable in 5 annual installments after expiry of initial 10 years moratorium period from each such year of deferral period beginning from 1998-99 to 2009-10 and ending from 2013-14 to 2024-25.

b) Term Loans from CSIR carry interest of 3% p.a. and is payable in 1 annual installment of ₹ 30.9 million alongwith interest.

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

19. Trade Payables

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Trade Payables	16.1	31.6
Total	**16.1**	**31.6**

(There are no outstanding dues to Micro Enterprises and Small Enterprises.)

Notes

Forming part of the Standalone Financial Statements

20. Other Non-Current Financial Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Payable for Capital Expenditure	3.7	1.5
Employee Benefits Payables	42.9	46.8
Other Payables	103.0	-
Total	**149.6**	**48.3**

21. Non- Current Provisions

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits [Refer note 27]		
Gratuity [Refer note 45 (ii) A]	1,315.5	1,351.6
Compensated Absences	779.1	711.3
Total	**2,094.6**	**2,062.9**

22. Other Non-Current Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Deferred Revenue	827.7	831.4
Total	**827.7**	**831.4**

23. Current Borrowings

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Secured		
Loans from Banks	16.8	82.1
Total	**16.8**	**82.1**

a) Loans comprise of Cash Credit and Working Capital Demand Loan and are secured by hypothecation of inventories and book debts carrying interest rate at MCLR plus market driven margins.

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

24. Trade Payables

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Acceptances	1,035.3	1,692.6
Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises [Refer note 49]	1,046.1	1,063.8
- Total outstanding dues of Others	10,458.8	11,522.3
Total	**12,540.2**	**14,278.7**

Notes

Forming part of the Standalone Financial Statements

25. Other Current Financial Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Current Maturities of Non - Current Borrowings [Refer note 18]		
- Deferred Sales Tax Loan from Government of Maharashtra	4.6	6.8
- Term Loans from CSIR	30.9	30.9
- Term Loans from Department of Science and Technology	-	10.4
Interest Accrued but not due on Borrowings	0.1	0.4
Unpaid Dividend *	54.6	42.2
Payable for Capital Expenditure	344.2	4,604.4
Trade Deposits received	126.1	184.7
Employee Benefits Payables	1,009.7	1,150.7
Other Payables (Includes retention money, etc.)	7.0	0.8
Total	**1,577.2**	**6,031.3**

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

26. Other Current Liabilities

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	636.4	883.9
Deferred Revenue	128.1	124.8
Advances from customers	105.3	223.2
Total	**869.8**	**1,231.9**

27. Current Provisions

(₹ in million)

	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits [Refer note 21]		
Gratuity [Refer note 45 (ii) A]	206.3	251.4
Compensated Absences	166.0	211.6
Other Provisions		
For Sales Returns [Refer note 51]	1,195.6	1,007.4
For European Commission fine [Refer note 50]	3,335.9	-
Total	**4,903.8**	**1,470.4**

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28. Revenue from Operations

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Sale [Refer note 39 and 58]		
Goods	106,573.2	96,802.5
Research Services	3,742.4	1,736.5
	110,315.6	98,539.0
Other Operating Revenue		
Export Benefits and Other Incentives	2,506.6	2,238.8
Insurance Claims	17.4	19.4
Business Compensation and Settlement Income	677.8	-
Miscellaneous Income	45.8	84.6
	3,247.6	2,342.8
Total	**113,563.2**	**100,881.8**

29. Other Income

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Income on Financial Assets carried at cost		
Interest on Deposits with Banks	53.0	7.5
Other Interest	358.7	38.2
Dividend on Non-Current Investment from Subsidiary company	-	14.5
Income on Financial Assets carried at fair value through profit or loss		
Dividend on Mutual Fund Investments	420.9	274.8
Net gain on Sale of Mutual Fund Investments	122.4	383.9
Unrealised Gain on Mutual Fund Investments (net)	120.5	55.4
Net gain on Foreign Currency Transactions	1,583.0	281.4
Profit on Sale of Property, Plant and Equipment/Intangible Assets (net)	17.7	-
Other Non-Operating Income (including interest on income tax refund)	237.2	255.5
Total	**2,913.4**	**1,311.2**

30. Cost of Materials Consumed

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Raw Materials Consumed	23,176.0	19,202.0
Packing Materials Consumed	3,754.8	3,393.3
Total	**26,930.8**	**22,595.3**

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31. Changes in Inventories of Finished Goods, Work-In-Process and Stock-In-Trade

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Opening Stock:		
Finished Goods	5,104.9	5,178.6
Stock-in-Trade	3,048.2	4,293.4
Work-in-Process	4,519.7	4,047.5
	12,672.8	13,519.5
Less:		
Closing Stock:		
Finished Goods	5,718.4	5,104.9
Stock-in-Trade	3,299.3	3,048.2
Work-in-Process	5,127.4	4,519.7
	14,145.1	12,672.8
Changes In Inventories:		
Finished Goods	(613.5)	73.7
Stock-in-Trade	(251.1)	1,245.2
Work-in-Process	(607.7)	(472.2)
Total	**(1,472.3)**	**846.7**

32. Employee Benefits Expense

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Salaries and Wages	12,672.4	11,765.9
Contribution to Provident and Other Funds	1,044.3	1,039.3
Gratuity Expense	115.9	92.4
Share Based Payments Expense [Refer note 44]	477.0	643.2
Staff Welfare Expenses	844.6	875.6
Total	**15,154.2**	**14,416.4**

33. Finance Costs

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Interest on Financial Liabilities - borrowing carried at amortised cost	89.5	44.4
Net Interest on net defined benefit liability	190.7	154.9
Interest cost on Finance lease obligation	8.5	-
Other Borrowing Costs (includes bank charges, etc.)	66.0	133.1
Total	**354.7**	**332.4**

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34. Other Expenses

(₹ in million)

	For the Current Year ended 31.03.2019	For the Previous Year ended 31.03.2018
Processing Charges	1,129.7	1,084.6
Stores and Spares Consumed	3,904.3	3,932.6
Repairs and Maintenance:		
- Buildings	246.1	264.8
- Plant and Machinery	1,110.3	978.5
- Others	1,169.5	1,151.6
Rent and Other Hire Charges [Refer note 42]	1119.2	1091.6
Rates and Taxes	1,112.1	900.7
Insurance	361.0	375.3
Power and Fuel	4,163.0	3,813.2
Contract Labour Charges	1,103.0	1,108.8
Excise Duty (net) [Refer note 57]	-	76.0
Selling and Promotion Expenses	4,682.3	4,680.1
Commission and Brokerage	854.0	856.5
Freight and Forwarding	495.7	571.6
Postage and Telephone Expenses	268.2	272.1
Travelling and Conveyance	2,161.4	1,745.8
Legal and Professional Charges	3,830.5	3,646.8
[Net of recoveries of ₹ 296.8 million (previous year ₹ 15.3 million)]		
Donations	41.7	41.8
Clinical and Analytical Charges	1,845.8	3,422.9
Loss on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	-	26.6
Bad Trade Receivables / Advances / Deposits written off	-	7.0
[Net of provision of earlier years adjusted ₹ 134.0 million (previous year ₹ 32.0 million)]		
Impairment Allowances for Doubtful Trade Receivables / Advances / Deposits (net)	69.5	32.9
Impairment in value of Non-Current investments	30.1	-
Corporate Social Responsibility Expenses [Refer note 48]	379.5	216.8
Directors Sitting Fees	1.4	1.4
Business Compensation and Settlement Expenses	160.7	18.6
Miscellaneous Expenses	713.2	544.7
Total	**30,952.2**	**30,863.3**

35. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 2825.7 million (previous year ₹ 1824.7 million).

b) Letter of comfort for support in respect of its 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 42).

d) Dividends proposed of ₹ 5/- (previous year ₹ 5/-) per equity share before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 2262.7 million (previous year ₹ 2260.5 million)

e) There are product supply committments pursuant to contracts with customers under dossier agreements.

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36. Contingent Liabilities:

(₹ in million)

	Particulars	As at 31.03.2019	As at 31.03.2018
a)	Income tax demands/matters on account of deductions/disallowances for earlier years, pending in appeals [including ₹ 38.6 million (previous year ₹ 42.7 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 "Non-current Tax Assets (Net)" ₹ 631.2 million (previous year ₹ 330.3 million).	1818.5	952.1
b)	Customs duty, Excise duty, Service tax, Goods and Services Tax and Sales tax demands, for input tax credit disallowances and demand for Entry Tax are in appeals and pending decisions. Amount paid there against and included under note 13 "Current Loans" ₹ 40.3 million (previous year ₹ 23.4 million).	191.2	163.3
c)	Claims against the Company not acknowledged as debts (excluding interest where the amount is unascertainable) for transfer charges of land, octroi duty, employee claims, power*, trade marks, pricing, indemnity and stamp duty. Amount paid there against without admitting liability and included under note 13 "Current Loans" ₹ 115.1 million (previous year ₹ 115.9 million). *Demand raised by Maharashtra State Electricity Development Corporation Limited (MSEDCL), challenging Group Captive Generating Plant (GCGP) status of power supplier's Plant at Tarapur and Pune location.	1039.8	782.6
d)	Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of a subsidiary aggregating ₹ 5186.6 million (previous year ₹ nil).	5186.6	-
e)	Outstanding credit facilities against corporate guarantees given in respect of credit facilities sanctioned by bankers of subsidiary companies for the purpose of acquisitions, working capital and other business requirements aggregating ₹ 84728.2 million (previous year ₹ 71808.2 million).	76124.3	66719.6
f)	Financial guarantees aggregating to ₹ 8575.2 million (previous year ₹ 8081.7 million) given to third party on behalf of subsidiaries for contractual obligations	-	-
g)	The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.		

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 claims against the Company pertaining to Income tax, Excise, Customs, Sales/VAT tax, product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability where applicable, in the financial statements. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences, the ultimate disposition of these matters will not have material adverse effect on its financial statements.

37. a) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands (LHBV), acquired/subscribed to the equity stake in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 1.1 million (previous year ₹ 0.8 million).

b) During the year, Gavis Pharmaceuticals, LLC, USA (Gavis), wholly owned subsidiary of Lupin Inc., USA (LINC) got dissolved on March 26, 2019. LINC has written off its investment of ₹ nil in Gavis.

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c) During the year, Lupin Ukraine LLC, Ukraine (Lupin Ukraine), step-down subsidiary got dissolved on February 7, 2019. Investment of ₹ 0.3 million in Lupin Ukraine has been written-off.

d) During the year, Lupin Pharma LLC, Russia (Lupin Russia) step-down subsidiary had filed for dissolution on March 18, 2019 and got dissolved on April 9, 2019. Investment of ₹33.8 million in Lupin Russia has been written-off.

e) During the year, the Company has made additional Capital Contribution of ₹ nil (previous year ₹ 3283.5 million) in LAHSA, a wholly owned subsidiary.

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

i) Additional investment in Lupin Inc., USA at a total cost of ₹ 4843.8 million (previous year ₹ 3294.3 million) as additional paid-in capital – securities premium.

ii) Additional investment in Lupin Latam, Inc., USA at a total cost of ₹ nil as capital contribution (previous year ₹ 12.9 million).

iii) 100% equity stake in Lupin Europe GmbH at total cost of ₹ nil (previous year ₹ 2.0 million).

g) During the year, Lupin Inc., USA (LINC), a wholly owned subsidiary of LAHSA, has made additional investment as capital contribution in Lupin Research Inc., USA at a total cost of ₹ nil (previous year ₹ 769.1 million).

h) During the previous year, Novel Clinical Research (India) Private Limited, India (Novel India), wholly owned subsidiary of the Company had applied for removal of its name from the Register of Companies w.e.f. March 27, 2018 with the Registrar of Companies, Bangalore, and the order pursuant to such application has been received in current year. The Company had written-off its investment of ₹ 0.1 million in Novel India in previous year.

The above acquisitions/subscriptions/disposals 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

38. Pre-operative expenses pending capitalisation included in Capital Work-In-Progress 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:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Opening balance	427.4	273.0
Incurred during the year:		
Salaries, allowances and contribution to funds	97.1	120.8
Legal and Professional Charges	0.1	6.1
Travelling and Conveyance	10.2	18.0
Power and fuel	34.7	-
Others	28.2	111.5
Total incurred during the year	170.3	256.4
Less: Capitalised during the year	190.2	102.0
Closing balance	**407.5**	**427.4**

39. Revenue (Ind AS 115)

A. The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

Variable components such as discounts, chargebacks, rebates, sales returns etc. continues to be recognised as deductions from revenue. in compliance with Ind AS 115.

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B. Disaggregation of revenue:

(₹ in million)

Nature of segment	**For the Current Year ended 31.03.2019**	For the Previous Year ended 31.03.2018
A. Major Product/Service line:		
- Sale of pharmaceutical goods	106573.2	96802.5
- Income from research services and sale of IPs	3742.4	1736.5
- Business Compensation & Settlement income	677.8	-
Total revenue from contracts with customers	110993.4	98539.0
B. Primary geographical market:		
- India	51675.8	45501.2
- USA	41370.5	35677.7
- Japan	921.3	763.5
- Others	17025.8	16596.6
Total revenue from contracts with customers	110993.4	98539.0
C. Timing of the revenue recognition:		
- Goods/Services transferred at a point in time	109354.0	96802.5
- Services transferred over time	1639.4	1736.5
Total revenue from contracts with customers	110993.4	98539.0

C. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	**For the Current Year ended 31.03.2019**	For the Previous Year ended 31.03.2018
Revenue as per contracted price	118487.1	105505.4
Adjusted for:		
- Sales returns	2132.8	2270.6
- Discounts / Chargebacks/ Rebates	4933.8	4496.5
- Others	427.1	199.3
Total revenue from contracts with customers	**110993.4**	**98539.0**

D. Reconciliation of revenue recognised from Contract liability:

(₹ in million)

Particulars	**For the Current Year ended 31.03.2019**	For the Previous Year ended 31.03.2018
Balance in contract liability at the beginning of the period that was not recognized as revenue	956.2	1159.9
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	294.8	50.3
Less: Revenue recognized that was included in the contract liability balance at the beginning of the period	295.3	254.0
Balance in contract liability at the end of the period that is not recognized as revenue	955.8	956.2

40. 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 Indian Accounting Standard (Ind AS 108) “Operating Segments”, no disclosures related to segments are presented in these standalone financial statements.

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41. Auditors' Remuneration:

(₹ in million)

Particulars	2018-2019	2017-2018
Payment to Auditors*:		
a) As Auditors	14.5	13.0
b) For other services including Certification	5.0	4.5
c) Reimbursement of out-of-pocket expenses	1.3	1.0
Total	**20.8**	**18.5**

* Excluding GST, Service tax and Swachh Bharat Cess

42. 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 included in 'Lease Rent and Hire Charges' in the Statement of Profit and Loss (Refer note 34) for the year are ₹ 783.9 million (previous year ₹ 736.4 million). The contingent rent recognised in the Statement of Profit and Loss for the year is ₹ nil (previous year ₹ nil). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(₹ in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Not later than one year	771.6	688.7
Later than one year but not later than five years	948.0	1212.5
Later than five years	28.4	25.7
Total	**1748.0**	**1926.9**

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

(₹ in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit attributable to Equity Shareholders (₹ in million)	15388.3	13446.6
Weighted average number of Equity Shares:		
- Basic	452244908	451847593
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1871725	1481004
- Diluted	454116633	453328597
Earnings per Share (in ₹)		
- Basic	34.03	29.76
- Diluted	33.89	29.66

44. Share-based payment arrangements:

Employee stock options – equity settled

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), "Lupin Subsidiary Companies Employees Stock Option Plan 2011" (SESOP 2011), "Lupin Employees Stock Option Plan 2014" (ESOP 2014) and "Lupin Subsidiary Companies Employees Stock Option Plan 2014" (SESOP 2014) in earlier years, as approved by the Shareholders of the Company and the Nomination and Remuneration Committee of the Board of Directors (the Committee).

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The Committee determines which eligible employees will receive options, the number of options to be granted, the vesting period and the exercise period. 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 issued under the above schemes vest in a phased manner after completion of the minimum period of one year with an exercise period of ten years from the respective grant dates.

Category A - Fair Market Value Options (comprising of options granted under ESOP 2003, ESOP 2005, SESOP 2005, ESOP 2011, SESOP 2011, ESOP 2014 and SESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3046524	114.6-2037.5	1119.1	6.4
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	234756	280.8-1521.7	1337.3	NA
Less: Options exercised during the year	92114	114.6-923.6	395.2	NA
Options outstanding at the year end	2719654	217.8-2037.5	1124.7	5.5
Exercisable at the end of the period	2311113	217.8-2037.5	1060.2	5.1

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3540762	114.6-2037.5	1088.7	7.3
Add: Options granted during the year	23795	831.5-1407.9	1036.2	9.5
Less: Options lapsed during the year	246039	138.6-2037.5	1323.4	NA
Less: Options exercised during the year	271994	114.6-1164.8	532.1	NA
Options outstanding at the year end	3046524	114.6-2037.5	1119.1	6.4
Exercisable at the end of the period	2063215	114.6-2037.5	975.0	5.7

The weighted average grant date fair value of the options granted under Category A during the years ended March 31, 2019 and 2018 was nil and ₹ 337.0 per option, respectively.

Category B - Par Value Options (comprising of options granted under ESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1318808	2.0	2.0	8.7
Add: Options granted during the year	876156	2.0	2.0	9.5
Less: Options lapsed during the year	113307	2.0	2.0	NA
Less: Options exercised during the year	318733	2.0	2.0	NA
Options outstanding at the year end	1762924	2.0	2.0	8.6
Exercisable at the end of the period	236423	2.0	2.0	7.3

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1060444	2.0	2.0	8.9
Add: Options granted during the year	549854	2.0	2.0	9.6
Less: Options lapsed during the year	57503	2.0	2.0	NA
Less: Options exercised during the year	233987	2.0	2.0	NA
Options outstanding at the year end	1318808	2.0	2.0	8.7
Exercisable at the end of the period	134944	2.0	2.0	7.7

The weighted average grant date fair value of the options granted under Category B during the years ended March 31, 2019 and 2018 was ₹ 828.8 and ₹ 905.4 per option, respectively.

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Category C - Discounted Fair Market Value Options (comprising of options granted under ESOP 2003, ESOP 2005 and ESOP 2011)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	200000	415.7-891.5	688.1	8.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	7.1
Exercisable at the end of the period	200000	415.7-891.5	688.1	7.1

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	150000	720.5-891.5	778.9	8.6
Add: Options granted during the year	50000	415.7	415.7	9.7
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	8.1
Exercisable at the end of the period	150000	720.5-891.5	778.9	7.6

The weighted average grant date fair value of options granted under Category C during the years ended March 31, 2019 and 2018 was ₹ nil and ₹ 483.2 per option, respectively.

The weighted average share price during the year ended March 31, 2019 and 2018 was ₹ 837.0 and ₹ 1010.3 per share respectively.

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: 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 dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

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.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

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The weighted average inputs used in computing the fair value of options granted were as follows:

Weighted average information – 2018-19

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
B	April 2, 2018	2.0	7.0	3.5	28.9	0.5	777.1	764.6
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	September 3, 2018	2.0	7.8	3.5	28.9	0.5	936.1	918.7
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	November 28, 2018	2.0	7.3	2.7	29.9	0.5	866.6	853.7
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	828.8	843.6

Weighted average information – 2017-18

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 24, 2017	1407.9	6.7	4.5	27.2	0.6	1361.5	431.2
B	April 24, 2017	2.0	6.5	3.5	28.2	0.6	1361.5	1334.0
B	July 19, 2017	2.0	6.4	3.5	28.4	0.6	1172.3	1148.4
B	October 17, 2017	2.0	6.5	3.5	27.8	0.6	1066.2	1044.3
A	November 28, 2017	831.5	6.9	4.5	28.6	0.6	832.3	285.2
B	November 28, 2017	2.0	6.7	3.5	29.4	0.6	832.3	814.9
C	November 28, 2017	415.7	6.6	3.0	30.4	0.6	832.3	483.2
B	January 2, 2018	2.0	6.9	3.5	29.1	0.6	875.2	856.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	337.0	1020.3
B	905.4	924.6
C	483.2	832.3

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45. Post-Employment Benefits:

(i) Defined Contribution Plans:

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

The Company recognised ₹ 194.8 million (previous year ₹ 203.8 million) for superannuation contribution and ₹ 253.2 million (previous year ₹ 243.0 million) for provident and pension fund 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, 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, 2019. 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.

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

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2019	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	160.5	131.3	85.4	104.2
	Past service cost	-	211.2	-	(211.2)
	Interest cost	123.2	91.4	81.6	82.8
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	85.2	16.2	68.6	34.3
	- Due to experience assumption	20.7	29.9	(141.4)	(83.3)
	Benefits paid	(198.2)	(135.3)	-	-
	PVO at the beginning of the year	1580.3	1235.6	1047.1	1120.3
	PVO at the end of the year	1771.7	1580.3	1141.3	1047.1
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	16.3	(1.7)	-	-
	Interest Income	79.9	74.6	-	-
	Contributions by the employer	468.8	74.7	-	-
	Benefits paid	(198.2)	(132.5)	-	-
	Fair value of plan assets at the beginning of the year	1024.4	1009.3	-	-
	Fair value of plan assets at the end of the year	1391.2	1024.4	-	-

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(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2019	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	1771.7	1580.3	1141.3	1047.1
	Fair Value of plan assets at the end of the year	1391.2	1024.4	-	-
	Funded status	(380.5)	(555.9)	(1141.3)	(1047.1)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(380.5)	(555.9)	(1141.3)	(1047.1)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	160.5	131.3	85.4	104.2
	Past service cost	-	211.2	-	(211.2)
	Interest cost	43.4	16.7	81.6	82.8
	Total expense recognised in the Statement of Profit and Loss	203.9*	359.2*	167.0*	(24.2)*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	85.2	16.2	68.6	34.3
	- Due to experience assumption	20.7	29.9	(141.4)	(83.3)
	Return on plan assets excluding net interest	(16.3)	1.7	-	-
	Total amount recognised in OCI	89.6	47.8	(72.8)	(49.0)
VI)	**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)	1391.2	1024.4	NA	NA
VII)	**Actual return on the plan assets:**	96.2	72.9	NA	NA
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08			
	Discount rate (%)	7.7	7.8	7.7	7.8
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first two years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first two years and 6.0 thereafter
	Average Remaining Service (years)	11.6	11.9	11.6	11.9
	Employee Attrition Rate (%)				
	up to 5 years	15.0	15.0	15.0	15.0
	above 5 years	5.0	5.0	5.0	5.0
IX)	**Estimate of amount of contribution in immediate next year**	267.4	239.1	NA	NA

* ₹ 1.9 million (previous year ₹ 2.9 million) capitalised as pre-operative expenses, out of above amount.

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X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2019
1 year	378.3
2 to 5 years	1104.6
6 to 10 years	1269.0
More than 10 years	3763.9

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.

Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Gratuity (Funded)	2018-2019		2017-2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(221.4)	255.4	(194.3)	224.1
Future salary growth (1% movement)	255.0	(224.8)	224.5	(198.0)

B) The provident fund plan of the Company, except at one plant, is operated by "Lupin Limited Employees Provident Fund Trust" ("Trust"), a separate legal entity. 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 of India. 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 Board of Trustees administer the contributions made by the Company to the schemes and also defines the investment strategy to act in the best interest of the plan participants.

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 in accordance with Ind AS 19 "Employee Benefits". 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, 2019 and based on the same, there is no shortfall towards interest rate obligation.

46. Income taxes:

a. Tax expense recognised in profit and loss:

(₹ in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current Tax Expense for the year	8031.0	4056.0
Tax expense w/back of prior years	(81.0)	(190.3)
Net Current Tax Expense	7950.0	3865.7
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	85.4	627.0
Tax expense for the year	**8035.4**	**4492.7**

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b. Tax expense recognised in other comprehensive income:

(₹ in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	6.0	1.0
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	0.5	144.8
Total	**6.5**	**145.8**

c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:

(₹ in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before tax including exceptional item	23423.7	17939.3
Tax using the Company's domestic tax rate (March 31, 2019: 34.94%, March 31, 2018: 34.61%)	8185.2	6208.8
Tax effect of:		
Expenses not deductible for tax purposes	2601.9	514.4
Impact of change in tax rates	(0.1)	26.1
Incremental deduction allowed for Research and Development costs	(982.2)	(1086.8)
Exemption of profit link incentives	(1510.1)	(827.1)
Other Exemption Income	(147.1)	(96.2)
Investment Allowance	(4.2)	(19.0)
Tax Incentive on additional employment	(18.9)	(8.9)
Other	(8.1)	(28.3)
Current and Deferred Tax expense (excluding prior year taxes) as per note 46(a)	**8116.4**	**4683.0**

d. Movement in deferred tax balances:

(Current Year ₹ in million)

	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(4027.6)	(17.1)	-	(4044.7)	-	(4044.7)
Cash Flow Hedge Reserve	(25.2)	-	0.5	(24.7)	-	(24.7)
Trade Receivables	78.6	(21.4)	-	57.2	57.2	-
Deferred Income	343.7	(9.5)	-	334.2	334.2	-
VRS Compensation	32.8	(3.2)	-	29.6	29.6	-
Provision of claims	-	-	-	-	-	-
Employee benefits	753.0	49.2	6.0	808.2	808.2	-
Other items	261.4	(83.4)	-	178.0	178.0	-
Net Deferred tax assets / (liabilities)	(2583.3)	(85.4)	6.5	(2662.2)	1407.2	(4069.4)

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(Previous Year ₹ in million)

	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2018	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(3974.4)	(53.2)	-	(4027.6)	-	(4027.6)
Cash Flow Hedge Reserve	(170.0)	-	144.8	(25.2)	-	(25.2)
Trade Receivables	67.4	11.2	-	78.6	78.6	-
Deferred Income	401.7	(58.0)	-	343.7	343.7	-
VRS Compensation	36.1	(3.3)	-	32.8	32.8	-
Provision of claims	539.5	(539.5)	-	-	-	-
Employee benefits	704.2	47.8	1.0	753.0	753.0	-
Other items	293.4	(32.0)	-	261.4	261.4	-
Net Deferred tax assets / (liabilities)	(2102.1)	(627.0)	145.8	(2583.3)	1469.5	(4052.8)

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

As on March 31 2019, tax liability with respect to the dividends proposed before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 465.1 million (previous year ₹ 464.7 million).

47. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ₹ 11496.7 million (previous year ₹ 14105.8 million).

48. The aggregate amount of cash expenditure incurred during the year on Corporate Social Responsibility (CSR) is ₹379.5 million (previous year ₹ 216.8 million) and is shown separately under note 34 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Donations	342.4	187.4
Employee Benefits Expense	18.1	10.3
Others – Patient Awareness, etc.	19.0	19.1
Total	**379.5**	**216.8**

The amount required to be spent by the Company during the year is ₹ 656.7 million (previous year ₹ 750.5 million).
No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure.

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49. 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.

(₹ in million)

	Particulars	**As at 31.03.2019**	As at 31.03.2019
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	1046.1 (interest ₹ nil)	1063.8 (interest ₹ nil)
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

50. During the year, the General Court of the European Union delivered its judgement concerning Lupin's appeal against the European Commission's (EC) 2014 decision in the Perindopril litigation. The General Court upheld the EC's decision holding the Company liable to pay a fine of EUR 40 million (₹ 3106.9 million). Considering that the matter was not settled in favour of the Company, provision of EUR 43.7 million (₹ 3399.8 million) has been made including interest and withholding tax thereon of EUR 3.7 million (₹ 292.9 million) which is disclosed as an exceptional item. The Company has filed appeal against this judgement in the Court of Justice of the European Union.

51. As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

(₹ in million)

Particulars	**2018-2019**	2017-2018
Carrying amount at the beginning of the year	1007.4	836.4
Add : Additional Provisions made during the year	1801.7	2099.2
Less : Amounts used / utilised during the year	1613.5	1928.2
Carrying amount at the end of the year	1195.6	1007.4

52. Financial Instruments:

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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(₹ in million)

As at 31.03.2019	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments								
- In NCD's	-	-	1538.6	1538.6	-	-	-	-
- Others	19.7	-	5.3	25.0	-	-	19.7*	19.7
Non-Current Loans								
- Security Deposit	-	-	612.5	612.5	-	-	-	-
- Others	-	-	14.9	14.9	-	-	-	-
Other Non-Current Financial Assets								
- Derivative Instruments	-	-	-	-	-	-	-	-
- Others	-	-	14.3	14.3	-	-	-	-
Current Investments	16741.9	-	4331.9	21073.8	16741.9	-	-	16741.9
Trade Receivables	-	-	37243.2	37243.2	-	-	-	-
Cash and Cash Equivalents	-	-	559.4	559.4	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	55.0	55.0	-	-	-	-
Current Loans	-	-	229.1	229.1	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	1.2	100.3	-	101.5	-	101.5	-	101.5
- Others	-	-	6203.3	6203.3	-	-	-	-
	16762.8	**100.3**	**50807.5**	**67670.6**	**16741.9**	**101.5**	**19.7**	**16863.1**
Financial liabilities								
Non-Current Borrowings	-	-	5.3	5.3	-	-	-	-
Trade Payables	-	-	16.1	16.1	-	-	-	-
Other Non-Current Financial Liabilities	-	-	149.6	149.6	-	-	-	-
Current Borrowings	-	-	16.8	16.8	-	-	-	-
Trade Payables	-	-	12540.2	12540.2	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	1577.2	1577.2	-	-	-	-
	-	**-**	**14305.2**	**14305.2**	**-**	**-**	**-**	**-**

(₹ in million)

As at 31.03.2018	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments								
- In NCD's	-	-	-	-	-	-	-	-
- Others	50.3	-	5.0	55.3	-	-	50.3*	50.3
Non-Current Loans								
- Security Deposit	-	-	567.9	567.9	-	-	-	-
- Others	-	-	49.0	49.0	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	0.4	-	0.4	-	0.4	-	0.4

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(₹ in million)

As at 31.03.2018	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
- Others	-	-	2.8	2.8	-	-	-	-
Current Investments	2325.9	-	-	2325.9	2325.9	-	-	2325.9
Trade Receivables	-	-	49463.1	49463.1	-	-	-	-
Cash and Cash Equivalents	-	-	1056.7	1056.7	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	52.9	52.9	-	-	-	-
Current Loans	-	-	176.3	176.3	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	0.4	85.4	-	85.8	-	85.8	-	85.8
- Others	-	-	3959.0	3959.0	-	-	-	-
	2376.6	**85.8**	**55332.7**	**57795.1**	**2325.9**	**86.2**	**50.3**	**2462.4**
Financial liabilities								
Non-Current Borrowings	-	-	40.8	40.8	-	-	-	-
Trade Payables	-	-	31.6	31.6	-	-	-	-
Other Non-Current Financial Liabilities	-	-	48.3	48.3	-	-	-	-
Current Borrowings	-	-	82.1	82.1	-	-	-	-
Trade Payables	-	-	14278.7	14278.7	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	6031.2	6031.2	-	-	-	-
	-	**-**	**20512.7**	**20512.7**	**-**	**-**	**-**	**-**

* These are for operation purposes and the Company expects its refund on exit. The Company estimates that the fair value of these investments are not materially different as compared to its cost.

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Non-current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

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The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As at year end, the carrying amount of the Company's largest customer (a Subsidiary based in North America) was ₹ 27498.3 million (previous year ₹ 39130.8 million).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Not past due but impaired	2.9	6.8
Neither past due not impaired	27679.1	22753.8
Past due not impaired		
- 1-180 days	9310.5	21354.8
- 181-365 days	245.8	5354.5
- more than 365 days	7.8	-
Past due impaired		
- 1-180 days	12.4	30.5
- 181-365 days	26.7	11.6
- more than 365 days	76.8	133.2
Total	**37362.0**	**49645.2**

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

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Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in million)

Particulars	2018-2019	2017-2018
Balance as at the beginning of the year	182.1	194.6
Impairment loss recognised (net)	68.2	17.0
Amounts written off	(134.0)	(32.0)
Exchange differences	2.5	2.5
Balance as at the year end	118.8	182.1

The impairment loss at March 31, 2019 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents
As at the year end, the Company held cash and cash equivalents of ₹ 559.4 million (previous year ₹ 1056.7 million). The cash and cash equivalents are held with banks.

Other Bank Balances
Other bank balances are held with banks.

Derivatives
The derivatives are entered into with banks.

Investment in mutual funds, non-convertible debentures and commercial papers

The Company limits its exposure to credit risk by generally investing in liquid securities, non convertible debentures, commercial papers and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties.

Other financial assets
Other financial assets are neither past due nor impaired.

ii. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, non-convertible debentures, commercial papers which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

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As at 31.03.2019	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	40.8	40.8	35.5	2.3	3.0	-
Interest Payables	0.1	56.1	10.9	9.6	23.7	11.9
Trade Payables Non-Current	16.1	16.1	-	7.1	9.0	
Other Non-Current Financial Liabilities	149.6	149.6	7.3	18.4	32.1	91.8
Current Borrowings	16.8	16.8	16.8	-	-	-
Trade Payables Current	12540.2	12540.2	12540.2	-	-	-
Other Current Financial Liabilities	1541.6	1541.6	1541.6	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Total	**14305.2**	**14361.2**	**14152.3**	**37.4**	**67.8**	**103.7**

As at 31.03.2018	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	88.9	88.9	48.1	35.5	4.9	0.4
Interest Payables	0.4	69.0	12.5	11.0	26.8	18.7
Trade Payables Non-Current	31.6	31.6	-	18.0	13.6	-
Other Non-Current Financial Liabilities	48.3	48.3	-	7.0	13.1	28.2
Current Borrowings	82.1	82.1	82.1	-	-	-
Trade Payables Current	14278.7	14278.7	14278.7	-	-	-
Other Current Financial Liabilities	5982.8	5982.8	5982.8	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Total	**20512.8**	**20581.4**	**20404.2**	**71.5**	**58.4**	**47.3**

* Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings raised by the respective subsidiary. These amounts will be payable on default by the concerned subsidiary. As of the reporting date, none of the subsidiary have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees (Refer note 56C).

iii. Market Risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company uses derivatives to manage market risk. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in

Notes

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recent periods and may continue to fluctuate in the future. Consequently, the Company uses both derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

The Company enters 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/receivables.

The Company also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivatives contracts are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedge.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2019**	As at 31.03.2018	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 149.0	USD 96.0	Sell

The Company has not entered into foreign currency forward contract for purposes other than hedging.

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities:

(₹ in million)

Particulars	**As at 31.03.2019**				
	USD	**EURO**	**GBP**	**JPY**	**Others**
Financial assets					
Cash and cash equivalents	22.3	-	-	68.8	5.6
Trade Receivables	30421.3	456.3	213.9	106.3	821.2
Other current financial assets	104.8	4.2	1.5	29.4	1.9
	30548.4	460.5	215.4	204.5	828.7
Financial liabilities					
Trade Payables	2781.5	183.7	53.8	33.0	20.8
Other current financial liabilities	62.8	3352.7	25.5	0.3	6.4
	2844.3	3536.4	79.3	33.3	27.2
Net statement of financial position exposure	**27704.1**	**(3075.9)**	**136.1**	**171.2**	**801.5**

(₹ in million)

Particulars	As at 31.03.2018				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	537.8	-	-	30.4	60.2
Trade Receivables	42839.8	919.3	242.7	27.7	918.9
Other current financial assets	248.6	3.5	0.7	24.1	1.4
	43626.2	922.8	243.4	82.2	980.5
Financial liabilities					
Trade Payables	4970.3	382.2	99.6	74.8	73.1
Other current financial liabilities	3931.4	37.3	7.3	-	38.4
	8901.7	419.5	106.9	74.8	111.5
Net statement of financial position exposure	**34724.5**	**503.3**	**136.5**	**7.4**	**869.0**

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

March 31, 2019	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(277.0)	277.0	(103.0)	103.0
EUR	30.8	(30.8)	-	-
GBP	(1.4)	1.4	-	-
JPY	(1.7)	1.7	-	-
Others	(8.0)	8.0	-	-
	(257.3)	**257.3**	**(103.0)**	**103.0**

(₹ in million)

March 31, 2018	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(347.2)	347.2	(62.6)	62.6
EUR	(5.0)	5.0	-	-
GBP	(1.4)	1.4	-	-
JPY	(0.1)	0.1	-	-
Others	(8.7)	8.7	-	-
	(362.4)	**362.4**	**(62.6)**	**62.6**

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and finance lease obligations. The interest rate profile of the Company's interest-bearing borrowings is as follows:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Non-Current Borrowings		
Fixed rate borrowings	40.8	88.9
Variable rate borrowings	-	-
	40.8	88.9
Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	16.8	82.1
	16.8	82.1
Total	**57.6**	**171.0**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

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Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in million)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
March 31, 2019		
Variable-rate borrowings	(0.2)	0.2
March 31, 2018		
Variable-rate borrowings	(0.8)	0.8

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Commodity rate risk

The Company's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As of March 31, 2019 and March 31, 2018 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

53. Capital Management:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents, other bank balances and current investments.

The Company's policy is to keep the ratio below 1.5. The Company's adjusted net debt to total equity ratio at March 31, 2019 was as follows:

(₹ in million)

Particulars	**As at 31.03.2019**	As at 31.03.2018
Total borrowings	57.6	171.0
Less : Cash and cash equivalent	559.4	1056.7
Less : Other Bank Balances*	69.3	55.7
Less : Current Investments	21073.8	2325.9
Adjusted net debt	(21644.9)	(3267.3)
Total equity	171172.7	157849.6
Adjusted net debt to total equity ratio	(0.13)	(0.02)

* includes earmarked bank deposits against guarantees & other commitments of ₹ 14.3 million (previous year ₹ 2.8 million) classified as Other Non-Current Financial Assets.

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54. Hedge accounting:

The Company's risk management policy is to hedge above 15% of its estimated net foreign currency exposure in respect of highly probable forecast sales over the following 12-18 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 12-18 months from the reporting date. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

a. Disclosure of effects of hedge accounting on financial position

(₹ in million)

As at 31.03.2019

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	149.0	101.5	-	Other current financial assets	April 2019 – March 2020	1.1	71.25	106.9	(107.2)
Forward exchange forward contracts	-	-	-	Other non-current financial assets					

(₹ in million)

As at 31.03.2018

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	86.0	85.8	-	Other current financial assets	April 2018 – August 2019	1:1	67.82	90.2	(90.6)
Forward exchange forward contracts	10.0	0.4	-	Other non-current financial assets					

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b. Disclosure of effects of hedge accounting on financial performance

(₹ in million)

As at 31.03.2019	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(283.2)	(1.2)	Other Expenses - Net loss on Foreign Currency Transactions	(298.4)	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2018	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	369.1	1.4	Other Expenses - Net loss on Foreign Currency Transactions	833.9	Revenue from operations - Sale of goods

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Movements in cash flow hedging reserve	
Balance at 1 April 2017	**379.1**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	369.1
Less : Amounts re-classified to profit or loss	(832.4)
Less: Deferred tax	144.8
As at March 31, 2018	**60.6**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(283.2)
Less : Amounts re-classified to profit or loss	299.6
Less: Deferred tax	0.5
As at March 31, 2019	**77.5**

55. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet as at March 31, 2019:

(₹ in million)

As at 31.03.2019	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	101.5	-	101.5	-	101.5
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	-	-	-	-	-

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The recognised financial instruments that are offset in balance sheet as at March 31, 2018:

(₹ in million)

As at 31.03.2018	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	86.2	-	86.2	-	86.2
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	-	-	-	-	-

Offsetting arrangements

(i) Trade receivables and payables
The Company has certain customers which are also supplying materials. Under the terms of agreement, there are no amounts payable by the Company that are required to be offset against receivables.

(ii) Derivatives
The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

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56. Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships –

Category I: Entity having significant influence over the Company:

Lupin Investments Pvt. Limited (w.e.f. July 28, 2017)

Category II: Subsidiaries:

Lupin Pharmaceuticals, Inc., USA
Kyowa Pharmaceutical Industry Co., Limited, Japan
Lupin Australia Pty Limited, Australia
Lupin Holdings B.V., Netherlands
Pharma Dynamics (Proprietary) Limited, South Africa
Hormosan Pharma GmbH, Germany
Multicare Pharmaceuticals Philippines Inc., Philippines
Lupin Atlantis Holdings SA, Switzerland
Lupin Healthcare (UK) Limited, UK
Lupin Pharma Canada Limited, Canada
Lupin Mexico S.A. de C.V., Mexico
Generic Health Pty Limited, Australia
Bellwether Pharma Pty Limited, Australia
Lupin Philippines Inc., Philippines
Lupin Healthcare Limited, India
Generic Health SDN. BHD., Malaysia
Kyowa CritiCare Co., Limited, Japan
Lupin Middle East FZ-LLC, UAE
Lupin GmbH, Switzerland
Lupin Inc., USA
Medquimica Industria Farmaceutica LTDA, Brazil
Nanomi B.V., Netherlands
Laboratorios Grin S.A. de C.V., Mexico
Lupin Pharma LLC, Russia
Novel Laboratories, Inc., USA
Novel Clinical Research (India) Private Limited., India (upto March 27, 2018)
Gavis Pharmaceuticals, LLC., USA (upto March 26, 2019)
Lupin Research Inc., USA
Lupin Ukraine LLC, Ukraine (upto February 7, 2019)
Lupin Latam, Inc., USA
Lupin Japan & Asia Pacific K.K., Japan
Saker Merger Sub LLC, USA (w.e.f. April 7, 2017 and upto October 10, 2017)
Symbiomix Therapeutics LLC, USA (w.e.f. October 10, 2017)
Lupin IP Ventures Inc.,USA (w.e.f. October 10, 2017)
Lupin Europe GmbH, Germany (w.e.f. February 5, 2018)

Category III: Jointly Controlled Entity:

YL Biologics Ltd., Japan

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Category IV: Key Management Personnel (KMP)

Dr. D. B. Gupta (upto June 26, 2017)	Chairman
Mrs. Manju D. Gupta (w.e.f. August 11,2017)	Chairperson
Dr. Kamal K. Sharma (upto September 28,2018)	Vice Chairman
Ms.Vinita Gupta	Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta	Managing Director
Mrs. Manju D. Gupta (upto August 10,2017),	Executive Director
Mr. Ramesh Swaminathan (upto December 11,2018)	Chief Financial Officer & Executive Director
Mr. R.V. Satam	Company Secretary

Non- Executive Directors

Dr. Kamal K. Sharma (w.e.f. September 29, 2018)	Vice Chairman
Dr. Vijay Kelkar (upto March 28, 2019)	
Mr. R. A. Shah	
Mr. Richard Zahn	
Dr. K. U. Mada	
Mr. Dileep C. Choksi	
Mr. Jean-Luc Belingard	

Category V: Others (Relatives of KMP and Entities in which the KMP and Relatives of KMP have control or significant influence)

Ms. Kavita Gupta (Daughter of Chairman)
Dr. Anuja Gupta (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Mrs. Pushpa Khandelwal (Sister of Chairman) (upto June 26, 2017)
Ms. Shefali Nath Gupta (Wife of Managing Director)
Miss. Veda Nilesh Gupta (Daughter of Managing Director)
D. B. Gupta (HUF)
Gupta Family Trust
Lupin Human Welfare and Research Foundation
Lupin Foundation
Lupin Investments Pvt. Limited (upto July 27, 2017)
BS Merc Private Limited (upto July 28,2017)
Lupin Holdings Pvt. Limited (upto July 28,2017)
Matashree Gomati Devi Jana Seva Nidhi
Polynova Industries Limited
Rahas Investments Pvt. Limited (upto July 28,2017)
Visiomed Investments Pvt. Limited (upto July 28,2017)
Zyma Laboratories Limited (upto July 28,2017)
Zyma Properties Pvt. Limited
Concept Pharmaceuticals Limited (upto June 26, 2017)
Shuban Prints
S. N. Pharma
Team Lease Services Limited

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B. Transactions with the related parties:

(₹ in million)

Sr. No.	Transactions	**For the year ended 31.03.2019**	For the year ended 31.03.2018
1.	Sale of Goods		
	Lupin Pharmaceuticals, Inc.	38377.2	35236.4
	Other Subsidiaries	3906.6	3675.0
2.	Sale – Research Services		
	Subsidiaries	-	28.8
3.	Sale – Research Services-Others		
	Subsidiaries	940.0	838.2
4.	Sale of Property, Plant and Equipment		
	Others	0.2	-
5.	Fees Received against guarantees provided on their behalf		
	Subsidiaries	223.8	240.5
6.	Services Rendered (Income)		
	Subsidiaries	2.1	1.0
7.	Rent Paid		
	Subsidiaries	-	2.1
	Others	75.8	70.5
8.	Research and Development Expenses		
	Lupin Research Inc.	1118.1	2065.3
	Other Subsidiaries	40.2	36.7
9.	Expenses incurred on their behalf Recovered/Rent Received		
	Subsidiaries	308.8	341.3
	Jointly Controlled Entity	-	0.9
	Others	1.9	3.2
10.	Remuneration Paid		
	Key Management Personnel	249.3	494.0
11.	Purchases of Goods/Materials		
	Subsidiaries	52.2	9.7
	Others	150.7	63.4
12.	Investments during the year		
	Lupin Atlantis Holdings SA	-	3283.5
13.	Commission, Advisory Fees & Sitting Fees to Non Executive Directors		
	Key Management Personnel	53.2	29.7
14.	Donations Paid		
	Others	262.1	213.1
15.	Dividend Paid		
	Lupin Investments Pvt Limited	1028.0	1530.2
	Key Management Personnel	26.4	42.8
	Others	9.1	12.2
16.	Services Received (Expense)		
	Lupin Pharmaceuticals, Inc.	100.9	569.1
	Other Subsidiaries	851.7	961.3
	Others	112.6	103.4
17.	Expenses incurred on our behalf & Others Reimbursements		
	Subsidiaries	1111.5	813.0
	Others	3.1	2.9
18.	Balances written off		
	Subsidiaries	27.7	-

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(₹ in million)

Sr. No.	Transactions	**For the year ended 31.03.2019**	For the year ended 31.03.2018
19.	Balances written back		
	Subsidiaries	1.8	-
20.	Dividend Income		
	Subsidiaries	-	14.5
21.	Purchase of Intangible Asset		
	Lupin Atlantis Holdings SA	-	6199.4
22.	Letter of Comfort issued by the Company to the bankers of a Subsidiary		
	Lupin Pharmaceuticals, Inc.	5186.6	-
23.	Withdrawal of Letter of comfort issued by the Company to the bankers of a subsidiary		
	Subsidiaries	-	129.1
24.	Corporate guarantees issued by the Company to the bankers of subsidiary companies		
	Kyowa Pharmaceutical Industry Co., Limited	-	9472.5
	Lupin Atlantis Holdings SA and Lupin Inc.	-	325.9
	Lupin Pharmaceuticals, Inc.	7607.1	-
	Other Subsidiaries	1694.2	1323.0
25.	Withdrawal of corporate guarantees given by the Company to the bankers of subsidiary companies		
	Kyowa Pharmaceutical Industry Co., Limited	-	8932.0
	Other Subsidiaries	-	485.0

Related party transactions above 1% of revenue from operations are disclosed separately.

(₹ in million)

Compensation Paid to Key Management Personnel	**For the Year ended 31.03.2019**	For the Year ended 31.03.2018
Short-term employee benefits	146.5	346.0
Post-employment benefits	93.6	107.4
Share based payments	9.2	40.6
Total	**249.3**	**494.0**

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Notes

Forming part of the Standalone Financial Statements

C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	As at 31.03.2019	As at 31.03.2018
1.	Investments		
	Subsidiaries	51247.3	51247.3
2.	Deposits paid under Leave and License arrangement for premises		
	Others	43.4	43.4
3.	Trade Receivables		
	Subsidiaries	29281.6	41182.5
4.	Trade Payables		
	Subsidiaries	678.9	1960.6
	Others	29.2	25.0
5.	Commission Payable		
	Key Management Personnel	-	45.5
6.	Expenses Payable		
	Subsidiaries	82.6	140.2
7.	Expenses Receivable		
	Subsidiaries	94.3	142.3
	Jointly Controlled Entity	-	0.9
	Others	-	0.2
8.	Income Receivable		
	Subsidiaries	47.5	135.1
9.	Advance to vendors		
	Others	-	4.2
10.	Payable for Purchase of Property plant and equipment/Intangible asset		
	Subsidiary	58.6	3969.7
11.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1
12.	Letter of Comfort issued by the Company to the bankers of subsidiary companies	5186.6	-
13.	Corporate guarantees issued by the Company to the bankers of subsidiary companies	84728.2	71808.2
14.	Guarantees issued by the Company on behalf of subsidiary companies for contractual obligations	8575.2	8081.7

Transactions and balances with Jointly Controlled Entity have been reported at full value.

57. Excise duty (Refer note 34) includes nil (previous year ₹ 165.8 million) credit being net impact of the excise duty provision on opening and closing stock.

Notes

Forming part of the Standalone Financial Statements

58. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise has been subsumed into GST. In accordance with Ind AS 115 / Ind AS18 and Schedule III to the Companies Act, 2013, levies like GST, VAT etc. are not part of revenue, unlike Excise Duty, which was presented as part of revenue. Accordingly, the figures for the year ended March 31, 2019 are not comparable with the previous year, to that extent.
The following additional information is being provided to facilitate such understanding:

(₹ in million)

Particulars	**2018-2019**	2017-2018
Revenue from Operations – Sale of Goods & Research Services	110315.6	98539.0
Excise duty on sale	-	(276.2)
Revenue from Operations excluding excise duty on sale	110315.6	98262.8

59. Assets classified as Held for Sale:

During the previous year, the Company had entered into a Memorandum of Understanding (MOU) to sell a parcel of land along with the related manufacturing facility (collectively referred to as "Facility") in Ankleshwar, Gujarat for a consideration in excess of the carrying value of the Facility which got concluded in the current year.

The value associated to the Facility is as follows:

(₹ in million)

Particulars	**Carrying Value As at 31.03.2019**	Carrying Value As at 31.03.2018
Land	-	41.6
Buildings	-	32.5
Plant and Equipment	-	11.9
Total non-current asset held for sale	**-**	**86.0**

60. In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. These amendments are in accordance with the amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The below disclosure is in line with such amendments suggested:

(₹ in million)

Particulars	April 1, 2018	Cash Flows	Non-Cash Changes			**March 31, 2019**
			Acquisition	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	9.9	(4.6)	-	-	-	5.3
Term Loans from Council for Scientific and Industrial Research (CSIR)	30.9	(30.9)	-	-	-	-
Current maturities of Non-Current Borrowings	48.1	(12.6)	-	-	-	35.5
Current Borrowings						
Secured						
Loans from banks	82.1	(65.3)	-	-	-	16.8
Interest accrued but not due on Borrowings	0.4	(0.3)	-	-	-	0.1
Total Liabilities from financing activities	**171.4**	**(113.7)**	**-**	**-**	**-**	**57.7**

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

Particulars	April 1, 2017	Cash Flows	Non-Cash Changes			March 31, 2018
			Acquisition	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	16.7	(6.8)	-	-	-	9.9
Term Loans from Council for Scientific and Industrial Research (CSIR)	61.9	(31.0)	-	-	-	30.9
Term Loans from Department of Science and Technology (DST)	10.4	(10.4)	-	-	-	-
Current maturities of Non-Current Borrowings	49.7	(1.6)	-	-	-	48.1
Current Borrowings						
Secured						
Loans from banks	970.0	(887.9)	-	-	-	82.1
Unsecured						
Loans from Banks	4826.2	(4826.2)	-	-	-	-
Interest accrued but not due on Borrowings	1.0	(0.6)	-	-	-	0.4
Total Liabilities from financing activities	**5935.9**	**(5764.5)**	**-**	**-**	**-**	**171.4**

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

Signature to note 1 to 61

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairperson
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

R. A. Shah
Director
DIN: 00009851

Place: Mumbai
Date: May 15, 2019

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Sunil Makharia
President - Finance

R.V. Satam
Company Secretary
ACS - 11973

Notes

This Annual Report is printed on an eco friendly paper.

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July 11, 2019

To
Lupin Ltd.,
Mumbai.

Sub: Commencement of dispatch of Annual Report for FY 2018-19 of Lupin Ltd.,

Dear Sirs,

This is to confirm that we have today commenced the dispatch of the above Annual Report of your Company containing the Notice of the Annual General Meeting of the Company, including attendance slip and proxy form.

This is for your information and records.

Thanking You.

Yours Faithfully,
For Aitco Express Cargo

AITCO EXPRESS CARGO MUMBAI 86

Sunderasan
Proprietor