LUPIN

July 17, 2021

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

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

Dear Sir/Madam,

Sub: 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), we are pleased to enclose the Integrated Report of the Company for the year ended March 31, 2021 along with the Notice dated July 8, 2021, convening the Thirty-Ninth Annual General Meeting of the Company, to be held on **Wednesday, August 11, 2021, at 4.30 p.m. (IST)** through Video Conferencing/Other Audio-Visual Means.

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

Kindly acknowledge receipt.

Yours faithfully,

For LUPIN LIMITED

LUPIN LIMITED MUMBAI INDIA

R. V. SATAM
COMPANY SECRETARY
(ACS - 11973)

Encl: a/a.

LUPIN LIMITED
Registered Office:
Kalpataru Inspire, 3rd Floor,
Off Western Express Highway,
Santacruz (East), Mumbai - 400 055.
CIN: L24100MH1983PLC029442
Email: investorservices@lupin.com
Website: www.lupin.com

LUPIN

Notice to Members

NOTICE is hereby given that the Thirty-Ninth Annual General Meeting of Lupin Limited will be held on Wednesday, August 11, 2021 at 4.30 p.m. (IST), through Video Conferencing (VC)/Other Audio-Visual Means (OAVM). The venue of the meeting shall be deemed to be the Registered Office of the Company, Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055. The following business will be transacted at the meeting:-

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone audited financial statements including Balance Sheet as at March 31, 2021, 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, 2021, 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 of ₹ 6.50 per equity share, for the year ended March 31, 2021.

4. To consider the re-appointment of Dr. Kamal K. Sharma (DIN: 00209430), as a Director of the Company, who retires by rotation and being eligible, offers himself, for re-appointment.

5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution for the re-appointment of B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration:-

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), read with Rule 4 and other applicable provisions of the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in each case including any statutory modification(s), amendment(s) thereto or re-enactment(s) thereof and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), be and are hereby re-appointed as the Statutory Auditors of the Company, for a second term of five years, to hold office from the conclusion of the Thirty-Ninth Annual General Meeting ('AGM') till the conclusion of the Forty-Fourth AGM.

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to pay B S R & Co. LLP, Chartered Accountants, remuneration of ₹ 16.6 million (Rupees Sixteen Million Six Hundred Thousand) plus applicable taxes and reimbursement of out-of-pocket expenses, for the Financial Year 2021-22 and the Board of Directors of the Company be and is hereby authorised to revise/ alter/modify/amend the terms and conditions and pay such audit fees as may be recommended by the Audit Committee for the Financial Years 2022-23 to 2025-26, as may be mutually agreed with the Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company ('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.**"**

SPECIAL BUSINESS

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

"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, if any, of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16, 17, 25 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), in each case including any statutory modification(s), amendment(s) thereto or re-enactment(s) thereof and based on the recommendation of the Nomination and Remuneration Committee and the approval by the Board of Directors of the Company, Ms. Christine Mundkur (DIN: 08408494), who holds office up to the conclusion of the Thirty-Ninth Annual General Meeting and who meets the criteria of independence as prescribed by Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and has submitted a declaration to that effect and is eligible for re-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 Independent Director and who has consented to act as a Director, be and is hereby re-appointed as Independent Director of the Company, for a period of five years from the conclusion of the Thirty-Ninth Annual General Meeting i.e. from August 11, 2021 till August 10, 2026, not liable to retire by rotation, on such terms as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company ('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 an Ordinary Resolution for ratifying remuneration payable to Mr. S. D. Shenoy, Cost Auditor, for conducting cost audit for the year ending March 31, 2022:-

"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, in each case including any statutory modification(s), amendment(s) thereto or re-enactments thereof, the re-appointment by the Board of Directors of the Company (based on the recommendation of the Audit Committee) of Mr. S. D. Shenoy (FCMA, Membership No. 8318), practising Cost Accountant, Cost Auditor to conduct audit of the cost records of the Company, for the year ending March 31, 2022, at a remuneration of ₹ 700,000/- (Rupees Seven Hundred Thousand only) plus applicable taxes and out-of-pocket expenses, be and is hereby ratified and confirmed.

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 for approving the Lupin Employees Stock Option Plan 2021 (ESOP 2021) and granting Stock Options to the employees of the Company under ESOP 2021:-

"RESOLVED THAT pursuant to Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and Rules made thereunder, the applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, issued by the Securities and Exchange Board of India (collectively 'SEBI SBEB Regulations'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and any other applicable Rules, Regulations, Circulars and Guidelines, in each case including any statutory modification(s), amendment(s) thereto or re-enactments thereof, (hereinafter referred to as 'Applicable Laws'), the relevant provisions of the Memorandum and Articles of Association of the Company and further, subject to such other approvals, permissions and sanctions as may be required from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed upon by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee constituted/to be constituted, to exercise its powers, including the powers, conferred by this Resolution), approval of the Members of the Company be and is hereby accorded to the Board **(i)** to adopt and implement the Lupin Employees Stock Option Plan 2021 ('ESOP 2021'), (the salient features of which, are set out in the Explanatory Statement annexed hereto) and **(ii)** to create, offer, grant, issue and allot, employee stock options ('Stock Options') under ESOP 2021, at any time or from time to time, in one or more tranches, to the present and future permanent employees, including Directors in whole-time employment of the Company and/or its Subsidiaries, as defined under the Act, (other than promoter Directors or a person belonging to the promoter group of the Company) and Independent Directors (if permissible, under the Act/SEBI SBEB Regulations), selected on the basis of criteria prescribed by the Board, in accordance with SEBI SBEB Regulations, hereinafter referred to as ‘Eligible Employees’ of the Company.

RESOLVED FURTHER THAT the Board may grant such number of Stock Options, which would give rise to the issue of 6,000,000 (Six Million) equity shares of the face value of ₹ 2/- each (about 1.32% of the paid-up capital of the Company as on June 30, 2021) amounting to ₹ 12,000,000/- (INR Twelve Million).

RESOLVED FURTHER THAT Stock Options shall be offered in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by SEBI SBEB Regulations and as may be fixed or determined by the Board in accordance with Applicable Laws and subject to the Memorandum and Articles of Association of the Company provided that:-

(a) The equity shares so issued and allotted under ESOP 2021 shall rank pari-passu with the existing equity shares of the Company;

(b) Each option shall vest in the hands of the Option Grantee (as defined in SEBI SBEB Regulations) after a minimum of 12 months from the date of grant of the option or such longer period as may be determined by the Board from time to time subject to the condition that the Option Grantee continues to be in employment of the Company and/or upon satisfaction of any Performance Conditions as may be specified except in the case of retirement, permanent disability or death. The maximum vesting period shall be five years from the date of grant of the option or such lesser period as the Board may determine;

(c) The options shall be valid and exercisable for such period as may be determined by the Board from time to time, but would not exceed a period of ten years from the date of grant of options to the Eligible Employees and the same shall be exercised in accordance with the process specified in ESOP 2021;

(d) Each option granted to an Eligible Employee shall entitle him/her to one equity share of the nominal value of ₹ 2/- each, at the par value or at such other price as may be determined by the Board;

(e) Performance Conditions means any condition that may be required to be met along with the time condition for the Options to vest. The Performance Conditions shall be specified in the Grant Letter and may vary for different employees at the discretion of the Board;

(f) Performance Based Option means an Option, which vests upon achievement of specified Performance Condition(s), subject to other terms and conditions of ESOP 2021;

(g) The consideration for the shares to be issued upon exercise of an option may, as determined by the Board at the time of granting the options, be in one or more tranches, consist of cash, cheque or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment subject to fulfillment of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time or any other applicable SEBI Regulations and Applicable Law;

(h) Before granting options to employees under ESOP 2021, the Board would, apart from examining and evaluating overall group corporate performance, inter-alia, take into consideration the length of service, grade, performance, merit, key position, future potential contribution, conduct of the employee, terms of the employment contract and such other factors as may be deemed appropriate by it;

(i) The Company shall conform to the accounting policies mandated by the Applicable Law or any other relevant SEBI Regulation or direction as is applicable to the accounting of such options;

(j) The Board shall have the power to make consequential, fair and reasonable adjustments to the number of options to be exercised and the exercise price in case of corporate actions, such as rights issue, bonus issue, merger, sale of division etc., provided that such adjustments or alterations do not adversely affect the rights and interests of the Option Grantees and is subject to the terms and conditions specified in SEBI SBEB Regulations; and

(k) The Board shall have the power to allot equity shares of the Company as may be required under ESOP 2021 and take necessary steps for listing of the equity shares so allotted on the stock exchanges, where the shares of the Company are listed as per the provisions of the Listing Regulations and other Applicable Laws.

RESOLVED FURTHER THAT without prejudice to the generality of the above, but subject to the terms as approved by the Members, the Board be and is hereby authorised to implement ESOP 2021, including grant of Stock Options/allotment of equity shares in accordance with terms thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised in whole or in part, to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto, execute all such deeds, documents, instruments and writings on behalf of the Company as it may in its absolute discretion deem necessary or desirable and generally to do all such acts, deeds, matters and things and give, from time to time, such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution, delegate all or any of the powers herein vested in the Board to any Director(s), Officer(s) of the Company as may be required to give effect to this Resolution, and pay fees and commission and incur expenses in relation to or for implementing ESOP 2021.

RESOLVED FURTHER THAT pursuant to the Applicable Laws, approval of Members be and is hereby granted and the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in ESOP 2021 from time to time or to suspend, withdraw or revive ESOP 2021 from time to time, as may be specified by any statutory authority and/or to give effect to any laws, rules, regulations, amendments thereto including Applicable Laws, provided that such changes are not detrimental to the employees and to do all other acts, deeds, matters and things as are necessary to give effect to the above Resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of Members of the Company in this regard to the end and intent that Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Company shall value the options granted under ESOP 2021, at their 'fair value'.**"**

9. To consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution for granting Stock Options to the employees of the Subsidiaries of the Company under Lupin Employees Stock Option Plan 2021:-

"RESOLVED THAT pursuant to Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and Rules made thereunder, the applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively 'SEBI SBEB Regulations'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and any other applicable Rules, Regulations, Circulars and Guidelines in each case including any statutory modification(s), amendment(s) thereto or re-enactments thereof, (hereinafter referred to as 'Applicable Laws'), the relevant provisions of the Memorandum and Articles of Association of the Company and further, subject to such other approvals, permissions and sanctions as may be required from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed upon by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee constituted/to be constituted, to exercise its powers, including the powers, conferred by this Resolution), approval of the Members of the Company be and is hereby accorded to the Board to extend the benefits of Lupin Employees Stock Option Plan 2021 ('ESOP 2021'), referred to in the Special Resolution under Item No. 8 of this Notice (the salient features of which, are set out in the Explanatory Statement annexed hereto) and to offer, grant, issue and allot, employee stock options ('Stock Options') under ESOP 2021, at any time or from time to time, in one or more tranches, to the present and future permanent employees, including Directors in whole-time employment (other than promoter Directors or a person belonging to the promoter group of the Company) and Independent Directors of Subsidiaries of the Company (if permissible, under the Act/SEBI SBEB Regulations), selected on the basis of criteria prescribed by the Board, in accordance with SEBI SBEB Regulations, hereinafter referred to as 'Eligible Employees' of the Subsidiaries of the Company.

RESOLVED FURTHER THAT the Board may grant such number of Stock Options, which would give rise to the issuance of 6,000,000 (Six Million) equity shares of the face value of ₹ 2/- each (about 1.32% of the paid-up capital of the Company as on June 30, 2021) amounting to ₹ 12,000,000/- (INR Twelve Million).

RESOLVED FURTHER THAT Stock Options shall be offered in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by SEBI SBEB Regulations and as may be fixed or determined by the Board in accordance with Applicable Laws and subject to the Memorandum and Articles of Association of the Company provided that:-

(a) The equity shares so issued and allotted under ESOP 2021 shall rank pari-passu with the existing equity shares of the Company;

(b) Each option shall vest in the hands of the Option Grantee (as defined in SEBI SBEB Regulations) after a minimum of 12 months from the date of grant of the option or such longer period as may be determined by the Board from time to time subject to the condition that the Option Grantee continues to be in employment of the Company and/or upon satisfaction of any other condition that may be required to be met along with the time period for the vesting of options ('Performance Conditions') as may be specified, except in the case of retirement, permanent disability or death. The maximum vesting period shall be five years from the date of grant of the option or such lesser period as the Board may determine;

(c) The options shall be valid and exercisable for such period as may be determined by the Board from time to time, but would not exceed a period of ten years from the date of grant of options to the Eligible Employees and the same shall be exercised in accordance with the process specified in ESOP 2021;

(d) Each option granted to an Eligible Employee shall entitle him/her to one equity share of the nominal value of ₹ 2/- each, at the par value or such other price as may be determined by the Board;

(e) Performance Conditions means any condition that may be required to be met along with the time condition for the Options to vest. The Performance Conditions shall be specified in the Grant Letter and may vary for different employees at the discretion of the Board;

(f) Performance Based Option means an Option, which vests upon achievement of specified Performance Condition(s), subject to other terms and conditions of ESOP 2021;

(g) The consideration for the shares to be issued upon exercise of an option may, as determined by the Board at the time of granting the options, be in one or more tranches, consist of cash, cheque or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment subject to fulfillment of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time or any other applicable SEBI Regulations and Applicable Law;

(h) Before granting options to employees under ESOP 2021, the Board would, apart from examining and evaluating overall group corporate performance, inter-alia, take into consideration the length of service, grade, performance, merit, key position, future potential contribution, conduct of the employee, terms of the employment contract and such other factors as may be deemed appropriate by it;

(i) The Company shall conform to the accounting policies mandated by the Applicable Law or any other relevant SEBI Regulation or direction as is applicable to the accounting of such options;

(j) The Board shall have the power to make consequential, fair and reasonable adjustments to the number of options to be exercised and the exercise price in case of corporate actions, such as rights issue, bonus issue, merger, sale of division etc., provided that such adjustments or alterations do not adversely affect the rights and interests of the Option Grantees and is subject to the terms and conditions specified in SEBI SBEB Regulations; and

(k) The Board shall have the power to allot equity shares of the Company as may be required under ESOP 2021 and take necessary steps for listing of the equity shares so allotted on the stock exchanges, where the shares of the Company are listed as per the provisions of the Listing Regulations and other Applicable Laws.

RESOLVED FURTHER THAT without prejudice to the generality of the above, but subject to the terms as approved by the Members, the Board be and is hereby authorised to implement ESOP 2021, including grant of Stock Options/allotment of equity shares in accordance with terms thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised in whole or in part, to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto, execute all such deeds, documents, instruments and writings on behalf of the Company as it may in its absolute discretion deem necessary or desirable and generally to do all such acts, deeds, matters and things and give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution, delegate all or any of the powers herein vested in the Board to any Director(s), Officer(s) of the Company as may be required to give effect to this Resolution and pay fees and commission and incur expenses in relation to or for implementing ESOP 2021.

RESOLVED FURTHER THAT pursuant to the Applicable Laws, the approval of Members be and is hereby granted and the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in ESOP 2021 from time to time or to suspend, withdraw or revive ESOP 2021 from time to time, as may be specified by any statutory authority and/or to give effect to any laws, rules, regulations, amendments thereto including Applicable Laws, provided that such changes are not detrimental to the employees and to do all other acts, deeds, matters and things as are necessary to give effect to the above Resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of Members of the Company in this regard to the end and intent that Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Company shall value the options granted under ESOP 2021, at their 'fair value'.**"**

Notes:

1. In view of the continuing global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide General Circular No. 02/2021 dated January 13, 2021 read with General Circular Nos. 20/2020 dated May 5, 2020, 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 (collectively, 'MCA Circulars'), Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively, with MCA Circulars, 'Circulars') read with the relevant provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), have allowed companies to conduct the Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

2. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available and hence, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

4. Institutional Investors/Corporate members intending to authorize their representatives to participate and vote at the AGM are requested to mail to investorservices@lupin.com, a scanned copy (PDF/JPEG format) of the Board Resolution/ Power of Attorney/Authority Letter authorising their representatives to attend and vote at the AGM, pursuant to Section 113 of the Act.

5. An Explanatory Statement pursuant to the provisions of Section 102 of the Act and Rules made thereunder, in respect of Special Business to be transacted at the AGM, Secretarial Standards on General Meetings (SS-2), wherever applicable and Listing Regulations, wherever applicable, is annexed and forms part of this Notice. The Board of Directors have considered and decided to include Item Nos. 6 to 9 given above as Special Business at the forthcoming AGM, since they are critical and considered unavoidable.

6. The Record date shall be Wednesday, July 28, 2021, for determining the entitlement of Members for dividend for the year ended March 31, 2021, if declared.

7. Dividend for the year ended March 31, 2021, if declared, at the AGM, shall be paid to those Members, whose names appear:-

   a) as beneficial owners at the end of business hours on Wednesday, July 28, 2021, as per lists furnished by Central Depository Services (I) Limited and National Securities Depository Limited in respect of shares held in electronic form; and

   b) on the Register of Members of the Company as on Wednesday, July 28, 2021, after giving effect to valid transfers in respect of transfer requests lodged with Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company, on or before the close of business hours on Wednesday, July 28, 2021, in respect of shares held in physical form.

8. Members holding shares in dematerialised form are requested to intimate particulars of bank mandates, nominations, power of attorney, e-mail address, contact numbers, change of address, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate these details to the RTA.

   In order to enable the Company to remit dividend electronically through National Automated Clearing House (NACH), National Electronic Funds Transfer (NEFT), etc., Members holding shares in physical form 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 scanned copy of the cheque/cancelled cheque to rnt.helpdesk@linkintime.co.in. Members holding shares in dematerialised form are requested to provide the said details to their DP.

   The Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by Company after April 1, 2020 shall be taxable in the hands of the Shareholders. The details are explained in the e-mail under which this Notice is sent to the Shareholders.

9. 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.

10. Members who have not encashed their dividend warrants for the year ended March 31, 2014 or any subsequent year(s) are requested to lodge their claims with the RTA at the earliest.

11. 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, 2013, has already been transferred to the said Fund.

12. Register of Directors and Key Managerial Personnel and their shareholdings and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Act, respectively and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the SEBI (Share Based Employee Benefits) Regulations, 2014, will be available electronically for inspection by the Members.

    All documents referred to in the Notice will also be available for electronic inspection by the Members without payment of any fee from the date of circulation of this Notice up to the date of AGM, i.e. August 11, 2021.

Members seeking to inspect such documents are requested to send an e-mail to investorservices@lupin.com. Inspection shall be provided at a mutually convenient time.

13. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Explanatory Statement and Integrated Report for the year ended March 31, 2021 are being sent electronically to those Members whose e-mail addresses are registered with the DP/RTA and the same are also available on the websites of the Company www.lupin.com and on the websites of BSE Limited and National Stock Exchange of India Limited.

14. Company has provided Members, e-voting facility to exercise their right to vote at the AGM by electronic means. The process and manner for availing the said facility is explained in the e-mail under which this Notice is sent to the Members.

15. Members holding shares in physical form in single name are advised to avail of nomination facility. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. Nomination forms can be downloaded from the website of the Company www.lupin.com or obtained from the RTA. Members are requested to submit the said details to their DP in case shares are held in electronic form and to the RTA in case shares are held in physical form.

16. 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.

17. 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; and

c. To avoid inconvenience, get shares transferred in joint names, if they are held in a single name and/or appoint a nominee.

18. 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.

19. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications to investorservices@lupin.com at least seven days before the date of the meeting. The same will be suitably replied to by the Company.

20. As shares of the Company are traded under compulsory demat, Members are requested to dematerialise their shareholding to avoid inconvenience.

By Order of the Board of Directors

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

Mumbai, July 8, 2021

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 6270
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 Dr. Kamal K. Sharma, Vice Chairman, his areas of expertise and names of companies in which he is director are given in the Corporate Governance Report, which forms part of this Integrated Report.

Dr. Sharma, holds 169900 fully paid-up equity shares of ₹ 2/- each in the Company.

The Company has received the following from Dr. Sharma:-

(a) Intimation in Form DIR-8 pursuant to the provisions of Section 164(2) of the Act, read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, certifying that he is not disqualified from acting as director of the Company;

(b) Consent letter in Form DIR-2 pursuant to the provisions of Section 152(5) of the Act read with Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014; and

(c) Disclosure of Interest in Form MBP-1 pursuant to the provisions of Section 184(1) of the Act and Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014.

Dr. Sharma is interested in the said Resolution. No other Director/Key Managerial Personnel of the Company or 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.

Dr. Sharma, 73, was first appointed as the Director of the Company on August 25, 2003.

The Board recommends passing of the Resolution.

ITEM NO. 5

Pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 (‘Act’) and Rules made thereunder, at the Thirty-Fourth Annual General Meeting (‘AGM’) of the Company held on Wednesday, August 3, 2016, the 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 Thirty-Fourth AGM till the conclusion of the Thirty-Ninth AGM.

In terms of provisions of Section 139(2) of the Act, B S R & Co. LLP, Chartered Accountants are eligible for re-appointment as Statutory Auditors of the Company for a second term of five years. Accordingly, they are proposed to be re-appointed as Statutory Auditors of the Company for a second term of five years commencing from the conclusion of the Thirty-Ninth AGM till the conclusion of the Forty-Fourth AGM.

Pursuant to the provisions of Section 139 of the Act and Rule 4 of the Companies (Audit and Auditors) Rules, 2014, the Company obtained written consent and certificate from the Auditors, certifying that if they are appointed, their appointment would be as per the conditions prescribed by Section 141 of the Act and the applicable provisions of the said Rules. The Auditors have confirmed that they are not disqualified to be reappointed as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Act and the Rules made thereunder and the Listing Regulations.

The Board has, based on the recommendation of the Audit Committee, recommended remuneration of ₹ 16.6 million (Rupees Sixteen Million Six Hundred Thousand) plus applicable taxes and reimbursement of out-of-pocket expenses, to B S R & Co. LLP, Chartered Accountants, for the Financial Year 2021-22. Pursuant to the provisions of the Act and the Rules made thereunder, the Board may be authorised to revise/alter/modify/amend the terms and conditions of the appointment, including the remuneration as may be mutually agreed with the Statutory Auditors. The Board may pay such audit fees as may be recommended by the Audit Committee for the financial years 2022-23 to 2025-26 as may be mutually agreed with the Statutory Auditors.

B S R & Co. LLP, is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. B S R & Co. LLP, has over 3000 staff and 100+ Partners. They are Statutory Auditors of leading listed companies across varied sectors viz. FMCG, Hospitality, Banking, IT, Biopharmaceuticals, Chemicals, Cement, Pharmaceuticals, Automotives, etc. The size, quality of audit services and volume of operations of B S R & Co. LLP, commensurate with the size and audit requirements of the Company.

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

In compliance with General Circular No. 20/2020 issued by the MCA, this item is considered unavoidable and is accordingly being transacted at the AGM.

The Board recommends passing of the Resolution.

ITEM NO. 6

At the Thirty-Seventh Annual General Meeting (AGM) held on August 7, 2019, Ms. Christine Mundkur was appointed as Independent Director on the Board of the Company till the conclusion of the Thirty-Ninth AGM.

As recommended by the Nomination and Remuneration Committee, based on performance evaluation of Ms. Christine Mundkur, the Board of Directors, at its meeting held on May 12, 2021, approved her re-appointment, as an Independent Director of the Company for a period of five years, with effect from the conclusion of the Thirty-Ninth AGM i.e. August 11, 2021 till August 10, 2026, subject to approval by the Members by Special Resolution. Ms. Mundkur was appointed as Member of the Audit Committee and Nomination & Remuneration Committee effective August 25, 2020 and Member of the Risk Management Committee effective July 8, 2021 of the Company. Ms. Mundkur is also on the Boards of Lupin Inc., USA, Lupin Pharmaceuticals Inc., USA and Nanomi B.V., the Netherlands, wholly owned subsidiaries of the Company.

Ms. Mundkur shall be paid sitting fees for attending meetings of the Board and its Committees, within the limits prescribed by the Companies Act, 2013 ('Act') and Rules made thereunder and the Listing Regulations. In compliance with Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') annual remuneration of a single non-executive director shall not exceed fifty per cent of the total annual remuneration payable to all non-executive directors. As approved by the Members, Independent Directors are eligible for payment of commission 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. The Board is authorised to decide upon the eligibility criteria and quantum of commission payable to each Independent Director. Accordingly, Ms. Mundkur shall be paid Commission as may be decided by the Board in accordance with the Act, the Rules made thereunder, and the Listing Regulations.

Ms. Mundkur, 52, was first appointed as an Independent Director of the Company on April 1, 2019.

Details of the last drawn remuneration of Ms. Mundkur are mentioned in Annexure - F to the Directors Report and Corporate Governance Report, which form part of the Integrated Report. Ms. Mundkur has attended all the Board Meetings held during the Financial Year 2020-2021.

The Company has received the following from Ms. Mundkur:-

(a) Consent letter in Form DIR-2 pursuant to the provisions of Section 152(5) of the Companies Act, 2013 (Act) read with Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014;

(b) Intimation in Form DIR-8 pursuant to the provisions of Section 164(2) of the Act, read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, certifying that she is not disqualified from acting as director of the Company;

(c) Certificate pursuant to the provisions of Section 149(7) of the Act, confirming that she meets the criteria of independence provided by Section 149(6) of the Act;

(d) Declaration under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as regards registration with the Independent Directors databank maintained by the Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India;

(e) Certificate pursuant to Regulation 25(8) of the Listing Regulations confirming that she meets the criteria of independence provided by Regulation 16(1)(b) of the Listing Regulations;

(f) Certificate confirming compliance with the Code of Conduct adopted by the Board and the Code for Independent Directors specified by Schedule IV of the Act; and

(g) Disclosure of Interest in Form MBP-1 pursuant to the provisions of Section 184(1) of the Act and Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014.

In the opinion of the Board, Ms. Mundkur possesses appropriate skills, expertise and competencies and has wide experience which would benefit the Company and that it is desirable to continue to avail of her services. She fulfills the conditions specified in the Act and Rules made thereunder, the Listing Regulations and such other laws/regulations for the time being in force, to the extent applicable to the Company 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 for re-appointment as an Independent Director.

Brief profile of Ms. Mundkur, her areas of expertise and names of companies in which she is director are given in the Corporate Governance Report, which forms part of the Integrated Report.

The terms and conditions of re-appointment of Ms. Mundkur are posted on the Company's website www.lupin.com and are open for inspection by the Members without any fee.

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

Pursuant to the provisions of Sections 149, 152, read with Schedule IV and any other applicable provisions of the Act and the Rules made thereunder and in terms of Regulation 25(2) of Listing Regulations, it is proposed to re-appoint Ms. Mundkur as Independent Director, for a term of five years with effect from the conclusion of the Thirty-Ninth AGM i.e. August 11, 2021 till August 10, 2026, by passing a Special Resolution.

Ms. Mundkur is interested in the said Resolution. No other Director/Key Managerial Personnel of the Company or 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.

In compliance with General Circular No. 20/2020 issued by the MCA, this item is considered unavoidable and is accordingly being transacted as a special business at the AGM.

The Board recommends passing of the Special Resolution.

ITEM NO. 7

The Board of Directors, on the recommendation of the Audit Committee, approved the re-appointment and remuneration of Mr. S. D. Shenoy (FCMA, Membership No. 8318), practising cost accountant, Cost Auditor, to conduct audit of the cost records of the Company for the year ending March 31, 2022.

Mr. 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 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 on the recommendation of the Audit Committee, 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, 2022.

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

In compliance with General Circular No. 20/2020 issued by the MCA, this item is considered unavoidable and is accordingly being transacted as a special business at the AGM.

The Board recommends passing of the Resolution.

ITEM NOS. 8 AND 9

Considering the competitive global business environment and the need to attract and retain talented and competent personnel, the Company has successfully implemented various Employees Stock Option Plans (ESOPs) for its employees and those of its Subsidiaries.

Share based benefits are internationally recognized as an effective way to incentivise employees as it brings about their deep sense of involvement in the progress of the Company by aligning their rewards with long-term shareholder value creation.

In order to bring in greater performance orientation in the stock-based compensation plans and the fact that, sufficient number of Stock Options are not available for granting to present and future permanent employees, including Directors in whole-time employment of the Company and/or its Subsidiaries (other than promoter Directors or, a person belonging to the promoter group, of the Company and/or its Subsidiaries) and Independent Directors (if permissible, under the Act or the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 (collectively 'SEBI SBEB Regulations'), selected on the basis of criteria prescribed by the Board, in accordance with SEBI SBEB Regulations (hereinafter referred to as 'Eligible Employees') under the existing employees Stock Option Plans, under the previous schemes, it is proposed to formulate a new Long-Term Incentive Plan viz. 'Lupin Employees Stock Option Plan 2021' ('ESOP 2021'). The Board of Directors of the Company at its meeting held on July 8, 2021, approved introduction of the ESOP 2021 for the benefit of the employees of the Company and its Subsidiaries, subject to the approval of Members by a Special Resolution. Options under ESOP 2021 would be linked to the performance of the employees as also the Company. ESOP 2021 will cover employees of the Company as well as its subsidiaries. Stock options will not be granted to Promoter/Person belonging to the Promoter Group of the Company.

The Board has nominated the Nomination and Remuneration Committee ('NRC') for the administration and superintendence of ESOP 2021 in accordance with the Act and the Rules made thereunder and SEBI SBEB Regulations. Approval of the Members is being sought for the adoption and implementation of ESOP 2021 and the creation, offer, grant, issuance and allotment of the employee stock options ('Stock Options') to the Eligible Employee, as may be determined by the NRC.

The requisite disclosures under ESOP 2021, as required under Regulation 6(2) and any other applicable provisions of the SEBI SBEB Regulations, are set out below:-

a. Brief description of ESOP 2021

Under ESOP 2021, the Company shall grant Stock Options to Eligible Employees, who satisfy the eligibility criteria based on level and performance, on such terms and conditions as may be decided by the NRC in accordance with the provisions of ESOP 2021. The number of Stock Options to be granted to each Eligible Employee shall be determined by the NRC.

Each option granted to an Eligible Employee shall entitle him/her to one equity share of the nominal value of ₹ 2/- each at the par value or such other price as may be determined by the NRC subject to terms and conditions of ESOP 2021. To improve the performance orientation in the stock-based plans, for senior management, it is envisaged that 50% or more of the grant shall vest subject to performance.

The Board shall have the power to make consequential, fair and reasonable adjustments to the number of options to be exercised and the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others, provided that such adjustments or alterations do not adversely affect the rights and interests of the Option Grantees (as defined in SEBI SBEB Regulations) and is subject to the terms and conditions specified in SEBI SBEB Regulations;

b. Total number of Stock Options to be granted

The NRC may grant such number of Stock Options, which would give rise to the issue of 6,000,000 (Six Million) equity shares of the face value of ₹ 2/- each (about 1.32% of the paid-up capital of the Company as on June 30, 2021) amounting to ₹ 12,000,000/- (INR Twelve Million).

c. Identification of classes of employees entitled to participate and be beneficiaries of ESOP 2021

The NRC will decide the Eligible Employees who can be granted Stock Options under ESOP 2021 based on the length of service, grade, performance, merit, key position, future potential contribution, terms of the contract and conduct of the employee, etc.

The following shall not be eligible to participate in ESOP 2021:-

- a Promoter or person belonging to the Promoter group of the Company; or
- a Director, who either by himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; or
- an Independent Director of the Company or its Subsidiaries (unless permissible under the Act/ SEBI SBEB Regulations).

d. Requirements of vesting and period of vesting

Subject to Option Grantee's continued employment with the Company and/or its Subsidiary and satisfaction of performance conditions, if any, the Unvested Options shall vest in accordance with the following schedule, unless a separate vesting schedule is specified in the Grant Letter:-

i) Performance-Based Stock Options shall vest on the third anniversary of the grant date or such other vesting date as may be decided by the NRC, subject to achievement of performance conditions as defined by the NRC. Number of Performance-Based Stock Options that can vest will depend upon the level of actual achievement vis-à-vis performance targets and can be higher or lower than target number of options originally granted as specified in the Grant Letter. The vesting of performance-based options can go down to zero in case the performance is below threshold level. The performance metrics are envisaged to be a combination of top-line (revenue/revenue growth) and bottom-line (EBITDA/EBIT/PAT) of the Company. The metrics and the targets shall be decided by the NRC for the purpose of ESOP 2021. The NRC shall have discretion in modifying the metrics to ensure alignment with the Company's long-term strategy and goals and the industry practice.

ii) Time-Based Stock Options shall vest on the Options Grantee in the following manner:

(a) 33% of the total Time-Based Stock Options granted, shall vest on completion of one year from the date of grant ('First Vesting date');

(b) 33% of the total Time-Based Stock Options granted, shall vest on the first anniversary of the First Vesting date; and

(c) 34% of the total Time-Based Stock Options granted, shall vest on the second anniversary of the First Vesting date.

In case a separate vesting schedule other than above is specified in the grant letter, any such vesting schedule will be subject to a minimum vesting period of one year from the date of grant and a maximum vesting period of five years from the date of grant.

e. Maximum period subject to Regulation 18(1) of the SEBI SBEB Regulations, within which the Stock Options shall be vested

The maximum vesting period of Stock Options shall be five years from the date of grant.

f. Exercise price

The exercise price of Stock Options shall be the face value of the equity shares of the Company, which is ₹ 2/- each at present or such other price as may be determined by the NRC.

g. Exercise period and process for exercise

Vested Stock Options can be exercised within the period prescribed in ESOP 2021 but not exceeding ten years from the grant date.

Vested Stock Options shall be exercisable by Eligible Employees by submission of an application in the prescribed format to the Company, in such manner as may be prescribed by ESOP 2021 or the NRC. Stock Options shall lapse if not exercised within the exercise period.

h. Appraisal process for determining the eligibility of employees for ESOP 2021

The appraisal process for determining the eligibility of employees for ESOP 2021 shall be decided by the NRC after examining and evaluating overall group corporate performance, inter alia, taking into consideration the length of service, grade, performance, merit, key position, future potential contribution, conduct of the employee, terms of the employment contract and such other factors as may be deemed appropriate by it.

Stock Options may also be granted to Eligible Employees at the time of their joining.

i. Maximum number of Stock Options to be issued per employee and in aggregate

The maximum number of Stock Options that may be granted per Eligible Employee under ESOP 2021, in any Financial Year, shall not exceed 0.25% of the Issued Capital of the Company at the time of grant of Stock Options.

The maximum number of Stock Options that can be granted in aggregate is 6,000,000 under ESOP 2021.

j. Maximum quantum of benefits to be provided per employee under ESOP 2021

Please refer to details furnished in **Sl. No. i.** above, other than which no monetary benefits are contemplated under ESOP 2021.

k. Whether ESOP 2021 is to be implemented and administered directly by the Company or through a Trust

ESOP 2021 will be administrated by the NRC of the Company in compliance with the provisions of the Act, SEBI SBEB Regulations and other applicable laws.

l. Whether ESOP 2021 involves new issue of shares by the Company or secondary acquisition by the Trust or both

ESOP 2021 involves only fresh issue of equity shares by the Company.

m. The amount of loan to be provided for implementation of ESOP 2021 by the Company to the Trust, its tenure, utilisation, repayment terms, etc.

Not applicable, as ESOP 2021 is not being implemented through a Trust.

n. Maximum percentage of secondary acquisition

that can be made by the Trust for the purposes of ESOP 2021

Not applicable, as ESOP 2021 is not being implemented through a Trust.

o. **Confirm compliance with Accounting policies**

The Company shall comply with the applicable disclosures, accounting policies, and accounting standards prescribed under Regulation 15 of the SEBI SBEB Regulations and any other applicable laws.

p. **Method which the Company shall use to value its options**

The Company shall value the options granted under ESOP 2021 at their 'fair value' in accordance with the SEBI SBEB Regulations.

q. **If the Company opts for expensing of share-based employee benefits using the intrinsic value, 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, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ('EPS') of the Company shall also be disclosed in the Directors' Report.**

Not applicable as the Company shall value the Stock Options granted under ESOP 2021, at their fair value.

Approval of Members by way of Special Resolution is being sought pursuant to the provisions of Regulation 6(1) of the SEBI SBEB Regulations and Section 62(1)(b) of the Act and the Rules made thereunder, for the adoption and implementation of ESOP 2021 and the creation, offer, grant, issuance and allotment of equity shares to Eligible Employees of the Company under ESOP 2021. Accordingly, Special Resolution set out at Item No. 8 of the Notice is proposed for approval by the Members.

As per Regulation 6(3)(c) of the SEBI SBEB Regulations, a separate Special Resolution is required to be passed if the benefits of share-based incentive are to be extended to employees of Subsidiaries of the Company. Accordingly, Special Resolution set out at Item No. 9 of the Notice is proposed for approval by the Members.

In compliance with General Circular No. 20/2020 issued by the MCA, these items are considered unavoidable and are accordingly being transacted as a special business at the AGM.

Directors (other than Promoter Directors), Independent Directors (if permissible under the Companies Act, 2013/SEBI SBEB Regulations) and Key Managerial Personnel of the Company, who may be granted Stock Options under ESOP 2021, may be deemed to be concerned or interested in the Special Resolutions at Item Nos. 8 and 9 of the Notice. No other Director/Key Managerial Personnel of the Company or their relatives are concerned or interested in the said Special Resolutions.

The Board recommends passing of the Special Resolutions.

By Order of the Board of Directors

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

Mumbai, July 8, 2021

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 6270
Toll Free No.: 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

INSTRUCTIONS FOR REMOTE E-VOTING

Pursuant to SEBI Circular dated December 9, 2020, on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 9, 2021.

Shareholders are advised to update their mobile number and e-mail in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/physical mode is given below:-

Individual Shareholders holding securities in demat mode with NSDL

- If you are already a registered User for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the URL: https://eservices.nsdl.com either on a Personal Computer or mobile. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. A new screen will open. Please enter your User ID and Password.

- After successful authentication, you will see 'e-Voting services'. Click on 'Access to e-Voting' under 'e-Voting services' and you will see the 'e-Voting page'. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or for joining the virtual meeting and voting during the meeting.

- If the User is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS' portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

- Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. Please enter your User ID i.e. your sixteen-digit demat account number (held with NSDL), Password/OTP and the Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or for joining the virtual meeting and voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL

- Existing Users, who have opted for Easi/Easiest, can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URLs for Users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

- After successful login on Easi/Easiest, the User will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, CDSL, LINKINTIME, KARVY. Click on e-Voting service provider name to cast your vote.

- If the User is not registered on Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

- Alternatively, Users can directly access e-Voting page by providing Demat Account Number and PAN No. from the link www.cdslindia.com home page. The system will authenticate the User by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, User will be provided links for the respective ESP where e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) and login through their depository participants

- Users can also login using the login credentials of their Demat Account through their Depository Participant registered with NSDL/CDSL for e-Voting facility.

- When you login, you will see e-Voting option. Once you click on the same, you will be redirected to NSDL/CDSL sites after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the virtual meeting and voting during the meeting.

Individual Shareholders holding securities in Physical mode and e-Voting service Provider is LINKINTIME.

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
   - Click on **'Sign Up'** under **'SHARE HOLDER'** tab and register with your following details:-

A. **User ID:** Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company) shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:** Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).

D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
7. After selecting the desired option i.e. **'Favour/ Against**' click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian/ Mutual Fund/Corporate Body'**. They are also required to upload a scanned certified true copy of the Board Resolution/Authority Letter/Power of Attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian/Mutual Fund/Corporate Body'** login for the Scrutinizer to verify the same

Individual Shareholders, holding securities in physical mode, whose evoting service provider is LINKINTIME and who have forgotten their password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**
- Shareholders/Members having valid email address, the Password will be sent to his/her registered e-mail address.
- Shareholders/Members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The Password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders, holding securities in demat mode, with NSDL/CDSL and have forgotten their password:

- Shareholders/Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/depository participants website.

- It is strongly recommended not to share your Password with any other person and take utmost care to keep your password confidential.
- Shareholders/Members holding shares in physical form, the details can be used only for voting on the Resolutions contained in this Notice.
- During the voting period, Shareholders/Members can login any number of times till they have voted on the Resolutions for a particular 'Event'.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case Shareholders/Members holding securities in demat mode have technical issues related to login through Depository i.e. NSDL/CDSL, they may contact the respective helpdesk given below:-

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free nos.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 2305 8738 or 022 - 2305 8542/43.

Helpdesk for Individual Shareholders holding securities in physical mode/Institutional shareholders and e-Voting service Provider is LINKINTIME.

In case Shareholders/Members holding securities in physical mode/Institutional shareholders have any queries regarding e-Voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help Section** or send an email to enotices@linkintime.co.in or contact on:- Tel: 022 - 4918 6000.

GENERAL INSTRUCTIONS

1. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, August 3, 2021.

2. The facility for e-voting shall also be available at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.

3. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cut-off date for voting i.e. Tuesday, August 3, 2021, may obtain the login ID and password by following the instructions of Remote e-voting.

4. Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner.

5. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against, if any, to the Chairperson or a person authorized in writing, who shall countersign the same and **declare the result of the voting forthwith.**

6. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.lupin.com and on the LIIPL website https://instavote.linkintime.co.in and shall also be forwarded to BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

LUPIN

PROCESS AND MANNER FOR ATTENDING THE THIRTY-NINTH AGM THROUGH INSTAMEET

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link https://www.webex.com/downloads.html/. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL for InstaMeet <<https://instameet.linkintime.co.in>> and register with your following details:-

   a. **Demat Account No. or Folio No.:** Enter your 16-digit Demat Account No. or Folio Number registered with the Company.

   b. **PAN:** Enter your 10-digit Permanent Account Number.

   c. **Mobile No.:**

   d. **Email ID:**

2. Click "Go to Meeting"

3. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at agm2021speakers@lupin.com, atleast 48 hours prior to the date of AGM i.e. on or before 4.30 p.m. (IST) on Monday, August 9, 2021.

2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Shareholders who would like to ask questions, shall send the same in advance mentioning their name, demat account number/folio number, e-mail, mobile number at agm2021speakers@lupin.com, atleast 48 hours prior to the date of AGM i.e. on or before 4.30 p.m. (IST) on Monday, August 9, 2021. The same will be replied by the Company suitably.

4. Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.

5. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.

6. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for Shareholders to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer/Moderator during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:-

1. On the shareholders VC page, click on the link for e-Voting 'Cast your vote'.

2. Enter Demat Account No./Folio No. and OTP (received on the registered mobile number/registered e-mail) received during registration for InstaMeet and click on 'Submit'.

3. After successful login, you will see 'Resolution Description' and against the same the option **'Favour/Against'** for voting.

4. Cast your vote by selecting appropriate option i.e. **'Favour/Against'** as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under **'Favour/Against'**.

5. After selecting the appropriate option i.e. **'Favour/Against'** as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.

6. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

   Note: Shareholders present at the AGM through InstaMeet facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting from 4.30 p.m. (IST) till the expiry of 15 minutes after the AGM is over. Shareholders who have voted through remote e-voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders are encouraged to join the AGM through Tablets/Laptops connected through broadband for better experience.

Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM.

Please note that shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.

In case shareholders have any queries regarding e-voting, they can address them to instameet@linkintime.co.in or call on +91 (022) 4918 6175.

INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND

In accordance with the provisions of the Income Tax Act, 1961, (Act) as amended by the Finance Act, 2020, effective April 1, 2020, dividend declared and paid by Company shall be taxable in the hands of the shareholders. The Company is required to deduct tax at source (TDS) at the rates applicable to each category of shareholders. The rates of TDS for various categories of shareholders and the required documents are provided below:-

Resident Shareholders:

1. No tax shall be deducted for resident individual shareholders, if the aggregate amount of dividend to be paid for FY 2021-22 does not exceed ₹ 5,000/-.

2. Where, Permanent Account Number (PAN) of the recipient of dividend is available with the Company and is valid -

   a. In accordance with Section 194 of the Act, TDS will be @ 10%, if the amount of dividend payable exceeds ₹ 5,000/-; and

   b. No tax at source shall be deducted on the dividend payable in cases where the shareholder provides duly completed and signed Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an individual above the age of 60 years), provided that all the eligibility conditions are met. Form 15G and Form 15H are appended herein below **(Annexures I and II).**

3. Where PAN is either not available or is invalid, tax shall be deducted at source @ 20%.

4. In case of Insurance Companies, Mutual Funds registered under Section 10(23D) of the Act, Alternate Investment Funds (AIF) established/ incorporated in India, whose income is exempt under Section 10 (23FBA) of the Act and Government (Central/State) shall provide the enclosed declaration **(Annexure III).**

Non-Resident Shareholders:

1. Tax is required to be deducted in accordance with the provisions of Section 195 of the Act at applicable rates in force. Accordingly, tax @ 20% (plus applicable surcharge and health & education cess) shall be deducted on the amount of dividend payable.

2. However, pursuant to Section 90(2) of the Act, non-resident shareholders including Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs) may have an option to be governed by the provisions of Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to them.

To avail of DTAA benefits, the non-resident shareholders shall furnish the following documents not later than **5.00 p.m. (IST) on Wednesday, July 28, 2021,** to LIIPL, Registrar and Share Transfer Agent of the Company:-

a. Self-attested copy of PAN allotted by the Indian income tax authorities;

b. Self-attested Tax Residency Certificate (TRC) issued by the tax/competent authority of the country of residency, evidencing and certifying tax residency status in that country during FY 2021-22. In case, the TRC is in a language other than English, a duly notarized and apostilled copy thereof, translated in English language would have to be provided;

c. Duly completed and signed Form 10F **(Annexure IV);** and

d. Self-declaration **(Annexure V)** by the non-resident shareholder as to:-

   i) Eligibility to claim the beneficial DTAA rate, including having regard to the Principal purpose Test (if any), included in the applicable tax treaty with India for the purposes of tax withholding on dividend declared by the Company;

   ii) Shareholder being the beneficial owner of the dividend income to be received on the equity shares;

   iii) No Permanent Establishment/fixed base in India in accordance with the applicable DTAA; and

   iv) Continue to remain a tax resident of the country of your residency during FY 2021-22.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial

DTAA rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and in accordance with the provisions of the Act.

In order to enable to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, you are requested to provide the above-mentioned details and documents as applicable to you **on or before Wednesday, July 28, 2021.** Dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by shareholders as applicable to them and being found to be satisfactory.

For all Shareholders:

Shareholders holding shares under multiple accounts under different status/category and single PAN, are requested to note that higher of the tax rate as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In view of the prevailing COVID-19 situation, only scanned copies of the aforementioned documents will be accepted by the Company as per the procedure laid down. Duly completed and signed documents are required to be submitted to Link Intime by uploading the documents on https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or **before Wednesday, July 28, 2021,** in order to enable the Company to determine and deduct appropriate TDS/withholding tax.

Those Shareholders, who have already furnished Annexures I to V, as may be applicable, are not required to furnish them again.

On clicking the above link, the user will be prompted to select/share the following information to register their request:-

1. Select the company (Dropdown)
2. Folio No./DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment - 1 **(PAN)**
7. Document attachment - 2 **(Annexures I, II and IV, if applicable)**
8. Document attachment - 3 **(Annexures III and V, if applicable** and other supporting documents**)**.

Please note that no communication on tax determination/deduction shall be entertained after Wednesday, July 28, 2021. Documents received through any other modes viz. email or hand delivery will not be considered to determine/deduct TDS/withholding tax.

Shareholders are requested to note that in case tax on dividend is deducted at a higher rate on account of non-receipt or insufficiency of requisite documents, they can claim refund at the time of filing income tax return. The Company will mail a soft copy of the TDS certificate to shareholders on their registered email IDs post completion of activities. Shareholders may view the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal.

Shareholders are requested to update their PAN and email address with their DPs (for shares held in demat mode) and with LIIPL (for shares held in physical mode), if not already done.

Pursuant to General Circular No. 20/2020 dated May 5, 2020, issued by the Ministry of Corporate Affairs, Government of India, dividend will be paid electronically in the bank accounts of Shareholders. The Company will dispatch thru postal services, demand drafts for dividend payments to those shareholders who have not registered their bank details. Shareholders holding shares in demat form are advised to keep the bank details updated with their DPs. Shareholders holding shares in physical form and who have not updated their bank account details are requested to update the same with LIIPL after following the process available on the link https://linkintime.co.in/emailreg/email_register.html.

Annexure - I

Name of the Company	**Lupin Limited**
DP ID - Client ID/Folio No.	

INCOME TAX RULES, 1962

FORM NO.15G

[See Section 197A (1), 197A (1A) and Rule 29C]

Declaration under Section 197A (1) and Section 197A (1A) to be made by an individual or a person (not being a company or firm) claiming certain incomes without deduction of tax

P A R T - I

<table>
<tr><td colspan="2">1. Name of Assessee (Declarant)</td><td colspan="3">2. PAN of the Assessee[1]</td></tr>
<tr><td colspan="2">3. Status[2]</td><td>4. Previous year (P.Y.)[3] (for which declaration is being made): 2021-2022</td><td colspan="2">5. ResidentialStatus[4]</td></tr>
<tr><td colspan="2">6. Flat/Door/Block No.</td><td>7. Name of Premises</td><td>8. Road/Street/Lane</td><td>9. Area/Locality</td></tr>
<tr><td colspan="2">10. Town/City/District</td><td>11. State</td><td>12. PIN</td><td>13. Email</td></tr>
<tr><td colspan="2" rowspan="2">14. Telephone No. (with STD Code) and Mobile No.</td><td>15. (a) Whether assessed to tax under the Income-Tax Act, 1961[5]:</td><td>Yes</td><td>No</td></tr>
<tr><td colspan="3">(b) If yes, latest assessment year for which assessed</td></tr>
<tr><td colspan="2">16. Estimated income for which this declaration is made</td><td colspan="3">17. Estimated total income of the P.Y. in which income mentioned in column16 to be included[6]</td></tr>
<tr><td colspan="5">18. Details of Form No.15G other than this form filed during the previous year, if any[7]</td></tr>
<tr><td colspan="2">Total No. of Form No.15G filed</td><td colspan="3">Aggregate amount of income for which Form No.15G filed</td></tr>
<tr><td colspan="2"></td><td colspan="3"></td></tr>
<tr><td colspan="5">19. Details of income for which the declaration is filed</td></tr>
<tr><td>Sl. No.</td><td>Identification number of relevant investment/ accounts, etc.[8]</td><td>Nature of income</td><td>Section under which tax is deductible</td><td>Amount of income</td></tr>
<tr><td></td><td></td><td>Dividend Income</td><td>194</td><td></td></tr>
</table>

Signature of the Declarant[9]

Declaration/Verification[10]

*I/We______________________________________do hereby declare that to the best of *my/our knowledge and belief what is stated above is correct, complete and is truly stated.

*I/We declare that the incomes referred to in this Form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961.

*I/We further declare that the tax *on my/our estimated total income including *income/incomes referred to in column 16 * and aggregate amount of *income/incomes referred to in column 18 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on. 31st March 2022 relevant to the assessment year 2022-2023 will be nil.

*I/We also declare that * my/our *income/incomes referred to in column 16 and the aggregate amount of *income/incomes referred to in column 18 for the previous year ending on 31st March, 2022 relevant to the assessment year 2022-2023 will not exceed the maximum amount which is not charge-able to income-tax.

Place: ....

Date: .... ***Signature of the Declarant[9]***

1. Substituted by IT (Fourteenth Amendment) Rules 2015, w.e.f. 1-10-2015. Earlier Form No.15G was inserted by the IT (Fifth Amendment) Rules, 1982, w.e.f. 21-6-1982 and later on amended by the IT (Fifth Amendment) Rules, 1989, w.e.f. 1-4-1988, IT (Fourteenth Amendment) Rules, 1990, w.e.f. 20-11-1990 and IT (Twelfth Amendment) Rules, 2002, w.e.f. 21-6-2002 and substituted by the IT (Eighth Amendment) Rules, 2003, w.e.f. 9-6-2003 and IT (Second Amendment) Rules, 2013, w.e.f. 19-2-2013.

Part II

[To be filled by the person responsible for paying the income referred to in column 16 of Part I]

1. Name of the person responsible for paying	2. Unique Identification No.[11]	
3. PAN of the person responsible for paying	4. Complete Address	5. TAN of the person responsible for paying
6. Email	7. Telephone No. (with STD Code) and Mobile No.	
	8. Amount of income paid [12]	
9. Date on which Declaration is received (DD/MM/YYYY)	10. Date on which the income has been paid/credited (DD/MM/YYYY)	

Place: ....

Date: .... ***Signature of the person responsible for paying the income referred to in column 16 of Part I***

*Delete whichever is not applicable.

1. As per provisions of section 206AA(2), the declaration under section 197A(1) or 197A(1A) shall be invalid if the declarant fails to furnish his valid Permanent Account Number (PAN).

2. Declaration can be furnished by an individual under section 197A(1) and a person (other than a company or a firm) under section 197A(1A).

3. The financial year to which the income pertains.

4. Please mention the residential status as per the provisions of section 6 of the Income-tax Act, 1961.

5. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.

6. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.

7. In case any declaration(s) in Form No.15G is filed before filing this declaration during the previous year, mention the total number of such Form No.15G filed along with the aggregate amount of income for which said declaration(s) have been filed.

8. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.

9. Indicate the capacity in which the declaration is furnished on behalf of a HUF, AOP, etc.

10. Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax Act, 1961 and on conviction be punishable-

(i) In a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;

(ii) In any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.

11. The person responsible for paying the income referred to in column 16 of Part I shall allot a unique identification number to all the Form No.15G received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in Rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15H during the same quarter, please allot separate series of serial number for Form No.15G and Form No.15H.

12. The person responsible for paying the income referred to in column 16 of Part I shall not accept the declaration where the amount of income of the nature referred to in sub-section (1) or sub-section (1A) of Section 197A or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax for deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 16 and 18.

Annexure - II

Name of the Company	**Lupin Limited**
DP ID - Client ID/Folio No.	

[1]FORM NO. 15H

[See Section 197A(1C) and Rule 29C]

Declaration under Section 197A(1C) to be made by an individual who is of the age of sixty years or more claiming certain incomes without deduction of tax.

PART I

1. Name of Assessee (Declarant)	2. Permanent Account Number or Aadhaar Number of the Assessee[1]		3. Date of Birth[2] (DD/MM/YYYY)
4. Previous year (P.Y.)[3] (for which declaration is being made)	5. Flat/Door/Block No.		6. Name of Premises
2021-2022			
7. Road/Street/Lane	8. Area/Locality	9. Town/City/District	10. State
11. PIN	12. Email	13. Telephone No. (with STD Code) and Mobile No.	
14 (a) Whether assessed to tax[4]:		Yes	No
(b) If yes, latest assessment year for which assessed			
15. Estimated income for which this declaration is made			
16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included[5]			
17. Details of Form No.15H other than this form filed for the previous year, if any[6]			
Total No. of Form No.15H filed	Aggregate amount of income for which Form No.15H filed		

18. Details of income for which declaration is filed.				
Sl. No.	Identification number of relevant investment/ account, etc.[7]	Nature of income	Section under which tax is deductible	Amount of income
		Dividend	194	

Signature of the Declarant

1. Substituted by the IT (Fourteenth Amendment) Rules, 2015, w.e.f. 1-10-2015. Earlier Form No. 15H was amended by the IT (Fifth Amendment) Rules, 1982, w.e.f. 21-6-1982, IT (Fifth Amendment) Rules, 1989, w.r.e.f. 1-4-1988, IT (Fourteenth Amendment) Rules, 1990, w.e.f. 20-11-1990, IT (Twelfth Amendment) Rules, 1992, w.e.f. 1-6-1992, IT (Seventh Amendment) Rules, 1995, w.e.f. 1-7-1995, IT (Thirty-second Amendment) Rules, 1999, w.e.f. 19-11-1999, IT (Twelfth Amendment) Rules, 2002, w.e.f. 21-6-2002, IT (Eighth Amendment) Rules, 2003, w.e.f. 9-6-2003, IT (Fourteenth Amendment) Rules, 2003, w.e.f. 1-8-2003 and IT (Second Amendment) Rules, 2013, w.e.f. 19-2-2013.

Declaration/Verification[8]

I ______________________________________do hereby declare that I am resident in India within the meaning of Section 6 of the Income-tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under Sections 60 to 64 of the Income-tax Act, 1961. I further declare that the tax on my estimated total income including *income/incomes referred to in column 15* and aggregate amount of *income/incomes referred to in column 17 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on 31st March, 2022 relevant to the assessment year 2022-2023 will be nil.

Place: ....

Date: .... **Signature of the Declarant Signature**

PART II

[To be filled by the person responsible for paying the income referred to in column 15 of Part I]

1. Name of the person responsible for paying		2. Unique Identification No.[9]
3. Permanent Account Number or Aadhaar Number of the person responsible for paying	4. Complete Address	5. TAN of the person responsible for paying
6. Email	7. Telephone No. (with STD Code) and Mobile No.	8. Amount of income paid[10]
9. Date on which Declaration is received (DD/MM/YYYY)	10. Date on which the income has been paid/credited (DD/MM/YYYY)	

Place: ....

Date: .... ***Signature of the person responsible for paying the income referred to in column 15 of Part I***

*Delete whichever is not applicable.

1. As per provisions of section 206AA(2), the declaration under section 197A(1C) shall be invalid if the declarant fails to furnish his valid Permanent Account Number or Aadhaar Number.

2. Declaration can be furnished by a resident individual who is of the age of 60 years or more at any time during the previous year.

3. The financial year to which the income pertains.

4. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.

5. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.

6. In case any declaration(s) in Form No. 15H is filed before filing this declaration during the previous year, mention the total number of such Form No. 15H filed along with the aggregate amount of income for which said declaration(s) have been filed.

7. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.

8. Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under Section 277 of the Income-tax Act, 1961 and on conviction be punishable -

(i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.

9. The person responsible for paying the income referred to in column 15 of Part I shall allot a unique identification number to all the Form No. 15H received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15G during the same quarter, please allot separate series of serial number for Form No.15H and Form No.15G.

10. The person responsible for paying the income referred to in column 15 of Part I shall not accept the declaration where the amount of income of the nature referred to in section 197A(1C) or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax after allowing for deduction(s) under Chapter VI-A, if any, or set off of loss, if any, under the head "income from house property" for which the declarant is eligible. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 15 and 17.

[1]**[Provided** that such person shall accept the declaration in a case where income of the assessee, who is eligible for rebate of income-tax under section 87A, is higher than the income for which declaration can be accepted as per this note, but his tax liability shall be nil after taking into account the rebate available to him under the said section 87A.**]**

1. Inserted by Income-tax (4th Amendment) Rules, 2019, w.e.f. **22-5-2019.**

Annexure - III

<<Date>>

Lupin Limited
Kalpataru Inspire, 3rd Floor,
Off. Western Expressway Highway,
Santacruz (East),
Mumbai - 400 055

Subject: Declaration regarding Category and Beneficial Ownership of equity shares

Ref: PAN - <<Please mention your permanent account number (unique identification number) provided by the Indian Tax Authority, if any>>.

Folio Number / DP ID / Client ID -

With reference to the captioned subject and in relation to the appropriate withholding of taxes on the Dividend payable to me / us by Lupin Limited ('the Company'), I / We hereby declare as under:

I / We, <<Full name of the member>> _______<<number of shares>>__________, holding equity share(s) of the Company, hereby declare that I am /we are tax resident of India for the period April 2021-March 2022 (Indian Fiscal Year).

We hereby declare that (Select Applicable)

☐ We are **Insurance Company** and are the beneficial owner of the equity share(s) held in the Company; and we are submitting self-attested copy of PAN card.

☐ We are **Mutual** Fund specified in Section 10(23D) of the Income-tax Act, 1961 ("Act") and are the beneficial owner of the equity share(s) held in the Company; and we are submitting self- attested copy of PAN card and registration certificate.

☐ We are **Alternative Investment fund (AIF)** established in India and are the beneficial owner of the equity share(s) held in the Company; and our income is exempt under Section 10(23FBA) of the Act and are governed by Securities and Exchange Board of India regulations as Category I or Category II AIF; and we are submitting self-attested copy of the PAN card and registration certificate.

☐ We are **<<category of the entity>> and are the beneficial owner of the equity share(s) held in the Company;** and are not subject to withholding tax under Section 196 of the Act and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

☐ We are **specified person <<mention category of person mentioned by provision>> in terms of section 10(23FE) and are the beneficial owner of the equity share(s) held in the Company;** and our income is exempt under Section 10(23FBA) of the Act and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

I/We further indemnify the Company for any consequences arising out of any acts of commission or omission initiated by the Company by relying on my/our above averment.

I/We hereby confirm that the above declaration should be considered to be applicable for all the equity shares held in the Company under PAN/accounts declared in the Form.

Thanking you.

Yours faithfully,

For <<Name of the member>>

Authorized Signatory

Annexure - IV

Name of the Company	Lupin Limited
DP ID - Client ID/Folio No.	

FORM NO. 10F

[See Sub-rule (1) of Rule 21AB]
Information to be provided under Sub-section (5) of Section 90 or Sub-section (5) of Section 90A of the Income-tax Act, 1961

I ______________________ *son/daughter of Shri. ______________________ in the capacity of ______________________ (designation) do provide the following information, relevant to the previous year 2021-22 *in my case/in the case of ______________________ (Name of the Party) for the purposes of Sub-section (5) of * Section 90/Section 90A:-

Sl. No.	Nature of information		Details #
(i)	Status (individual, company, firm etc.) of the assessee.	:	
(ii)	Permanent Account Number or Aadhaar Number of the assessee if allotted.	:	
(iii)	Nationality (in the case of an individual) or Country or specified territory of incorporation or registration (in the case of others).	:	
(iv)	Assessee's tax identification number in the country or specified territory of residence and if there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident.	:	
(v)	Period for which the residential status as mentioned in the certificate referred to in Sub-section (4) of Section 90 or Sub-section (4) of section 90A is applicable.	:	
(vi)	Address of the assessee in the country or territory outside India during the period for which the certificate, mentioned in (v) above, is applicable.	:	

2. I have obtained a certificate referred to in Sub-section (4) of Section 90 or Sub-section (4) of Section 90A from the Government of ______________________ (name of country or specified territory outside India).

Signature: ______________________

Name: ______________________

Address: ______________________

Permanent Account Number or Aadhaar Number: ______________________

Verification

I ______________________________ do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated.

Verified today the __________________________ day of ______________________________

Signature of the person providing the information

Place: ....

Notes:

1. *Delete whichever is not applicable.
2. #Write N.A. if the relevant information forms part of the certificate referred to in Sub-section (4) of Section 90 or Sub-section (4) of Section 90A.

Annexure - V

<<Date>>

Lupin Limited
Kalpataru Inspire, 3rd Floor,
Off Western Express Highway,
Santacruz (East)
Mumbai - 400 055
India.

Dear Sir/Madam,

Re.: Self declaration for Indian Financial Year (FY) 2021-22 with respect to availment of Tax treaty benefits in relation to receipt of dividend income from Lupin Limited.

This is to certify that:-

1. I/We,<<Full name of the shareholder>>,having permanent account number (PAN) under the Indian Income Tax Act, 1961 (Act) - <<mention PAN>>, am/are tax resident of <<country name>> and eligible to claim benefits of the India - <<country name>> Double Tax Avoidance Agreement (DTAA), read with the provisions laid down in the Multilateral Instrument (MLI), wherever applicable;

2. The claim of benefits of DTAA by <<Full name of the shareholder>> is not impaired in any way;

3. As per the requirement of the relevant provisions of the above referred DTAA, I/we am/are the beneficial owner(s) of the aforesaid shares as well as the dividend arising from such shareholding;

4. I/We further declare that I/We have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/or legal obligation to pass on such dividend to another person;

5. I/We do not have any Permanent Establishment (PE) or fixed base in India in **FY 2021-22** as construed under relevant Articles of the applicable tax treaty nor do we have any PE or business connection in India as construed under the relevant provisions of the Act. I/We further confirm that I/We do not have any business connection in India as per provisions of the Act. In the event of I/We having a PE in India or Dividend income is attributable/effectively connected to such PE, I/We acknowledge our obligation to inform you forthwith with necessary details;

6. I/We hereby declare that the investments made by me/us in the shares of Lupin Limited are not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes. The tax benefit, if any, derived from such investments would be in accordance with the object and purpose of the relevant provisions of the DTAA between India and <<country name>>; and

7. Further, our claim for relief under the DTAA is not restricted by application of Limitation of Benefit clause, if any, thereunder.

This declaration is valid for the period 1 April 2021 to 31 March 2022.

I/We confirm that the above is true to the best of our knowledge and I/We shall be solely responsible for any adverse income-tax consideration that may arise in India on the dividend income to be received from the Company.

Thanking you,

Yours Sincerely,

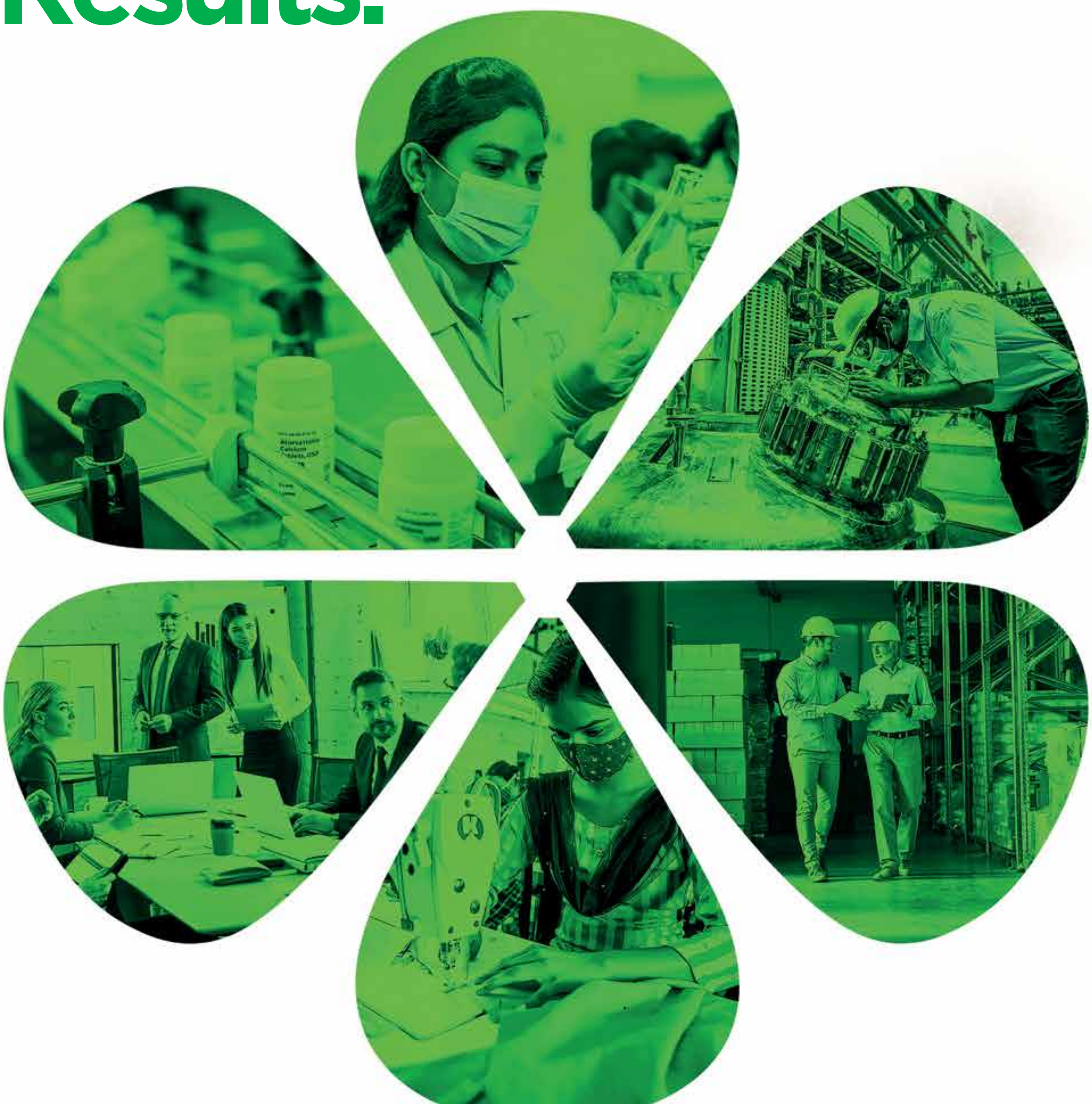
For <Name of the Shareholder>

____

Name: <insert authorised person name>

<Insert designation>

Resilient. Responsible. Results.



INTEGRATED
REPORT
2020-2021

Table of Contents

Desh Bandhu Gupta
1938 – 2017
Founder and Former Chairman

Being Good Ancestors

The last 18 months have challenged the resilience of the planet, organizations and individuals. Jonas Salk, the inventor of the Polio vaccine, at another time of great change and disruption, asked the question “Are we being good ancestors?” He was nudging humanity towards ethical choices, perceiving the long and short term impacts for both themselves and future generations.

Desh Bandhu Gupta, with a few other leaders of his generation, are good ancestors; in a world skeptical of India’s technological prowess, their choices made India the pharmacy for the world. The role our globally competitive pharmaceutical industry has played in the war against COVID-19 is part of this legacy. DBG is a great ancestor for Lupin. His optimism, integrity, vision and zest for technology at affordable prices, endures in a company that operates in 50 countries, and a foundation that serves millions of Indians.

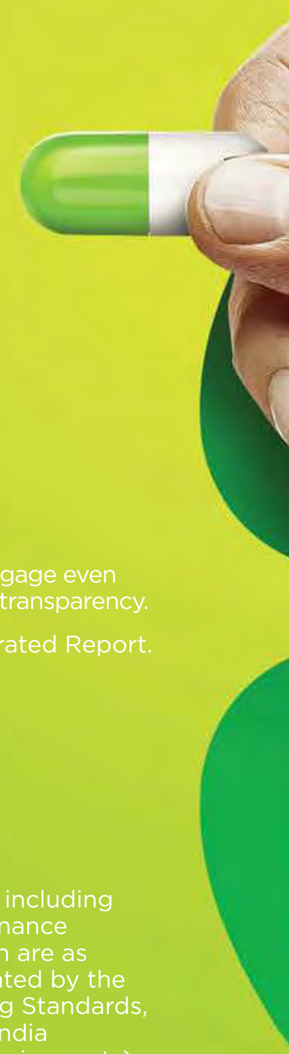
Resilience, an organization’s ability to persist, adapt and transform while retaining its core values, is in Lupin’s DNA. Our DNA scribing comes from DBG’s values; making us a people-centric organization, deploying technology responsibly, and executing speedily. Despite COVID-19 challenging all forms of execution, Lupin now has a stronger platform via reimagination, digitization, and innovation.

DBG would be so proud today. Pharma 4.0 is grounded in his vision of a better world, pioneering pathways in medicine, a diverse product portfolio, and an unbeatable team. If strategy is the art of creating inequitable advantages, Lupin has a strong strategy and an exciting future ahead.

COVID has shown that India rises to challenges, but she needs to be stronger. Lupin re-commits to solving India’s health challenges and taking DBG’s legacy to the world — not solely a business, but a vehicle to do good for society. We can only hope that future generations speak of us, as we speak of our ancestors.

Lupin Team

About the Report



Lupin's first Integrated Report

Our business landscape is increasingly being influenced by regulators, government bodies, societies and investors, who not only focus on long-term capital but also the true value created by a company. As a leading organization in the pharmaceutical industry, our aim is to engage even more with our stakeholders and enhance transparency.

We are proud to present our first Integrated Report.

Our reporting guidelines

The Integrated Report for Lupin for FY 2020-21 is guided by the principles and requirements of the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework, which was notified by the Securities and Exchange Board of India (SEBI) as a voluntary requirement for the top 500 listed companies in India.

The purpose of this report is to showcase the value we bring to the healthcare industry as well as our role in empowering and uplifting society.

This Integrated Report <IR> is also aligned with the National Voluntary Guidelines (NVG) on Social, Environmental and Economic responsibilities of the business.

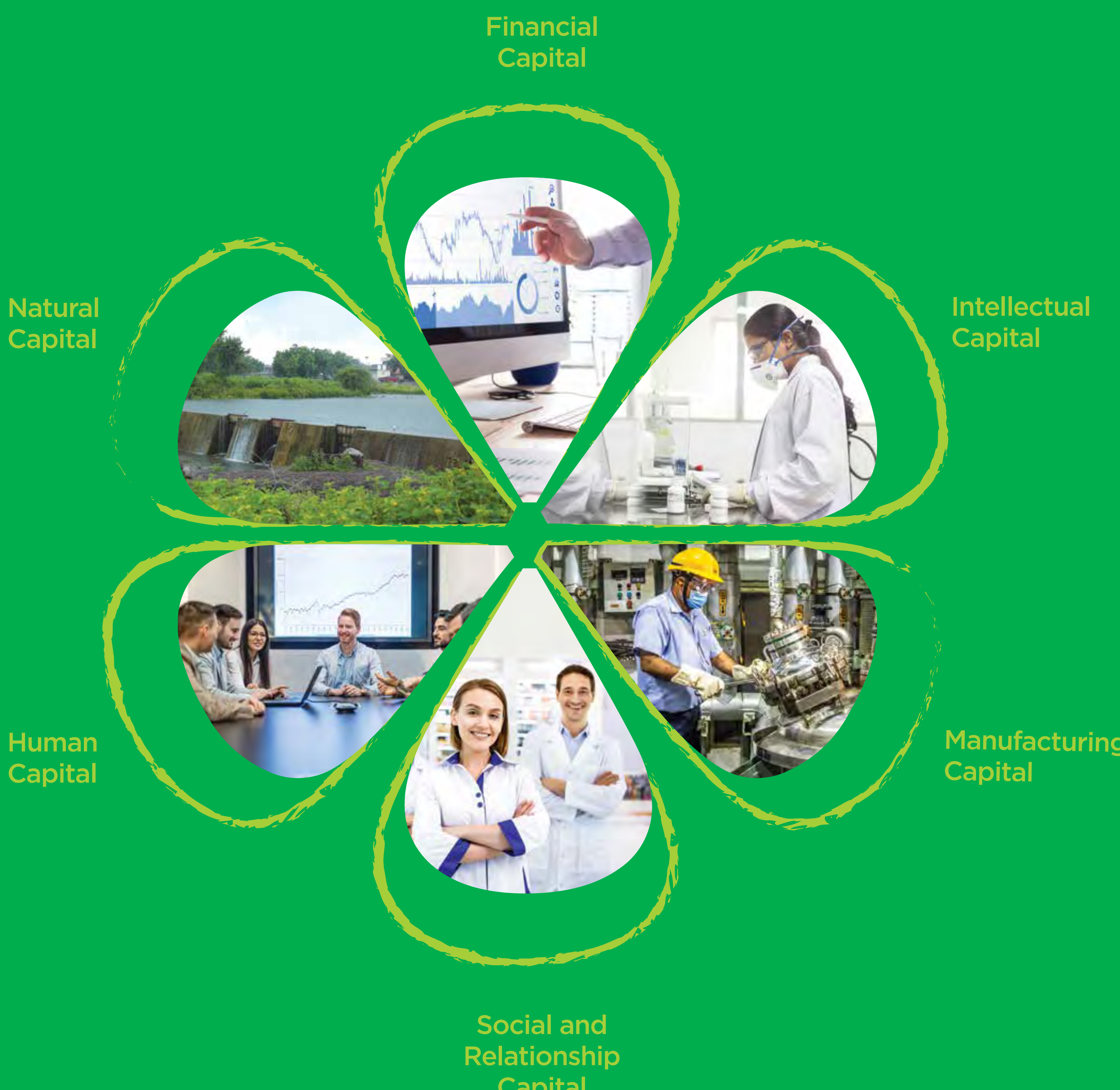
The financial and statutory information including the Director's Report, Corporate Governance Report and the Management Discussion are as per the regulatory requirements mandated by the Companies Act, 2013, Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Standards and other applicable laws.

Our Core Elements to Enhance Value Creation

The IIRC Framework Recommends Reporting in terms of the Capital Resources, which are relevant to creating value.

Lupin's FY 2020-21 Integrated Report defines the company's organizational strategies, the business model, prominent risks and opportunities. It also details our capitals that measure our financial and non-financial performance; it includes inputs from our stakeholder engagement and governance framework, which regulate the conduct of our business and materiality assessment. The boundaries of the report are defined by the contours of the selected material topics from the assessment and further streamlined into the <IR> resource capitals.

Our Integrated Report details our six key capitals and their roles



Report Boundary and Scope

The Integrated Report for FY 2020-21 portrays the financial and non-financial performance of Lupin's operations from April 1, 2020 to March 31, 2021. The scope of this report encompasses Lupin, its subsidiaries, and operational units across the globe. Further, this report includes aspects, which impact Lupin's ability to create value. The information pertaining to the operational units has been showcased, wherever appropriate, to provide a holistic view of the company's operational excellence and efficiency.

Lupin FY 2020-21 Annual Report was approved by our Board on May 12, 2021.

Our Approach to Materiality

This report provides information that we consider material that has the potential to substantially impact our ability to create and sustain value for our stakeholders over the short and long term. For this reporting year, we identified 40 areas, which are of priority to the nature of our business and categorized them into six capitals.

After in-depth research and review, the material areas have been identified from the Sustainability Accounting Standards Board (SASB) and the MSCI ESG guidance documents. These material areas were confirmed after a process of prioritization and through a materiality assessment with senior management.

Responsibility Statement

Lupin firmly believes that this Integrated Report is a fair representation of our company's financial, non-financial, sustainability and operational performance for the reporting year FY 2020-21. The Board acknowledges that the contents of this report have been assimilated in consultation with various functions of the business and have been developed under the guidance of senior management and functional heads.

Assurance

The consolidated financial statements shared in this report have been independently assured by our auditors B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022). The assurance statements have been provided on page number 151.

Feedback

We firmly believe that as an organization, it is our responsibility to receive input for improvement and to address concerns and expectations of all our stakeholders. Please share your feedback, suggestions and/or queries by contacting:

Name: Ms. Shweta Munjal

Designation: Head, Corporate Communication

Email: shwetamunjal@lupin.com

Our Journey

1968

Lupin commences business

1972

Lupin Laboratories Pvt. Ltd. is incorporated

1979

First Formulation Plant and R&D Center at Aurangabad is commissioned

1981

Production of Ethambutol API starts

1987

The Cephalexin plant at Mandideep and 7 ADCA plants at Ankleshwar go on stream

1988

Lupin Human Welfare and Research Foundation (LHWRF) is founded by Desh Bandhu Gupta

1989

Joint Venture in Thailand is established

USFDA approvals for Ankleshwar and Mandideep plants received

1991

Initiates production of Injectable Cephalosporins (API and Finished Product) at Mandideep

1992

Fermentation Plant at Lupin Chemicals Ltd. Tarapur, Maharashtra established

Commissions Sterile Plant for Injectable Cephalosporins (API) at Mandideep

1993

IPO of Lupin Laboratories Ltd. and Lupin Chemicals Ltd.

1997

USFDA approval for Cefaclor at Mandideep, 7 ACCA at Ankleshwar and Rifampicin at Tarapur

1998

UK MCA approval for the Injectable Cephalosporin Finished Product Plant at Mandideep

1999

UK MCA approval for the Injectable Cephalosporin API plant at Mandideep

2000

USFDA approval for Injectable Cefotaxime (API and Finished Product) at Mandideep

2001

State-Of-The-Art R&D center, Lupin Research Park at Pune commissioned

Supply of Cephalosporin Finished Product to Alliance Partners in the US commences

Lupin Laboratories Ltd. is amalgamated with Lupin Chemicals Ltd., and retitled Lupin Ltd.

2002

Exports to Advanced Markets cross INR 1000 Million

Patent filings cross 100

First 5 ANDAs filed

New Anti-TB Facility commissioned at Aurangabad

Rablet® rated by ORG-Marg as the second best launch in India in FY 2002-03

2003

WHO approval for finished product facility at Aurangabad

SAP ERP implemented across the company to unify all business functions and processes

USFDA approval for the Oral Cephalosporin Plant at Mandideep

Lupin Pharmaceuticals Inc. USA, formed for commercialization activities in the US

2004

Commences US Branded Business with the launch of Suprax®

2005

Generics Business launched in the US with first 4 Products

USFDA approval for New Lovastatin Plant at Tarapur

USFDA approval for Goa finished product facility

Maiden Employees Stock Option Plan launched

2006

UK MHRA and WHO approval for Goa finished product facility

Maiden bonus shares issued in the ratio of 1:1

Maiden Issue of Foreign Currency Convertible Bonds aggregating USD 100 Million

2007

Acquired Kyowa Pharmaceutical Industry Company Ltd., a leading Generics Company in Japan

Vadodara based Rubamin Laboratories Ltd. acquired

Starts commercial production at the new finished product facility at Jammu

2008

Biotech Facility in Pune set up

Acquired Hormosan Pharma Gmbh in Germany

Majority stake in Generic Health Pty Ltd., Australia acquired

Acquired majority stake in Pharma Dynamics, South Africa

2009

Acquired the US Rights for Antara®

Majority stake in Multicare Pharmaceuticals Philippines Inc. acquired

India Region Formulations (IRF) business crosses INR 1,000 Cr.

2011

Commercial Production at the New Oral Solid Dosage Facility at Pithampur commences

Acquires I'Rom Pharmaceuticals in Japan

India Formulations business inks its first in-license deal with Huminsulin®

2012

Enters the Nifty 50 Index

2013

Tonact® became the first Lupin brand to cross INR 100 Cr.

2014

Joint Venture Agreement with Yoshindo Inc. in Japan to launch biosimilars

Acquires Laboratorios Grin, Mexico, Specialty Ophthalmic Company and with this enters the Latin American Market

Acquires Nanomi B.V. to enter the Complex Injectables Space

2015

Center of Excellence for Inhalation Research in Coral Springs Florida inaugurated

Acquires Specialty Product Portfolio of Temmler Pharma GmbH & Co. in Germany

Acquires Medquimica Industria Farmaceutica S.A. in Brazil

Completes the acquisition of Pharma Dynamics in South Africa

2016

India Formulations business crosses INR 3,000 Cr.

Bolsters the US Brands Portfolio with Methergine® Oral Tablets

Acquires Branded Product Portfolio from Shionogi & Co. Ltd. in Japan

Completes acquisition of US based GAVIS Pharmaceuticals LLC and Novel Laboratories Inc. (GAVIS)

2017

Commissions new plant at Tottori, Japan

Forays into the OTC Segment with pan-India launch of Softovac®

Inaugurates a new plant at Sikkim

The number of sales representatives in India Formulations business crosses the 5,000 mark

2018

Acquires Symbiomix Therapeutics, LLC in New Jersey for launch of Solosec®

Commissions Injectables Facility at Nagpur

Files New Drug Application for Etanercept Biosimilar in Japan

Signs deal with AbbVie for exclusive rights to develop and commercialize Lupin's MALT1 inhibitors (oncology)

2019

Inks partnership with Boehringer Ingelheim to develop and commercialize Lupin's MEK inhibitors (oncology)

Orphan Drug NaMuscla® for treatment of non-dystrophic Myotonia launched in Europe

2020

Receives European Marketing Authorization for Nepexto, Biosimilar Etanercept

Receives International Sustainability Rating System (ISRS) Certification for 4 sites

2021

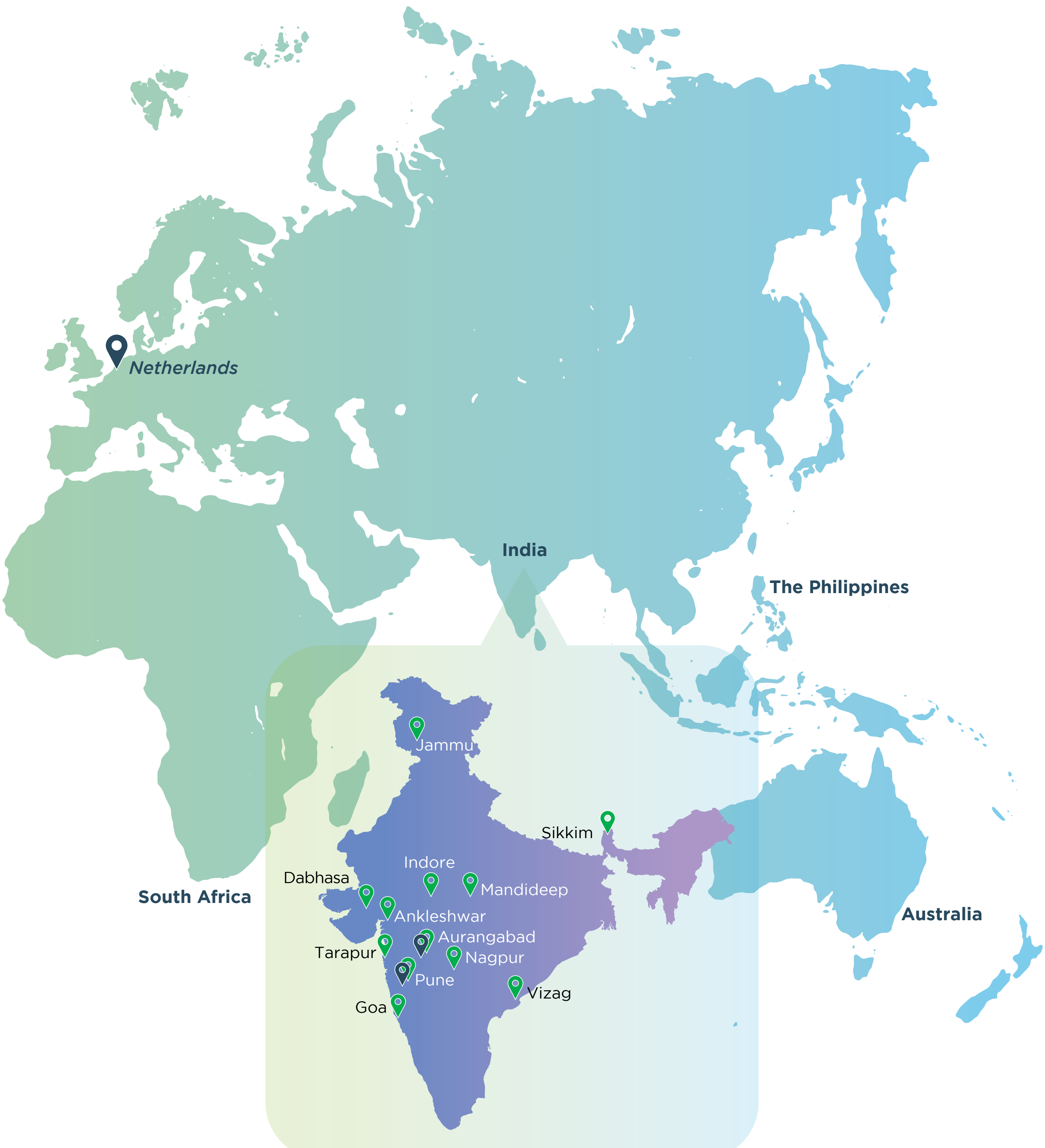
India Formulations business crosses INR 5,000 Cr.

Our Global Footprint

Quality, Manufacturing & Compliance:
India: Aurangabad, Ankleshwar, Dabhasa, Goa, Indore, Jammu, Mandideep, Nagpur, Pune, Sikkim, Tarapur & Vizag
US: New Jersey; **LATAM:** Mexico & Brazil

Research:
India: Pune & Aurangabad; **US:** New Jersey & Florida
LATAM: Mexico & Brazil; **Europe:** Netherlands

Marketing & Corporate Development:
More than 20 offices across the globe


Netherlands
India
The Philippines
South Africa
Australia
Jammu
Sikkim
Indore
Dabhasa
Mandideep
Ankleshwar
Aurangabad
Tarapur
Nagpur
Pune
Vizag
Goa

Our Response to COVID-19

Pioneering the Change

As the world adapts to the uncertainty that has arisen out of the rampant spread of the COVID-19 pandemic, the pharmaceutical industry has been at the forefront in the fight against the virus. With continuous demand for vaccines, research on repurposed and novel medicines as well as the production of testing kits, the industry has been guiding the transition through the 'new normal'.

COVID-19 has not only accelerated the transition to a more purposeful and inclusive environment but has taught us to re-evaluate our traditional approaches and seek solutions, which are more holistic in nature.

At Lupin, we are utilizing this opportunity to enhance our resilience and efficiency to provide affordable and accessible healthcare to patients all over the world. We are also using this opportunity to fundamentally transform our R&D, supply chain and operations.

At the onset of the crisis, we set up a centralized 'COVID-19 Taskforce' and adopted a three-pronged approach that focused on ensuring the continuity of supply of our life-saving drugs, assuring the health and safety of our people, and supporting frontline workers and the needy with immediate assistance but also carefully carve out what we could do to help from a therapeutic standpoint.

Our Commitment to Our Patients

Over the past year, Lupin has undertaken every possible measure to ensure business continuity. We enhanced our commercial measures, focused on de-risking our supply chain and worked with customers and government agencies to maintain a consistent supply of the products and life-saving drugs, including those for the treatment of COVID-19.

We ramped up the production of key products such as Azithromycin and managed important launches like Albuterol, a vital inhalation product as well as Favipiravir, an antiviral used for the treatment of mild- to-moderate COVID-19. Due to our strong relationships with our customers and the agility of our supply chain, we were able to anticipate and plan for the initial surge in demand for products such as Oseltamivir. In addition to this, we increased our safety stock for other critical medicines in chronic areas such as cardiovascular and diabetes drugs. Recently, we entered into a voluntary license for Baricitinib from Eli Lilly and expect it to be a beneficial enabler to save lives of COVID-19 patients.

With COVID-19 impacting the ability of our field force to effectively reach doctors, Lupin invested in appropriate digital solutions to establish reliable alternate channels of engagement with health care practitioners (HCPs). All of our field force staff were equipped with remote detailing tools and digital solutions to educate HCPs about the latest therapy-area related trends and offerings. To augment marketing efforts and drive evidence-based decisions, we also partnered with leading healthcare solution providers to get real time data and advanced analytics.

During this challenging period, we built contingencies for our new product launches, focused on leveraging digital tools to market our products and stay connected with our customers, while accelerating our pace of digital transformation. We continue to explore ways, in which we can play a meaningful role in COVID-19 therapeutics and vaccine distribution tie-ups and will continue to expand our product portfolio to meet the needs of our patients in these trying times.

Our Commitment to Our People

In line with our vision to provide accessible and affordable medicines for our global communities, it is vital for our manufacturing facilities to be operational round the clock. Strictly enforced COVID-19 protocols were implemented at all Lupin sites in March 2020 to ensure the safety of our employees.

Our supply chain and procurement teams ensured an optimal supply of Personal Protective Equipment (PPEs) and sanitizing materials for our people and our facilities. We reduced the number of staff at our facilities to ensure adequate social distancing and implemented digital contact tracing measures to minimize disruption at our manufacturing sites. Additionally, a virtual workplace policy was announced for the employees who could effectively do their work from home and this became the norm for employees in non- manufacturing and non-research roles.

We also put in place multiple task forces for hospitalization, medication, and eventually vaccination of our employees and our mission was to assure every Lupinytt and their family members had access to hospital beds, oxygen, and medicines.

We significantly expanded the scope of all our employee benefits from the regular medical and term insurance cover to providing much higher levels of support for hospitalization, insurance. For families of employees that we lost to COVID-19, we came up with a comprehensive support package to secure their future, including support in areas like education of their children, ongoing medical insurance and additional financial benefits.

Across our businesses, we have conducted virtual townhalls every quarter to share our performance updates with our employees. We have also made expert guidance available to them on the health and safety measures to be followed during the pandemic. As a company, the health and well-being of our employees is the utmost priority.

Our Commitment to Our Communities

The Lupin Human Welfare and Research Foundation (LHWRF) has worked extensively in pandemic ravaged areas of rural India to support returning migrant workers. We set up 26 stations across national highways of the country to provide food, water and medication to migrants walking to their native villages. Overall, this initiative imparted assistance to 180,108 migrants. Additionally, as trains became operational, we arranged food support at 8 major railway stations on 15 trains for 16,530 migrant workers.

We have extended our support to district administrations to provide much needed medical devices. Our recent efforts are focused on supporting government and hospitals in building COVID-care facilities as well as donating oxygen concentrators and plants across India. Additionally, we provided 1.6 million masks, more than 400,000 sanitizer bottles, around 150,000 PPE kits and more than 10,000 thermal guns for frontline workers. Further, we undertook sanitization of 5,000 doctor's clinics across the country to warrant the safety of attending Healthcare Practitioners (HCPs) and patients. Overall, Lupin, our employees and the promoter family contributed INR 16.7 crore toward COVID-19 relief efforts.

During the first wave of the pandemic, Lupin launched the 'Jan Kovid' helpline across Mumbai, Pune and Indore to address queries of citizens with respect to COVID-19 symptoms, details of nearby hospital, testing facilities, and to support those suffering from stress, anxiety or respiratory issues. The helpline was handled by skilled doctors.

At Lupin, we also wanted to support HCPs by providing them with platforms to alleviate their stress. The Grand finale of Doctor Sur Samrat was featured on Indian television channels and watched by more than 500,000 viewers.

In our Laboratories Grin facility in Mexico, we have made donations in kind to Foundations, which supported low income hospitals. At the onset of the COVID-19 pandemic, we also initiated a donation drive aimed at supporting patients, senior citizens as well as the medical community, who were widely affected.

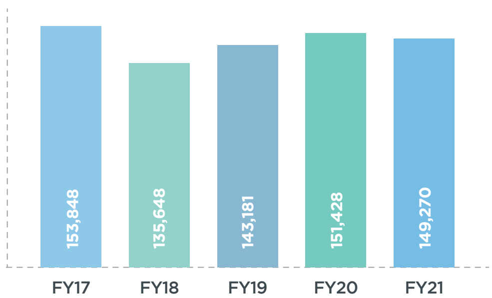
As the world faces complex challenges surrounding recovery from the ongoing COVID-19 pandemic and the prospect of an uncertain tomorrow looms large, at Lupin we remain committed to providing access to quality healthcare at affordable prices.

Highlights of The Year 2020-21

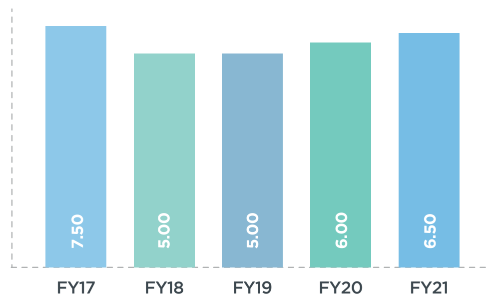
Financial Highlights

PROFIT AND LOSS METRICS

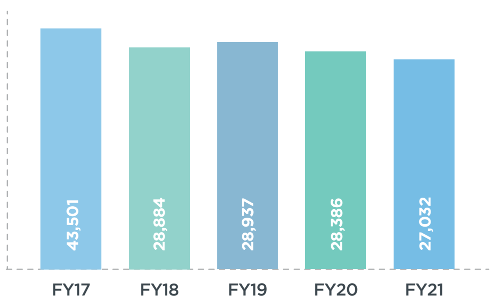
NET SALES (INR Mn)



DIVIDEND PER SHARE (INR)

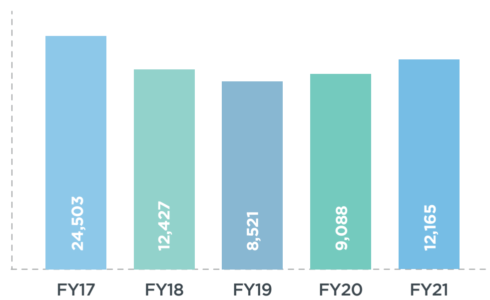


EBITDA (INR Mn)



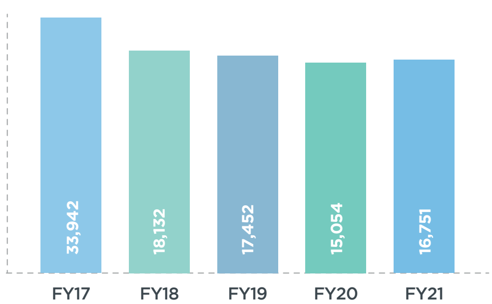
NET PROFIT

before exceptional items (INR Mn)

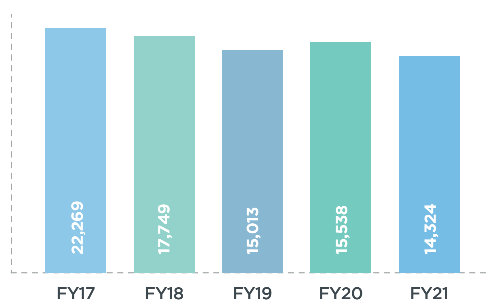


PROFIT BEFORE TAX

before exceptional items (INR Mn)

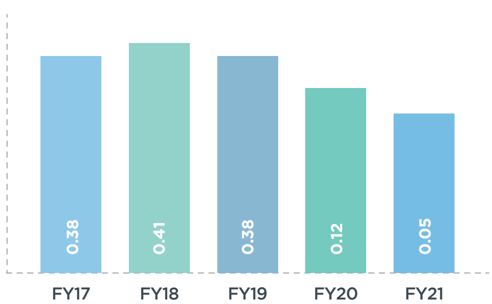


TOTAL INVESTMENT IN R&D (INR Mn)

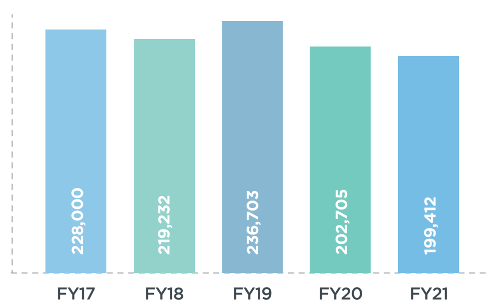


BALANCE SHEET METRICS

NET DEBT TO EQUITY RATIO



CAPITAL EMPLOYED (INR Mn)



6th Rank
in the Indian Pharma Market

3rd Rank
by Prescriptions in USA

11 Brands
among the top 300 in the Indian Pharma Market

EBITDA
18.1%
of Sales

Net-Debt Equity
0.05:1

Dividend
325%

Number of US FDA Inspected Manufacturing Units
13

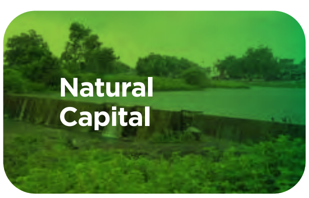
Number of Manufacturing Sites
15

Total Capital Expenditure (INR Mn) in FY 2020-21
6,276

Total Active Patents
886

New Products Launched in FY 2020-21 in US
15

Received Approval for ANDAs for US
19



Energy from Renewable Sources
12.2%
of total energy consumption

Water Recycled
742,179 Kl

GHG Emissions Saved
9,775 tCO_2e

Expenditure on Employee Benefits (INR Mn)
28,259

Female Representation at Board Level
36%
in India as on 31 March, 2021

Learning and Development Expenditure (India)
INR 7.5 Million

Total Expenditure
INR 298 Million

Total Number of Beneficiaries
1,483,657

Provision of Health and Safety Equipment for COVID-19
2.0 Million+

Demonstrating resilience amidst challenges

Chairman's Letter

> "Our values have held us in good stead at this time and they are the foundation on which we have built our success."

Dear Shareholders,

It is with immense pleasure that I present to you Lupin's first Integrated Report.

FY21 was different in every aspect and held more than its fair share of challenges. As the world and especially India reeled under the coronavirus pandemic that disrupted our collective sense of the normal, we saw crisis of unprecedented nature and effect. However, we also saw the best of human nature in this time. At Lupin, we continue to witness magnificent examples of resilience. I am very proud of our resolve to stand with our communities, to inspire hope and healing.

Through the year we stayed focused on our mission – safeguarding the health and well-being of our employees and their families, maximizing availability of our medicines globally, and supporting our communities, relief agencies and people on the front line of the global pandemic. In retrospect, our focus on becoming an agile, responsive company was well displayed during this period and it gives me confidence that we are well-positioned for the long-term.

Despite COVID-19, we have strengthening our business in India as well as in the US and other markets, with multiple positive developments and launches. The launch of our lead respiratory product, Albuterol in the US, is an important milestone. On the Specialty front, we continued to make steady progress in Neurology, Gastrointestinal and Women's Health.

Innovation and research are critical to ensuring better health and creating financial value. In FY21, our total R&D spend was 9.6% of turnover. For the entire year, we reported net profit of INR 12,165 million with EBITDA margins improving to 18.8% in Q4FY21 as compared to 13.8% in Q4FY20. This was the outcome of our collective efforts to improve performance by focusing on growth drivers and cost optimization.

In India, the pandemic situation continues to remain serious, and therefore, we continue to support our people and our communities. We have put in place multiple task forces for employee hospitalization, medication and vaccination. We have also expanded the scope of our employee benefits from medical and term insurance to providing for the families of employees we lost to this terrible virus.

As a sustainable business, everything we do is inspired by a deep sense of purpose. Our values have held us in good stead at this time, and they are the foundation on which we have built our success. It is heartening to see Lupin rise to the challenge and continue to make a positive impact on the lives of people. Put together, Lupin, our employees and the promoter family contributed INR 16.7 crore toward COVID-19 relief efforts.

We are determined to come out stronger from this pandemic than we have ever been. I would like to thank our Lupin employees for their unflinching commitment, and our partners, shareholders and customers for your continued trust, confidence and support.

Warm regards,

Manju D. Gupta
Chairman

Well positioned to capitalize on opportunities

Vice Chairman's Letter

"Notwithstanding the challenges of the times, we continue to think from our heart and act with our head – to care for our people, our patients, our communities and all other stakeholders and partners."

Dear Shareholders,

It is my privilege to write to you and present our first ever Integrated Report in FY 2020-21.

The COVID-19 pandemic has had a serious and unprecedented impact across the economies and society in general. Throughout this challenging period, we reacted very quickly to prioritize health and safety of our people and continued to provide a reliable supply of medicines to the patients across our markets.

I am enormously proud of how resilient and adaptive our people and business have been in the face of this global pandemic. We proved the solidity of our strategy, the agility of our teams around the world and the constancy of our commitment towards patients. These have helped us quickly adapt to new ways of being stronger together and gain greater momentum in our key therapy areas while improving margins.

Our performance in the year FY 2020-21 continues to stand robust, both financially and in terms of meeting and exceeding our stakeholders' expectations. The business cemented its strength with our persistent effort to enhance profitability by improving upon the overall quality of the business.

With 15 new launches and disciplined business development in the US, we continue building on our Women's Health business in North America and ramp up in Albuterol and an increase in market share for Levothyroxine. We are also glad that following the NDMA concern, we are close to 50% share for gGlumetza. India business continues to be the second largest, contributing 35% to the topline. The five key therapies including Cardiology, Anti-diabetes, Respiratory, Anti-infective and Gastrointestinal contributes 76% of total sales.

We have been working towards building our reputation on quality, which is embedded in our philosophy, people, and processes. While FY21 was a year when no USFDA inspection happened at any of our India manufacturing sites, we continue working towards further improving our quality and compliance practices.

During the year, we continued to launch new products and grow our pipeline. We have made significant progress with our complex generics' platforms across Inhalation, Biosimilars, Injectables and Women's Health products.

We have taken several initiatives on cost optimization to contribute towards our margins in FY22. These include optimizing procurement, renegotiating contracts, rationalization of salesforce in America, among others.

While we have performed well this year, we have started FY21-22 on an optimistic note. Our disciplined approach to leverage management ensures we maintain a strong balance sheet that gives us the financial flexibility to support future growth. With our commitment to deliver positive outcomes, exercising disciplined cost management and maintaining strong cash flow, I am very excited about the opportunities ahead for our business.

I would like to thank all our stakeholders, including employees, customers, partners, bankers and shareholders, who collectively enable us to create value by helping us to focus on our strategic priorities and leveraging our strengths. Thank you once again for your trust, confidence, and support.

Best regards,

Kamal Sharma
Vice Chairman

Creating long-term value for our stakeholders

CEO & MD's Letter

Dear Shareholders,

We are pleased to present our first Integrated Annual Report. This report aims to provide our stakeholders with a holistic view of our value-creation model, strategy, governance, and performance. The report also gives us the opportunity to share more about Lupin, our core strengths, what we stand for, and the value we bring to our patients, customers and stakeholders. We are Resilient, we are Responsible, and we stand for Results.

Shaped by the COVID-19 pandemic, the unexpected and overwhelming year that went by affected every aspect of our lives. Through this period, we worked hard to strengthen the long-term value of our business, to emerge stronger coming out of the pandemic. This would not have been possible without the hard work, perseverance, and commitment of our 20,000+ Lupinytts.

It gives us a lot of confidence to see the agility and resilience that our team demonstrated in this period, while continuing to manage the business through the lens of people, performance and purpose. In addition to ensuring business continuity, our priority was ensuring the health and safety of our people. We put in place extensive measures to protect them and their families; yet sadly we lost several of our valued colleagues across the world. We extend our deepest sympathies to their families and teammates.

In the face of this unprecedented volatility, we made proactive investments in our people, processes, operations and technologies so that we could deliver strong operational performance throughout the period and into the future. Through the quarters of FY21, we improved operational performance and our margins by maximizing revenues and delivering on our cost optimization efforts.

In the US, we continue to be the 3rd largest generic player (by prescriptions). We have a total of 168 generic products in the market, with market leading share on 53 products and feature in the Top 3 on 122 of our products. While the weak flu season and COVID-19 related disruptions resulted in lower revenues compared to the previous fiscal, the highlight of the year for our US business was the launch of Albuterol, validating our capability to emerge as a leading complex generic player.

We are the 6th largest company in the Indian Pharmaceutical Market. Our India business continues to be a robust driver of revenue and profitability backed by a strong pipeline of products, both from our external partners and increasingly from our internal development.

Our global API sales recorded growth of 6.3%. Our Growth Markets recorded slightly lower numbers compared to FY20 due to substantial pandemic exposure, and our EMEA region sales grew 3.4%. In Europe we were very pleased to get approval for launch of our first biosimilar, Etanercept, validating our capabilities on the biosimilars front.

After a challenging period, we have come a long way this past year, and are well set to drive growth going forward, both in revenues and profitability. As we progress into FY22, while some challenges persist, we expect to continue to build on the momentum gained, and aim to achieve robust growth. In the US, we see the ramp up of Albuterol, growth in our inline products as well as new inhalation product launches like Brovana® driving growth. We also expect to hit multiple milestones in our complex generic pipeline in all three of our lead platforms – inhalation, biosimilars and injectables. We see our inhalation portfolio starting to go global with the UK marketing authorization for Fostair®, for which we are the first generic to be approved. We also see our biosimilar portfolio starting to evolve with the ongoing review of our first BLA filing in the US for Peg-filgrastim.

As a company committed to innovation, we invested 9.6% of our revenues in R&D during FY21. We have a clear research strategy in place to maintain our core generic position, deliver on complex generics, and build out our innovation portfolio.

We accelerated EBITDA improvement throughout FY21 led by new launches, cost optimization and restructuring efforts. Net Profit before Exceptional items grew by 33.9% to INR 12,165 million in FY21.

The last fiscal was a year where we demonstrated that our people come first – when lives depended on ensuring taking all necessary precautions, we implemented numerous initiatives towards ensuring the health, well-being and safety of our people and our work environment; it was a year where we demonstrated agility – we took multiple steps to change our strategic direction, we reduced the number of people at our facilities, staggered shifts, made work from home possible for as many people as we could; it was a year where we showed that we can successfully navigate through uncertainty, while not just protecting, but strengthening our core. To us, the last fiscal was a year that showed us the true capability that Lupin has, and how much more we can do.

As responsible corporate citizens, we continue to extend all forms of support to COVID-19 relief efforts. In a year of turmoil, we are proud and humbled to have been able to serve our communities.

As COVID-19 treatment and vaccination gets to acceptable levels, we see the business and the economy picking up. Importantly, we see a stronger, brighter Lupin emerge through this – with a renewed sense of purpose of solving India's health challenges and bringing DBG's legacy to the world.

Kind regards,

Vinita Gupta
Chief Executive Officer

Nilesh D. Gupta
Managing Director

About Lupin

> "There is only one reason why we exist — to treat diseases, to heal and enrich human life."
>
> **Desh Bandhu Gupta**

Founded in 1968, Lupin had its humble roots in one man's dream of creating a better world for everyone. Desh Bandhu Gupta or "DBG" as he was fondly known as, believed in the idea of simple living and high thinking and aspired to put India on the global pharmaceutical map. With the rich heritage we have built over the past 53 years, Lupin is today one of the leading pharmaceutical companies in India. Our global footprint spans over a hundred countries and we have world-class operations with a powerful culture of innovation and unyielding integrity.

The name 'Lupin' was inspired by the flower of the same name, which is known to thrive despite infertile soil and is capable of nurturing change. These qualities form the foundation of the company's ethos as we passionately strive to provide accessible and affordable healthcare solutions to patients across the globe.

Headquartered in Mumbai, India, our position as a fully integrated pharmaceutical company is built on the backbone of cutting-edge research, world-class manufacturing facilities and a truly global supply chain. We are confident that these building blocks will help us meet the most pressing demands in healthcare, and help create a better tomorrow.

We are a truly multinational pharmaceutical company focused on a meaningful and diverse product portfolio, comprising Generics, Biosimilars, and Specialty Products. Lupin manufactures and markets an extensive variety of branded and generic formulations, Active Pharmaceutical Ingredients (APIs), biotechnology products as well as Over-the-Counter (OTC) medicines across multiple dosage forms and therapeutic categories. In addition, we are acknowledged as one of the largest manufacturers of anti- Tuberculosis drugs in the world and are proud of our global leadership position in areas such as Anti- TB and Cephalosporins.

With over 15 state-of-the-art manufacturing facilities spread across India, the United States, Brazil and Mexico and a workforce of over 20,000 personnel committed to enhancing the quality of our patients' lives, we are working towards expanding access to newer and innovative healthcare solutions at scale.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Our Values

Passion for Excellence

We relentlessly pursue excellence through innovation and continuous improvement in all our projects, processes and products.

We benchmark with the best in the world.

Entrepreneurial Spirit

We empower our employees to generate new ideas, explore avenues and offer solutions that add exceptional value.

We encourage them to build ownership in all by assuming responsibility with passion and conviction.

Customer Focus

We strive to understand and meet changing customer needs in a professional and responsive manner.

We focus on building long term partnerships for mutual benefit.

Integrity

We conduct ourselves with uncompromising integrity and honesty with the highest standards of ethical behavior and transparency.

Teamwork

We align efforts and energies of our people across all levels and geographies to deliver outstanding results for our stakeholders.

We encourage diverse opinions and yet work together in a coordinated and mutually supportive way.

Respect and Care

We are compassionate and sensitive towards all our stakeholders and treat them the way we would expect to be treated.

We provide equal and fair opportunities for employment, learning and career development.

Our Strategy for long-term value creation

Sustain and Grow Our Strong Foundation

We will continue to enhance our leadership by introducing new drugs and adding more therapies, with a sharp focus on India and the US.

- We continue to target Loss of Exclusivity (LOE) opportunities in the US as well as increase our presence in non-solid oral dosage forms such as inhalation, injectables, ophthalmic, and dermatological products
- Forming strategic alliances and in-licensing is a critical strategy to widen our product offering and drive growth, especially in India, where we continue to maintain our thrust on chronic therapies (more than 65% of our revenues)
- We are expanding our offering within the Gynaecology, Dermatology, Urology, and Paediatrics therapy segments in India
- For our established and stable businesses in South Africa, Brazil, Mexico and Australia, our goal is to exceed industry growth and sustain profitability through new launches and cost optimization

For other developing markets, our strategy is to drive them towards a self-sustainable path of profitability and growth.

Focus on Execution of Complex Generics

Successfully executing on our Complex Generics pipeline is critical to ensure that we continue to improve our profits as well as bring more sustainability to the business. We have three focus areas for Complex Generics - Inhalation, Biosimilars and Complex Injectables. Specific to these areas, we have built a strong pipeline and will continue to focus on delivering on this pipeline.

- Inhalation: We are one of the few companies in the world to have filed a Dry Powder Inhaler as well as a Metered Dose Inhaler in the US. We have to date filed three major inhalation products in the US (generics to ProAir®, Spiriva® and Brovana®, with collective US sales of almost USD 4 billion IQVIA MAT March 2021)
- Biosimilars: We filed our first biosimilar Etanercept (global sales of approximately USD 10.3 billion, IQVIA MAT March 2021) in Japan and Europe, a key milestone in our biosimilars journey
- In FY19, we partnered with Mylan and Nichi-Iko for commercializing Nepexto® (biosimilar Etanercept) in Europe and Japan respectively

Regulatory Compliance

Compliance to applicable regulatory standards is a key priority and we adhere to the highest standards of quality. Our facilities across the globe observe Good Manufacturing Practice (GMP) standards and have accreditations from leading global regulatory authorities such as USFDA, UK MHRA, WHO and Japanese PMDA.

Focus on Cost Optimization

In FY20, Lupin initiated a transformational journey to streamline our business strategy for growth and help us build an industry-best cost position.

- Our aim is to improve the efficiency and productivity of our R&D function in activities such as development, filing, approval and launching of products, and building agility in the supply chain
- On the operational front, we continue to drive procurement efficiencies and improvement through a focus on optimizing our cost base and creating Centres of Excellence for support services

Build Specialty Business

We are focused on building specific Specialties in select advanced markets:

- Zaxine®, sold in Canada, focuses on the Gastrointestinal Therapy and is the largest Specialty brand promoted by Lupin. The brand showed 9% growth in FY21 despite COVID-19 driven challenges. The plan is to accelerate the growth of Zaxine® through marketing efforts focused on primary care physicians
- Solosec®, our lead Women's Health product in the US was launched in May 2018. We continue to look at potential inorganic opportunities and distribution partnerships to add more products and leverage this platform
- On the CNS front, our focus is on Neurology, with our orphan drug NaMuscla® launched in the UK, Germany, France and in several other European countries

United States

3rd
by prescriptions

53
products rank #1 in market share

27%
Average market share

Lupin products touch
100 Million
patient lives in the US each year

According to the latest Global Medicines Usage Trends report by IQVIA, US healthcare spending trends remain remarkably resilient to COVID-19, registering minimal slowdown and a continued 2-5% five-year CAGR till 2025.

The US is largest market for Lupin and other generic peers driven by its scale, preference for reimbursement schemes that favor substitution towards generic pharmaceuticals. Our strategy to grow our US business is rooted in developing a pipeline of high-entry barrier generic products across a variety of therapeutic areas and enhanced focus on value-accretive complex products across the inhalation, injectable and biosimilar segments.

Generic

The start of FY21 coincided with the early days of the COVID-19 pandemic. Given the uncertainty, we recognized the need to engage in constant communication with our customers to understand the implications of the pandemic and to plan accordingly to ensure continuity of supply of essential medicines. Our strong relationships with our customers and our agile supply chain enabled us to anticipate and plan for the initial surge in demand of products such as Oseltamivir and Cephalosporins in addition to products like Azithromycin, when it became an early treatment option for COVID-19. In addition, we increased the safety stock for other critical primary care medicines and chronic medicines such as those for the management of cardiovascular disease and diabetes.

In FY21, US sales contributed INR 53,730 million to the company's revenue, accounting for 36% of the overall sales. This was largely anchored by strong performance of our in-line products such as Famotidine, Lisinopril and Levothyroxine. In September 2020, we launched Albuterol, which is indicated for the treatment of COPD and asthma and has been used as a key rescue product for COVID-19 treatment in the US. We expect full year revenues from Albuterol to drive growth for Lupin in the coming year. Taking strides towards our first biosimilar launch in the US, we filed our BLA for Peg-filgrastim, which we hope to successfully commercialize in FY23. During the year, we filed 15 ANDAs and 1 BLA and received 19 ANDA approvals. ANDA filings for the year include 5 confirmed exclusive first-to-file products (FTFs) and 4 shared FTF products.

Our BLA filing for biosimilar Peg-filgrastim was achieved post successful completion of due development studies, execution of process validation batches and comprehensive analytical assessment. We also initiated the Global Phase III study for biosimilar Ranibizumab for the US.

In FY21, we settled 11 pending US litigations and 1 pending UK litigation. Further, we received favorable US court decisions in our Kerydin® and Tecfidera® patent challenges and a favorable German court decision in our Truvada® SPC challenge.

Specialty

Our Specialty women's health business was impacted by COVID-19 headwinds due to a very large drop in physician visits. Last year, we filed a sNDA for trichomoniasis for Solosec®, our key women's health product indicated for the treatment of bacterial vaginosis (BV) and received the approval in FY22. Early in the fiscal, Solosec® received preferred status on Express Scripts National Preferred Formulary, one of the largest commercial formularies in the US. This will ensure that Solosec® is available at a lower out-of-pocket cost.

During the year, we also reorganized our specialty organization to streamline sales efforts and have inked partnership with key players in the Women's Health space.

Road Ahead

With mass vaccination across the US, we believe that sales in FY2021-22 will revert to pre-COVID-19 levels. We are confident that an improved US market environment, resolution of USFDA issues at specific facilities, and ramp-up of key product launches, in addition to continued execution on Albuterol commercialization, will accelerate our growth throughout the next fiscal.

Data Source: IQVIA MAT March 2021

India

6th
rank in Indian pharmaceutical market

11
brands feature in the Top 300

India enjoys a key position in the global pharmaceutical market, supplying 20% of global generics. Lupin has built a formidable presence in India since its debut in 1968 when it started supplying Iron and Folic acid tablets to the government. Starting with Anti-TB therapy, our India business has consolidated its leadership in chronic therapies such as Cardiology, Anti-Diabetes and Respiratory; while strengthening its position in the Central Nervous System (CNS), Gastrointestinal (GI) and Orthopedics space.

The India business continues to be the second largest business for Lupin, contributing 35% to our top-line, primarily driven by a strong field force of 7,000+ that reaches a majority of doctors across India.

Due to the impact of COVID-19, the Indian Pharmaceutical Market (IPM) has grown at a significantly lower rate, compared to previous years. As per IQVIA, Lupin's India business has consistently outperformed the IPM with a five- year CAGR of 10.1% as against IPM's 8.4%. Over the last five years, Lupin's India business has improved its market share to 3.59% in FY21. While IPM growth has shown a sharp pick-up in FY2021-22, driven by surging COVID-19-related sales, it is expected to normalize over the year as COVID-19 cases thankfully recede.

Lupin Has 11 Brands In IPM's Top 300 Brands:

- Gluconorm - G
- Huminsulin
- Budamate
- Gibtulio
- Cidmus
- Ondero
- Tonact
- Ivabrad
- Rablet D
- Ajaduo
- Ondero Met

According to the first Longitudinal Ageing Study in India (LASI) released by the Union Ministry of Family and Health Welfare in 2020, 2 out of every 3 senior citizens in India suffer from some chronic disease while a fifth of India's population below 45 years has at least one morbid condition. To cater to these rising chronic ailments, Lupin has maintained its focus on these therapies by expanding its reach, setting up new divisions and launching new products. One more division specializing in cardiovascular therapy was launched in FY 2020-21.

Over the last three years, chronic therapies - Cardiology, Anti-diabetes and Respiratory, have been the leading therapies characterizing the Indian market, growing faster than most other segments in the IPM. Lupin is well placed and retains 4th position in the high-growth chronic segments, which contributes 65.4% of our total revenue, with the balance 34.6% coming from acute segments.

Our top five therapy areas - Cardiology, Anti-diabetes, Respiratory, Anti-infective and Gastrointestinal contribute more than 76% of total sales. We continue to lead the anti-TB segment and maintain second position in the Respiratory and third position in the Anti-diabetes and Cardiology segments. Our anti-diabetes segment has delivered growth of 13.3% versus IPM growth of 8.7%, resulting in improved market share from 8.4% in FY20 to 8.7% in FY21. Our cardiac segment had registered a growth of 15.5% versus IPM growth of 12.9%, resulting in improved market share from 6.6% in FY20 to 6.7% in FY21. Even as the Respiratory segment showed negative growth during the year, Lupin's market share improved from 5.8% in FY20 to 6.2% in FY21.

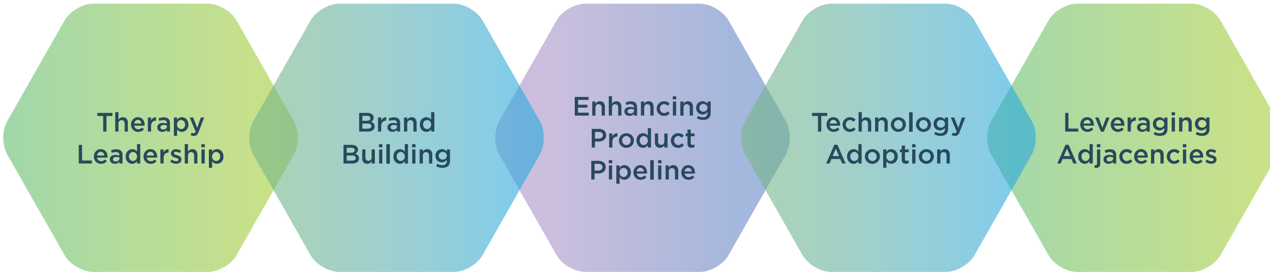
With the pandemic impacting customer reach of the field force, Lupin continued to invest in digital measures to establish reliable alternate channels of engagement with physicians. Today, our entire field force is equipped with iPads, remote detailing tools and digital solutions to educate doctors about the latest therapy related trends and offerings. To augment marketing efforts and drive evidence-based decisions, we have also partnered with leading healthcare solution providers to get real-time data and advanced analytics.

We continue to create broad scientific platforms to build therapeutic expertise by partnering with leading institutions for co-creating knowledge.

To support doctors in getting their medico-legal queries answered, Lupin launched LegalRx®, a medico- legal guidance platform where doctors can get their queries answered by a team of qualified lawyers. LegalRx has been downloaded by more than 40,000 users and was a top trending application when it was launched. ANYA, our health chatbot launched for answering queries related to Diabetes, Respiratory, Hypertension, Heart Failure and Anti-TB, is now fortified with enhanced reach and capability to answer in five regional languages (Hindi, Tamil, Marathi, Kannada, and Bengali) in addition to English. To reach maximum patients, we now print QR codes to access ANYA on product strips of our leading brands. To date, close to 250,000 unique users have asked for more than 2.45 million queries to ANYA.

Lupin continues to support patients in disease lifestyle management by conducting health camps and sharing health awareness advice through social media, health blogs and other in-clinic educational activities.

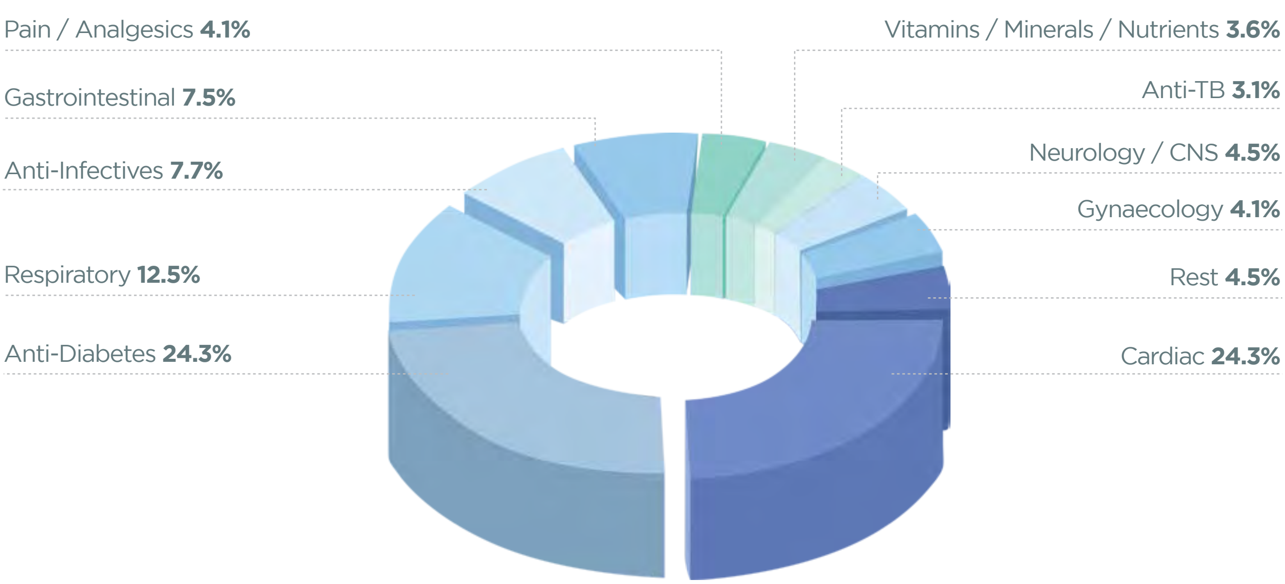
Our Strategic Priorities



Lupin's Therapy-Wise Ranking

Rank FY21	Therapy	Market Share
1	Anti-TB	55.0%
2	Respiratory	6.2%
3	Cardiology	6.7%
3	Anti-Diabetes	8.7%
7	CNS	2.6%
9	Gynaecology	3.0%
11	Gastrointestinal	2.6%

Therapy-Wise Share of Revenue



OTC

Our OTC business, LupinLife Consumer Health, is committed to bringing consumer research-backed offerings via well-positioned brands. LupinLife Consumer Healthcare recorded a healthy growth of 28% despite the impact of COVID-19. Our strategic focus is to build relevance, accelerated execution and demonstrate strong operational excellence. Our flagship brand Softovac® led the growth clocking 30% YoY growth and consolidating category leadership with 46% market share (IMS MAT March 2021 – Bulk Laxatives).

In their first year of transition to our consumer healthcare arm, new OTC launches Aptivate® and Lupizyme® delivered strong growth of 19% and 30% respectively. Recognizing specific consumer needs during the pandemic, we introduced the LupiSafe range of sanitizers, wipes, and sprays. We have also introduced BeOne®, an ayurvedic energy and immunity supplement, to boost immunity and meet specific nutritional needs. The success of our OTC business despite adverse market conditions is testament to our sharp consumer insights coupled with aggressive retail strategies.

Road Ahead

Despite COVID-19, the IPM is expected to grow steadily due to rising healthcare awareness, higher incidence of chronic diseases and expanded access to healthcare. According to the IQVIA Global Medicines Usage Trends report of 2021, spending across major emerging markets is expected to grow by 7-10% CAGR through 2025 largely driven by Japan, Brazil, India, and Russia.

Our sustained efforts to enhance our product portfolio to meet patient needs will continue to propel our India business towards newer milestones.

Data Source: IQVIA MAT March 2021

Growth Markets

4th largest
Generics company in Australia

2nd largest
Ophthalmic company in Mexico (By units)

2nd in Philippines
reference market

5th in Brazilian
reference market (By units)

The APAC region accounts for more than 20% of the global pharmaceutical market with an estimated market size of USD 240 billion. Lupin is present in 10 markets in the region including the major markets of Australia, Philippines and Japan/Korea.

The APAC region accounts for 4% of our global sales. In FY21, we recorded a growth of 5.6% in the region despite stiff competition driven by strong performance in Australia and Japan.

Australia

The Australian pharmaceutical market is valued at USD 13 billion and grew by 3% in 2020. The generics segment in Australia has witnessed consolidation in recent times and grew at a faster rate of 4%, backed by government support. Lupin's Australian subsidiary, Generic Health ranks fourth in the region amongst generic players and supplies generic prescription and OTC medicines to pharmacies and hospitals in Australia.

Generic Health showed resilience during the pandemic and reported strong FY21 revenues of AUD 57 million. It launched more than 10+ new products during the year, including a niche generic product having limited competition in the weight management therapy area.

The Philippines

The Philippines market is valued at USD 4.1 billion and declined by 10% in FY21 impacted by demand disruption due to COVID-19. Multicare Pharmaceuticals Philippines Inc. (Multicare), Lupin's subsidiary in the country, is a premium branded generics company with strong presence in the Rheumatology, Gastrointestinal and Diabetes segments. Successfully retaining its number 2 rank amongst reference branded generic market in the country, Multicare recorded revenues of PHP 1,388 million in FY21. The company has more than 250 employees, who were able to grow 7 of its top 10 products by increasing its reach to HCPs and creating more demand through a mix of face-to-face and digital promotion. Multicare has a product pipeline of more than 50 new products to be launched over the next 5 years.

Japan

Japan is the third largest market in the world at USD 81 billion, decreasing 2% year on year (impacted by price reforms and rising generic use). While Lupin exited the market with the divestiture of Kyowa Pharmaceuticals in 2019, we continue to cater to it by supplying existing products, APIs, and select new products through licensing agreements like those with Kyowa Pharmaceuticals. We are also committed to our partnership with Nichi-iko for biosimilar Etanercept, which was launched in Japan in FY20. We continue to selectively bring our portfolio of complex generics and rare diseases to the Japanese market, partnering with the right companies to maximize value for the company.

Data Source: IQVIA Global MIDAS (MAT Dec 2020). IQVIA Local PHI data (MAT Mar 2021)

Latam

The LATAM pharmaceutical market is USD 40 billion and grew by 10% in FY21. The growth was driven by therapeutic areas tied to COVID-19 as well as chronic therapies such as Cardiovascular, Thrombosis, CNS, Diabetes and Vitamins. Overall, our LATAM business recorded a sales decline of 10% and contributed 4% to our overall revenues in FY21.

The two biggest markets in the region, Brazil and Mexico, represent 70% of the LATAM market and witnessed growth of 11%.

Mexico

The Mexican pharmaceutical market is valued at USD 10 billion. The market witnessed a robust growth of 11% in 2021 despite pandemic-driven macroeconomic headwinds.

Laboratorios Grin (Lab Grin), Lupin's subsidiary in Mexico with 310 personnel, recorded a decline of 10.1% in primary sales at MXN 621 million, while continuing to be ranked second in the ophthalmic reference market (by units). In FY21, the ophthalmic market was severely impacted by the pandemic as patients ceased treatment of acute conditions while private ophthalmologist practices were closed in Q1FY21.

Lab Grin's portfolio consists of 50 ophthalmic products and 10 primary care products. Five products were launched in FY21. We are constantly seeking opportunities to bring innovative products to the ophthalmic market and intend to leverage our global product pipeline to grow in areas beyond the ophthalmic segment by launching products in the Respiratory and CNS segments.

Brazil

The Brazilian pharmaceutical market is valued at USD 21 billion and is the most important pharmaceutical market in LATAM, accounting for 47% of the region's sales. It is ranked as the 10th largest pharmaceutical market worldwide. In FY21, the Brazilian pharmaceutical market grew 9.6% largely led by robust volume growth of essential medicines.

Medquimica, Lupin's Brazilian subsidiary with 570 personnel, now ranks thirteenth in value in the region and is the fifth largest in its reference market (by Units), commanding a 6.4% market share. The company outpaced industry growth, delivering 35% growth in BRL terms. Medquimica continues to identify new products and differentiation opportunities to fill its product pipeline.

Road Ahead for Growth Markets

Our Growth Markets strategy is focused on introducing new products from our global pipeline to expand into newer segments while improving market share in our legacy segments and products. We will bring our complex inhalation and injectables assets to most of the markets in the coming years. The growth markets are now focused on crafting an entry strategy into China.

Data Source: IQVIA Global MIDAS (MAT Dec 2020). IQVIA BRA & MEX Local data (MAT Mar 2021) and IQVIA LATAM President's Meeting (APR 2021). LATAM Market size includes retail and non-retail and excludes Argentina and Venezuela.

Europe, Middle East and Africa (EMEA)

9%
of Global sales

NaMuscla
EU expansion ongoing

4th
in South Africa by prescriptions

The Europe, Middle East and Africa (EMEA) region accounts for 26% of the global pharmaceutical market with an estimated market size of USD 300 billion. EMEA contributes 9% to Lupin's overall sales.

The region offers significant opportunity for Lupin to grow its complex generics segment, especially with our unique range of long-acting injectables, biosimilars and inhalation products. In addition to our diverse generics' portfolio, Lupin has entered the EMEA Specialty segment with the neurology orphan drug NaMuscla®. NaMuscla® is our proprietary product prescribed for the symptomatic treatment of myotonia in adults with non-dystrophic myotonic (NDM) disorders, a severely debilitating neuromuscular condition. The company plans to comprehensively address Europe with this product before taking it to other geographies.

Europe

The pharmaceutical market in Europe is valued at USD 276 billion. The EU pharmaceutical market is expected to witness significant growth in the near future. In FY21, Lupin's business in Europe registered a growth of 4% with sales of INR 6,685 million. The key contributors of growth included portfolio expansion in Hormosan Pharma, our German subsidiary, new product launches, and scale up of NaMuscla® beyond UK, Germany and France. Recent organization wide optimization efforts at our German subsidiary Hormosan proved to be essential in navigating FY21 in a very challenging environment of COVID-19 and inherent government restrictions.

The business has taken major efforts to deepen digital engagement with Health Care Practitioners and adopt digital channels for promotion.

Effective January 2021, Hormosan entered into a co-promotion agreement with Tilray, the market leader for medicinal cannabis in Germany, to promote its portfolio of full spectrum extracts. Medicinal cannabis is complementary to Hormosan's pain therapy portfolio and will allow the company to provide attractive therapy options to German prescribers and patients.

In the UK, we continue to support reduction in HIV infection rates by maintaining our market leading position in the ARV segment. Negotiations for NaMuscla® reimbursement are ongoing, paving the growth path in existing markets while we continue exploring partnerships to expand our reach beyond the EU5 markets.

South Africa

The pharmaceutical market in South Africa is valued at USD 3.7 billion. While the market grew by 2.5% YoY, Lupin's South African subsidiary Pharma Dynamics registered a growth of 6.2% with sales of ZAR 1,295 million, driven by continued strength in our key segments, including Cardiovascular and Central Nervous System as well as the OTC franchise. The benchmark-pricing band structures being used by medical aid funding agencies have been driving prices down. Pharma Dynamics' compliance with the government's Broad-Based Black Economic Empowerment (BBBEE) policy that seeks to advance the economic participation of the black population in the economy, ensures continued access to our products and puts us in a preferred status.

We continue to work with the South African Health Products Regulatory Authority (SAHPRA) and received 19 product approvals in FY21. Pharma Dynamics was the fastest growing pharma company overall as well as in the OTC/CAMS segment in South Africa. The company also maintained its leadership in the CVS space, led by key brands including Amloc (Amlodipine), Fedaloc (Nifedipine) and Bilocor (Bisoprolol). The complementary medicines franchise and OTC segment was augmented by cough and cold brands, further fuelled by immune booster, EfferFlu product range.

Road Ahead

FY22 is poised to be a milestone year for Lupin's EU business as we prepare to launch our first inhalation product generic Fostair® MDI and continue the expansion of NaMuscla®.

Our growth in South Africa will be driven by our strong market position, a robust portfolio in the CVS space, and launch of new products in the CNS segment. In the backdrop of COVID-19, we have revisited our commercial approach and focused on de-risking our supply chain. We have built contingencies into our new product launches, focused on leveraging digital to market our products and connect with the customers, while accelerating our pace towards digital transformation.

Data Source: IQVIA MAT February 2021

Active Pharmaceutical Ingredients (APIs)

46%
market share in TB segment

9%
share of Lupin revenue

INR **13 billion+**
FY21 turnover

The API business at Lupin comprises both captive consumption as well as external sales, spread across 62 countries. This segment contributed 9% to the company's revenue in FY21 and accounted for INR 13,823 million in sales, up 6.3% YoY.

We have supplemented a strong in-line product portfolio with a development pipeline of new products across a variety of therapy areas. In FY21, we were proud to emerge as industry leaders for our key APIs, each of them exceeding revenues of INR 1.5 billion.

According to Global Market Estimates, the Indian API Market is expected to grow rapidly at a CAGR of 8.57% during the 2020 to 2026 phase.

The government of India has initiated strong measures to achieve broader self-reliance in this sector. Accordingly, we have set in motion a series of initiatives, including portfolio expansion and bolstering our API production capacities, to be well-aligned with the changing dynamics of the industry.

Our API business is further forward integrated into the Global Institutional Business (GIB) as well as the Principal to Principal (P2P) business. The former aims to eradicate high burden diseases such as Tuberculosis (TB), HIV and Malaria through partnerships with government agencies and organizations across the globe, while the latter entails the introduction of first-to-market products in India and other developing geographies.

Global Institutional Business — The Battle Against Tuberculosis

As one of the largest suppliers of first-line anti-TB finished product across the globe, our expertise in fermentation technology, which is required to manufacture products such as Rifampicin, Rifapentine and Rifabutin, enables us to be at the forefront in the battle against TB.

Six of our API manufacturing plants are prequalified by WHO and are aligned with global CGMP standards. In addition, our APIs as well as our formulations are prequalified by the World Health Organization (WHO) and are approved by leading regulatory authorities such as USFDA and SAHPRA (South Africa). Specific approvals by regulatory authorities in various countries in Africa, Asia and Latin America which are prone to TB enable us to be one of the largest supply partners of anti-TB drugs.

We consistently work towards strengthening our anti-TB portfolio by developing key solutions which are in line with the WHO guidelines and are recommended for the treatment of first line TB, multi-drug resistant (MDR) TB and latent TB.

Opportunity Landscape in ARVs

With an overall market size of USD 1.8 billion, we have made conscious efforts over the last 5 years to ensure that our antiretroviral (ARV) portfolio is extensive and evolves with the ever-changing landscape of medical treatment.

Our development pipeline, significant filings and select approvals, enable us to address the ARV segment comprehensively and provide solutions which are accessible and affordable to patients.

Facilitating Access to The Newest Molecules

By focusing on the development of new molecules and combinations which are attuned to the needs of the market, we make sure that our P2P business leverages our experience and expertise in API research and formulation development.

Aligned with this approach, we constantly work on strengthening our portfolio with unique new molecules and combination drugs.

Data Source: IQVIA MAT March 2021

An Integrated Approach to Risk Management

Insulating Against Disruptions

Risks are inherent to our business as our operating environment is complex, highly regulated, and dynamic. Identifying, analyzing, and responding appropriately to these business risks is important to attain our strategic growth objectives, thereby protecting the interests of our stakeholders and meeting legal requirements.

At Lupin, we have a well-embedded Risk Management Framework to ensure that we are well-placed to manage any adverse effect posed by financial, operational, strategic or regulatory related risks. Our framework adopts appropriate risk mitigation measures for identified risks across functions. A report on risk management is periodically presented to the Board committee responsible for risk governance. Some of the identified risks and our proposed mitigation strategies have been listed below.

Uncertainty Due to COVID-19

The COVID-19 pandemic has created uncertainty and many challenges. Lockdowns have impacted operations, supply chains including raw material supplies, logistical bottlenecks and dampened demand due to slowdown in marketing activities, limited access to healthcare services, fewer doctor visits and delays in starting new treatments. Despite this, pharmaceutical companies have adopted new ways of working to remain resilient and responsible to meet the global demand for medicines.

Our mitigation measures

With our effective business continuity plans and safety measures, our focus in FY21 was squarely on securing the well-being, health and safety of our people; developing and maintaining business continuity plans and supporting our communities. Right at the onset of the pandemic, we mobilized efforts and established strict COVID-19 protection and contract tracing measures for our employees to minimize disruption, especially at our research and manufacturing sites. A virtual workplace policy was announced for all non-site employees. We continue to monitor the situation, adapting our response to minimize the impact on employees, customers, and patients

Market Dynamics

Lupin's commercial prospects may be impacted by policy regulations such as bans on certain products or combinations, increased competition from new players, and the rise of e-pharmacies; which offer better pricing, lower transaction costs and convenience. Several risks are also posed by fluctuation in demand, volatile markets and changes in drug approval patterns or price erosion in due to customer consolidation.

Our mitigation measures

We continually invest in our commercial structure and processes and reshape our portfolio basket where opportunities are better.

- We assess our therapy-wise product mix and amend the product portfolio and pricing according to market needs
- Lupin aims to maintain a robust pipeline of high entry-barrier and complex products, which are relatively insulated against price erosion
- We leverage our sales force to build strong relationships with distribution partners to be their preferred choice

Financial Risks

In course of its business, Lupin is exposed to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity, and credit risks.

- **Tax Risk:** Tax risks and exposure can be associated with specific transactions undertaken by us, including associated compliance risk.
- **Forex Risk:** Lupin has more than two-thirds of its revenues from exports/sale in entities outside India; hence, the company is exposed to forex risk arising out of a good part of its sales and operating expenses being denominated in currencies other than INR.

Our mitigation measures

Lupin has a well-diversified liability profile and we raise funds from domestic and international markets. We consistently work towards increasing our debt maturity and opportunistically tap into pools of liquidity to reduce our financing costs.

- **Tax Risk:** All tax liabilities due under the law are correctly recorded, accounted and paid for. We ensure:
  - Maintaining cooperative relationships with tax authorities
  - Having strong internal tax team
  - Having strong technical support for tax positions, including opinions from external experts
  - Maintaining strong compliance procedures ensuring accurate and complete tax returns, including robust and well documented transfer pricing documentation
- **Forex Risk:** Our forex strategy for the short, mid and the long-term through appropriate forecasting and hedging tools helps us to minimize forex volatility.

We manage our transaction risks by using forward contracts and options. We manage our economic risks by following developments in our geographies of interest closely and initiating checks and balances in geographies exposed to instabilities.

Safety and Product Quality

Quality requirements for Lupin are rigorous across our entire supply chain. Our complex technical manufacturing processes and product specifications increase the inherent risk of quality deviations and batch rejection. Additionally, failure to comply with CGMP regulations at any of our production sites or for any product can impact the regulatory certifications of our sites or pose risk for our patients. Most of our sites are approved by regulatory authorities such as the USFDA, UK MHRA, Japan's PMDA and the WHO amongst others, and any adverse finding during inspections impacts our ability to successfully execute our pipeline and manage our reputation.

Our mitigation measures

Our Pharmacovigilance function monitors and manages the safety of all our products using robust systems and processes to monitor manufacturing standards in compliance with CGMP and other regulatory requirements. Our Quality team conducts internal and external audits to ensure adherence to high-quality standards.

- We have launched a Global Quality Action Plan that ensures that our sites remain in an acceptable state of compliance and are 24x7 audit ready
- Emphasis on product life cycle management to ensure product quality
- Pharmacovigilance team tracks any incidence of adverse event caused by any Lupin medication and ensures that the company addresses it
- Lupin ensures timely recalls of any product flagged by a regulatory authority or through its internal assessment for any defect or failure to meet specification standards

Cyber Security & Data Privacy

Lupin's information protection risk is one of the principle enterprise risks. An attack on a company's IT systems or non-compliance with data privacy laws can lead to loss of critical business intelligence, financial loss and loss of reputation. The relevance of this risk has been made even more acute due to COVID-19 requiring office-based workforce moving to a work-from-home model. Information security risks have increased because of malicious emails and malware.

Our mitigation measures

While COVID-19 presented significant threats and challenges, it also created opportunities to advance the security of the company.

- Lupin has implemented an effective cyber security infrastructure to protect against data loss and malicious attacks. It continuously monitors the effectiveness of its existing systems to identify and address security gaps. From an infrastructure and security point of view, state-of-the-art solutions such as EDR, ThreatIntel, Zero Trust solutions, different networking solutions, Microsoft O365 package, AntiVirus and Cloud offerings like Azure and IBM/HPE/Dell have been deployed for the company's servers and laptops.
- Continuous employee education campaigns and online certification programs are carried out to foster a cyber-security mindset.
- Lupin has a mature Information Security compliance process in place and is certified at ISO 27001:2013 standard of Information Security Management Systems. We have an SOC team assessing Security risk round the clock both at perimeter level and endpoint level. A Zero Trust based architecture has been implemented at Lupin for VPN and Internet Gateway Solution, ensuring that security is not compromised even when users are working from remote locations.

Environmental Health and Safety

Environmental Health and Safety regulations have increased and are likely to become more stringent. There is growing activism and awareness surrounding EHS regulatory compliances. At Lupin, managing these impacts and educating our stakeholders about our approach to environmental stewardship is important.

Our mitigation measures

At Lupin, managing these impacts and educating our stakeholders about our approach to environmental stewardship is important.

- We ensure all legal compliances in India with the mandates of the governing legislations all the time. We have also adopted risked based approach to identify the EHS risks associated with our activities and efforts are initiated to review and upgrade the established controls periodically.
- As a part of our Extended Producer's Responsibility, we are creating new opportunities for recyclable packaging of inhalation products. This will also provide us a competitive advantage in the market.

Supply Chain Risk

Supply chain risk for Lupin is two-fold – in securing supplies of APIs and other key starting materials for our own production and in maintaining consistent supply of final products to our global customers. Delays might occur at manufacturing sites or in logistics, leading to challenges in procurement of ingredients and components as well as dissemination of our final products.

Our mitigation measures

- Lupin has approximately 30% dependency on external manufacturers for its API requirements with the rest being met by our own API manufacturing sites.
- Additionally, we ensure continuity of API supply for high-value products by engaging alternative API suppliers for critical products, stocking for buffer supplies and supply chain modelling to anticipate disruptions.
- Strategic investments in business intelligence, reporting and forecasting systems have enabled us to build a resilient global supply chain and ensure high service level across markets.

Pricing Risk

Being a global manufacturer and seller of pharmaceutical intermediates as well as finished products, Lupin is exposed to pricing risk both as a buyer and seller. Concentration of raw material procurement to a few suppliers may lead to unfavorable and unethical price setting by suppliers, thereby eroding financial margins and affecting competitiveness. The emergence of large buying groups combined with the influence of managed care organizations could lead to increased competition amongst companies and enhanced price risk.

The consolidation and integration of drug wholesalers, retail drug chains, private insurers and other entities have resulted in these groups gaining an advantage in terms of purchasing leverage which increases product pricing pressures for the industry. As a pharmaceutical company also selling Specialty products in the US and EMEA region, Lupin faces downward pricing risk as governments and legislations aim to lower the price of prescription drugs.

Our mitigation measures

- Engage in long-term supply contracts with suppliers of APIs and critical raw materials to hedge from price fluctuations
- Set strategic price setting of novel drugs in order to cover the effort and scale of the R&D effort
- Put increased focus on manufacturing generics and complex generics for large markets like the US, thereby offering affordable therapy to patients

Ethical Conduct Risk

There is a plethora of ethical issues in the pharmaceutical industry. These can relate to product pricing, affordability of medicines, counterfeit drugs, transparent disclosure, marketing restrictions, advertising, clinical study design, drug safety, advertising, and so on. There are also issues pertaining to the ethical conduct of employees surrounding corruption, bribery, corporate behavior, and fair dealings with all stakeholders. Any damage to Lupin's reputation will compromise our ability to execute our core business operations.

Our mitigation measures

- Run engagement programs with medical practitioners and consumers on the appropriate use of our products
- Train all members of the field force in ethical marketing practices and risk and compliance regulations
- Maintain stringent compliance to pharmacovigilance to ensure that all aspects related to adverse impacts of products are monitored and reported
- Strong internal audit mechanism to track and report any non-compliant practice in Lupin's manufacturing locations
- Highest standards of corporate governance to enforce ethical corporate behavior within Lupin and guidance for JV partners, vendors, suppliers and contractors through our Code of Business Conduct and Ethics, P.L.E.D.G.E., Whistleblower Policy, and Prevention of Workplace Sexual Harassment
- Continuous internal and external monitoring of issues that may impact Lupin's reputation and create potential risks

Stakeholder Management Risk

Failure to identify critical stakeholders, understand their needs, expectations and concerns, their bargaining power and strategic relation to Lupin may lead to risks in realizing project outcomes, loss of social license to operate, and legal action against Lupin in the geographies we operate. This may arise due to a lack of communication with stakeholders or the inability to identify and assess stakeholder concerns in a timely manner.

Our mitigation measures

- Robust and customized stakeholder engagement for our diverse category of stakeholders such as regulatory authorities, industry associations, vendors, customers, local communities and civil society activist groups
- Our decision making takes stakeholder demands, concerns and expectations into account
- Undertake regular interactions with key stakeholders to identify unmet demand, the information derived from which often helps our teams to select products for our pipeline
- Undertake diverse social responsibility initiatives including the establishment of community partnerships and development initiatives

Materiality Assessment

Redefining Priorities to Deliver Sustained Value

At Lupin, we firmly believe that the identification and integration of ESG aspects which are important for our stakeholders, enables us to build a resilient and sustainable organization.

An ESG materiality assessment was conducted in the current financial year to understand stakeholder expectations, concerns, and interests, including risk factors that may impact our operations.

Stakeholder Engagement

As a global pharmaceutical company with a diverse set of stakeholders spread across geographies, we consistently engage with our stakeholders to explore opportunities for collaboration to enhance our core capabilities and create shared value.

This allows us to understand each stakeholder's expectations, and approximate emerging risks, thereby leading to efficient decision making within the organization. We believe that stakeholder engagement is critical to build trust within the organization and also encourages a culture of knowledge sharing and continuous learning.

At Lupin, we adopt different approaches to connect with our stakeholders, often through face-to-face interactions at offices, industry associations, public events as well as informal feedback sessions. Whilst the onset of the pandemic limited in-person exchanges, we have ensured alternative channels of communication by leveraging online means.

Materiality

We conducted our first materiality assessment during the current FY. The ESG material topics, identified by our stakeholders, were further validated by the leadership of Lupin, who prioritized these material topics for our business strategy.

The first phase of the materiality assessment involved the identification of key material topics relevant to Lupin. The topics were distinguished through an evaluation of industry megatrends and an assessment of the potential risks and opportunities for our business in the short to medium term. Additionally, relevant materiality topics for the Healthcare and Pharmaceuticals sector were referenced from international sustainability disclosure frameworks such as the Sustainability Accounting Standards Board (SASB) and the Morgan Stanley Capital International (MSCI) Index.

After the initial screening of these topics, we conducted a prioritization exercise with the senior leadership of the company and business function heads. Drawing from the outcomes of the exercise, a 'priority matrix' was developed to categorize the topics based on their importance to Lupin.

We believe that the outcomes of this endeavor will guide us in redefining our ESG priorities and will also be fundamental to define the direction of the business strategy in the short to medium term.

Our Material Topics

The high priority ESG aspects have been mapped against the six capitals of the <IR> Framework. This is essential to estimate the impact of these material topics to our value creation process.

The high priority ESG material topics for Lupin and our external stakeholders are provided below:

ESG Themes	Key material topics	Priority	<IR> capital linkages
Governance	Corporate governance • Business ethics • Enterprise-wide risk management • Business integrity • Tax strategy		Financial capital
	Regulatory compliance		All 6 capitals
	Transparency and reporting		All 6 capitals
	Data privacy for employee, supplier, customer and patient/consumer data		Social and relationship capital
	Data integrity		Manufactured capital
	Cybersecurity		Manufactured capital
	Pharmacovigilance		Intellectual Capital
Product and customer	Consumer and patient safety		Social and relationship capital
	Counterfeit products		Manufactured capital
	Responsible pricing Enhanced availability, accessibility and affordability of medicines		Social and relationship capital
	Focus on R&D • Product innovation/innovative medicines		Intellectual capital
	Responsible sales and marketing of products		Manufactured capital
Employment practices	Protection of human rights		Human capital
	Occupational health and safety		
	Human resource development		
Environmental performance and climate change	Waste management • Management of operational and consumer waste • Recycling		Natural capital
	Water management • Water consumption • Manage water scarcity and water stress • Water management across the supply chain		
	Energy consumption and efficiency		
	Physical impacts of climate change		
Supply chain management	Sustainable sourcing		Natural Capital, Social and relationship capital
	Social, environmental and economic standards in our supply chain		

Priority: High priority for both internal and external stakeholders; High priority for external stakeholders; High priority for Lupin

Our Value Creation Model

INPUTS

Financial Capital

Preserving shareholder value through strategic investment in R&D, capex and modernization

Manufacturing Capital

Achieving operational efficiency by investing in world-class equipment and technologies

Intellectual Capital

Capitalizing on our diverse skill set and knowledge base to achieve our goals for growth and development

Human Capital

Uplifting our employees to live up their potential while aligning then with the vision of the company

Social Capital

Empowering communities by giving back and providing them with opportunities of value creation

Natural Capital

Respecting the delicate balance of the relationship between the natural environment and human economies

OUR BUSINESS

Research

Generic Research
New Chemical Entity Research
Biosimilar Research

Improving Health Outcomes

Affordable and accessible healthcare for all
Enriching patient lives
Engagement with medical practitioners

Manufacturing

APIs
Formulations

Quality and Compliance

Global Quality Action Plan (GQAP)
Quality First

As a leading transnational pharmaceutical company, we play an important role in contributing to the health and well-being of people. Our sustainable business model creates long-term value for our key stakeholders.

OUR VALUES: INTEGRITY TEAMWORK ENTREPRENEURIAL SPIRIT

OUTPUTS	OUTCOMES
Net revenue from operations (including other operating income) - INR 151,630 Mn Dividend - 325% Diluted earnings per share - INR 26.72	Consistent return on capital employed owing to prudent investment decisions
Total Capital Expenditure - INR 6,276 Mn Introduction of digital innovations such as EBPR, LIMS, C-DAS	Energy consumption optimization Efficient storage and minimization of human errors
7 R&D centers with a total investment of INR 14,324 Mn 886 active patents | 36 patents secured in FY21	High focus on generic medicines in both chronic and acute segment Strong intellectual property protection through robust IT systems
Expenditure on Employee Benefits - INR 28,259 Mn L&D Expenditure (India) - INR 7.5 Mn	Encouraging a diverse, challenging, rewarding and inclusive environment that enables the growth and development of our employees
CSR expenditure on initiatives for 'Women Empowerment' - INR 8.3 Mn Sales professionals marketing our products across geographies - 8,000+	Patients and their families - Improving quality of life for patients by providing affordable high quality medicines. Healthcare providers - Better disease control and more treatment alternatives. Community - Contributing to society through engagement and provision of socio-economic stimulus.
GHG emissions abatement - 9,775 tCO2e Renewable energy consumption increased from 10.3% to 12.2% from FY20 and FY21 Paper savings by removing wallet card in oral contraceptives - ~200 tons	Reduction of carbon footprint and lower dependency on fossil fuels | Recovery of 742,179 Kilo litres of water

Through our current actions and initiatives, we have been able to map the tangible outcomes of each capital to 11 unique United Nations Sustainable Development Goals (SDGs), out of a total of 17 SDGs. In the coming years, we will formalize our impact assessment using the impact metrics prescribed by the SDGs.

Commitment to resilient and responsible results for all our stakeholders

CFO's Letter

Dear Shareholders,

As the COVID-19 pandemic rages on in different parts of the world at varying intensities, Lupin has been at the forefront of augmenting the delivery of critical healthcare services by ensuring uninterrupted supply of life-saving drugs. This period of enduring crisis has driven us to redefine our purpose and vision, and we are committed to providing global communities with access to quality healthcare at affordable prices, safeguarding the health and well-being of our people and supporting the communities we operate in. The inherent strength and resilience of our business model has yet again allowed us to navigate the challenging business environment and remain relevant in these challenging times.

It is my great pleasure to present Lupin's first Integrated Report (IR) to you. We firmly believe that our value proposition serves a larger purpose and apart from reporting on our financial performance for our shareholders, this year we have started to articulate our impact across the six resource capitals of the Integrated Reporting <IR> framework. The journey of transition to the <IR> framework has been one of self-discovery for Lupin and the Environment, Social and Governance (ESG) materiality assessment has allowed us to reassess our priorities across the ESG aspects relevant to our stakeholders. This year's IR marks the beginning of a new era in Lupin's commitment to transparent and fair disclosure of our ESG performance, and compliance to the Securities and Exchange Board of India's (SEBI) conceptual shift towards a more holistic reporting paradigm.

Our Performance in FY21

EBITDA acceleration continued through FY21 led by new launches, cost optimization and restructuring. This period has been marked by 15 launches in the US market. The sequential uptick in our US generics business has been driven by Albuterol and other new launches, notwithstanding demand disruption in our seasonal products. With respect to our Inhalation and Biosimilar portfolio, we have successfully launched our first inhalation product, gProAir HFA (Albuterol sulfate) in the US. We have also expanded our Women's Health product portfolio in Canada through partnership with Endoceutics to commercialize Intrarosa. We continue to partner with Mylan to expand access to biosimilar Etanercept across EU. In the EU territories, we have also signed distribution agreements for our orphan drug Namuscla®.

In the Indian Pharma Market, we maintained our 6th rank, and the year was characterized by 26 brand launches across the Cardiac, Anti-diabetic, Respiratory, and Immunomodulator therapeutic segments. We have entered a consortium for enhancing digital infrastructure, which will benefit all our stakeholders and further the National Digital Health Mission (NDHM) vision, thereby enabling access to genuine medicines and enhanced user experience for patients.

In FY21, revenues from our API business registered a growth of 6%. We maintain our strong leadership status in the anti-TB institutional business category.

Manufacturing and Quality

Our manufacturing facilities continue to be our greatest assets in producing cost-effective world-class drugs. Strategic investments in several projects to increase automation, have ensured lower incidence of defects and helped us maintain a competitive edge in manufacturing. Such initiatives will be rapidly scaled up across our manufacturing facilities.

Our focus on 'Quality First' and our Global Quality Action Plan ensures the highest degree of internal controls, which ultimately prepares our sites to excel during regulatory audits. 9 of our 15 sites are USFDA inspected. As a testament to our efforts, we have received six Gold Awards and one Silver Award at the Quality Circle Forum of India (QCFI) for various improvement projects implemented at our manufacturing sites.

Supply Chain Management

Our investments in building a global supply chain leveraging business intelligence, reporting and forecasting systems have helped us ensure business continuity, even in the times of the pandemic. We have been committed to ensuring uninterrupted supply of our life-saving drugs. We continue to closely monitor our supply chain dependence on individual suppliers and mitigate risks by ensuring buffer stocks of raw materials and diversified procurement through long-term contracts with multiple suppliers. This is necessary to ensure uninhibited supply of finished products to our customers located in over 100 countries.

Building for the Future

We are sharpening our focus on making a measurable impact in everything we do. Cost reduction in the generic industry is imperative given the constant price erosion. Whilst accelerating strategic cost reduction, we have been going beyond traditional measures and with an eye towards the future, are focusing on digital tools to increase productivity and lower costs across the entire value chain. We have laid out an elaborate digital road map straddling manufacturing, quality, supply chain and R&D that will help in developing new value propositions that will boost effectiveness and efficiency across the organization. Digital innovation and technologies so employed will embrace development of deeper channel partner and customer insights. This will also usher in an era of continuous monitoring of returns from both capital and revenue expenditure.

The Road Ahead

Between FY21 to FY23, we are accelerating delivery of our global inhalation portfolio and our biosimilars pipeline, while continuing to strengthen the world-class R&D capabilities at our 7 R&D sites. Our focus will be on increasing the proliferation of our products through our commercial capabilities, driven by our marketing offices in 23 countries.

Despite the challenges posed by the COVID-19 pandemic to our manufacturing operations and global supply chain, we are optimistic that the business environment will comprehensively improve, and the global macroeconomic environment will mark a gradual return to normalcy. We will continue to consolidate our strong market position and focus on driving accelerated growth in FY22 by being at the forefront of addressing patient health and well-being.

Ramesh Swaminathan
Executive Director,
Global CFO and Head Corporate Affairs

Financial Capital

Investing in Tomorrow with Strategy and Prudence

17 PARTNERSHIPS FOR THE GOALS

The emergence of COVID-19 made FY21 one of the most extraordinary periods of our generation. However, our efforts in the past to achieve optimal capital structure helped us stand in good stead and enabled us to be resilient despite extraordinary disruption. Despite pressures, our financial performance remains strong, built on a platform of solid business fundamentals, a strong balance sheet and conservative gearing. We have endured and adapted to the 'new normal'. We remain committed to disciplined capital management by allocating capital to value creating strategic initiatives.

Our management of Financial Capital focuses on enhancing shareholder value by maintaining a healthy bottom line, coupled with judicious investments in research and development, capital expenditure and modernization through adoption of new technologies, and continued cost optimization. This has helped us achieve balanced value creation for all our stakeholders and ultimately serve our purpose of proliferating high-quality, accessible and affordable healthcare for all.

Being in a sector which is subject to strict scrutiny and statutory regulation, we are compliant to all provisions as prescribed. We uphold the highest standards of transparency and ensure that all relevant data is available on government portals and all transactions are reported in a timely manner.

Financial Highlights

Our financial performance for FY21 is presented below. A detailed account of our financial performance can be found in the standalone and consolidated financial statements, presented subsequently in the Integrated Annual Report.

- Consolidated sales (from continuing operations) of INR 149,270 million in FY21 compared to INR 151,428 million in FY20; a decrease of 1.4%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) from continuing operations was INR 27,032 million; 18.1% of sales
- Profit before Tax (PBT) before Exceptional items (from continuing operations) was INR 16,751 million; 11.2% of sales
- There was no exceptional item for the year
- Net Profit before Exceptional items (from continuing operations) was INR 12,165 million in FY21, compared to INR 9,088 million in FY20; growth of 33.9%
- Net Debt as on March 31, 2021 stands at INR 6,626 million, compared to INR 15,118 million as on March 31, 2020
- Net Debt-Equity for the company stands at 0.05:1 as on 31 March 2021 compared to 0.12:1 as on 31 March 2020
- Board recommended a Dividend of 325% for FY21
- Current ratio in FY21 stood at 1.7, similar to that of FY20
- Interest coverage ratio in FY21 stood at 15.5, compared to 5.5 in FY20

Cost Optimization

With the changing dynamics of the generics market, we believe that cost optimization and prudent capital allocation will continue to be key business imperatives. We aim to continue creating a leaner and more efficient organization. Over the past year, we have made significant strides in our cost optimization initiatives encompassing value engineering, procurement efficiencies, workforce planning and R&D productivity. However, input price rises on other products and sales mix changes eroded visibility of these measures, to some extent. These initiatives have, however, created a strong foundation and our cost optimization momentum will continue with increased rigor in the future.

Introduced in FY20, Lupin's Project Inspire has led to significant reduction in resource footprint and waste generation, while at the same time providing Lupin with cost savings.

As a result of the Finance Transformation project that was launched in June 2018, the Finance Shared Service Center (SSC) project aimed to transform the delivery model of the Finance & Accounting functions at Lupin. All finance processes across locations, which had a potential for centralization, were transitioned to a new facility at Airoli in Mumbai, India. This has allowed Lupin to reap the benefits of:

- Cost savings through workforce optimization
- Operational excellence through adoption of best practices, automation, and process standardization
- Standard, touch-free invoice processing, and
- Productivity improvement through Robotic Process Automation

Capital Expenditure

We continued to invest in upgradation of our existing manufacturing facilities to aid efficiencies as well as build capacities to meet future demand. We continue to invest ahead of the curve and have made significant enhancements to our Biosimilar and Inhalation facilities. We invested INR 6,276 million toward Capex requirements during the year for various initiatives for increased automation, digitization, and energy savings. These have further been elaborated in the section on Manufacturing Capital.

Manufacturing Capital
Manufacturing Excellence in Action

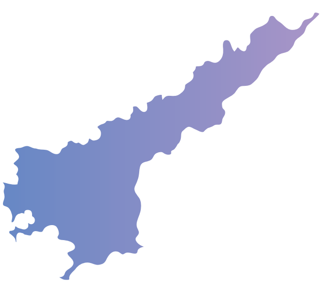
At Lupin, our manufacturing philosophy is strategic yet simple: we drive continuous improvement and innovation to produce high-quality, affordable medicines, enhancing healthcare in over 100 countries, while ensuring the safety and health of our employees.

With a global footprint of 15 manufacturing sites spread across India, the United States, Brazil and Mexico, our manufacturing operation is at the core of our business, helping us realize our purpose to be an innovation-led, transnational pharmaceutical major. We have world-class manufacturing facilities, state-of-the-art technologies as well as a truly global supply chain, which help us deliver affordable and superior quality products worldwide. In a constantly evolving landscape, our focus is on strengthening our manufacturing competencies while improving efficiency and productivity to ensure that the highest standards of quality are retained.

To comply with the stringent global regulatory requirements governing the pharmaceutical industry, our facilities are periodically inspected and audited by regulatory authorities as well as our customer and third-party consultants. We have also established a robust internal audit mechanism as well as detailed Standard Operating Procedures (SOPs), which are defined under our Quality System to ensure compliance and regulatory adherence. In addition to our internal processes, our manufacturing facilities are aligned with the best global practices to ensure the efficient transfer of inputs into our plants and timely output of products to our customers. All our global facilities remain compliant to applicable Current Good Manufacturing Practice (CGMP) standards.

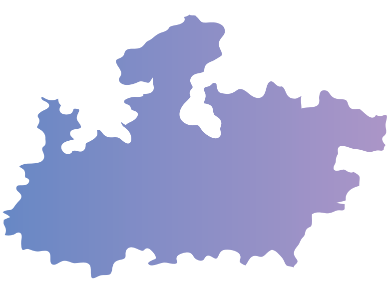
After an independent and rigorous audit by an external third-party, Lupin received the prestigious International Sustainability Rating System (ISRS), 8th edition certification for four of our critical sites located in Mandideep, Tarapur, Ankleshwar and Dabhasa. Lupin continues to be the only pharmaceutical company in the world to have attained Level 7 certification for three of its facilities. This certification is strong endorsement of the practices that have been adopted with regards to Risk Management, Safety, and Sustainability at our manufacturing sites.

Site Highlights:



New Pyrazinamide API block at **Vizag** has been commissioned

Facility in **Sikkim** has been expanded to augment production capacities



New facility for High Potent products at **Indore** has been set up

A new state-of-the-art facility for MDI & DPI Inhalation products at **Indore** has been set up

The project work for the multi-fold expansion of our Biotech Drug Substance facility in **Pune** has been completed

We strive for excellence in our manufacturing operations and we deploy the highest standards of Risk Management, Safety, and Sustainability at our sites. By 2025, we will ensure that we receive the ISRS certification for all our API sites and one of our Formulation sites.

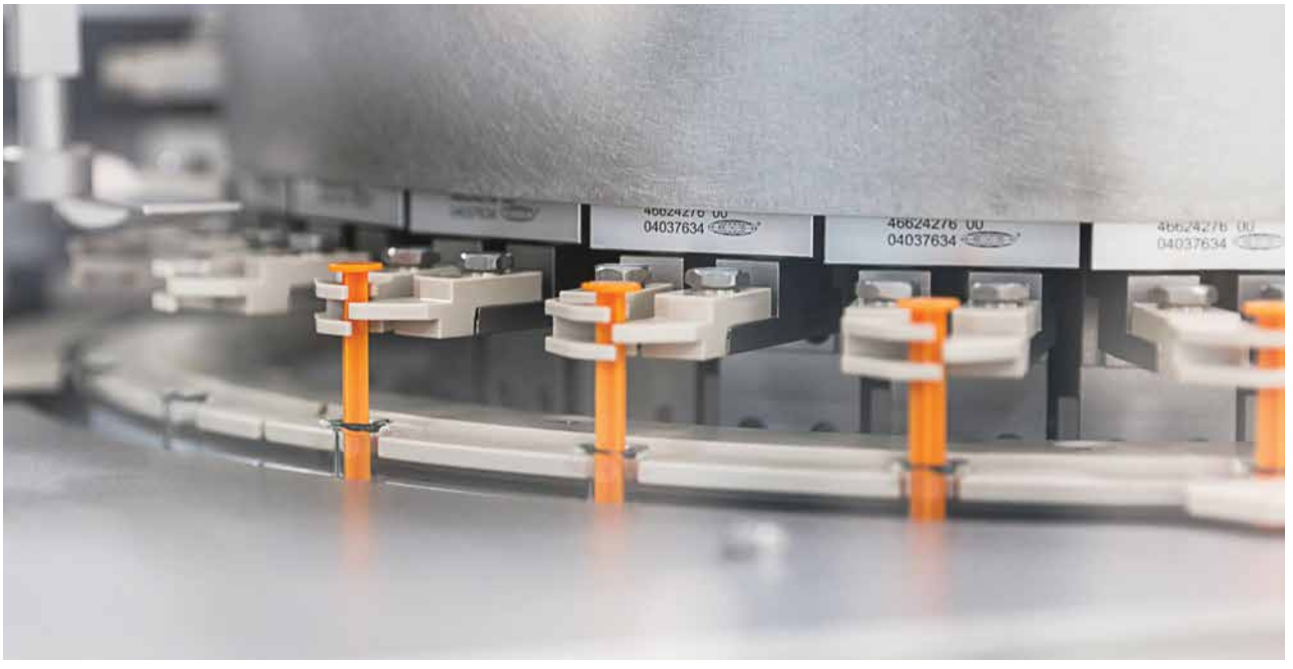
Achieving Energy Efficiency

We are committed to improving our operational efficiency and are cognizant of our responsibility to reduce our environmental footprint. To optimize our energy consumption, we have deployed waste heat recovery systems in the boilers at our facilities in Ankleshwar, Tarapur and Pithampur. Further, we are exploring opportunities to increase the consumption of cleaner fuels such as agri-waste biomass briquettes, natural gas, and fuel additives to improve the efficiency of combustion in our boilers. The extent of our Greenhouse Gas (GHG) savings realized through these initiatives have been quantified in the section on Natural Capital.

Embracing Automation

At Lupin, we continue to invest in our manufacturing facilities to enhance the efficiency and effectiveness of our processes.

- **Metal Detectors:** To avoid contamination by foreign particles in our APIs, we installed a metal detector in one of our streams at Tarapur. After observing the impact of the installation, 14 such detectors were imported and deployed across other manufacturing streams.
- **Automatic Duct Cleaning Systems:** Powder residue in the ducts of fluid bed dryers is a potential source of contamination in Formulation plants. In order to mitigate this risk, we installed automatic duct cleaning systems across our facilities.
- **Auto Storage and Retrieval System:** At our facility in Nagpur, we have commissioned an 'Auto Storage and Retrieval System' for WIP materials, which ensures a fully automated mechanism with minimum intervention. This has enabled us to derive benefits of efficient storage and retrieval of material in WIP and minimize human error.
- **Automatic Bin Washing System:** At our facility in Nagpur, a segregated and centralized 'Automatic Bin Washing System' has been installed to handle cleaning of bins and containers. This ensures efficient cleaning of potential contaminants and is a resource efficient method of handling cleaning.
- **360-Degree Tablet Inspection:** In order to achieve our aspirational goal of zero defects in our products, we have deployed digital systems, which provide a holistic 360-degree inspection of tablets manufactured. This artificial intelligence enabled, camera-based system captures defects such as broken tablets, black spots as well as color variations and segregates these to ensure that only the products that meet all quality specifications are released to market. This machine has been installed in one of the packing lines at our plant in Nagpur and will be commercialized for use in other plants as well.



Digitizing for a Future-Ready Shopfloor

While almost every industry in the world has benefited from the adoption of automation and technology, it holds special value to our industry as the possibilities are virtually limitless.

Our digital and analytics transformation journey was launched with Project ADAPT (Accelerated Digital & Analytics Performance Transformation) in early March 2020, with a focus on:

- Deploying high-potential Digital and Analytics (DNA) use cases across departments
- Building a digital-native organization with at-scale DNA capabilities and effective change management to scale up interventions across the network
- Driving tangible performance improvement to deliver value

With the first phase ongoing at our Goa and Tarapur sites, the program will cover our Nagpur and other sites in the coming years.

Way forward

Our focus on the Health and Safety of our employees is evidenced in our commitment to a 10% year on year reduction in the Lost Time Injury Frequency Rate (LTIFR), Severity Rate, Accident Frequency Rate, and Incident Frequency Rate, taking FY20 as the base year. We continue to monitor these KPIs and ensure the highest degree of compliance to regulations as well as our stringent internal SOPs to prevent occurrence of unforeseen events.

Reinforcing Biotech

Lupin is actively expanding its manufacturing base to meet global demands for its diverse and complex products. Over the years, we have transitioned from an oral solids heavy portfolio to including much more complex generics such as injectables, biosimilars, and inhalation products. Apart from our 2 X 1000L current mammalian facility, we have additionally commissioned a new 3 X 1000L manufacturing facility in FY21 and have already commenced production of Etanercept Biosimilar in this new facility in FY22. This facility has accreditation from local FDA and will subsequently undergo regulatory inspections by the European Medicines Agency and Japanese PMDA authorities to obtain approval to supply commercial material. Our Biotech site at Pune is also expected to face its first audit from the USFDA in the FY22 for its microbial facility.

Unlocking Digital Innovation

We are conscious that Lupin needs to stay ahead of the curve by investing in cutting-edge technologies to create better efficiencies that enhance profitability and provide a competitive edge. We have introduced the following automated processes, which strengthen our systems and minimize errors to produce the highest quality of products:

- **Electronic Batch Process Record (eBPR):** The eBPR is a system that stores batch-wise data associated with operators, manufacturing process, equipment, materials, and supplies that are used to manufacture a product. It helps reduce paper consumption as well as improves data integrity and accuracy by streamlining processes and operations. It is currently implemented in our Nagpur plant and will be expanded to our plants in Goa, Pithampur and Aurangabad in the next 2 years.
- **Laboratory Information Management System (LIMS):** LIMS improves lab productivity and efficiency by keeping track of data associated with samples, scientific data and experiments. It standardizes and automates workflows, reduces human error, and increases efficiency. The implementation of this system is in progress at our Nagpur plant and the aim is to expand it to all remaining plants across the country in the next 2 years.
- **Central Data Acquisition System (C-DAS):** The C-DAS reads the electronic data directly from manufacturing and packaging equipment and stores it in non-editable and tamper- proof software. It ensures the compliance and integrity of the data and reduces the level of human intervention in data management and traceability. This system has been implemented at our Nagpur site, Mandideep API site and Goa sites.

Enhancing Quality

At Lupin, Quality is a way of life that is driven by rigorous discipline, unfailing checks, and unwavering commitment. Our operations are guided by our Quality Policy and we take pride in maintaining and monitoring it at every stage of our processes. We have an established Corporate Quality Assurance (CQA) function, which links our research and manufacturing verticals, ensuring a standardized common quality system and guarantees consistency, effectiveness and efficiency while manufacturing APIs and formulations at all our sites.

Our 'Quality First' mandate is a critical regulatory compliance check, which considers every strategic imperative for re-examination and re-evaluation, thereby improving our core manufacturing operations and aligning them with our aspirations. The 'Quality First' program constitutes a set of values that act as guidelines to create a culture where we strive to provide the best 'quality' output. The purpose of this program is to make an orbital change in our procedures, investigation methods, corrective action plans, training effectiveness, and product robustness.

As a part of the 'Quality First' program, the Process Development Lab (PDL) along with the Operational Excellence (OPEX) team has initiated the development of a framework that can evaluate the robustness of our products and provide insights on areas of improvement. This is primarily done to enhance the quality of our products, using the 'Six Sigma' methodology. Under this process, we have taken up more than 50 molecules for improvement. The 'Six Sigma' process provides Lupin with the tools to improve the capability of our production processes by increasing performance, improving profits, and eventually, boosting the quality of our products. We have successfully completed 28 projects by achieving the desired 'Six Sigma' level of quality, and work is in progress to achieve the same level of quality in the other identified projects.

We have also initiated the World Class Labs program, which targets to bring Quality Control in our laboratories to a high Sigma level of quality in invalid Out-of-Specification results as well as laboratory incidents. After a pilot, these solutions are now being cross deployed in all our other labs.

Under this program, a number of process innovations have been identified and implemented, including regrouping of various subsections of our Quality Control laboratories, column performance improvement, communication error reduction by implementing the learnings from OEMs and software upgradation, reduction in inadvertent errors by lab analysts. The program also encompasses reducing movement in the lab through appropriate division of labor and efficient systems which aid in allocating glassware and chemicals, thus allowing analysts to focus on their critical tasks.

We also have a 5S program underway. In the upcoming fiscal, all labs are targeted to be brought to 3S level and upon achievement of this, Lupin will focus on getting them to 5S.

We are aware that our analysts are the key for success of our World Class Labs program. A detailed plan has been developed in partnership with HR focused on fostering learning and training, and implementation of a reward and recognition program — Lupin Quality Excellence Awards — for high performing individuals who achieve quality improvement.

Strengthening our systems on quality, is a continuous process. To achieve this, we prepared a Global Quality Action Plan, a holistic approach, which takes into consideration the entire cycle of a quality process, right from recruiting to driving global standardization under a single quality system across all our manufacturing entities.

With over 2,600 professionals in Quality alone, we are constantly engaged in developing and implementing policies that ensure compliance with global regulatory standards. At Lupin, we truly believe that upholding regulatory and compliance norms is the true enabler of superior quality, and acts as a critical differentiator.

Manufacturing capacities

API Manufacturing

Plant	Description	EHS	Regulatory Approvals	Capacity
Mandideep Unit 1	Dedicated Cephalosporin API facility	ISRS level-7 for EHS management	ANVISA, COFEPRIS, WHO, USFDA, EDQM, TGA, KFDA	1,300MT
Mandideep Unit 2	Manufacturing site of Cardiovascular ACE Inhibitor APIs	ISRS level-7 for EHS management	USFDA, TGA, PMDA	200MT
Tarapur	Fermentation and Chemical synthesis based multi-product API manufacturing facility	ISRS level-7 for EHS management	WHO, GMP (India), WHO Geneva, USFDA, CDSCO, USFDA, Russia MOH, PMDA, Japan, ANVISA, COFEPRIS, TGA, MHRA, KFDA	1,449 MT
Vizag	Multi-product API manufacturing facility		USFDA, WHO Geneva, MFDS Korea, CDSCO	357 MT
Ankleshwar Unit 1	Dedicated Cephalosporin intermediate and API manufacturing facility	ISRS level-7 for EHS management	TFDA, KFDA, EDQM, USDMF	1,800 MT
Ankleshwar Unit 2	High volume API & intermediates manufacturing facility	ISRS level-7 for EHS management	WHO, EDQM, MHRA, ANVISA, TGA, Ukraine, Russia, IDA China, TFDA	1,400 MT
Dabhasa	Multi-product API manufacturing facility	ISRS level-6 for EHS management	USFDA, TGA, KFDA, Indian FDA	500 MT
Pithampur Unit 1	High potent, Hormonal APIs Facility		USFDA, MHRA, CDSCO, WHO Geneva, Ministry of Industry and Trade of the Russian Federation	1.5 MT
Pune	Dedicated Mammalian biosimilars manufacturing facility		EMA, PMDA, ANVISA, Taiwan, TGA, Thailand, India	5* 1,000 Litres
Pune	Dedicated microbial biosimilars manufacturing facility		COFEPRIS, Thailand, India	100 Litres

Formulation Manufacturing

Plant	Dosage	Description	Regulatory Approvals	Capacity
Mandideep Unit 1	OSD	Oral solids (tablets/capsules/ dry powder suspension) manufacturing facility for Cephalosporin products	ANSM ,USFDA, Russia MOH, CDSCO, Kenya FDA, Philippines FDA, TGA	0.9 billion units
Pithampur Unit 1	Oral Contraceptives	Dedicated Oral solid Contraceptive manufacturing facility.	USFDA, MHRA, WHO & CDSCO, WHO Geneva, LAGeSo Berlin (Germany), Ministry of Industry and Trade of the Russian Federation	1 billion units
Pithampur Unit 1	High Potent Drug	High potent oral solid manufacturing facility	USFDA, MHRA, WHO & CDSCO, WHO Geneva, LAGeSo Berlin (Germany), Ministry of Industry and Trade of the Russian Federation	1.5 billion units
Pithampur Unit 2	OSD	High volume oral solids (tablets & capsules) manufacturing facility	USFDA, MHRA, Berlin Authority, ANVISA Brazil, CDSCO and Indian FDA	4 billion units
Pithampur Unit 2	Ophthalmic	Ophthalmic formulations (Solution, Emulsion and Suspension) manufacturing facility	USFDA, MHRA, CDSCO and state FDA	45 million bottles
Pithampur Unit 3	MDI/DPI	High volume Inhalation finished product (MDI/DPI) manufacturing facility	USFDA, MHRA	70 million packs/units
Pithampur Unit 3	Derma	Corticosteroids and steroids (Topicals, semisolids) preparations facility	USFDA, Accreditation Certificate of foreign Drug Manufacturers from MHLW, Japan	0.35 million packs
Nagpur Unit 1 (Block 1)	OSD	High volume oral solid dosage form (tablets & capsules) manufacturing and packing facility	MHRA, TGA, WHO, USFDA, ZAZIBONA, WHO (Geneva), National Drug Authority-Uganda, Republic of the Philippines	100 million units
Nagpur Unit 1 (Block 2)	OSD	Multi product processing facility	USFDA & TGA	12 billion units
Nagpur Unit 2	Injectables	Liquid, Lyophilized & Liposomal injections (including Vials, Prefilled syringe & cartridges) manufacturing facility	Indian FDA	13 million packs
Goa Unit 1 and Unit 2	OSD & Oral Suspension	High volume oral solids (tablets & capsules) and oral suspensions manufacturing facility	USFDA, UK MHRA, WHO, ANVISA, JAPAN-PMDA, KOREA-MFDS. Accreditation Certificate of foreign Drug Manufacturers from MHLW, Japan	6 billion units
Aurangabad	OSD	High volume oral solids dosage form (tablets/ capsules) manufacturing and packing facility	USFDA, WHO, FDA-Taiwan, German	5 billion units

Plant	Dosage	Description	Regulatory Approvals	Capacity
Aurangabad	Dry Powder Suspension	Dry Powder Suspension manufacturing facility	USFDA	1 million bottles
Jammu	OSD	Small to medium volumes solid dosage forms (tablets & capsules) manufacturing and packing facility	WHO Geneva, Ukraine, Russia	1 billion units
Jammu	MDI	High volume Inhalation products (MDI) manufacturing and packing facility	WHO GMP	5 million packs
Sikkim	OSD	Small to medium volumes solid dosage forms (tablets and capsules) manufacturing and packing	CDSO	1.5 billion units
Sikkim	DPI	High volume Inhalation products (DPI) manufacturing and packing facility	CDSO	600 million units
Pune	Injectables	Liquid injections including Vials & Prefilled syringes	EMA, PMDA, ANVISA, Taiwan, TGA, Thailand, India	1 million units
Somerset, NJ, USA	Finished dose manufacturing and packaging	Potent products, controlled substances, tablets, capsules, powders, liquids and unit dose nasal sprays manufacturing facility	USFDA	Up to 2.5 billion doses
Brazil	Solids Facility	High-Volume oral solids (tablets and capsules) manufacturing and packing facility	ANVISA, COFEPRIS	3.3 billion units
Brazil	Liquids Facility	High-Volume liquids (shampoo, syrup, oral drops and suspensions) manufacturing and packing facility	ANVISA, COFEPRIS	66 billion bottles
Mexico City, Mexico	Liquids and Solids Facility	Ophthalmic Solutions & Suspensions (Eye Drops), Ophthalmic Ointments (Eye Ointments), Nasals & Solids manufacturing facility	COFEPRIS (Mex) & DIGEMID (Peru) on PICS (Pharmaceutical Inspection Cooperation Scheme) & Project plan for EMA & USFDA	• up to 19.1 Million units of Ophthalmic Eye drops • up to 6 Million units of Ophthalmic Ointments • up to 10.8 Million Nasal Products • up to 50 Million tablets

Intellectual Capital

Fostering a Culture of Innovation

Our focus on innovation helps us develop new and high-quality generic medicines to offer accessible healthcare and improve lives. In FY 2020-21, we invested INR 14,324 million in research and development. We firmly believe that our investment in R&D will lead to sustainable value creation both in terms of top line growth and in improving access and affordability of our medicines to patients across the globe.

We aim to enrich our portfolio by identifying and developing new and improved products as well as partnering across the value chain to achieve scale and impact.

R&D Infrastructure and Key Developments

With R&D centers in seven locations across the globe, employing over 1,400 personnel, we continuously innovate by utilizing advanced technologies, superior competencies and strategic alliances. We are proud of our state-of-the-art R&D Lupin Research Park (LRP) at Pune, India, which functions as the hub of our global research activity. The campus houses our generic research unit encompassing API and finished product research, and our Novel Drug Discovery and Development (NDDD) unit.

Over the years, we have transitioned from an oral solids portfolio to encompassing a wide array of complex generics such as injectables, biosimilars, and inhalation products.

We are exploring advanced device development platforms in the inhalation segment to enable better patient compliance.

Bioclinical research: The Lupin Bioresearch Centre (LBC) is located in Pune. The facility has continuously maintained outstanding performance on regulatory compliance. We conduct both in-vitro and in-vivo bioequivalence (BE) studies required by regulatory agencies across the globe. We have conducted 36 in-vivo pivotal BE studies, 69 in-vivo pilot BE studies and 11 in-vitro BE studies in FY21 and have cumulatively established over 330 validated analytical methods to date.

Inhalation Research Centre, Coral Springs: Lupin's Inhalation Research Centre at Coral Springs, Florida, is a specialized facility focused on research and development of inhalation products for the treatment of asthma, chronic obstructive pulmonary diseases (COPD) and other respiratory ailments. Coral Spring's expertise has allowed us to set our vision to become a leader in the inhalations space.

We have achieved the following milestones at Coral Springs in the last fiscal year:

- **Gx ProAir ANDA** approved by FDA in September 2020
- **Gx Brovana ANDA** tentatively approved by FDA in April 2020
- **Gx Dulera low strength ANDA** submitted to FDA in April 2020
- **Gx Perforomist ANDA** submitted to the FDA in July 2020
- **Gx Fostair MAA** submitted to BfArM in Oct 2020
- **Gx Spiriva MAA** submitted to MHRA in Dec 2020
- **Gx Clenil MAA** submitted to MHRA in Feb 2021
- **Successful USFDA inspection** of Coral Springs site

Complex injectables platform, Nanomi: Nanomi, Lupin's Netherlands subsidiary is a leader in the field of microsphere and nanoparticle research and development of long acting injectables. Nanomi's expertise lies on its Microsieve technology. We have leveraged this expertise and achieved significant milestones in the last year with respect to clinical trials and scale up activities for our long acting injectable assets.

Managing Intellectual Property

We are committed to enhancing our product portfolio by securing intellectual property rights on innovations across our global R&D. The value of our patent portfolio is testament to our commitment.

- **886 Patents are currently active (API, Formulation, NDDD, Biotech, Brand)**
- **36 Patents secured in FY21**
- **2,983 Trademarks registered to date**
- **437 ANDA filings; 288 Approvals; 49 FTFs; 18 exclusive FTFs to date**
- **Filed 15 ANDAs comprising oral, injectable, ophthalmic, inhalation and dosage forms**

In FY21, Lupin settled 11 US litigations and one UK litigation. Further, Lupin received favorable US court decisions in our Kerydin® and Tecfidera® patent challenges in the US and a favorable German court decision in our Truvada® SPC challenge.

Novel Drug Discovery & Development

At the cutting edge of innovation, we are developing a pipeline of highly differentiated and innovative new chemical entities within focused therapy areas, including Oncology, Immunology and Metabolic Disorders. Our partnership with Boehringer Ingelheim to develop a clinical stage MEK product for difficult-to-treat cancers has moved ahead, bringing Lupin subsequent milestones. Similarly, our partnership with Abbvie continues to perform.

Our strong oncology pipeline includes frontier approaches of exploiting immunology, synthetic lethality, epigenetic changes, and cancer metabolism. We are committed to successfully translating these R&D efforts from bench-to-bedside. This approach is tumor agnostic and aims to treat patients based on specific gene mutations/alterations regardless of cancer type.

Biosimilar Research

Despite challenges this year, we achieved several milestones and witnessed significant progress in developing biosimilars. We received market authorization and successfully commercialized biosimilar Etanercept (Nepexto) in key EU markets with our marketing partner Viatris. Our biotech site in Pune, which manufactures Etanercept, was inspected by the EMA in March 2021. Additionally, our Etanercept product was commercialized in India, based on prior approval received from DCGI.

We continually enrich our biosimilars portfolio by identifying and developing new products and leveraging partnerships across the value chain. Our pipeline includes:

- Peg-filgrastim: We achieved a notable milestone with our oncology product through the submission of our BLA (Biological License Application) to the USFDA at the end of FY21.

Filed one PEPFAR ANDA in FY21

ANDA filings for the year include 5 Exclusive First-to-File (FTF) and 4 Shared FTF products

Received approval for 19 ANDAs & 1 NDA from USFDA in FY21

Filed 16 generic products in markets such as EMEA, LATAM and Canada & received 10 approvals in FY21

- Our Ranibizumab Indian Phase III clinical study was successfully completed and therapeutic equivalence to the reference product was achieved, in terms of primary and secondary endpoints. Product launch in India is targeted in FY22. The Global Phase III study is ongoing, with sites in India, the EU and the US.
- Our Aflibercept biosimilar development has picked up pace in FY21.

Protecting Our Intellectual Property

We are driving digital transformation across our organization, embedding new technologies to protect our intellectual capital.

Although new age technologies have simplified the research process, they have also introduced newer ways that could lead to information breaches and theft of intellectual property. We design effective IP strategies and implement measures to prevent product piracy and counterfeiting.

Our Information Security Management System KAVACH ensures effective security controls and safeguards and creates awareness about data security. KAVACH protects our information through a framework for policies, procedures, and guidelines. We are accredited with ISO/IEC 27001:2013 on Information Security Management Systems at our Head Office, Pune Research Park, manufacturing facilities at Biotech, Mandideep and Indore; we intend to add Ankleshwar and Vizag to this certification list.

Our commitment to information security is extended across our global locations under the project brand name ‘SHIELD’ to provide information security assurance.

Social Capital

Empowering our Communities

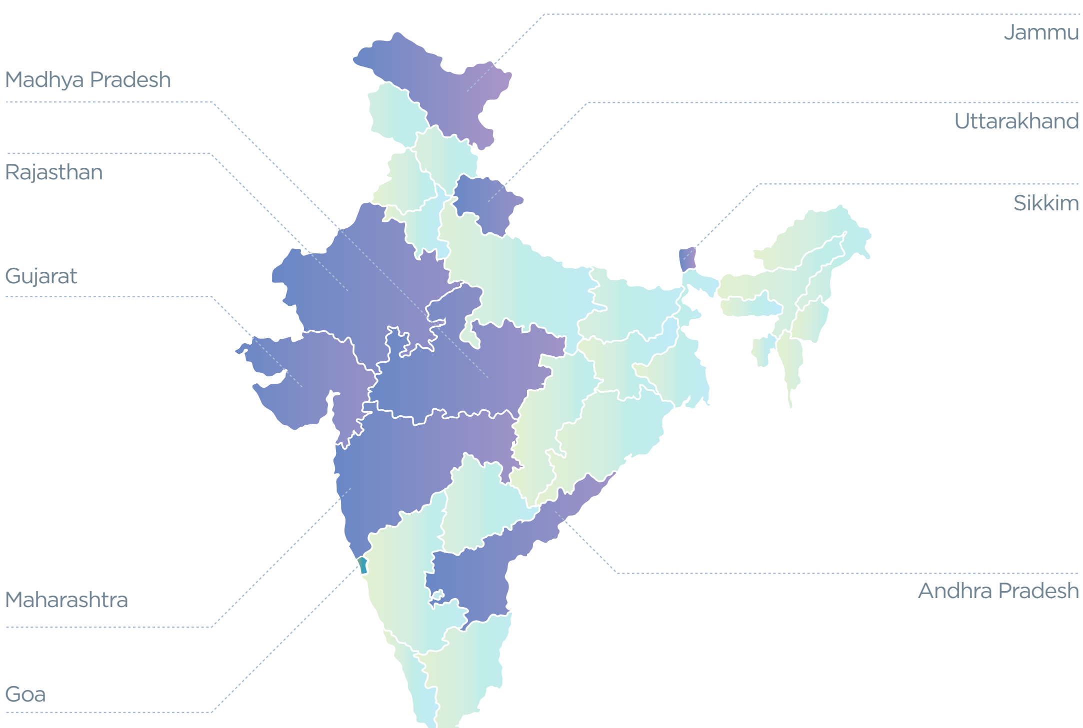
Whilst having a sustainable and strong global presence is imperative to our business, we firmly believe that as one of the privileged few who have the fundamentals to shape a better future for our society, it is our responsibility to make the world a happier and healthier place.

Since inception, our approach has been to engage in selfless service and drive our company with a true sense of purpose. Our CSR vision is to support Indian villages to not only prosper but establish themselves as self-sustaining livelihood clusters, whose models can be replicated in other rural and underdeveloped areas for their upliftment. We work closely with district and state-level officials to expand understanding and support for our initiatives.

Supporting a better quality of life for our communities

The Lupin Human Welfare and Research Foundation (LHWRF), the CSR entity of Lupin Limited, was founded in 1988 in Bharatpur, Rajasthan to engage with local communities to address their concerns and identify synergistic opportunities for livelihood creation.

LHWRF has a presence in 5,431 villages located in 88 blocks of 23 districts spread across 9 states in India. The Foundation operates through 20 local centers and actively works towards fostering an economic ecosystem that enables the upliftment of the underprivileged.



Over the years, LHWRF's work has been centered around social development models, which focus on four key pillars:

Economic Development	Social Development	Infrastructure Development	Natural Resource Management

Focusing on the four key pillars has enabled us to create inclusive and scalable development by driving initiatives to support the well-being of our communities. The impact that we have created over the last year has been summarized below:

LHWRF FY 2020-21

Core Areas	Expenditure in INR	Number of Beneficiaries	Best Practice
Agricultural Development Focusing on enhancing productivity through well designed measures	52,607,626	117,277	Application of IoT to monitor soil moisture and save irrigation water by providing precise irrigation to crops as per their requirement
Animal Husbandry Promoting animal husbandry and productivity enhancement through breed improvement among cattle, buffalo, goat, chicken and fisheries	18,760,975	11,215	Promoting milk processing to enhance monetary returns
Education Imparting the importance of education and engaging in e-learning and small bridge courses	11,345,570	26,077	Implementation of the 'Learn and Earn' Program to support students in pursuing higher education studies while working
Financial Inclusion Providing financial services at doorsteps in remote areas	11,470,933	41,718	Opening bank accounts, linking people to government schemes such as Atal Pension Yojana (APY) and Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY)
Health Upgrading infrastructure to provide access to quality healthcare	137,204,866	1,220,989	Development of model COVID Care Centres at Mulshi in partnership with the District Administration and the International Institute of Information Technology
Natural Resource Management Undertaking management of natural resources through various measures such as the construction of check dams, farm ponds and wells	42,030,178	15,334	Undertaking lake rejuvenation and beautification to empower and uplift the people of Bijauli village in Rajasthan
Rural Industries Supporting the development of marketplaces to link supply with demand	10,316,070	24,719	Construction of a Model Weekly Market to facilitate efficient trading and bartering between local communities
Women Empowerment Elevating the position of females in society and helping the community to grow	14,079,533	26,328	Implementation of the 'Nutri Utsav' festival to reduce malnutrition among women and children by encouraging consumption of nutritious food

Tech Driven Offerings

'ANYA,' meaning limitless in Sanskrit, is India's first, medically verified and multi-lingual health chatbot that answers queries related to the management of health. Powered by AI and Machine Learning, we launched this powerful chatbot in 2018. Anya can respond to queries related to Diabetes, Tuberculosis, Respiratory Ailments, Hypertension and Heart Failure in 5 regional languages. Apart from answering queries on diseases, ANYA also has a repository of healthy recipes and a special calorie count mechanism, where users can monitor their calories. More than 250,000 unique users have asked more than 2.45 million queries to Anya to date.

Healthcare professionals, especially doctors in India, are often at the receiving end of unfair litigation. 'LegalRx' is a mobile application designed by Lupin to provide free of cost medico-legal advice and counsel to doctors in addition to educating them on the legal aspects associated with their medical practice. The app is intended to simplify the medico-legal parlance for doctors and provide them with relevant information through FAQs on laws and acts governing the medical practice.

Healing our Communities

At Lupin, our aim is to provide affordable and accessible healthcare. However, increasing awareness of management of healthcare and the importance of well-being is also a priority for us. We encourage our leadership and employees across our facilities to drive and participate in initiatives, which are aimed at spreading cognizance to enhance the quality of life.

Every Heart is a Star

To increase awareness and emphasize the importance of 'Cardiopulmonary Resuscitation' (CPR) to prevent premature death due to a sudden cardiac arrest, we provided capacity building and training to over 5,000 people. This was reinforced through digital and print media.

Say Yes to Life

The objective of this campaign is to spread awareness about mental health concerns and accepting the same in a healthy manner, leading to timely treatment of illness such as depression. This was done through disseminating video and audio messages, workshops and social media campaigns. Over the last 5 years, we have reached 1 million people through this initiative.

Ease the Pause

We have launched a special initiative to create nationwide awareness on menopause by launching India's first ever dedicated website (www.easethepause.com) for women transitioning through menopause. Our objective is to create a platform where we can resolve queries of patients and bust the myths associated with menopause and its management. Additionally, we have developed a Menopause Rating Scale (MRS), a calculator which can help women understand the appropriate time to visit a gynaecologist.

Run for the Brain

We have collaborated with the Indian Academy of Neurology and organized an annual 5 km marathon to generate awareness on Epilepsy. Every year, we have over 500 neurologists who participate in this marathon.

Heal-Thy Lungs Camps

To address respiratory diseases, we reach out to 200,000 patients through 5,000 camps and clinics across the country and facilitate early and proper diagnosis through ERS/ATS approved Spirometers. Our team helps patients with appropriate diagnosis with disease information that helps positive treatment outcome.

FeNO: Fractional exhaled Nitric Oxide

Introduced for the first time in India, we launched this initiative to assist doctors in understanding if patients require inhaled corticosteroid therapy, if they are responding to therapy, monitoring their diseases as well as the dose titration of the therapy.

HUMRAHI Patient Support Program

This unique and award-winning initiative is for patients who are enrolled on our insulin treatments, Huminsulin & Eglucent. HUMRAHI has engaged 4,000+ HCPs and touched lives of more than 150,000 patients across 20 cities in India. The Patient Education program offers services such as diet counselling, insulin pen education, insulin storage tips and educates on the benefits of regular exercise.

Dietitian & Nutrition Assistance

Through a strategic partnership with 'Possible,' we have undertaken virtual programs to help diabetes patients understand the importance of diet and nutrition in the management of blood glucose. To date, more than 2,000 patients have been covered through more than 115 programs.

United Kingdom

Lupin has challenged and overturned patents (particularly in HIV), thereby allowing early generic entry at low costs in the market. This has reduced the NHS spending on procurement of these drugs and allowed it to use its savings for investment in other initiatives. We estimate that Lupin's HIV medicine supply in the UK alone has saved over GBP 200 million for the NHS over the last 3 years.

Philippines

MultiCare, a subsidiary of Lupin, has committed to bring value to family healthcare through the sale of 'Quadmax' and 'Duomax,' serving government tenders and private sectors to bring access to high quality and affordable Anti-TB treatment to every person in the country. Further, MultiCare is consistently supporting WHO in its campaign to end TB by promoting awareness about the disease through various platforms on social media.

Global: Lupin's API Plus has entered into various collaboration agreements for development of Anti-TB products. One such arrangement is with the TB Alliance for development of Pretomanid based combination drugs like BPaL (Bedaquiline, Pretomanid, and Linezolid), BPaMZ (Bedaquiline, Pretomanid, Moxifloxacin and Pyrazinamide), BPaL FDC, and BPaMZ FDC for defined territories, where Lupin will be developing the product along with the **TB Alliance**

Australia

In June 2020, when TGA (USFDA equivalent authority in Australia) announced the discontinuation of Phenelzine, an anti-depressant drug, there was panic within the healthcare system in Australia. The team at Generic Health and Lupin Inc., the parent company, which manufactures and distributes the medicine in the US, contacted Australian authorities and bought the medicines in bulk under the emergency programs that were implemented. Additionally, the teams worked with the authorities to register the medicine in less than 3 months' time and listed them under the government's national reimbursement programs to improve accessibility and affordability to the patients.

Latin America

In Mexico, 'dry eye' is a condition, which affects 65% of the population, out of which 51% of which are women. Cómo lo ves, a DTC digital campaign, was launched to spread awareness about 'dry eye' and its consequences and suggest measures to provide adequate lubrication to the eye. One of the main objectives of this campaign is to increase cognizance of the symptoms of 'dry eye' as well as the importance of adopting a preventive culture.

Our Support During COVID-19

India

Lupin's response to COVID-19 has been three-pronged – from ensuring the health and safety of its own members, to providing access to critical drugs that play a vital role in COVID-19 therapy, to working towards the support and rehabilitation of frontline workers and those most impacted by the pandemic.

We provided 16 lakh masks, more than 4 lakh sanitizers, around 1.5 lakh PPE kits and more than 10 thousand thermal guns for frontline workers. Further, we undertook the sanitization of 5,000 clinics across the country to ensure safety of attending HCPs and patients.

During the first wave of the pandemic, Lupin launched the 'Jan Kovid' helpline across Mumbai, Pune, and Indore to address the queries of citizens with respect to COVID-19 symptoms, details of the nearest hospital, testing facilities, and to support those suffering from stress, anxiety or respiratory issues. The helpline number was handled by skilled doctors, who gave advise to those seeking help in English and Hindi from 8:00am to 8:00pm.

At Lupin, we understand the importance of stress-free life and wanted to alleviate the stress experienced by HCPs due to long hours of working during COVID-19. With this in mind, we launched special singing and photography competitions for them which were widely appreciated.

Doctor Sur Samrat

A platform for doctors to showcase their **singing talent**

Nearly **3,000** doctors participated in this event

Doclix

A platform for doctors to showcase their **photography talent**

Nearly **1,000** doctors participated in this event

Global

In our Lab Grin facility in Mexico, we work with Foundations who support low income hospitals by making donations in kind. With the onset of the COVID-19 pandemic, we started a donation drive, which was catered to support patients, senior citizens as well as the medical community, who were widely affected. 92 of our employees contributed to this campaign.

Managing Relationships with Suppliers

At Lupin, we value our customers deeply and have implemented stringent processes to ensure business continuity in the face of disruption, to maintain service standards and optimize our inventory carrying costs. Key metrics such as 'On Time in Full' (OTIF) has remained above 97% in most of our markets and this model has received accolades from multiple channel partners. As a responsible company, we firmly believe in complying with regulatory requirements and reinforcing ethical behaviour across our operations and our value chain. With support from Dun & Bradstreet and Bureau Van Dijk, we have developed a supplier risk assessment to evaluate the Environment Health and Safety (EHS) standards of our suppliers; the results of these assessments help us in our decision- making when onboarding suppliers. The assessment covers aspects such as:

- Environment
- Health and Safety
- Social Responsibility
- Labour
- Ethics
- Management Systems

We focus on building long-term partnerships for mutual benefit and take responsibility for delivering on our commitment. Our supply chain was put to test in 2020, with the wide spread of COVID-19 across the globe, which had a strong impact on our procurement and distribution networks. Initially, with the epicentre of the virus in China, our supplies from the country were restricted. With the shift of the epicentre to Europe and the US, our supplies from these regions were also at risk. These COVID-19 related supply risks were proactively tracked and mitigated through strategic buys and collaborative efforts to ensure production continuity.

Our Targets:

Undertaking **100% detailed ESG audits** of Tier 1 and Tier 2 suppliers by 2025

Implementation of Supplier Code of Conduct for all our suppliers and vendors by 2022

Incorporation of ESG aspects in the evaluation criteria for onboarding all new vendors by 2025

Managing Relationships with Customers

Customer relationship management is undertaken through a variety of functions at Lupin. We promote, sell, and distribute our products in global markets with the help of experienced sales and marketing teams. In India, nearly 7,500 field representatives market our brands to doctors, while our sales teams in the US, Europe and Growth Markets sell to a broad range of customers including leading wholesalers, pharmacy chains, governments and hospital purchasing organizations.

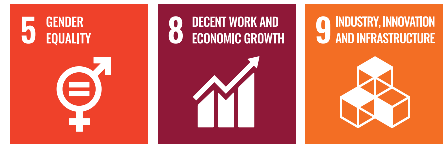
20+
Marketing and corporate development offices across the globe

8,000+
Sales professionals market our products across geographies

Due to COVID-19 related supply chain and production disruptions, Customer OTIFs were hit in 2020 but we have made a strong recovery during the period to adapt to the challenge, and by March 2021, most markets had almost 100% score.

Human Capital

Building a Great Place to Work



Our people are central to our growth and success. Hence caring for, nurturing and empowering our employees form the bedrock of our approach in managing our human capital. Our people policies, processes, systems and technology are benchmarked with the best across industries to provide our colleagues with a fair, professional, progressive, inclusive and diverse working environment, and to deliver a superior employee experience. Through these, we strive to attract, nurture and retain talent, which in turn helps us create value for our stakeholders.

Our Human Resources (HR) team is an important partner in our growth journey, sharing responsibility to ensure we remain a fit-for-purpose organization and have the best talent pool in the industry. This team consistently aims to set new benchmarks in their main focus areas, including, but not limited to:

- Designing an agile and market relevant organization
- Building a robust future-ready talent pool
- Establishing practices and policies to amplify employee productivity and boost job satisfaction
- Ensuring we continue to invest and build capabilities to remain the employer of choice in our domain

Delivering an Experience

Technology has been the backbone of our efforts in growing and nurturing our human capital. The deployment of state-of-the-art and universal platforms such as SAP-SuccessFactors and HR Central has enabled better management of employee data, allowing our HR team to deliver most relevant solutions for employees across different functional areas and geographies.

In the year gone by, we have leveraged digital technologies to conduct quarterly townhalls with our senior leadership team, create multiple touchpoints with the executive management team and keep our employees up to date through periodic newsletters. Our strong digital capabilities have also been instrumental to conduct on-boarding activities, training programs, employee engagement activities and even drive events such as the Desh Bandhu Gupta Spirit of Lupin Awards over virtual platforms, while ensuring no compromise on the experience.

We offer a comprehensive suite of employee engagement initiatives, including:

Employee Connect: These sessions with the leadership team provide employees with an opportunity to better understand the business, enable seamless flow ideas and help exchange insights directly with leadership.

Celebration at Work: Special days like Annual Days, Kid's Day, International Women's Day, Science Day, among others, are celebrated to enable togetherness and boost engagement.

Employee Knowledge Sharing Initiatives: These are self-paced initiatives focusing on self-learning and capability building of employees. 'Glow and Grow,' 'e-Technical Fest' and 'Strive for Excellence' are a few examples.

Put together, these initiatives have enabled a closer connect between each Lupinytt and the business, thereby driving a greater sense of ownership and commitment.

Managing Talent and Performance

At Lupin, we have developed a performance and potential driven talent management process based on a 9-box framework. This framework helps us identify and address gaps across talent levels.

Similarly, our performance evaluation process focuses on formally and objectively evaluating achievements on a periodic basis. We focus efforts on performance conversations and encourage employees to discuss both their personal and professional aspirations with their managers. Our Performance Conversations Document captures the key points of these discussions to track the employee's and our company's promises to meet those aspirations.

We remain committed to the overall development of our people and have a robust Total Rewards Framework for encouraging a high-performance culture.

As on date, our employee headcount across different categories in India are:

Category of employees	As on 31st March 2021
Total Workforce	18,686
People strength at plants	8,354
Number of contract employees at manufacturing sites	4,275
National Employability Through Apprenticeship (NETAP) trainees at manufacturing sites	330

Continuing Education

We support Lupinytts interested in continuing education in PhD programs, M. Tech. and Management courses, amongst others, through our tie-ups with renowned educational institutions.

Developing Right Capabilities

Learning & Development (L&D) is a continuous process that leads to building newer capabilities in sync with organizational goals.

Our important L&D initiatives are broadly categorized as below:

Onboarding and Value Orientation: Our corporate induction program covers all Lupinytts and familiarizes them with Lupin's Culture, Values, business, financials, and subsidiaries and establishes goal alignment right at the beginning of their journey with Lupin. Our mandatory flagship induction program is titled "Udbhav" and was imparted to 1,822 new joiners in FY21.

We are also proud of the fact that 100% of our new joiners were certified as compliant to the mandatory regulatory trainings on GMP guidelines like 21 CR Part 211, ICH-Q7, Data Integrity, Data Governance and Overview on Pharmacovigilance as per functional relevance.

Management Development Programs: Our management development programs focus on holistic development of our talent pool–right from entry level managers to senior leaders. Our training programs such as First Time Managers, Learn Engage Act & Progress (LEAP) and Leadership Executives' Acceleration & Development (LEAD) aim towards developing our entry and first level managers with the right blend of supervisory and technical skills to deliver on their managerial roles.

Similarly, programs such as ELITE and IGNITE conducted at our manufacturing and research sites respectively, and the Lupin Senior Leadership Development Program, aim to enhance the managerial capabilities for mid-level managers through psychometric assessments and profiling tools and Action Learning Projects (ALPs), among others.
As a part of the learning framework, all employees who undergo a learning intervention need to work on bettering their competencies and take up projects to apply the improved competencies in an identified area.

In FY21, 52% of the ALPs at our manufacturing sites focused on:

- **Reduction in the cleaning time process**
- **Reduction in manual work and deviations**
- Projects undertaken for **simplification of Standard Operating Procedures (SOPs)**
- **Improvement in cleaning validation and risk assessment**

The remaining 48% of ALPs focused on:

- **Energy conservation** (installation of Variable Frequency Drives (VFDs) in cold storage areas and replacement of pumps)
- **Energy savings** in utilities
- **Reduction in water consumption** (20% Steam usage reduction YoY)
- Projects on **minimizing waste generation**
- **Resource savings** (paper and consumable items)

Another noteworthy intervention is the Area Managers Excellence program for our field force in India. This 8-month intervention aims to enable and equip area managers with the expertise to excel, while maintaining brand and customer service standards. These programs have direct impact on building capabilities and creating greater value for the business.

We have also established the Supervisory Skills Development program where we focus on building the skills of employees who manage 5 or more people reporting to them directly. All the employees who participated in this program reported an average improvement of 40% in their overall competencies in employee management.

Competency Development: Aligned with our strong intent to develop and grow our people, we have designed and launched the Lupin Leadership Competencies and Values Framework that helps Lupinytts across geographies, locations and functions to:

- Adopt a common language to describe what performance and behaviors look like across various levels
- Gain deeper understanding of identified proficiency levels to maximize strengths with a focus on development needs
- Provide a framework to plan for constructive, focused feedback to further create effective individual development plans

The benefits of these learning interventions are continuously evaluated in terms of productive business delivery and point towards a direct linkage with productivity improvement and attrition which ultimately impact the bottom line.

Enabling the Right Culture

At Lupin, our values-driven culture forms the basis of our interactions with internal and external stakeholders across all geographies. The flagship employee awards at Lupin, the Desh Bandhu Gupta Spirit of Lupin Awards are testimony to the fact that we prioritize our values over everything else. We have in place several initiatives that focus on reinforcing our value-driven culture. A few examples include:

- **Quality First program:** To reinforce all round "quality focus" and influence inspection outcomes
- **Yes, We Can:** To build confidence for "Zero 483s" at manufacturing sites
- **SEED:** To create a culture of collaboration and teamwork across functions
- **Lupin Women's Network:** To enable women empowerment and further reinforce our diverse and inclusive culture. This Network is a gender-based affinity group spanning 13 locations in India, and currently being extended to all our locations of operation across the globe
- **Fun Fridays:** To reinforce an open-door culture and one that celebrates small wins

Further reinforcing our overall culture, is our philosophy of appreciating and rewarding our employees which is rooted in the belief that our employees are the true custodians and drivers of our success. A few noteworthy examples of our rewards and recognition programs include:

- **Desh Bandhu Gupta Spirit of Lupin Awards:** Our apex global awards that recognize Lupinytts who embrace the Lupin Values and inspire others
- **Partners in Progress ESOP Scheme**
- **Zenith Award:** This award recognizes and appreciates the top performers from our Philippines subsidiary Multicare
- **Star Club Award:** This award recognizes and appreciates the top performers of our field force across the Indian Region Formulations business
- **Bravo Award:** This award recognizes employees for a job well done at the global level
- **President's Innovation Award:** This award recognizes the creation, development, and implementation of innovations in process, product, method or system that results in a significant impact to patients and the business

Diversity in Organization

In India, we prioritize the representation of women in our workforce and we uphold ourselves to the highest level of enforcing equality in gender pay and champion the cause of no discrimination in evaluation of women vis-à-vis their male colleagues. In order to reinforce our strong commitment to the cause of gender diversity and create the right mindset within the organization, we organize classroom sessions on Gender Sensitization.

In the light of the current remote working scenario, we have also established an e-module on Gender Sensitization.

As on date in India, our workforce is characterized by:

5%	women in workforce
6%	women in Senior Leadership (GM & above)
36%	women on board (as on 31st March 2021)

HR Policies

Our policies form the foundation on which we work towards growing and nurturing talent. A few key policies and their descriptions are given below:

Maternity Leave (ML): All female employees on our payroll are entitled to Maternity leave as per the provisions of the Maternity Benefits Act of the region.

Paternity Leave Policy: As a model employer, we offer paternity leave of 5 days to our male employees to support their spouse and family after the birth of a child.

Leave for Adoption: Our employees will be entitled to a leave for adoption of a child.

Sabbatical Leave: Employees with more than three years of service can avail a sabbatical Leave or Break in Service, for up to one year, to manage a personal situation.

Health Assistance (Mediclaim Policy): At Lupin, providing health insurance to our employees and their family is our responsibility and so our employees' Mediclaim also covers parents, spouses and two children.

Employee Children Education Assistance & Recognition: We appreciate the happiness that parents share when their child performs well. Children of employees performing well in academics and scoring stipulated percentages in key exams are felicitated with a certificate of merit and a cash reward.

Long Service Award Policy: Our long service award policy acknowledges the contribution of employees who have grown with Lupin over the years.

Our Targets:

- **100% coverage** of e-module on Gender Sensitization by 2022 **— 95%** of all existing employees covered
- **Mandatory trainings modules** on environment and climate change **— 100%** coverage by 2023
- **Gender diversity target** for non-management level staff, for business functions **— 15%** by 2025
- Mandatory **CSR volunteering hours — 2 days** per employee in a year by 2025 virtual or on-site

Natural Capital

Optimizing resources for a better tomorrow

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

At Lupin, we strive to develop operational efficiencies, minimizing our impact on the environment, minimizing resource consumption, and avoiding waste generation. The Environment, Health, Safety and Sustainability policy of Lupin highlights our position on environmental stewardship and our focus on creating a safe and healthy workplace for all our employees.

To accomplish our objectives, we drive both product and process innovation to achieve energy efficiency and water recycling in our operations, thereby reducing our environmental footprint.

We have strong internal mechanisms to effectively monitor and mitigate environmental risks at the site level and our overarching position on environmental performance improvement, governance and oversight is maintained by a dedicated corporate team. The identified EHS risks are periodically reviewed by the Board every quarter. The corporate EHS team as well as site-level EHS teams also ensure a high-degree of compliance to applicable environmental laws and regulations and we proactively engage with regulatory authorities to identify emerging areas of risk and understand the viable mitigation measures.

Preserving The Environment

We are inexorably dependent on the environment that we breathe in and the society that we thrive in. Making a positive impact on the environment is a prerequisite to securing health and well-being for all. For us, natural capital is an asset that must be preserved, enhanced, and deployed in ways that add sustainable value for all.

Whilst there are significant strides to be made, we seek to strike a dynamic balance by consistently maximizing resource use and minimizing our environmental impact. As we confront the climate emergency, we acknowledge our responsibility to engage and collaborate with our stakeholders and work towards accelerating the transition to a Net Zero future.

Across the business, our approach is guided by the precautionary principle of environmental stewardship and we aim to prevent pollution and abate environmental impact. In our operations, we have implemented initiatives to enhance energy and water use efficiency, as well as minimize waste. We have also invested in renewable energy to reduce our carbon footprint and be at the leading edge of deploying cleaner technologies and processes across our operations. Our environmental stewardship extends beyond our premises and we actively educate and encourage our employees, partners and suppliers to adopt environment friendly practices.

Energy management	Renewable energy consumption at our Manufacturing and R&D sites increased from **10.3%** to **12.2%**	Total Energy Consumed: **3,055,142 GJ**
Waste management	Around **57%** of incinerable hazardous waste generated from our plants in FY21 was sent for co-processing/pre-processing for use as alternate fuel in cement plants	Total incinerable hazardous waste: **8,653 MT**
Water & effluent management	**Saving of 742,179 kilo litres** of fresh water by recovery and reuse of water from wastewater. This constitutes 29% of the total water consumed.	Total water consumed: **2,559,253 kilo litres**
GHG emissions	Emissions savings of **9,775 tCO_2e**	Total GHG emissions: **751,792 tCO_2e**

We optimize energy use by investing in new energy efficient technologies and developing cleaner processes.

We have made a conscious effort to migrate to cleaner fuel substitutes such as renewable energy in the form of biomass briquettes made from agricultural waste and cleaner fuels like natural gas, along with fuel additives, in order to improve combustion efficiency and reduce overall energy demand. Currently, non-renewable energy sources constitute the highest percentage share in our energy mix, where purchased electricity constitutes a significant share of our energy consumption, followed by furnace oil, biomass, coal-based steam purchase, natural gas, agro-waste based steam purchase, diesel and wind energy.

Fuel Source	Consumption (GJ)
Non-Renewable Sources	
Diesel	80,704
Furnace oil	719,814
Natural gas	228,197
Electricity purchased (Grid ETC)	1,340,529
Steam purchased - coal	312,498
Renewable Sources	
Solar-captive	5,688
Wind-grid	37,228
Biomass (Agro-waste briquette)	330,484
Total	**3,055,142**

Best practices in manufacturing and energy efficiency are shared across our sites and amongst our plants. Over the past financial year, we have implemented the following resource efficiency and energy savings projects:

- Heat recovered from compressed air is reused in HVAC systems at Lupin Research Park in Pune.
- Screw and centrifugal air compressors are replacing reciprocal compressors to enhance energy efficiency.
- We have transitioned to higher efficiency IE3 and EC motors in all new applications.
- We are installing energy efficient blowers in HVAC systems, resulting in reduced energy consumption and cost savings of INR 23 million in Aurangabad and Tarapur.
- We are converting conventional HPMV, HPSV & CFL to energy efficient LED lights.
- We are using water treatment chemical and online descaling systems in cooling water and chilled water loops to prevent scale formation in heat exchangers. This prevents loss during heat transmission and conserves energy.
- Waste heat recovery systems are deployed in our boilers at Ankleshwar, Tarapur and Pithampur.
- Auto tube cleaning systems in chiller condenser were first piloted at Tarapur, Aurangabad, Vizag, and Pithampur and subsequently installed across Pithampur, Mandideep and Goa.

- We are undertaking load factor improvement for major utility equipment such as chillers and air compressors.
- Chilled water and condensing water flow optimization by pump and header resizing.
- We have commissioned 400 KW back pressure steam turbine at Ankleshwar to generate power.

Addressing the climate emergency requires rapid adoption of renewable energy at scale; we are continuously identifying opportunities to do so.

Currently, renewable energy comprises nearly 12% of our fuel mix and we are constantly exploring ways to increase the proportion of renewable energy each year. We have installed solar rooftops at Lupin Research Park, and our Mandideep, Aurangabad, Dabhasa, Ankleshwar and Goa facilities, with a current total installed capacity of 1.2 MW. Additionally, we also purchase 3.7 MW and 1.5 MW of wind power at our Ankleshwar and Dabhasa facilities respectively.

Way forward

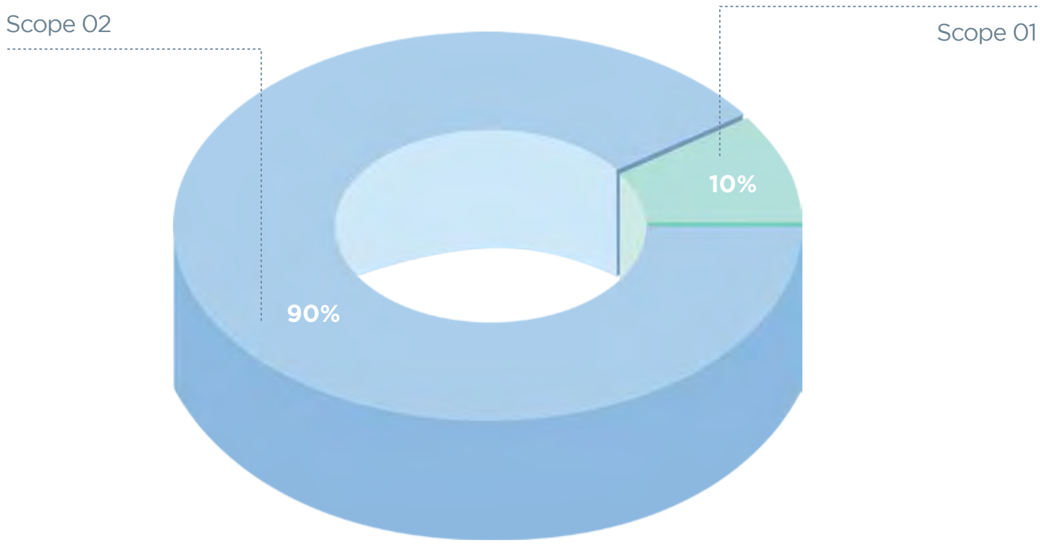
Over the next five years, we plan to increase our renewable energy uptake to 15 MW from renewable hybrid power purchase under open access at Mandideep and Ankleshwar, and solar rooftop installations at Pithampur, Nagpur and other locations which have a higher power tariff. This will provide us with significant cost saving as well as a steady and continuous source of power. This will also significantly reduce our environmental impact and reduce our GHG emissions by approximately 109,043 tons of CO_2every year.

Lupin is committed to progressively reducing its climate impact

Lupin's carbon footprint is dependent on our direct and indirect fossil fuel consumption in our operations. Over the years, our operations have witnessed a steady decline in the share of fossil fuels in our energy mix, and hence, our carbon emissions show a decreasing trend, which is promising. Our multiple energy efficiency measures have also contributed to a reduction in our emissions. By utilizing wind and solar power in our processes alone, we have been able to reduce our cumulative GHG emissions by 9,775 tCO_2e in FY21.

Where possible, we are exploring opportunities to switch to cleaner fuels like natural gas or renewable agro-based biomass. Agro-based biomass is a carbon neutral source of energy, and does not contribute to the cumulative carbon emissions of Lupin.

Total Emissions (tCO2e)



Our Total GHG Emissions	tCO_2e
Scope 1 - Direct consumption	76,695
Scope 2 - Purchased energy	684,873

Way forward

At two of our plants, we are in the process of converting our existing furnace oil fired boilers to natural gas fired boilers. Natural gas, being a cleaner fuel, will reduce GHG emissions.

Effective water management is important to the overall sustainability of our operations

Water is a scarce resource in India and has several competing uses, especially between priority sectors such as agriculture and households. As an industrial unit, we are cognizant of our responsibility to optimize our water consumption and enhance recycling and reuse of water in order to reduce our freshwater demand.

Our total water consumption for FY21 was 2,559,253 KL. Local industrial/municipal bodies are our main source of freshwater, which is supplemented by ground water and surface water. We aim to reuse, recycle, and replenish water through water recovery plants, water conservation mechanisms and creating awareness amongst our stakeholders to conserve water.

Waste water generated from all sites except one is treated in waste water treatment plants. At nine of our sites, waste water after treatment is further processed in state-of-the-art water recovery plants consisting of Reverse Osmosis (RO), Multiple Effect Evaporator (MEE) and Agitated Thin Film Dryer (ATFD) plants to recover water from the waste water. The recovered water is utilized in utilities, flushing, etc.

Waste water from several of our finished product sites after biological treatment and meeting prescribed norms is utilized for gardening. Only at our Vizag plant, the waste water is disposed to the authorized common effluent treatment plant (CETP).

Several measures have been undertaken in the last year at our plants to reduce our fresh water consumption:

- Approximately 29% (742,179 KL) of the water consumed at our plants was recovered water from waste water.
- Rainwater harvesting and AHU condensate water recovery have resulted in the collection of 3,178 KL of water, which has replaced fresh water.

We manage our waste effectively and efficiently to reduce resource wastage, minimize waste being sent to landfills, and increase recycling across the value chain.

Approximately 57% (4,917 MT) of hazardous waste generated at our plants was sent for co-processing/pre-processing in cement plants. In cement plants, these high calorific incinerable hazardous wastes are used as alternate source of fuel and as raw material. This helps offset consumption of fossil fuels both at waste incineration facilities as well as at the cement plant. This also indirectly results in the reduction of greenhouse gas emissions in the business value chain. One of the other wastes generated in our processes, spent calcium sulphate (7,561 MT) is also sent for utilization in the cement industries.

Spent solvents generated in API manufacturing processes are either recovered in-house and reused or sent to authorized recyclers or disposal facilities. Spent/used oil generated from our operations are also similarly sent to authorized recyclers or disposal facilities.

Our non-hazardous canteen waste and mycelia wastes are either sent to piggeries or composted to convert this waste into usable organic fertilizer (3,515 MT). In the reporting period FY21, we installed and commissioned bio-composters at two of our sites for converting canteen and garden waste to organic fertilizer.

We have installed and commissioned sludge driers at one of our sites in FY21 for drying sludge generated from waste water treatment, prior to disposal to the common disposal facility.

Going forward, we plan to install bio-composter at more sites for converting our canteen and garden waste to organic fertilizer.

Way forward

By 2025, we have plans to send 60% of our incinerable hazardous waste to cement plants for co-processing/pre-processing.

We manage our resource consumption and are constantly evaluating opportunities to reduce and recycle waste.

Through our 'Project Inspire', we have deployed two projects to reduce paper consumption by eliminating medical guides and patient information leaflets in product packs. For example, the paper saving through removal of wallet cards in our oral contraceptive products is approximately 200 tons till date.

Awards

Our Goa site was awarded in the Manufacturing Category (Large) at the

15th CII (WR) SHE Excellence and Innovation Award 2020.

Corporate Governance
Our Policy Framework

Since its inception, Lupin has continued to expand its leadership and global footprint in a strongly competitive business environment. We attribute this to our governance framework, which defines our principles and forms a strong foundation for sustainable growth. Our philosophy has always been to acknowledge, accept and adhere to the highest standards of ethical behavior and integrity, thereby building trust amongst all our stakeholders.

To embed business ethics within our culture, we reinforce PLEDGE - Preparing Lupin Employees to Demonstrate Corporate Governance and Ethical Conduct. The purpose of PLEDGE is to establish fundamental values as well as standards and guidelines that we expect our employees to abide by during their employment. It also provides an avenue for employees to voice their concerns as well as report any violation, misconduct, or malpractice without the fear of penalization or retribution. PLEDGE incorporates our 'Code of Business Conduct and Ethics' (the Code) that is applicable to all employees including the senior leadership, and the Board of Directors.

The Code reinforces our values of transparency, accountability, integrity, and professionalism, which are embedded in our company's ethos and DNA. It is mandatory that employees acknowledge their receipt, acceptance, and observance of this Code so that they are aligned with our vision while pursuing their professional and personal goals.

A few of the core competencies that allow us to function efficiently are:

Global Business	A deep understanding of the pharmaceutical landscape across diverse geographies as well as the regulatory jurisdiction that governs them enables us to retain our leadership position as a 'Global Pharma Powerhouse'.
Mergers & Acquisitions	Our ability to embed organic with inorganic growth through acquisitions while carefully making 'build or buy' decisions, value transactions and assess operational integration plans.
Strategic Planning	We undertake strategic decisions with an understanding to seize high value business opportunities in Branded and Generic Formulations, Specialty Products, Biosimilars, and Active Pharmaceutical Ingredients.
Corporate Governance	We develop and implement the highest standards of Corporate Governance to maximize long-term value for our stakeholders by adhering to the principles of transparency, integrity, professionalism, fairness, and accountability.

Our Board of Directors comprise of a group of highly experienced entrepreneurs and professionals from the pharmaceutical industry and beyond, who bring together a diverse set of skills from multiple backgrounds. The leadership team provides guidance, support and strategic direction to our senior management while monitoring the implementation of approved policies as well as efficient working of functional areas. They are responsible for ensuring that the highest standards of corporate governance are developed, implemented, and adhered to so that we adapt to the ever-evolving regulatory landscape.

Our Independent Directors, out of which two are women, are highly recognized global leaders with extensive knowledge and core competencies. With managerial and technical expertise spanning across industries, our Independent Directors provide inputs on the operational plans of the company as well as address multifaceted financial issues. With an in-depth and holistic knowledge of the global and domestic pharmaceutical industry, our Directors consistently equip us with their advice and insights. To date, there is no conflict of interest between the Independent Directors and Lupin.

Board Performance Assessment

To ensure transparency within our company, an annual performance evaluation is undertaken to assess the performance of the Board, the Independent Directors as well as the board committee members. The evaluation is spearheaded by the Board after seeking inputs from all the Directors.

Key Aspects Covered

- Adequacy and composition of the Board
- Quality of deliberations
- Transparency and effectiveness procedures
- Observance of governance principles
- Contribution of the Board of Directors as well as the committee meetings

Evaluation of Independent Directors

Key Evaluation Criteria

- Leadership qualities and qualifications
- Responsibilities shouldered
- Analytical skills
- Technical knowledge
- Participation in long-term strategic planning
- Interpersonal relationships and attendance at meetings

Performance evaluation of Independent Directors is carried out Independently

Key Assessment Criteria

- Initiative
- Contributions
- Independent judgement
- Understanding the business environment and strategic issues

Awards

'India Pharma Leader Award' at India Pharma 2020 and India Medical Device 2020 conference organized by FICCI and the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Govt. of India

Vinita Gupta named among Fortune India's **'Most Powerful Women in Business'**

Greentech CSR India Award 2020

'Masters of Risk in Pharma & Healthcare' category at India Risk Management Awards 7th Edition by CNBC-TV18

6 Gold and **1 Silver Awards at the Quality Circle Forum of India (QCFI)** for various improvement projects

Par Excellence Award for Ethambutol yield improvement by the **Quality Circle Forum of India (QCFI)**

'India Pharma CSR Programme of The Year Award' announced by Department of Pharmaceuticals, Govt. Of India

5 INDIASTAR Awards for Excellence in Packaging conferred by the **Indian Institute of Packaging (IIP)**

Board of Directors

Mrs. Manju D. Gupta
Chairman
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 D. Gupta
Managing Director
Committee Memberships: CSR Committee, Stakeholders' Relationship Committee and Risk Management Committee

Mr. Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
Committee Membership: Risk Management Committee

Mr. Jean-Luc Belingard

Independent Director

Committee Membership: Nomination & Remuneration Committee

Ms. Christine Mundkur

Independent Director

Committee Memberships: Audit Committee, Nomination & Remuneration Committee and Risk Management Committee

Mr. K. B. S. Anand

Independent Director

Committee Memberships: CSR Committee and Stakeholders' Relationship Committee

Dr. Punita Kumar-Sinha

Independent Director

Committee Memberships: Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee

Mr. Mark D. McDade

Independent Director

Committee Membership: Risk Management Committee

Corporate Information

DIRECTORS

Mrs. Manju D. Gupta, *Chairman*
Dr. Kamal K. Sharma, *Vice Chairman*
Ms. Vinita Gupta, *Chief Executive Officer*
Mr. Nilesh D. Gupta, *Managing Director*
Mr. Ramesh Swaminathan, *Executive Director, Global CFO & Head Corporate Affairs*
Mr. Jean-Luc Belingard, *Independent Director*
Ms. Christine Mundkur, *Independent Director*
Mr. K. B. S. Anand, *Independent Director*
Dr. Punita Kumar-Sinha, *Independent Director*
Mr. Mark D. McDade, *Independent Director*

LEADERSHIP TEAM

Ms. Vinita Gupta, *Chief Executive Officer*
Mr. Nilesh D. Gupta, *Managing Director*
Mr. Ramesh Swaminathan, *Executive Director, Global CFO & Head Corporate Affairs*
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, *President - Portfolio, Legal and Canada Business*
Mr. Thierry Volle, *President - Europe, Middle East & Africa*
Dr. Fabrice Egros, *President - Growth Markets*
Mr. J. Alan Butcher, *Chief Corporate Development Officer*
Mr. Jon Stelzmiller, *President - Specialty Pharma*
Mr. Johnny Mikell, *President – Global Quality and Compliance*

REGISTERED OFFICE

Kalpataru Inspire, 3rd Floor, Off Western Express Highway,
Santacruz (East), Mumbai - 400 055. India.
☏ + 91 22 6640 2323
www.lupin.com 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.
☏ +91 22 4918 6270 ☏ 1800 1020 878
rnt.helpdesk@linkintime.co.in

COMPANY SECRETARY

Mr. R. V. Satam

AUDITORS

B S R & Co. LLP
Chartered Accountants

AUDIT COMMITTEE

Dr. Punita Kumar-Sinha, *Chairperson*
Dr. Kamal K. Sharma
Ms. Christine Mundkur

NOMINATION AND REMUNERATION COMMITTEE

Mr. Jean-Luc Belingard, *Chairman*
Ms. Christine Mundkur
Dr. Punita Kumar-Sinha

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. K. B. S. Anand, *Chairman*
Mr. Nilesh D. Gupta
Dr. Punita Kumar-Sinha

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Manju D. Gupta, *Chairman*
Dr. Kamal K. Sharma
Ms. Vinita Gupta
Mr. Nilesh D. Gupta
Mr. K. B. S. Anand

RISK MANAGEMENT COMMITTEE

Dr. Kamal K. Sharma, *Chairman*
Ms. Vinita Gupta
Mr. Nilesh D. Gupta
Mr. Ramesh Swaminathan
Ms. Christine Mundkur
Mr. Mark D. McDade
Mr. Sunil Makharia

KEY CONTACTS

Ms. Shweta Munjal,
Head Corporate Communication
shwetamunjal@lupin.com

Mr. R. V. Satam
investorservices@lupin.com

Reports and Financials

Ten Year Financial Summary

CONSOLIDATED BALANCE SHEET (₹ in million)

As at March 31,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
SOURCES OF FUNDS										
Shareholders' funds										
Equity Share Capital	893.3	895.1	896.8	899.0	901.2	903.2	904.2	905.0	906.0	907.4
Reserves & Surplus	39,235.6	51,146.7	68,418.9	90,833.3	110,732.5	134,072.5	134,866.4	136,517.3	124,461.0	137,124.0
	40,128.9	52,041.8	69,315.7	91,732.3	111,633.7	134,975.7	135,770.6	137,422.3	125,367.0	138,031.4
Non-Controlling Interest	722.9	594.5	669.4	241.0	320.8	345.2	400.8	468.6	444.6	549.7
Loans	16,391.0	11,644.9	6,537.4	5,371.2	71,775.2	79,660.9	71,428.0	84,961.5	63,053.2	47,829.6
Deferred Tax Liabilities (net)	1,910.1	2,336.8	2,486.6	1,527.5	3,266.8	3,948.5	2,855.3	2,882.8	1,995.4	2,297.7
Other Liabilities (incl. Provisions)	20,669.3	22,520.6	23,051.2	33,737.7	39,252.1	47,142.5	52,599.1	53,758.5	58,978.3	47,396.0
TOTAL	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**	**249,838.5**	**236,104.4**
APPLICATION OF FUNDS										
Fixed Assets										
Net Block	22,456.6	24,928.5	26,977.3	27,200.3	64,515.2	87,229.2	79,135.0	87,063.9	60,866.3	59,183.4
Capital Work-in-Progress (incl. Capital Advances)	4,973.7	3,909.0	4,110.2	6,745.3	32,145.5	24,639.0	26,555.6	17,293.9	10,953.4	11,013.1
	27,430.3	28,837.5	31,087.5	33,945.6	96,660.7	111,868.2	105,690.6	104,357.8	71,819.7	70,196.5
Goodwill on Consolidation	5,040.0	5,073.2	6,578.7	16,252.8	22,654.4	23,100.1	24,484.9	23,803.2	18,514.8	19,624.2
Investments	28.0	20.6	20.6	55.4	143.3	220.0	267.1	317.7	360.7	780.7
Deferred Tax Assets (net)	467.8	704.4	708.1	2,561.7	3,358.5	5,076.4	7,165.6	7,340.0	1,743.1	1,802.1
Other Assets										
Inventories	17,326.7	19,489.3	21,294.5	25,036.1	32,736.5	36,422.8	36,624.9	38,367.7	34,568.7	40,920.1
Receivables	17,800.1	21,869.9	24,641.0	26,475.2	45,487.6	43,073.4	51,922.1	51,498.0	54,459.3	44,743.2
Cash & Bank Balances (refer note iii)	4,024.7	4,348.8	9,739.1	21,304.7	8,237.7	28,135.4	16,431.7	32,523.5	47,935.2	41,203.2
Others	7,704.6	8,794.9	7,990.8	6,978.2	16,969.9	18,176.5	20,466.9	21,285.8	20,437.0	16,834.4
	46,856.1	54,502.9	63,665.4	79,794.2	103,431.7	125,808.1	125,445.6	143,675.0	157,400.2	143,700.9
TOTAL	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**	**249,838.5**	**236,104.4**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (₹ in million)

Year ended March 31,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
INCOME										
Sales	70,017.2	95,235.3	111,671.2	126,932.2	137,578.7	171,198.0	155,598.4	143,180.5	151,428.0	149,269.9
Other Operating Income	1,232.1	1,796.7	1,999.3	1,703.0	4,976.7	3,745.3	2,443.1	3,465.1	2,319.6	2,359.7
Other Income	143.5	278.5	1,164.8	2,397.5	1,851.9	1,065.1	1,503.5	3,330.1	4,837.6	1,362.9
Total Revenue	**71,392.8**	**97,310.5**	**114,835.3**	**131,032.7**	**144,407.3**	**176,008.4**	**159,545.0**	**149,975.7**	**158,585.2**	**152,992.5**
EXPENSES										
Cost of Materials	26,039.0	35,485.0	38,173.8	41,570.4	43,325.7	50,014.3	52,744.0	49,460.9	54,306.0	53,622.4
Employee Benefits Expense	9,695.3	12,666.2	14,646.5	17,473.4	21,416.2	28,495.2	28,647.1	27,701.7	29,868.4	28,259.0
Manufacturing and Other Expenses	21,067.9	26,181.9	30,822.3	33,395.5	40,960.0	51,502.4	45,175.3	43,875.8	46,025.2	44,079.4
Total Expenses	**56,802.2**	**74,333.1**	**83,642.6**	**92,439.3**	**105,701.9**	**130,011.9**	**126,566.4**	**121,038.4**	**130,199.6**	**125,960.8**
Profit before Interest, Depreciation & Tax	14,590.6	22,977.4	31,192.7	38,593.4	38,705.4	45,996.5	32,978.6	28,937.3	28,385.6	27,031.7
Finance Cost	354.7	409.5	266.5	98.1	594.7	1,525.3	2,043.5	3,024.9	3,629.8	1,406.4
Depreciation and Amortisation	2,275.2	3,321.9	2,609.7	4,347.0	4,871.3	9,122.3	10,858.7	8,460.5	9,702.2	8,874.1
Profit before Exceptional Items & Tax	11,960.7	19,246.0	28,316.5	34,148.3	33,239.4	35,348.9	20,076.4	17,451.9	15,053.6	16,751.2
Exceptional Items (Refer note iv)	-	-	-	-	-	-	14,643.5	3,399.8	7,520.7	-
Profit before Tax	**11,960.7**	**19,246.0**	**28,316.5**	**34,148.3**	**33,239.4**	**35,348.9**	**5,432.9**	**14,052.1**	**7,532.9**	**16,751.2**
Current Tax	2,756.2	5,829.0	9,536.0	10,041.6	11,433.5	10,882.1	5,349.8	8,496.8	6,869.7	4,384.7
Deferred Tax	329.4	12.6	85.5	(337.6)	(840.1)	(1,097.0)	(2,465.2)	382.6	4,701.4	100.5
Net Profit/(Loss) before Discontinued Operations, Share of Profit from Jointly Controlled Entity, Non-Controlling Interest and Share of Loss in Associates	8,875.1	13,404.4	18,695.0	24,444.3	22,646.0	25,563.8	2,548.3	5,172.7	(4,038.2)	12,266.0
Profit from Discontinued Operations	-	-	-	-	-	-	-	944.6	1,301.0	-
Share of Profit from Jointly Controlled Entity	-	-	-	-	49.0	82.5	35.2	37.5	39.4	13.3
Share of Profit/(Loss) attributable to Non-Controlling Interest	198.6	262.8	331.3	411.9	87.6	71.7	70.9	89.3	(3.9)	114.0
Net Profit/(Loss)	**8,676.5**	**13,141.6**	**18,363.7**	**24,032.4**	**22,607.4**	**25,574.6**	**2,512.6**	**6,065.5**	**(2,693.9)**	**12,165.3**

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 2015 onwards and Statement of Profit and Loss for 2016 onwards 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.

Directors' Report

To the Members

Your Directors have pleasure in presenting their report on business and operations of your Company for the year ended March 31, 2021.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Revenue from Operations	110559.3	110256.6	151629.6	153747.6
Other Income	1290.9	4751.9	1362.9	4837.6
Profit before interest, depreciation and tax	**21731.5**	**23828.0**	**27031.7**	**28385.6**
Less: Finance Costs	406.2	525.9	1406.4	3629.8
Less: Depreciation, amortisation and impairment expenses	5028.3	5187.5	8874.1	9702.2
Profit before share of Profit from Jointly Controlled Entity, exceptional items and Tax	**16297.0**	**18114.6**	**16751.2**	**15053.6**
Add: Share of Profit from Jointly Controlled Entity	-	-	13.3	39.4
Less: Exceptional Items	-	7592.1	-	7520.7
Less: Provision for taxation (including deferred tax)	3710.8	3247.0	4485.2	11571.1
Profit/(Loss) after tax from continuing operations	**12586.2**	**7275.5**	**12279.3**	**(3998.8)**
Profit/(Loss) after tax from discontinued operations	**-**	**-**	**-**	**1301.0**
Profit/(Loss) after tax and before non-controlling interest	**12586.2**	**7275.5**	**12279.3**	**(2697.8)**
Share of Profit/(Loss)attributable to Non-controlling Interest	-	-	114.0	(3.9)
Net Profit/(Loss) attributable to Shareholders of the Company	**12586.2**	**7275.5**	**12165.3**	**(2693.9)**

Performance Review

Consolidated Revenue from Operations for the year ended March 31, 2021 was ₹ 151629.6 million. International business contributed 65%. Consolidated profit before exceptional items and tax was ₹ 16751.2 million, higher by 11.3% over FY 2019 - 20. Net Profit after exceptional items and tax was ₹ 12165.3 million, as against loss of ₹ 2693.9 million in FY 2019 - 20. Earnings per share (Basic) stood at ₹ 26.84.

COVID-19 Pandemic

The World Health Organization declared COVID-19 to be a pandemic. The Company adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruptions including remote working, maintaining social distancing, sanitization of workspaces etc. The Company considered internal and external information while finalizing various estimates in relation to its financial statements up to the date of their approval by the Board of Directors and has not identified any material impact on the carrying value of assets, inventories, receivables, borrowings, liabilities or provisions. Since the Company deals with pharmaceuticals, which is classified as essentials, there has been no significant impact on the overall demand of the goods and its supply chain. The Company did not observe major delays in collections from customers and hence there was no significant increase in credit risk. The Company's liquidity position is adequate to service all its near-term debts and other financing arrangements/liabilities. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. With a view to facilitate the upkeep of good health for its employees across India, the Company extended a medical outreach program - **L I B E R A T E** (**L**upin's **I**nitiative to **B**ring Covid19 **E**ducation & provide **R**ecommendations for **A**dvocacy, testing & **T**reatment assistance to **E**mployees) for those who wished to seek medical assistance during lockdown.

Dividend

Your Directors are pleased to recommend higher dividend of 325% (₹ 6.50 per equity share) as against 300% (₹ 6/- per equity share) of the previous year. The total dividend amount is ₹ 2949.2 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/wp-content/uploads/2021/04/dividend-distribution-policy.pdf).

Share Capital

During the year, the paid-up share capital of the Company increased by ₹ 1.4 million consequent to the allotment of 682012 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, 2021 was ₹ 907.4 million.

Credit Rating

ICRA Limited (ICRA) continued to maintain the rating **'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, 2021, the Company had 25 subsidiaries and a joint venture.

As part of restructuring, Lupin Middle East FZ-LLC, UAE and Lupin Japan & Asia Pacific K.K., Japan were liquidated, effective July 2, 2020 and December 17, 2020, respectively. Lupin GmbH, Switzerland was merged with Lupin Atlantis Holdings SA, Switzerland, effective September 21, 2020.

The Board of Directors approved the entry into diagnostic business through Lupin Healthcare Limited, wholly owned subsidiary of the Company.

As part of business expansion, Lupin Biologics Limited, India and Lupin Oncology Inc., USA were incorporated on January 28, 2021 and March 15, 2021, respectively, as wholly owned subsidiaries of the Company.

The Company's Biotech division is based out of Pune. Lupin Biologics Limited was incorporated with a vision to produce affordable and accessible high-quality biologics for patients globally. The Company successfully developed Biosimilar for Etanercept (Enbrel®) for global markets and has in pipeline, several projects in various phases of development which hold market potential.

With a view to have a greater focus on the Oncology pipeline, Lupin Oncology Inc., USA, was incorporated which will engage in development/co-development and commercialization of various oncology products.

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. The said financial statements are also available on the Company's website www.lupin.com.

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/wp-content/uploads/2021/04/policy-for-determining-material-subsidiaries.pdf).

Integrated Report

The Company has voluntarily provided its maiden Integrated Report encompassing financial and non-financial information, to help Members take well-informed decisions and have a better understanding of the Company's long-term perspective. The Report inter-alia covers Company's strategy, governance framework, performance and value creation based on the six forms of capital i.e. financial capital, human capital, manufacturing capital, social capital, intellectual capital and natural capital.

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 Integrated Report.

Corporate Governance Report

Your Directors reaffirm their continued commitment to adhere to the highest standards of 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 Integrated Report. As stipulated by Schedule V(E) of the Listing Regulations, Auditors' certificate confirming compliance with the conditions of corporate governance is annexed to the said Report.

Business Responsibility Report

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

Corporate Social Responsibility (CSR)

CSR activities are carried out through Lupin Human Welfare & Research Foundation (LHWRF) and Lupin Foundation, CSR arms of the Company. LHWRF, which undertakes rural development, has experience of implementing social projects for over three decades. LHWRF, through 20 centres, has a presence in about 5431 villages located in 77 blocks of 23 districts spread across 9 states. The Company broadly undertakes the following CSR activities: -

- Economic Development Programs;
- Social Development Programs;
- Rural Infrastructure Development Programs;
- Learn & Earn Programs;
- Natural Resource Management; and
- Disaster Relief and Mitigation.

LHWRF has done remarkable work for Covid relief and transiting migrant workers.

On January 22, 2021, the Ministry of Corporate Affairs notified Section 21 of the Companies (Amendment) Act, 2019 and Section 27 of the Companies (Amendment) Act, 2020, whereby the provisions of Section 135 of the Act were amended. In terms of the amended provisions, unless the unspent CSR amount relates to any ongoing project, the same shall be transferred to a Fund specified in Schedule VII of the Act, within six months from the end of the financial year. Pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the year, the amount required to be spent by the Company @ 2% for FY 2020-21 is ₹ 346.6 million. The Company spent ₹ 351.1 million on various CSR activities.

Details of CSR activities undertaken by the Company are given in **Annexure 'B'** to this Report. The CSR policy, 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, to the best of their knowledge and belief your Directors confirm that: -

i) in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanations relating to material departures;

ii) 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, 2021 and of the profit of your Company for that year;

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

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

vi) 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

Pursuant to the provisions of Section 152 of the Act, Dr. Kamal K. Sharma (DIN: 00209430), Vice Chairman, retires by rotation at the forthcoming Annual General Meeting (AGM) and is eligible for re-appointment.

Mr. R. A. Shah (DIN: 00009851), Mr. Richard Zahn (DIN: 02937226), Dr. K. U. Mada (DIN: 00011395) and Mr. Dileep C. Choksi (DIN: 00016322), Independent Directors, retired at the conclusion of the 38th Annual General Meeting held on August 12, 2020, on completion of their second terms as Independent Directors of the Company. The Board and the Management sincerely appreciates and places on record its gratitude for the significant contributions made by Mr. Shah, Mr. Zahn, Dr. Mada and Mr. Choksi during their association with the Company.

Mr. K. B. S. Anand (DIN: 03518282) and Dr. Punita Kumar-Sinha (DIN: 05229262) were appointed as Independent Directors and designated as Additional Directors effective August 12, 2020. Mr. Robert Funsten (DIN: 08950420) and Mr. Mark D. McDade (DIN: 09037255) were appointed as Independent Directors and designated as Additional Directors effective November 10, 2020 and January 28, 2021, respectively.

Pursuant to the provisions of Sections 149 and 152 of the Act, the Members, vide Ordinary Resolutions passed through Postal Ballot, the results of which were declared on March 17, 2021, approved, the appointments of Mr. Anand and Dr. Kumar-Sinha, as Independent Directors of the Company, for a period of five years, effective August 12, 2020;

Mr. Robert Funsten, as an Independent Director of the Company, for a period of six months, effective November 10, 2020; and Mr. Mark D. McDade, as an Independent Director of the Company, for a period of five years, effective January 28, 2021.

Mr. Anand is a B. Tech (Mech. Engineering) from Indian Institute of Technology, Mumbai, and PGDM, Indian Institute of Management, Kolkata. He is well versed with managing board dynamics. Mr. Anand was nominated as the 'Best CEO - Private Sector' at the Forbes Leadership Awards in 2016 and was awarded the Qimpro Gold Standard in Business for Quality in 2017.

Dr. Kumar-Sinha has a Ph.D. and Master's in Finance from the Wharton School, University of Pennsylvania. She has an MBA and is a CFA charter holder. Dr. Kumar-Sinha received her undergraduate degree in Chemical Engineering with distinction from the Indian Institute of Technology, New Delhi. She has focused on investment management and financial markets during her 30-year career. Dr. Kumar-Sinha has significant governance and Board experience.

Mr. Robert Funsten is Counsel in the Corporate Practice Group of the law firm Brown Rudnick LLP in the USA. He has over 25 years experience working with and advising life sciences companies in transactional, M & A and other matters. Mr. Funsten received a J.D. from Stanford Law School and a B.A., magna cum laude from the University of California, Los Angeles.

Mr. McDade is a highly accomplished executive with excellent operating and leadership skills. During a biopharmaceutical career spanning over more than 37 years, he has held a progression of COO and CEO roles in complex businesses. Mr. McDade completed B.A. in history from Dartmouth College and MBA from Harvard Business School.

At the 37th AGM held on August 7, 2019, Ms. Christine Mundkur was appointed as an Independent Director to hold office till the conclusion of the 39th AGM. Pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Act and Rules made thereunder and as recommended by the Nomination & Remuneration Committee, Ms. Mundkur is being re-appointed as an Independent Director, to hold office for a period of five years after the conclusion of the 39th AGM i.e. up to August 10, 2026. Her appointment is subject to approval by the Members vide a Special Resolution at the 39th AGM. Ms. Mundkur has consented for being appointed as an Independent Director and has confirmed that she is not disqualified from being appointed as a Director. She has also submitted declaration as regards Independent status vis-à-vis the Company.

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

During the year, six Board meetings were held, on May 28, 2020, August 6, 2020, August 12, 2020, November 4, 2020, January 28, 2021 and March 10, 2021, the details of which, are given in the Corporate Governance Report which forms part of this Integrated Report.

Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Act and Rule 8(4) of the Companies (Accounts) Rules, 2014, an annual performance evaluation was carried out by the Board of its own performance, Directors individually and Committees of the Board. Performance evaluation of the Board and Committees was done by the Board after seeking inputs from all Directors, inter-alia covering different criteria, viz. adequacy and composition of the Board, quality of deliberations, transparency, effectiveness of Board procedures, observance of governance and contributions of Directors at Board and Committee meetings. In evaluating the performance of individual Directors, criteria such as leadership qualities, qualifications, responsibilities shouldered, analytical skills, knowledge, participation in long-term strategic planning, inter-personal relationships and attendance at meetings was taken into consideration.

In compliance with Regulation 17(10) of the Listing Regulations, the Board carried out performance evaluation of Independent Directors without the participation of the Director being evaluated.

The performance evaluation was carried out based on parameters such as, initiative, contributions, independent judgement, understanding the business environment and understanding of strategic issues. Independent Directors are a diversified group of recognised professionals with wide horizon of knowledge, competence and integrity, who express their opinions freely and exercise their own judgements in decision-making. Overseas Independent Directors have international perspectives and bring them to bear upon during Board deliberations. There is no conflict of interest of Independent Directors with the Company.

Audit Committee

Up to August 12, 2020, the Audit Committee comprised three non-executive directors, i.e. Dr. K. U. Mada, Independent Director, *Chairman,* Dr. Kamal K. Sharma, Vice Chairman and Mr. Dileep C. Choksi, Independent Director. Dr. Mada and Mr. Choksi, retired at the conclusion of the 38th AGM, on completion of their second terms as Independent Directors of the Company.

Effective August 25, 2020, the Audit Committee was reconstituted and comprises Dr. Punita Kumar-Sinha, Independent Director, *Chairperson,* Dr. Kamal K. Sharma and Ms. Christine Mundkur, Independent Director. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. The functions performed by the Audit Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report, which forms part of this Integrated 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 recommendation of the Nomination and Remuneration Committee, the Board formulated a Policy relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. The policy lays down the guiding principles, philosophy and basis for recommending payment of remuneration to the executive/non-executive Directors. It includes criteria for determining qualifications, positive attributes and independence of directors and other matters. The functions of the Committee are disclosed in the Corporate Governance Report, which forms part of the Integrated Report. In terms of 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/wp-content/uploads/2021/04/nomination-and-remuneration-policy-ll-final.pdf).

Related Party Transactions

All transactions entered by the Company with related parties during the financial year, were in the ordinary course of business and on an arm's length basis. No related party transaction was in conflict with the interests of the Company. The Audit Committee periodically reviews and approves related party transactions. Material related party transactions were entered into by the Company only with its subsidiaries. As stipulated by Section 134(3)(h) of the Act read with 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. Apart from remuneration, sitting fees and commission, there is no pecuniary transaction with any Director, which had potential conflict of interest with the Company. As stipulated by Regulation 46(2)(g) of the Listing Regulations, the policy on dealing with related party transactions, as approved by the Board, has been hosted on the Company's website www.lupin.com and web link for the same is https://www.lupin.com/wp-content/uploads/2021/04/policy-related-party-transactions.pdf.

Risk Management

In compliance with Regulation 21 of the Listing Regulations, Risk Management Committee comprising Dr. Kamal K. Sharma, Vice Chairman, Ms. Vinita Gupta, Chief Executive Officer, Mr. Nilesh D. Gupta, Managing Director, Mr. Ramesh Swaminathan, Executive Director, Global CFO and Head Corporate Affairs and Mr. Sunil Makharia, President - Finance, has been constituted. The Company has in place a Risk Management framework which defines the roles and responsibilities at various levels in the organization. The ongoing review process in line with the framework helps in identifying the critical 'risks that matter' and focusing on emerging risks in the business environment. The Committee ensures that there is a robust process of identifying key risks based on the probability of occurrence, its potential business and financial impact and volatility along with focus on arriving at mitigation plans and its implementation. Constitution of the Committee, its terms of reference, details of meeting held and attendance thereat are mentioned in the Corporate Governance Report, which forms part of the Integrated Report. The Company was awarded 'Masters of Risk in Pharma & Healthcare' category at India Risk Management Awards 7th Edition by CNBC-TV18.

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 forming part of this Integrated Report.

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

As stipulated by Section 134(3)(m) of the Act read with 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

The Company considers human resources as invaluable assets. The Company has had the honor of being consistently recognised as 'Great Place to Work'. The Company was ranked No. 1 in the Biotech and Pharma and amongst Top 50 large organisations in the list of top 100 - Great Place to Work™ for 2019-20. The Company's people-first approach, providing best-in-class work environment and advanced learning initiatives were the key drivers behind these achievements.

As mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. Employees are regularly sensitized about matters pertaining to prevention of sexual harassment.

Employees Stock Options

Pursuant to the provisions of Regulation 14(B) of the SEBI (Share Based Employee Benefits) Regulations, 2014, details of stock options as on March 31, 2021, are given in **Annexure 'E'** to this Report.

Vigil Mechanism/Whistleblower Policy

Over the years, the Company established a strong reputation for doing business with integrity and has displayed zero tolerance for any form of unethical conduct or behaviour. In compliance with the provisions of Section 177(9) and (10) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has established a Vigil mechanism/Whistleblower Policy for Directors and employees to report genuine concerns. As mandated by Regulation 18(3) read with Schedule II Part C(18) of the Listing Regulations, the Audit Committee reviews the functioning of the Vigil mechanism/Whistleblower Policy. The Company adheres to uncompromising integrity in conduct of its business and strictly abides by well-accepted norms of ethical, lawful and moral conduct. Employees are at liberty to report unethical practices and raise their concerns to the office of the Ombudsperson without any fear of retaliation or retribution. Complaints, including anonymous ones are investigated/examined by teams of strategic business units heads/officers appointed by the Ombudsperson and are swiftly redressed. During the year, the Ombudsperson received 21 complaints which were investigated and dealt with according to the Ombudsperson Policy and no complaints were pending. Vigil mechanism/Whistleblower Policy is hosted on the website of the Company www.lupin.com. Policies on Code of Conduct and Prevention of Sexual Harassment are on the internal portal of the Company.

Particulars of Employees Remuneration

Disclosure of 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, 2021 required to be furnished in terms of Rules 5(2) and 5(3) of the said Rules, forms part of this Report. The same shall be provided to Members upon written request pursuant to second proviso of Rule 5. Pursuant to provisions of Section 136(2) of the Act, particulars of remuneration of employees are 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

The Company continues to have an unqualified Audit Report.

At the 34th AGM held on Wednesday, August 3, 2016, Members appointed B S R & Co. LLP, Chartered Accountants (Firm Reg. 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.

As recommended by the Audit Committee, the Board of Directors approved the re-appointment of B S R & Co. LLP as Statutory Auditors of the Company, for a period of five years from the conclusion of 39th AGM till the conclusion of the 44th AGM or any adjournment thereof subject to approval of the Members at the ensuing AGM.

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

Internal Audit

The Corporate Internal Audit team carried out Internal audit of the Company's operations. The strength of the in-house Internal Audit team is adequate to undertake the audit function. Local Chartered Accountant firms conduct audits of Carrying & Forwarding Agents and Central Warehouses of the Company in India. Internal audit findings are discussed at presentations made at the Audit Committee meetings and corrective actions taken.

Cost Audit

In compliance with the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014 and as recommended by the Audit Committee, the Board of Directors at its meeting held on May 28, 2020, appointed Mr. S. D. Shenoy, Practising Cost Accountant (FCMA No. 8318), as Cost Auditor to conduct cost audit for the year ended March 31, 2021. Mr. Shenoy is a Cost accountant as defined under Section 2(1)(b) of the Cost and Works Accountant Act, 1959 and holds a valid certificate of practice. Mr. Shenoy confirmed that he was free from disqualifications as specified under Section 141 read with Sections 139 and 148 of the Act 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.

In compliance with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration payable to Mr. Shenoy, for conducting Cost Audit for the year ended March 31, 2021, was ratified by Members, by passing an Ordinary Resolution at the 38th AGM held on August 12, 2020.

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

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, 2020, under the head 'Drugs and Pharmaceuticals' was filed with the Central Government on December 16, 2020, well within the prescribed time.

Secretarial Audit

As stipulated by Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Board of Directors, at its meeting held on May 28, 2020, appointed Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661) to undertake Secretarial Audit of the Company for the year ended March 31, 2021. Secretarial Audit Report in prescribed Form No. MR-3 is enclosed as **Annexures 'G' and 'G'-1** 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, the Board of Directors, at its meeting held on May 28, 2020, appointed Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661), for issuing Annual Secretarial Compliance Report for the year ended March 31, 2021. The Report, which was presented at the Board Meeting held on May 12, 2021, confirmed 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 SEBI/BSE/NSE.

The Company disseminated the Report on the websites of BSE and NSE.

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.

Annual Return

In compliance with the provisions of Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company for the financial year ended March 31, 2021 has been hosted on the Company's website www.lupin.com and web link for the same is: https://www.lupin.com/investors/reports-filings/.

Acknowledgements

Your Directors mourn the loss of lives due to COVID-19 pandemic and are deeply grateful and with immense respect, convey their sincere appreciation to all employees of the Company for their excellent commitment, dedication, contribution and hard work. They also acknowledge and express their deep gratitude for the whole-hearted support received by the Company from various departments of the Central and State governments, banks, financial institutions, suppliers, distributors, customers, business associates, medical professionals, analysts and members.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 12, 2021

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

(INR 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 73.11 for 1 US $	[Refer Note Nos. 1 and 8]	6203.5	55483.9	49280.4	Nil	52363.4	1301.4	35.6	1265.8	Nil	100%
Pharma Dynamics (Proprietary) Limited, South Africa	01.03.2008	N.A.	ZAR and Exchange Rate INR 4.94 for ZAR 1	0.5	3142.7	4179.9	1036.7	41.9	5905.2	1234.8	300.2	934.6	Nil	100%
Hormosan Pharma GmbH, Germany	25.07.2008	N.A.	Euro and Exchange Rate INR 85.75 for 1 Euro	8.1	1340.0	2661.0	1312.9	Nil	2532.4	376.3	31.9	344.4	Nil	100%
Multicare Pharmaceuticals Philippines, Inc., Philippines	26.03.2009	N.A.	PHP and Exchange Rate INR 1.51 for PHP 1	26.9	1080.3	2349.0	1241.8	Nil	1940.6	335.3	102.6	232.7	Nil	51%
Generic Health Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate is INR 55.70 for 1 AUD	1344.3	138.7	2393.6	910.6	Nil	3028.6	583.9	(10.0)	593.9	Nil	100%
Lupin Atlantis Holdings SA, Switzerland [Refer Note No. 13]	05.06.2007	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	115.9	43603.4	46014.6	2295.3	Nil	5224.8	1727.0	125.5	1601.5	Nil	100%
Lupin Healthcare (UK) Limited, UK	05.06.2009	N.A.	GBP and Exchange Rate INR 100.75 for 1 GBP	279.7	(930.7)	1066.7	1717.7	Nil	1092.0	194.0	13.8	180.2	Nil	100%
Lupin Australia Pty Limited, Australia	01.12.2004	N.A.	AU $ and Exchange Rate is INR 55.70 for 1 AUD	33.3	(28.1)	13.2	8.0	Nil	Nil	1.3	Nil	1.3	Nil	100%
Lupin Pharma Canada Limited, Canada	18.06.2009	N.A.	CAD and Exchange Rate INR 58.03 for 1 CAD	155.5	48.0	1863.8	1660.3	Nil	1789.3	100.7	13.9	86.8	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	(45.2)	7.0	[Refer Note No. 9]	Nil	Nil	0.7	Nil	0.7	Nil	100%
Bellwether Pharma Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate is INR 55.70 for 1 AUD	264.5 [Refer Note No. 4]	(274.4)	Nil	9.9	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Philippines Inc., Philippines	20.12.2010	N.A.	PHP and Exchange Rate INR 1.51 for PHP 1	59.9	114.4	560.6	386.3	Nil	363.5	55.8	14.5	41.3	Nil	100%
Lupin Healthcare Limited, India	17.03.2011	N.A.	INR	26.2	68.4	581.7	487.1	558.2	Nil	(21.3)	2.4	(23.6)	Nil	100%
Generic Health SDN. BHD., Malaysia	18.05.2011	N.A.	RM and Exchange Rate INR 17.63 for RM 1	8.2	(7.7)	0.7	0.2	Nil	Nil	(0.8)	Nil	(0.8)	Nil	100%
Lupin Middle East FZ-LLC, UAE	13.06.2012	N.A.	[Refer Note 15]	Nil	Nil	Nil	Nil	Nil	Nil	217.9	Nil	217.9	Nil	100%
Lupin Inc., USA	27.06.2013	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	43425.3	(69540.0)	28256.4	54371.1	Nil	21961.6	2158.3	(120.9)	2279.2	Nil	100%
Nanomi B.V., Netherlands	30.01.2014	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	12660.5	44608.4	58761.2	1492.3	Nil	Nil	(1380.5)	12.7	(1393.2)	Nil	100%

(INR 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
Laboratorios Grin, S.A. de C.V., Mexico	01.10.2014	N.A.	MXN $ and Exchange Rate INR 3.57 for MXN $ 1	854.2	1056.3	3272.3	1361.8	Nil	2127.1	375.6	121.7	253.9	Nil	100%
Medquimica Industria Farmaceutica LTDA, Brazil	24.06.2015	N.A.	BRL and Exchange Rate INR 12.81 for BRL 1	5462.5 [Refer Note No. 5]	(4651.5)	4557.1	3746.1	Nil	3257.6	(548.5)	(22.7)	(525.8)	Nil	100%
Novel Laboratories, Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	[Refer Note No. 10]	5960.8	8552.0	2591.2	Nil	7342.4	380.7	30.5	350.2	Nil	100%
Lupin Research Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	[Refer Note No. 11]	1003.2	1914.2	911.0	Nil	2216.0	145.7	116.2	29.5	Nil	100%
Lupin Latam, Inc., USA	15.12.2016	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	[Refer Note No. 12]	38.3	102.1	63.8	Nil	Nil	5.6	(4.0)	9.6	Nil	100%
Lupin Japan & Asia Pacific K.K., Japan	13.03.2017	N.A.	[Refer Note 14]	Nil	Nil	Nil	Nil	Nil	Nil	6.6	9.3	(2.7)	Nil	100%
Lupin Management, Inc., USA	10.10.2017	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	Nil	35.2	227.8	192.6	Nil	Nil	42.6	7.4	35.2	Nil	100%
Lupin Europe GmbH, Germany	05.02.2018	N.A.	Euro and Exchange Rate INR 85.75 for 1 Euro	2.0	12.0	179.6	165.6	Nil	Nil	(16.6)	Nil	(16.6)	Nil	100%
Lupin Biologics Limited, India	28.01.2021	N.A.	INR	1.0	(1.2)	0.1	0.3	Nil	Nil	(1.2)	Nil	(1.2)	Nil	100%
Lupin Oncology Inc., USA	15.03.2021	N.A.	US $ and Exchange Rate INR 73.11 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Foundation, India	28.06.2016	N.A.	INR	[Refer Note No. 16]	107.6	108.7	0.0	Nil	Nil	1.2	Nil	1.2	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, Lupin Inc., USA, 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 Nanomi B.V., Netherlands.

3) The entire shareholdings of Lupin Healthcare (UK) Limited, UK, Lupin Pharma Canada Limited, Canada, Laboratorios Grin S.A. de C.V., Mexico, Lupin Latam, Inc., USA, and Lupin Europe GmbH, Germany, are held by Lupin Atlantis Holdings SA, Switzerland.

4) The entire shareholding of Bellwether Pharma Pty Limited, Australia, is held by Generic Health Pty Limited, Australia.

5) Lupin Atlantis Holdings SA, Switzerland, holds 73.88% and Nanomi B.V., Netherlands, holds 26.12% shares in Medquimica Industria Farmaceutica LTDA, Brazil.

6) The entire shareholdings of Novel Laboratories, Inc., USA, Lupin Research Inc., USA and Lupin Management, Inc., USA are held by Lupin Inc., USA.

7) Lupin Mexico S.A. de C.V., Mexico, Generic Health SDN. BHD., Malaysia, Lupin Biologics Limited, India and Lupin Oncology Inc., USA have not yet commenced commercial operations.

8) Lupin Pharmaceuticals, Inc., USA, has Share Capital of US $ 1 i.e INR 62/-.

9) Total liabilities in Lupin Mexico S.A. de C.V. Mexico, are INR 75,033/-.

10) Novel Laboratories, Inc., USA, has Share Capital of US $ 1 i.e. INR 67/-.

11) Lupin Research Inc., USA, has Share Capital of US $ 1 i.e. INR 67/-

12) Lupin Latam, Inc., USA, has Share Capital of US $ 1 i.e. INR 68/-.
13) On September 21, 2020, Lupin GMBH, Swizerland, subsidiary of Lupin Atlantis Holdings SA, Switzerland, was merged with Lupin Atlantis Holdings SA ,Switzerland, with effect from April 1, 2020.
14) Lupin Japan & Asia Pacific K.K., Japan, a subsidiary of Lupin Atlantis Holdings SA, Switzerland was liquidated on December 17, 2020.
15) Lupin Middle East FZ-LLC, UAE, a subsidiary of Lupin Atlantis Holdings SA, Switzerland was liquidated on July 2, 2020.
16) Lupin Foundation, India has a corpus fund of INR 1.1 million.
17) Figures in brackets denote negative amounts.

For and on behalf of the Board of Directors

Manju D. Gupta	Dr. Kamal K. Sharma	Vinita Gupta	Nilesh D. Gupta	Ramesh Swaminathan	R. V. Satam
Chairman	*Vice Chairman*	*Chief Executive Officer*	*Managing Director*	*Executive Director, Global CFO & Head Corporate Affairs*	*Company Secretary*
(DIN: 00209461)	(DIN: 00209430)	(DIN: 00058631)	(DIN: 01734642)	(DIN: 01833346)	(ACS - 11973)

Mumbai, May 12, 2021

Part 'B': Joint Ventures
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Jointly Controlled Entity

(INR in million)

Name of the Jointly Controlled Entity	YL Biologics Limited, Japan
1) Latest Audited Balance Sheet Date	March 31, 2021
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	319.1
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	319.1
7) Profit/(Loss) for the year	
(i) Considered in Consolidation (after inter company adjustment)	13.3
(ii) Not Considered in Consolidation	16.2

* **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	Dr. Kamal K. Sharma	Vinita Gupta	Nilesh D. Gupta	Ramesh Swaminathan	R. V. Satam
Chairman	*Vice Chairman*	*Chief Executive Officer*	*Managing Director*	*Executive Director, Global CFO & Head Corporate Affairs*	*Company Secretary*
(DIN: 00209461)	(DIN: 00209430)	(DIN: 00058631)	(DIN: 01734642)	(DIN: 01833346)	(ACS - 11973)

Mumbai, May 12, 2021

ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

1. Brief outline on CSR policy of the Company:

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 programs that would benefit the communities in and around Company's worksites, 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 to make things happen at the field level, through direct intervention and social investment, attempt will be made to address the immediate needs of the poor as also long-term development concerns.
- Responding to natural and anthropogenic disasters, calamities at global and national levels as well as in the areas of operations to provide relief, reconstruction and rehabilitation support, as and when required.
- Setting up deeper sustainable institutional projects for long-term welfare of the nation.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Manju D. Gupta	*Chairman, Non-Executive Director*	1	1
2.	Dr. Kamal K. Sharma	*Member, Non-Executive Director*	1	1
3.	Ms. Vinita Gupta	*Member, Chief Executive Officer*	1	1
4.	Mr. Nilesh D. Gupta	*Member, Managing Director*	1	1
5.	Mr. K. B. S. Anand (w.e.f. August 25, 2020)	*Member, Independent Director*	1	1

3. Provide the web-links where composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of the CSR Committee, CSR Policy and CSR Projects have been hosted on the Company's website www.lupin.com and web links for the same are https://www.lupin.com/investors/committees-of-the-board/, https://www.lupin.com/community/ and https://www.lupinfoundation.in/ respectively.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

The Company undertakes CSR activities through Lupin Human Welfare & Research Foundation (LHWRF), its CSR arm. LHWRF conducted third party impact assessment of some projects in the previous years. LHWRF regularly conducts third party impact assessments of its CSR initiatives through qualitative feedbacks collected from the beneficiaries of CSR projects. Several projects are undertaken in partnership with government and semi-government agencies that have their own monitoring mechanisms and impact assessment systems. It was not possible to conduct any impact assessment during FY 2021 due to the Covid pandemic lockdown.

5. Details of the amount available for set off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sl. No.	Financial Years (FY 2017 - 18, FY 2018 - 19 and FY 2019 - 20)	Amount available for set-off from preceding financial years (₹)	Amount required to be set-off for the financial year, if any (₹)
	Nil		

6. Average net profit of the Company as per Section 135(5):

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 ₹ 17327 million.

7. (a) Two percent of the average net profit of the Company as per Section 135(5): ₹ 346.6 million.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil.

(c) Amount required to be set off for the financial year, if any: Nil.

(d) Total CSR obligation for the financial year (7a + 7b – 7c): ₹ 346.6 million.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 351.1 million	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

1.	2.	3.	4.	5.		6.	7.	8.	9.	10.	11.	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (₹)	Amount spent in the current financial Year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regn. No.
						N.A.						

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1.	2.	3.	4.	5.		6.	7.	8.	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent on the project (₹ in million)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	Rural Support Programme	(x)	Yes	Rajasthan Maharashtra	Alwar, Bharatpur Dhule, Pune, Sindhudurg	127.8	No	LHWRF/ MSGDJSN*	CSR00008854/ CSR00008855
2.	Rural Support Programme	(x)	Yes	Gujarat Maharashtra Madhya Pradesh Andhra Pradesh Goa Jammu Sikkim	Ankleshwar, Dabhasa Aurangabad, Nagpur, Pune, Tarapur Mandideep, Pithampur Visakhapatnam	46.7	No	LHWRF	CSR00008854
3.	Learn and Earn Programme	(ii)	Yes	Gujarat Maharashtra Goa Sikkim	Dabhasa Tarapur, Nagpur	21.0	No	LHWRF	CSR00008854
4.	Patient Awareness Camps	(i)	Yes	National Level	-	14.1	Yes	-	-
5.	COVID-19 related activities	(i)	Yes	National Level	-	20.3	Yes	-	-
6.	Donations for CSR	-	No	National Level	-	107.5	Yes	-	-
					Total	**337.4**			

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

(d) Amount spent in Administrative Overheads: ₹ 13.7 million

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 351.1 million

(g) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in million)
i.	Two percent of average net profit of the Company as per Section 135(5)	**346.6**
ii.	Total amount spent for the financial year	**351.1**
iii.	Excess amount spent for the financial year [(ii)-(i)]	**4.5**
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**Nil**
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	**4.5**

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year (FY 2017 - 18, FY 2018 - 19 and FY 2019 - 20)	Amount transferred to Unspent CSR Account under Section 135(6) (₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹)
				Name of the Fund	Amount (₹)	Date of transfer	
	-	Nil	-	-	Nil	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1.	2.	3.	4.	5.	6.	7	8.	9.
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹)	Amount spent on the project in the reporting Financial Year (₹)	Cumulative amount spent at the end of reporting Financial Year (₹)	Status of the project - Completed/ Ongoing
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): N.A.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 12, 2021

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, 2021 were at arm's length basis.

2. Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis: -

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	Dates of approval by the Audit Committee/Board	Amount paid as advances
Lupin Pharmaceuticals, Inc., USA, (wholly owned subsidiary)	Sale of Goods	Continuous	Based on Transfer Pricing Guidelines - ₹ 28890.1 million	August 6, 2020/August 6, 2020; November 3, 2020/November 4, 2020; January 27, 2021/January 28, 2021; and May 11, 2021/May 12, 2021.	Nil

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 12, 2021

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 utility cooling tower circulation pump.
b) Replaced shell and tube type chillers with plate type ones.
c) Installed variable frequency drives for Air-Compressors.
d) Installed PIR sensor-based tube lights.
e) Replaced normal light fittings with LED ones.
f) Installed improved design cooling tower fan.
g) Optimized reverse osmosis plant permeate recovery.
h) Implemented close loop system in chilled water.
i) Installed double effect evaporator.
j) Improved steam generation and consumption efficiency.
k) Utilised RO permeate water.
l) Reused clean room HVAC condensate for cooling tower make up.
m) Installed advanced technology lighting arrestor for protecting plant and premises.
n) Installed emulsification system for effective burning of furnace oil boiler.

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

a) Generation of solar power.
b) UPS power source used for critical equipments.
c) Installed heat pumps.
d) Installed automatic capacitor banks with filters.
e) Used wind power.
f) Installed plate heat exchangers.

(iii) capital investment on energy conservation equipments;

a) Ankleshwar - ₹ 64 million.
b) Nagpur - ₹ 17 million.
c) Mandideep - ₹ 3.20 million.
d) Pune - ₹ 2.30 million.
e) Goa - ₹ 0.48 million.
f) Pithampur - ₹ 0.43 million.
g) Sikkim - ₹ 0.11 million

(B) Technology absorption:

(i) efforts made towards technology absorption;

Particulars are given in the Management Discussion and Analysis which forms part of this Integrated 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 Integrated 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;

No specific technology was imported during FY 2020-21. 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	₹ 676.9 million
b.	Recurring (excluding depreciation of ₹ 1523.6 million)	₹ 12800.6 million
	Total:	**₹ 13477.5 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	₹ 51027.1 million
Foreign Exchange outgo in terms of actual outflows	₹ 21081.2 million

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 12, 2021

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, 2021, 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 EPS (consolidated) for the financial year 2020-21: ₹ 26.72. No. of Options outstanding as on 31.03.2021: 4270397 Shares

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2021

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, 2021, were as under: -

(i) A description of each Employee Stock Option Scheme (ESOS) existed during 01.04.2020 and 31.03.2021:

Sl. No.	Name of the Plan	Date of shareholder's 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 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
4.	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	Primary	No Variation
5.	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
6.	Lupin Employees Stock Option Plan 2014 (ESOP 2014)	21.10.2014 & 07.08.2019	2975000	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

Sl. No.	Name of the Plan	Date of shareholder's 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
7.	Lupin Subsidiary Companies Employees Stock Option Plan 2014 (SESOP 2014)	21.10.2014 & 07.08.2019	1525000	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

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

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):

Sl. No.	Particulars	Details	
1.	Number of options outstanding at the beginning of the period	**Plan**	**No. of options**
		ESOP 2003	106030
		ESOP 2005	33045
		ESOP 2011	1247423
		ESOP 2014	1560903
		SESOP 2011	644296
		SESOP 2014	1030734
		Total	**4622431**
2.	Number of options granted during the year	**Plan**	**No. of options**
		ESOP 2011	97725
		ESOP 2014	422055
		SESOP 2011	74596
		SESOP 2014	210251
		Total	**804627**
3.	Number of options forfeited/lapsed during the year	**Plan**	**No. of options**
		ESOP 2003	2000
		ESOP 2011	49848
		ESOP 2014	80608
		SESOP 2011	173958
		SESOP 2014	168235
		Total	**474649**
4.	Number of options vested during the year	**Plan**	**No. of options**
		ESOP 2011	62214
		ESOP 2014	450369
		SESOP 2011	46944
		SESOP 2014	168618
		Total	**728145**
5.	Number of options exercised during the year	**Plan**	**No. of options**
		ESOP 2003	4000
		ESOP 2005	4000
		ESOP 2011	154057
		ESOP 2014	420864
		SESOP 2011	34552
		SESOP 2014	64539
		Total	**682012**

Sl. No.	Particulars	Details	
6.	Number of shares arising as a result of exercise of options	**Plan**	**No. of shares**
		ESOP 2003	4000
		ESOP 2005	4000
		ESOP 2011	154057
		ESOP 2014	420864
		SESOP 2011	34552
		SESOP 2014	64539
		Total	**682012**
7.	Money realised by exercise of options (₹), if scheme is implemented directly by the company	**Plan**	**Amount (₹)**
		ESOP 2003	2898700.00
		ESOP 2005	2898700.00
		ESOP 2011	87212192.95
		ESOP 2014	841728.00
		SESOP 2011	13077353.50
		SESOP 2014	129078.00
		Total	**107057752.45**
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	100030
		ESOP 2005	29045
		ESOP 2011	1141243
		ESOP 2014	1481486
		SESOP 2011	510382
		SESOP 2014	1008211
		Total	**4270397**
10.	Number of options exercisable at the end of the year	**Plan**	**No. of options**
		ESOP 2003	100030
		ESOP 2005	29045
		ESOP 2011	1001719
		ESOP 2014	381747
		SESOP 2011	368588
		SESOP 2014	670569
		Total	**2551698**

(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: ₹ 1006.78

(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. Ramesh Swaminathan was granted 35000 options under ESOP 2014. The exercise price of the options is ₹ 2.00. **ii)** Dr. Rajender Kamboj was granted 22500 options under ESOP 2014. The exercise price of the options is ₹ 2.00. **iii)** Dr. Cyrus Karkaria was granted 22500 options under ESOP 2014. The exercise price of the options is ₹ 2.00. **iv)** Mr. Thierry Volle was granted 15000 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
Plan	**ESOP 2014**	**SESOP 2011**	**ESOP 2014**	**SESOP 2011**	**ESOP 2011**	**ESOP 2014**	**SESOP 2011**	**SESOP 2014**
Grant date	20.04.2020	20.04.2020	10.08.2020	10.08.2020	05.01.2021	05.01.2021	05.01.2021	05.01.2021
Risk free rate (%)	5.30	5.30	4.88	4.88	4.60	4.60	4.60	4.60
Expected life (years)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Volatility (%)	31.03	31.03	31.32	31.32	32.28	32.28	32.28	32.28
Dividend yield (%)	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Stock price (NSE closing rate) ₹	809.75	809.75	957.95	957.95	1039.95	1039.95	1039.95	1039.95
Option Fair Value ₹	**790.73**	**790.73**	**935.73**	**935.73**	**1015.95**	**1015.95**	**1015.95**	**1015.95**

Variables	Weighted Average Information		
	9	10	11
Plan	**ESOP 2014**	**SESOP 2011**	**SESOP 2014**
Grant date	24.02.2021	24.02.2021	24.02.2021
Risk free rate (%)	5.13	5.13	5.13
Expected life (years)	3.50	3.50	3.50
Volatility (%)	32.63	32.63	32.63
Dividend yield (%)	0.62	0.62	0.62
Stock price (NSE closing rate) ₹	1008.30	1008.30	1008.30
Option Fair Value ₹	**985.01**	**985.01**	**985.01**

DETAILS OF STOCK APPRECIATION RIGHTS AS ON MARCH 31, 2021

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 01.04.2020 and 31.03.2021: No Scheme existed.

DETAILS RELATED TO TRUST AS ON MARCH 31, 2021

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
Chairman
(DIN: 00209461)
Mumbai, May 12, 2021

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, 2021 (₹ *in million*)	% increase in the remuneration in the year ended March 31, 2021	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mrs. Manju D. Gupta, *Chairman*	7.64	107%	16
2.	Dr. Kamal K. Sharma, *Vice Chairman*	24.54	-24%	50
3.	Ms. Vinita Gupta, *Chief Executive Officer*	127.87	No change (Refer Note No. v)	260
4.	Mr. Nilesh D. Gupta, *Managing Director*	57.67	-3%	117
5.	Mr. Ramesh Swaminathan, *Executive Director, Global CFO &* *Head Corporate Affairs*	79.53	(Refer Note No. vi)	162
6.	Mr. R. A. Shah, *Independent Director* (up to August 12, 2020)	1.36	(Refer Note No. vii)	8
7.	Mr. Richard Zahn, *Independent Director* (up to August 12, 2020)	2.77	(Refer Note No. vii)	15
8.	Dr. K. U. Mada, *Independent Director* (up to August 12, 2020)	1.22	(Refer Note No. vii)	7
9.	Mr. Dileep C. Choksi, *Independent Director* (up to August 12, 2020)	1.18	(Refer Note No. vii)	7
10.	Mr. Jean-Luc Belingard *Independent Director*	7.47	-3%	15
11.	Ms. Christine Mundkur *Independent Director*	7.59	-2%	15
12.	Mr. K. B. S. Anand *Independent Director* (w.e.f. August 12, 2020)	4.91	N.A.	16
13.	Dr. Punita Kumar-Sinha *Independent Director* (w.e.f. August 12, 2020)	4.91	N.A.	16
14.	Mr. Robert Funsten *Independent Director* (w.e.f. November 10, 2020)	2.90	N.A.	16
15.	Mr. Mark D. McDade *Independent Director* (w.e.f. January 28, 2021)	1.32	N.A.	16
16.	Mr. R. V. Satam, *Company Secretary*	9.60	14%	N.A.

i) The median remuneration of employees of the Company for the year ended March 31, 2021 was ₹ 0.49 million.

ii) During the year ended March 31, 2021, there was an increase of 7.22% in the median remuneration of employees.

iii) During the year ended March 31, 2021, there was an average increase of 7.24% in the salaries of employees other than key managerial personnel.

iv) As on March 31, 2021, the Company had 18573 permanent employees.

v) Ms. Vinita Gupta is an employee of Lupin Management, Inc., USA, wholly owned subsidiary of the Company.

vi) Mr. Ramesh Swaminathan joined the Company on March 26, 2020, hence his remuneration for FY 2020 - 21 is not comparable with that of the previous year.

vii) Mr. R. A. Shah, Mr. Richard Zahn, Dr. K. U. Mada and Mr. Dileep C. Choksi, were on the Board of the Company up to August 12, 2020, hence their remuneration for FY 2020 - 21 is not comparable with that of the previous year.

viii) 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
Chairman
(DIN: 00209461)

Mumbai, May 12, 2021

ANNEXURE 'G' TO
THE DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021, 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, 2021, 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 Byelaws 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 relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws specifically applicable 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.

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.

I further report that during the financial year, the Company has issued and allotted 682012 equity shares aggregating to ₹ 1,364,024 to eligible employees of the Company and its subsidiaries on exercising options under various stock option plans.

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
UDIN : F009492C000280235

Place: Mumbai
Date: May 12, 2021

ANNEXURE 'G'-1

(TO THE SECRETARIAL AUDIT REPORT OF LUPIN LIMITED FOR YEAR ENDED MARCH 31, 2021)

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. I have conducted online verification and examination of records, as facilitated by the Company due to COVID-19 and subsequent lockdown for the purpose of issuing this Report. I have taken declaration from the management regarding the said compliances.
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 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 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
UDIN : F009492C000280235

Place: Mumbai
Date: May 12, 2021

Corporate Governance Report

[1] Company's Philosophy on Corporate Governance:

Corporate Governance has been an integral part of the Company's rich legacy which goes beyond mere legal compliances. Transparency, fairness, responsibility, accountability, professionalism and integrity are the pillars on which bedrock of Company's Corporate Governance philosophy rests. Robust framework of Corporate Governance forms an integral part of the Company's business. The Company creates an environment for efficient conduct of its business with a view to enable the Management to meet its obligations towards all its stakeholders. In its pursuit to achieve the highest standards of governance, the Company continuously strives to adopt the best emerging Corporate Governance practices followed worldwide.

The Company strongly believes that well-balanced Board is a key to ensure that best standards of Corporate Governance are nurtured and practiced. The Company's Board has an optimum blend of executive, non-executive and independent directors having rich experience in their fields of specialisation and competencies. The Board has an ideal combination of entrepreneurship, professionalism and leadership. Apart from complying with requisite mandatory requirements, the Company has also complied with non-mandatory requirement as stipulated under Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as regards unmodified audit opinions on financial statements.

The Codes of Conduct for Directors, Independent Directors and Senior Management Personnel, adopted by the Company, have been hosted on the website of the Company (www.lupin.com). As mandated by Regulation 26(3) of the Listing Regulations, all Directors, Independent Directors and Senior Management Personnel have affirmed compliance with their respective Codes for the year ended March 31, 2021. In compliance with Schedule V(D) of the Listing Regulations, requisite declaration to this effect by Mr. Nilesh D. Gupta, Managing Director is annexed to this Report.

The Company encourages and promotes a culture of intensive deliberations, transparency and impartiality in its dealings with stakeholders and the public at large. As a testament of its robust corporate governance practices, the Company instituted **P.L.E.D.G.E.** (**P**reparing **L**upin **E**mployees to **D**emonstrate **G**overnance and **E**thical Conduct), which enforces Code of Business Conduct and Ethics (CODE) and empowers employees to report concerns on actual or suspected violations of the CODE. Employees are at liberty to raise their concerns without any fear of retaliation or retribution and even report their concerns anonymously. The Company adheres to uncompromising integrity in conduct of business and does not tolerate corrupt and immoral practices. Company's operations are guided by strong control systems which are reviewed by both internal and external auditors at regular intervals.

Code of Conduct, Whistleblower Policy and Prevention of Workplace Harassment, including sexual harassment at workplace initiatives empower employees to report unethical practices, sets up specified mechanisms to deal with workplace harassments and facilitates their swift redressal. Employees can raise their concerns to the Office of Ombudsperson about potential issues concerning fraudulent business practices, unethical behaviour, discriminating or gender-biased misconduct and violation of the Company's policies or codes. During the year, the Ombudsperson received 21, complaints, mostly of minor nature. Teams of Strategic Business Unit Heads/Officers appointed by the Ombudsperson investigated/examined the complaints and the same were satisfactorily resolved. The Company did not receive any complaint of sexual harassment during the year.

Sound mechanism and systems of internal checks and controls are in place which are evaluated and updated by the Company at regular intervals. The global cyber security threat continues to evolve at a rapid pace, with a rising number of data breaches. In its dedicated efforts towards safeguarding the Information, the Company has ensured evolvement of security technologies and processes to counter the threats. Information Security Management System 'KAVACH' covering people, processes and technology aspects was rolled out pan India. It implements the requisite information security controls and continuously helps in creating awareness among the end users. With technology orchestration, KAVACH protects information of the Company by adopting various policies, procedures and guidelines. In order to protect end users from spam/phishing mails/cyber frauds, KAVACH regularly sends security advisories through mails. 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, Indore, Ankleshwar and Visakhapatnam. It intends adding a few more locations to the certification list. The Company has also extended its information security commitment to its global locations i.e. the USA, EMEA, APAC and LATAM regions under the project brand name 'SHIELD' to provide information security assurance.

Pursuant to Regulation 25(10) of the Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for Directors and Members of the Senior Management.

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

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

[2] Board of Directors:

The strength of the Board as on March 31, 2021 was eleven, of which two are executive promoter-directors, one non-executive promoter-director, one non-executive director, one executive director and six 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. None of the Directors of the Company have been disqualified by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or any statutory authority from being appointed or continuing as Director of the Company. Pursuant to Schedule V(C)(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Ms. Neena Bhatia, Practising Company Secretary has certified the same. Though Regulation 17(1)(a) of the Listing Regulations mandates that a listed company shall have atleast one Independent Woman Director on its Board, the Company has on its Board, two Independent Woman Directors.

In compliance with Regulation 25(8) of the Listing Regulations, all Independent Directors have confirmed that they meet the criteria of independence under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and Rules made thereunder. In compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has received confirmation from all the Independent Directors as regards registration with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs. In the opinion of the Board, all Independent Directors fulfill the criteria of independence as specified in the Act and the Listing Regulations and are independent of the Management.

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 the year		Attendance at the last AGM	Number of directorships of other companies	Member/ Chairman of committees other than Company	Expertise in specific functional areas
			Held	**Attended**				
1.	Mrs. Manju D. Gupta, *Chairman*	P. & N-E.D.	6	6	Yes	6	-	General Management
2.	Dr. Kamal K. Sharma, *Vice Chairman*	N-E.D.	6	6	Yes	7	1/-	Corporate Development and General Management
3.	Ms. Vinita Gupta, *Chief Executive Officer*	P. & E.D.	6	6	Yes	13	-	Marketing, Strategic Planning and Leadership
4.	Mr. Nilesh D. Gupta, *Managing Director*	P. & E.D.	6	6	Yes	7	-	Operations, Pipeline Management and Strategy
5.	Mr. Ramesh Swaminathan, *Executive Director, Global CFO & Head Corporate Affairs*	E.D.	6	6	Yes	2	-	Finance, Mergers & Acquisitions and Corporate Affairs
6.	Mr. R. A. Shah* (up to August 12, 2020)	I. N-E.D.	2	2	Yes	7	4/2	Solicitor specialising in broad spectrum of Corporate laws
7.	Mr. Richard Zahn (up to August 12, 2020)	I. N-E.D.	2	2	Yes	-	-	Strong pharmaceutical background and General Management
8.	Dr. K. U. Mada (up to August 12, 2020)	I. N-E.D.	2	2	Yes	-	-	Economist and Development Banker
9.	Mr. Dileep C. Choksi** (up to August 12, 2020)	I. N-E.D.	2	2	Yes	11	9/2	Tax expert and Financial Advisor
10.	Mr. Jean-Luc Belingard	I. N-E.D.	6	6	No	6	-	Strong pharmaceutical background and General Management

11.	Ms. Christine Mundkur	I. N-E.D.	2	2	Yes	4	1/-	Strong pharmaceutical background and General Management
12.	Mr. K. B. S. Anand *** (w.e.f. August 12, 2020)	I. N-E.D.	4	4	N.A.	3	1/-	General Management and Marketing.
13.	Dr. Punita Kumar- Sinha **** (w.e.f. August 12, 2020)	I. N-E.D.	4	4	N.A.	8	8/2	Finance and Mergers & Acquisitions.
14.	Mr. Robert Funsten (w.e.f. November 10, 2020)	I. N-E.D.	2	2	N.A.	1	-	Corporate Counsel and Mergers & Acquisitions.
15.	Mr. Mark D. McDade (w.e.f. January 28, 2021)	I. N-E.D	2	2	N.A.	5	2/2	Biopharmaceutical business and General Management.

* Mr. R. A. Shah was Independent Director of Procter & Gamble Hygiene and Healthcare Limited, Pfizer Limited, BASF India Limited and Non-Independent Director of Godfrey Philips India Limited and Atul Limited.

** Mr. Dileep C. Choksi was Independent Director of Deepak Nitrite Limited, AIA Engineering Limited, Arvind Limited, Swaraj Engines Limited and ICICI Prudential Life Insurance Company Limited.

*** Mr. K. B. S. Anand is Independent Director of Tata Chemicals Limited, Borosil Limited and Marico Limited.

**** Dr. Punita Kumar-Sinha is Independent Director of JSW Steel Limited, Rallis India Limited and SREI Finance Limited.

Notes:

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

(b) Mrs. Manju D. Gupta is the mother of Ms. Vinita Gupta and Mr. Nilesh D. Gupta.

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

(d) No Independent Director is Member of more than ten committees or Chairman of more than five committees across all public limited companies whether listed or not 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 Board has identified the following core skills/expertise/competencies for the efficient functioning of the Company and are currently available with the Board: -

Leadership	Sharing leadership experience helped in practical understanding of the Company, business and processes. Demonstrated strengths in honing talents and driving change for long-term growth.
Global Business	Being a global pharma player across diverse geographies and regulatory jurisdictions, the Company has understanding of business dynamics and offers a wide range of Branded and Generic Formulations, Biotechnology/Specialty Products and Active Pharmaceutical Ingredients.
Diversity	The Board is a fine blend of diverse gender, ethnic, geographic and cultural mix which offers broad perspectives to its understanding the needs and viewpoints of customers, employees, partners, governments and other stakeholders globally.
Mergers & Acquisitions	The Board is equipped to tap organic and inorganic growth through acquisitions and tactical business deals which fit into the Company's strategy and culture.
Strategic planning	Take strategic decisions to seize business opportunities in complex generics, specialty and biosimilars, in the advanced markets. Focus on the OTC segment and ramp-up the R&D pipeline.
Corporate Governance	The Company creates an environment which promotes efficient conduct of business and facilitates in meeting its obligations towards all stakeholders. The Company continuously strives to adopt the best emerging Corporate Governance practices followed worldwide.

Board Meetings

Protection of interests of all stakeholders is the primary responsibility of the Board of Directors. The Board provides strategic directions, guidance and leadership to the Company's senior management and seeks its accountability with a view to create sustainable growth in order to enhance stakeholders value. The Board monitors numerous functional/business areas through its various Committees. The Board is regularly apprised about important business developments. Detailed presentations are made on important matters at its meetings by the Chief Executive Officer, Managing Director and business/functional heads. As the Board believes in 'safety first' approach, health/safety concerns are deliberated in detail at Board meetings. Board meeting dates are finalised after ascertaining convenience of all Directors. Tentative annual calendar of Board meetings is circulated to all Directors in advance in order to enable them to plan their schedules. The Secretarial team intimates the Business/Department Heads, well in advance about the Board meeting dates, which allows them, to present to the Board detailed information empowering it to take informed decisions. Board Members are free to express their opinions and bring up important matters for discussions at the meetings. Directors keep the Board regularly informed about changes in Board/Committee positions (including Chairmanships) held by them and their shareholdings in other companies. As prescribed by Secretarial Standards, agenda papers backed by comprehensive notes incorporating detailed material information are circulated atleast seven days in advance to enable effective deliberations at the Board/ Committee meetings. With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information, is circulated to the Board/Committees at a shorter notice. Draft Board/Committee meeting minutes are circulated to all the Directors within fifteen days from the date of the meeting seeking their comments. Actions taken/Status report on decisions taken at Board/Committee meetings are placed at subsequent meetings. Copies of minutes of Board meetings of subsidiaries as also minutes of various Committees of the Board and compliance reports/certificates confirming compliance with various applicable laws are tabled at Board meetings. The Company provides video conferencing facility to its Directors if any of them wishes to attend the meeting through such arrangement. In view of the nationwide lockdown, all meetings of the Board and its Committees during the year were held through Microsoft Teams in compliance with Section 173 of the Act and Rules made thereunder.

Details of Board Meetings

During the year, six Board meetings were held on May 28, 2020, August 6, 2020, August 12, 2020, November 4, 2020, January 28, 2021 and March 10, 2021. In compliance with provisions of Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations, the time-gap between two consecutive meetings was not more than 120 days. The Board approved eleven Resolutions by circulation, vide Circulars dated, July 9, 2020, August 25, 2020, November 10, 2020, November 28, 2020 and March 29, 2021.

Brief profiles, other directorships and committee memberships etc. of directors seeking re-appointments at the 39th Annual General Meeting.

Dr. Kamal K. Sharma

Dr. Kamal K. Sharma (DIN: 00209430), is Vice Chairman of the Company in a Non-Executive capacity. In a career spanning more than four decades, Dr. Sharma has held a range of senior management positions, managing projects, operations, corporate development and general management in the pharmaceuticals and chemical industries. He was the Managing Director of Lupin Chemicals Limited which was rechristened Lupin Limited upon amalgamation with Lupin Laboratories Limited. Thereafter, he was with RPG Life Sciences, as President & Chief Executive Officer. Dr. Sharma rejoined the Company on August 25, 2003 and was appointed as Managing Director on September 29, 2003. He was elevated as Vice Chairman effective September 1, 2013. Dr. Sharma has effectively led the senior leadership team and was involved in setting vision of the Company, building strategy and mentoring the management. Dr. Sharma was appointed as Advisor to the Company, for a period of one-year, effective October 1, 2018 and his role changed from Executive to Non-Executive.

Dr. Sharma is a chemical engineer from Indian Institute of Technology (IIT), Kanpur, with a post-graduate diploma in industrial management from Jamnalal Bajaj Institute of Management Studies, Mumbai, and a Ph.D. in economics from IIT, Mumbai. He has done an advanced management programme from Harvard Business School, Boston.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
Lupin Healthcare Limited Faisa Financial Private Limited Templetree Properties Private Limited Shalina Healthcare Limited Temple Wellness Ventures India Private Limited Sequent Scientific Limited Alivira Animal Health Limited Templecraft Realty LLP Templeriviere Property LLP Assetz Buildwell LLP Temple Wellness Ventures LLP	Sequent Scientific Limited - Member of Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. Alivira Animal Health Limited - Member of Corporate Social Responsibility Committee.

Ms. Christine Mundkur

Ms. Christine Mundkur (DIN: 08408494), most recently served as Chief Executive Officer & Non-voting Chairman of the Board of Directors for Impopharma Inc, 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. Ms. Mundkur also held leadership positions as President & 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.

Ms. Mundkur holds a J.D. from the St. Louis University School of Law and also received a B.S. degree in chemistry from 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 Lupin Pharmaceuticals, Inc., USA Lupin Inc., USA Nanomi B. V., Netherlands	Mannkind Corporation, USA, Member of Audit Committee

[3] Audit Committee:

Up to August 12, 2020, the Audit Committee comprised three non-executive directors, i.e. Dr. K. U. Mada, Independent Director, Dr. Kamal K. Sharma, Vice Chairman and Mr. Dileep C. Choksi, Independent Director. In compliance with Regulation 18(1)(d) of the Listing Regulations, Dr. Mada, Chairman of the Audit Committee, attended the 38th Annual General Meeting of the Company held on August 12, 2020. Dr. Mada and Mr. Choksi, retired at the conclusion of the 38th Annual General Meeting, on completion of their second terms as Independent Directors of the Company.

Effective August 25, 2020, the Audit Committee was reconstituted and comprises Dr. Punita Kumar-Sinha, Independent Director, *Chairperson*, Dr. Kamal K. Sharma and Ms. Christine Mundkur, Independent Director. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee.

The composition of the Audit Committee is in compliance with 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 financial statements and have accounting or related financial management expertise.

The Audit Committee acts as an interface between the statutory, internal, cost auditors, Management and the Board. The Audit Committee monitors internal financial controls and financial statements reliability, reviews adequacy of provisions for liabilities, supervises the governance systems and evaluates appropriateness of audit test checks. Statutory Auditors, Internal Auditor and senior executives from the Finance Team attend the meetings of the Audit Committee. The Cost Auditor attends the Audit Committee meeting, where the Cost Audit Report is tabled. The Internal Auditor makes presentations on audit findings at the meetings of the Audit Committee.

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) Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

19) Reviewing compliance with the provisions of the Prohibition of Insider Trading Regulations as amended from time to time and verifying that the systems for internal control for prohibition of Insider Trading are adequate and are operating effectively.

20) 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

In compliance with the provisions of Regulation 18(2)(a) of the Listing Regulations, seven Audit Committee meetings were held during the year and the time-gap between two consecutive meetings was not more than 120 days. Meetings were held on May 28, 2020, August 6, 2020, November 3, 2020, November 28, 2020, January 11, 2021, January 27, 2021 and March 3, 2021, attendance at which was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman* (up to August 12, 2020)	2	2
b.	Dr. Kamal K. Sharma	7	7
c.	Mr. Dileep C. Choksi (up to August 12, 2020)	2	2
d.	Dr. Punita Kumar-Sinha, *Chairperson* (w.e.f. August 25, 2020)	5	5
e.	Ms. Christine Mundkur (w.e.f. August 25, 2020)	5	5

[4] Stakeholders' Relationship Committee:

Up to August 12, 2020, the Stakeholders' Relationship Committee comprised, Mr. Dileep C. Choksi and Dr. K. U. Mada, Independent Directors and Mr. Nilesh D. Gupta, Managing Director. In compliance with Regulation 20(3) of the Listing Regulations, Mr. Choksi, Chairman of the Stakeholders' Relationship Committee, attended the 38th Annual General Meeting of the Company held on August 12, 2020. Mr. Choksi and Dr. Mada, retired at the conclusion of the 38th Annual General Meeting, on completion of their second terms as Independent Directors of the Company.

Effective August 25, 2020, the Stakeholders' Relationship Committee was reconstituted and comprises Mr. K. B. S. Anand, Independent Director, *Chairman*, Mr. Nilesh D. Gupta and Dr. Punita Kumar-Sinha, Independent Director. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee.

The Stakeholders' Relationship Committee regularly reviews activities pertaining to investors services i.e. implementation and management of employee stock options plans, dividend disbursement, transfer/transmission of shares in physical mode, dematerialisation of shares, activities related to the Investor Education & Protection Fund and compliances with several regulatory provisions to ensure that best quality services are offered to Investors. The Committee closely monitors redressal of investors' grievances and related aspects.

During the year, the Company received and resolved 10 complaints from shareholders regarding transfer of shares, non-receipt of dividend, non-receipt of annual report etc. As on March 31, 2021, no complaint remained pending/unattended. No share transfer/complaint remained pending for more than 15 days.

Details of Stakeholders' Relationship Committee Meetings

During the year, one meeting of the Stakeholders' Relationship Committee was held on March 24, 2021, the attendance at which was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Mr. Dileep C. Choksi, *Chairman* (up to August 12, 2020)	N.A.	N.A.
b.	Dr. K. U. Mada (up to August 12, 2020)	N.A.	N.A.
c.	Mr. K. B. S. Anand, *Chairman* (w.e.f. August 25, 2020)	1	1
d.	Mr. Nilesh D. Gupta	1	1
e.	Dr. Punita Kumar-Sinha (w.e.f. August 25, 2020)	1	1

[5] Nomination and Remuneration Committee:

Up to August 12, 2020, the Nomination and Remuneration Committee comprised, three Independent Directors i.e. Dr. K. U. Mada, *Chairman*, Mr. R. A. Shah and Mr. Richard Zahn. In compliance with Regulation 19(3) of the Listing Regulations, Dr. Mada attended the 38th Annual General Meeting of the Members held on August 12, 2020. Dr. Mada, Mr. Shah and Mr. Zahn, retired at the conclusion of the 38th Annual General Meeting, on completion of their second terms as Independent Directors of the Company.

Effective August 25, 2020, the Nomination and Remuneration Committee was reconstituted and comprises only Independent Directors i.e. Mr. Jean-Luc Belingard, *Chairman*, Ms. Christine Mundkur and Dr. Punita Kumar-Sinha. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee.

The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178(1) of the Act and Regulation 19(1) of the Listing Regulations. In terms of Regulation 19(2) of the Listing Regulations, Mr. Jean-Luc Belingard, Independent Director is the Chairman of the Committee.

Role of the Nomination and Remuneration Committee:

Pursuant to Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee performs the following functions: -

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, based on 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 recommends to the Board, the remuneration payable to the Executive Directors and Key Managerial Personnel at the time of their appointment/re-appointment within the limits approved by the Members and in line with Company's annual increment cycle. The Company follows a market-linked remuneration policy. While reviewing/approving the remuneration, the Committee considers various factors viz. qualifications, leadership qualities, relevant experience, expertise, responsibilities shouldered, volume of business and profits of the Company. Remuneration limits of Executive Directors are prescribed by Section 197, Schedule V, Part II, Section I of the Act and Rules made thereunder. The Committee also approves annual revisions and performance-linked incentives of Executive Directors and Key Managerial Personnel. With a view to attract, retain and motivate the best and deserving talent, the Company benchmarks its remuneration/employee benefits with its industry peers. Executive Directors are not paid sitting fees for attending meetings of the Board and its Committees.

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

(₹ in million)

Name of the Director	Salary	Perquisites	Stock Options	Others (Performance-Linked Incentive)	Total
Ms. Vinita Gupta, *Chief Executive Officer*	92.17	-	-	35.70	**127.87**
Mr. Nilesh D. Gupta, *Managing Director*	43.15	1.36	-	13.16	**57.67**
Mr. Ramesh Swaminathan, *Executive Director, Global CFO & Head Corporate Affairs*	54.78	0.62	9.87	14.26	**79.53**

Note: Ms. Vinita Gupta is an employee of Lupin Management, Inc., USA, wholly owned subsidiary of the Company.

Remuneration of Non-Executive Directors:

Non-Executive Directors are paid sitting fees for attending Board/Committee Meetings which are well within the limits prescribed by the Act and Rules made thereunder. In addition to sitting fees, Non-Executive Directors are paid Commission in recognition of significant contributions made by them to the Company's business. In compliance with the provisions of the Articles of Association of the Company, Sections 197, 198 and other applicable provisions of the Act and Rules made thereunder and Regulation 17(6) of the Listing Regulations, the Members, at the 38th Annual General Meeting of the Company held on August 12, 2020, vide an Ordinary Resolution, approved payment of commission to Non-Executive Directors not exceeding in the aggregate 0.5% per annum of the Company's standalone net profits, computed in the manner laid down by Section 198 and other applicable provisions of the Act, for a period of five years commencing April 1, 2020. An amount of ₹ 51.81 million has been approved by the Board towards commission to non-executive directors for FY 2020-21. Annual remuneration of a single non-executive director did not exceed fifty per cent of the total annual remuneration payable to all non-executive directors which is in compliance with Regulation 17(6) of the Listing Regulations.

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

Name of the Director	No. of Equity Shares held as on March 31, 2021	Remuneration for 2020-21 (₹ in million)			
		Sitting Fees	Commission	Value of Perquisites	Total
Mrs. Manju D. Gupta, *Chairman*	3,871,162	0.14	7.50	-	**7.64**
Dr. Kamal K. Sharma *Vice Chairman*	149,900	0.30	10.00	14.24	**24.54**
Mr. R. A. Shah, *Independent Director* (up to August 12, 2020)	32,000	0.08	1.28	-	**1.36**

Mr. Richard Zahn, *Independent Director* (up to August 12, 2020)	-	0.08	2.69	-	**2.77**
Dr. K. U. Mada, *Independent Director* (up to August 12, 2020)	4,000	0.12	1.10	-	**1.22**
Mr. Dileep C. Choksi, *Independent Director* (up to August 12, 2020)	-	0.08	1.10	-	**1.18**
Mr. Jean-Luc Belingard, *Independent Director*	-	0.16	7.31	-	**7.47**
Ms. Christine Mundkur, *Independent Director*	-	0.28	7.31	-	**7.59**
Mr. K. B. S. Anand *Independent Director* (w.e.f. August 12, 2020)	-	0.14	4.77	-	**4.91**
Dr. Punita Kumar-Sinha *Independent Director* (w.e.f. August 12, 2020)	500	0.26	4.65	-	**4.91**
Mr. Robert Funsten *Independent Director* (w.e.f. November 10, 2020)	-	0.06	2.84	-	**2.90**
Mr. Mark D. Mcdade *Independent Director* (w.e.f. January 28, 2021)	-	0.06	1.26	-	**1.32**

Details of the Nomination and Remuneration Committee Meetings

Regulation 19(3A) of the Listing Regulations mandates that the Nomination and Remuneration Committee shall meet atleast once in a year. During the year, four meetings of the Committee were held on May 28, 2020, August 10, 2020, January 5, 2021 and January 27, 2021, attendance at which, was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman* (up to August 12, 2020)	2	2
b.	Mr. R. A. Shah (up to August 12, 2020)	2	2
c.	Mr. Richard Zahn (up to August 12, 2020)	2	2
d.	Mr. Jean-Luc Belingard, *Chairman* (w.e.f. August 25, 2020)	2	1
e.	Ms. Christine Mundkur (w.e.f. August 25, 2020)	2	2
f.	Dr. Punita Kumar-Sinha (w.e.f. August 25, 2020)	2	2

The Committee passed eight Resolutions by circulation vide Circulars dated July 1, 2020, July 9, 2020, September 21, 2020, November 7, 2020 and February 24, 2021.

[6] Corporate Social Responsibility Committee:

Up to August 12, 2020, the Corporate Social Responsibility Committee comprised, Mrs. Manju D. Gupta, Chairman, Dr. Kamal K. Sharma, Vice Chairman, Ms. Vinita Gupta, Chief Executive Officer, Mr. Nilesh D. Gupta, Managing Director and Mr. Dileep C. Choksi, Independent Director. Mr. Choksi retired at the conclusion of the 38th Annual General Meeting, on completion of his second term as an Independent Director of the Company.

On August 25, 2020, Mr. K. B. S. Anand, Independent Director was appointed as Member of the Corporate Social Responsibility Committee. The composition of the Committee is in compliance with Section 135(1) of the Act which provides for the appointment of three or more Directors out of which atleast one Director shall be an Independent Director. The terms of reference of the Committee broadly comprises: -

- Monitoring the Corporate Social Responsibility Policy;
- Recommending and approving the amount of expenditure incurred on CSR activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Review the monitoring mechanism for ensuring implementation of projects/programs/activities proposed to be undertaken by the Company; and
- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which includes list of CSR projects or programmes that are approved to be undertaken in areas or subjects

as specified in Schedule VII of the Act, its manner of execution, the modalities of utilisation of funds/ implementation schedules for the same and details of need and impact assessment, if any, for the projects undertaken by the Company.

Details of the CSR Committee Meeting

Meeting of the CSR Committee was held on March 31, 2021, attendance at which was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Mrs. Manju D. Gupta, *Chairman*	1	1
b.	Dr. Kamal K. Sharma	1	1
c.	Ms. Vinita Gupta	1	1
d.	Mr. Nilesh D. Gupta	1	1
e.	Mr. Dileep C. Choksi (up to August 12, 2020)	N.A.	N.A.
f.	Mr. K. B. S. Anand (w.e.f. August 25, 2020)	1	1

[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 D. Gupta, Managing Director, Mr. Ramesh Swaminathan, Executive Director, Global CFO and Head Corporate Affairs (w.e.f. August 6, 2020) and Mr. Sunil Makharia, President - Finance. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. The Company has in place, a Risk Management framework which defines the roles and responsibilities at various levels in the organisation. The ongoing review process is in line with the framework which helps identify the critical 'risks that matter' and focus on emerging risks in the present business environment. The Risk Management Committee ensures that there is a robust process of identifying key 'risks that matter' based on the probability of occurrence, its potential business and financial impact and volatility along with focus on its implementation and mitigation plans.

Details of the Risk Management Committee Meeting

Meeting of the Risk Management Committee was held on March 22, 2021, attendance at 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 D. Gupta	1	1
d.	Mr. Ramesh Swaminathan (w.e.f. August 6, 2020)	1	1
e.	Mr. Sunil Makharia	1	1

[8] Independent Directors' Meeting:

As on March 31, 2021, the Company had six Independent Directors which was in compliance with Regulation 17(1)(b) of the Listing Regulations. Section 149(8) read with Clause VII of Schedule IV of the Act, Regulation 25(3) of the Listing Regulations and Clause No. 2.3 of Secretarial Standards-1 mandates that the Independent Directors shall hold atleast one meeting in a year, without the attendance of non-independent directors and members of Management.

A meeting of the Independent Directors was held on March 19, 2021 without the presence of any non-independent director and members of Management. All the Independent Directors attended the meeting which was chaired by Ms. Christine Mundkur. The Independent Directors appreciated the contributions of Mr. R. A. Shah, Mr. Richard Zahn, Dr. K. U. Mada and Mr. Dileep C. Choksi, Independent Directors, who retired from the Board effective August 12, 2020, on completion of their second terms as Independent Directors of the Company.

The Independent Directors reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board which was necessary for the Board to effectively and reasonably perform its duties. They acknowledged the quality, adequacy and timeliness of the flow of information from the Management. The Independent Directors appreciated the detailed presentations made by Ms. Vinita Gupta, Chief Executive Officer and Mr. Nilesh D. Gupta, Managing Director at Board meetings, which covered business operations across all geographies, budgets, inorganic initiatives, growth plans, regulatory challenges, R & D activities etc. They also appreciated the detailed presentations on quarterly/ yearly financial results and significant highlights. The Independent Directors expressed that the Board and Company's management share an excellent understanding and had cordial relations. The Board created an environment for the Independent Directors to participate effectively whereby they have the freedom to express themselves in a fair and transparent manner and the fundamental transparency is open. There is no hesitancy to offer suggestions or provide constructive feedback. It was noted that the Company always circulates the Agenda for Board/Committee Meetings atleast seven days in advance. The Independent Directors suggested refining the Board evaluation process by engaging services of external counsel/ professional consulting firm.

[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 being evaluated. The performance was evaluated after taking into consideration different parameters like leadership qualities, contributions, knowledge, understanding the strategic issues/business environment, independent judgement and analytical skills. There were no conflicts of interest of Independent Directors with the Company. The Board acknowledged the fact that Independent Directors are a diversified group of recognised professionals with wide horizon of knowledge, competence and integrity, who expressed their opinions freely and exercised their own judgements in decision-making. Mr. Jean-Luc Belingard and Ms. Christine Mundkur have hands-on experience at the highest levels with internationally renowned pharma companies; Mr. K. B. S. Anand has over four decades of experience and is well versed with Board dynamics; Dr. Punita Kumar-Sinha focused on Investment management and financial markets during her 30 year career and has significant governance/ board experience; Mr. Robert Funsten has over 25 years of experience advising life sciences companies in transactional, M & A and other matters; and Mr. Mark D. McDade built a strong investment team and made large number of high value investments in Biotherapeutics including cell and gene therapy and digital health. Overseas Independent Directors bring in international perspectives during Board deliberations.

[10] Familiarisation Program for Independent Directors:

In compliance with Regulation 25(7) of the Listing Regulations, the Company through various programs, familiarizes its Independent Directors regularly and provides them with an in-depth insight of the pharma industry and the Company as a whole. While inducting an Independent Director on the Board, a formal letter of appointment is issued inter-alia covering roles, functions, duties, responsibilities and terms and conditions of appointment. Business Heads of the Company make regular presentations on financial/business unit-wise performance, environment, health and safety measures undertaken at plant locations. Press Releases disseminated to the Stock Exchanges are circulated to Directors. Independent Directors are familarised with policies, procedures, business strategies, risk management framework, functions, and operations of the Company and its subsidiaries. Independent Directors have access to the Company information and are provided freedom to interact with the Senior Managerial personnel of the Company. Pursuant to Regulation 46 of the Listing Regulations, the Familiarisation Program formulated by the Company for Independent Directors has been hosted on the Company's website www.lupin.com web link for which is https://www.lupin.com/wp-content/uploads/2021/04/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
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, Registrar & Share Transfer Agent, instead of the Registered Office of the Company.

2018-19	Wednesday, August 7, 2019, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.	Two Special Resolutions were passed for: - **1)** modifying the Lupin Subsidiary Companies Employees Stock Option Plan 2014, to increase the maximum number of equity shares of the Company (of face value of ₹ 2/- each) that may be issued pursuant to exercise of options granted to eligible employees under this Plan by an additional 400,000 equity shares (i.e. from 1,125,000 to 1,525,000 equity shares). **2)** modifying the Lupin Employees Stock Option Plan 2014, to reduce the maximum number of equity shares of the Company (of face value of ₹ 2/- each) that may be issued pursuant to exercise of options granted to eligible employees under this Plan by 400,000 equity shares (i.e. from 3,375,000 to 2,975,000 equity shares)
2019-20	Wednesday, August 12, 2020, at 4.00 p.m.	Video Conferencing. Venue of the meeting was deemed to be the Registered Office of the Company, Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.	One Special Resolution was passed for the re-appointment of Mr. Jean-Luc Belingard as an Independent Director of the Company for a period of five years i.e. up to August 11, 2025.

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

During the financial year, Members approved by Postal Ballot, the following Ordinary Resolutions, results of which were declared on March 17, 2021, for: -

1. appointment of Mr. K. B. S. Anand (DIN: 03518282), as an Independent Director of the Company, for a period of five years, effective August 12, 2020, with a majority of 99.92%;

2. appointment of Dr. Punita Kumar-Sinha (DIN: 05229262), as an Independent Director of the Company, for a period of five years, effective August 12, 2020, with a majority of 98.41%;

3. appointment of Mr. Robert Funsten (DIN: 08950420), as an Independent Director of the Company, for a period of six months, effective November 10, 2020, with a majority of 99.99%; and

4. appointment of Mr. Mark D. McDade (DIN: 09037255), as an Independent Director of the Company, for a period of five years, effective January 28, 2021, with a majority of 99.59%.

Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492, CP No. 2661), acted as Scrutiniser for ensuring that the postal ballot was conducted 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 postal ballot. The Company offered the e-voting facility platform to Members 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 financial year, 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 transaction conflicted with the interests of the Company. In compliance with 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. The Audit Committee reviewed and approved the related party transactions in accordance with the policy on materiality of related party transactions. The Company entered into material related party transactions only with its subsidiaries.

Pursuant to Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(3) of the Listing Regulations, the Audit Committee granted omnibus approvals to transactions which were likely to be entered into by the Company with related parties other than wholly owned subsidiaries during the financial year. The Audit Committee reviewed, on a quarterly basis, details of transactions entered into by the Company pursuant to each omnibus approval.

Regulation 24(1) of the Listing Regulations mandates that atleast one Independent Director of the Company shall be on the Board of its unlisted material subsidiary. Mr. Jean-Luc Belingard, Independent Director of the Company, is on the Boards of Lupin Atlantis Holdings SA, Switzerland and Lupin Pharmaceuticals, Inc., USA, wholly owned material subsidiaries of the Company. Ms. Christine Mundkur, Independent Director of the Company is a Director of Lupin Pharmaceuticals, Inc., USA and Nanomi B.V., the Netherlands, wholly owned material subsidiaries of the Company. The policy for determining material subsidiaries has been hosted on the Company's website (web link: https://www.lupin.com/wp-content/uploads/2021/04/policy-for-determining-material-subsidiaries.pdf).

Apart from sitting fees and commission, there is no pecuniary transaction with any Independent Director, which had potential conflict of interest with the Company. As stipulated by Regulation 23(9) of the Listing Regulations, disclosures of related party transactions on a consolidated basis were electronically uploaded on the Listing Centre and NEAPS within 30 days from the date of publication of standalone and consolidated financial results for the half-year and the same are also hosted on the Company's website www.lupin.com. In compliance with Ind AS 24, details of transactions with related parties are disclosed in the notes forming part of the financial statements.

Pursuant to the provisions of Section 189(1) of the Act and Rules made thereunder, particulars of transactions entered into by the Company with related parties, in which directors are interested, are recorded in 'Register of Contracts with related party and contracts and bodies etc.' viz. Form No. MBP - 4. The same is presented at Board Meetings and signed by the Directors present. In compliance with Regulation 23(1) of the Listing Regulations and 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 said policy is hosted on the Company's website www.lupin.com, web link of which is https://www.lupin.com/wp-content/uploads/2021/04/policy-related-party-transactions.pdf.

[13] Credit Rating:

The Company has not issued any debt instrument which necessitated a long-term credit rating. ICRA Limited (ICRA) continued to maintain the rating **'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.

[14] Fees paid to Statutory Auditors:

During FY 2020-21, the Company and its subsidiaries paid a consolidated sum of ₹ 109 million to B S R & Co. LLP, Chartered Accountants, Statutory Auditors and all entities in its network globally.

[15] Means of communication:

The Company communicates with its stakeholders and investors through multiple channels such as press releases, annual reports, hosting information on its website and disseminating the same to BSE and NSE. Pursuant to Regulation 33 of the Listing Regulations, unaudited quarterly financial results and audited annual financial results have to be disseminated on the websites of BSE and NSE within 45 days of the end of the quarter and 60 days from the end of the financial year respectively. However, due to COVID-19 pandemic, SEBI allowed companies to submit unaudited FY 2020-21 Q1 results by September 15, 2020. Despite the extension, the Company declared its unaudited FY 2020-21 Q1 results well within 45 days of the end of the quarter as originally mandated by the Listing Regulations. Financial results are electronically uploaded on the Listing Centre, the online portal of BSE and on Electronic Application Processing System (NEAPS) of NSE within 30 minutes of their approval by the Board. Quarterly and Annual consolidated Financial results are published in 'The Economic Times' (all editions) and its Marathi translation in 'The Maharashtra Times' (Mumbai edition). Shareholding pattern and corporate governance reports are uploaded on a quarterly basis on the Listing Centre and NEAPS in XBRL mode. Unpublished price sensitive information is not disclosed at investors meets and presentations made to analysts. The website of the Company displays official press releases, transcripts of earnings calls and presentations made to investors and analysts. Video recording of the 38th Annual General Meeting was hosted on the website of the Company www.lupin.com.

The Company promptly disseminates on the websites of 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 website of the Company. 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 observed, during which, Directors/Senior Management personnel are advised not to communicate with investors/analysts and media. The Company has complied with all requirements of BSE, NSE, SEBI, RBI, ROC as also other statutory authorities on matters relating to capital markets during the last three years and that no penalties have been imposed nor any strictures were 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.

[16] General Members' information:

INVESTORS' SERVICES

With a view to offer prompt and efficient services to its valued shareholders, Link Intime India Pvt. Ltd. (Link Intime) was appointed as Registrar and Share Transfer Agent (RTA), for managing activities related to shares of the Company. Link Intime are leaders in the corporate registry business and have in place, the best systems and modern infrastructure. They deploy the latest technology, employ experienced staff and have a professional team of domain experts.

Link Intime can be approached 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: +91 22 4918 6270, Toll Free No. 1800 1020 878, E-mail: rnt.helpdesk@linkintime.co.in.

ANNUAL GENERAL MEETING

In compliance with MCA General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 5, 2020, the 39th Annual General Meeting will be held at 4.30 p.m. (IST) on Wednesday, August 11, 2021, through Video Conferencing/other audio-visual means. Kindly refer to the Notice of the 39th Annual General Meeting for details.

FINANCIAL CALENDAR

First quarter results	:	July/August 2021
Second quarter results	:	October/November 2021
Third quarter results	:	January/February 2022
Annual results	:	April/May 2022
Annual General Meeting	:	July/August 2022

RECORD DATE

Wednesday, July 28, 2021, shall be the Record date for determining the entitlement of Members for dividend for the year ended March 31, 2021, if declared at the 39th Annual General Meeting. Dividend shall be paid to: -

a) beneficial owners at the end of business hours on Wednesday, July 28, 2021, as per lists furnished by National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (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 business hours on Wednesday, July 28, 2021, in respect of shares held in physical form.

DIVIDEND PAYMENT

Dividend, if declared shall be remitted electronically i.e. through NACH/NEFT etc., wherever bank details of shareholders are available and in other cases, through demand drafts.

SHARES LISTED AT

The equity shares of the Company are listed at: -

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai Samachar Marg,
Mumbai - 400 001.

National Stock Exchange of India Limited (NSE)

Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Annual Listing fees for the year 2021-22 have been paid to BSE and NSE.

STOCK CODES

The stock codes of the Company are: -

BSE: 500257

NSE: LUPIN

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN, an unique identification number must be quoted in each transaction relating to dematerialised shares. The ISIN 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 E-mail ID **rnt.helpdesk@linkintime.co.in** has been designated exclusively for communicating investors' grievances, if any

MARKET PRICE DATA

The market price data covering the year April 2020 to March 2021 is given below: -

MONTH	BSE				NSE			
	(₹)		(₹)		(₹)		(₹)	
	High	Date	Low	Date	High	Date	Low	Date
Apr - 2020	906.35	27.04.20	575.70	01.04.20	906.00	27.04.20	575.45	01.04.20
May - 2020	919.00	26.05.20	808.50	07.05.20	919.20	26.05.20	808.75	07.05.20
Jun - 2020	955.85	15.06.20	845.60	01.06.20	956.00	15.06.20	846.10	01.06.20
Jul - 2020	930.40	31.07.20	828.65	27.07.20	931.00	31.07.20	828.40	27.07.20
Aug - 2020	1034.55	17.08.20	874.90	07.08.20	1035.00	17.08.20	874.10	07.08.20
Sep - 2020	1121.85	18.09.20	909.90	09.09.20	1122.30	18.09.20	911.80	08.09.20
Oct - 2020	1087.65	13.10.20	906.05	30.10.20	1087.80	13.10.20	905.40	30.10.20
Nov - 2020	962.95	04.11.20	856.00	10.11.20	962.70	04.11.20	855.35	10.11.20
Dec - 2020	994.50	31.12.20	875.00	21.12.20	994.70	31.12.20	875.00	21.12.20
Jan - 2021	1113.55	14.01.21	975.50	01.01.21	1113.30	14.01.21	975.10	01.01.21
Feb - 2021	1107.60	17.02.21	909.55	24.02.21	1109.00	17.02.21	978.00	01.02.21
Mar - 2021	1068.05	16.03.21	975.40	26.03.21	1067.80	04.03.21	975.00	26.03.21

DEMATERIALISATION OF SHARES AND LIQUIDITY

Trading in shares of the Company is permitted only in dematerialised form through CDSL and NSDL. Requests received for dematerialisation of shares are regularly monitored to expedite the demat process.

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

During the year, the Company has electronically confirmed demat requests for 31110 shares. As on March 31, 2021, 99.78% of the share capital of the Company was held in dematerialised form.

Company's shares are fairly liquid on the bourses and are traded actively at BSE and NSE. Trading data of the same for the year April 2020 to March 2021 is as under: -

(Value in million ₹)

MONTH	BSE		NSE		Total	
	Shares	Value (₹)	Shares	Value (₹)	Shares	Value (₹)
Apr - 2020	4262788	3407.55	112369638	90156.23	116632426	93563.78
May - 2020	2344339	2009.35	65436095	56303.61	67780434	58312.96
Jun - 2020	2270665	2069.93	65888274	59983.40	68158939	62053.33
Jul - 2020	2228462	1951.12	55404016	48581.06	57632478	50532.18
Aug - 2020	4517541	4382.56	134651143	130162.77	139168684	134545.33
Sep - 2020	3060682	3067.82	89412754	90170.86	92473436	93238.68
Oct - 2020	2047703	2081.34	68580817	69534.40	70628520	71615.74

Nov - 2020	3313351	2993.23	81616832	73907.78	84930183	76901.01
Dec - 2020	3319389	3163.47	72915609	69456.24	76234998	72619.71
Jan - 2021	3354018	3515.91	70938598	74503.17	74292616	78019.08
Feb - 2021	3052081	3163.13	53866710	56242.81	56918791	59405.94
Mar - 2021	2512608	2567.93	36979740	37891.84	39492348	40459.77
Total:	**36283627**	**34373.34**	**908060226**	**856894.17**	**944343853**	**891267.51**

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 2020 to March 2021: -

MONTH	BSE		NSE	
	Lupin share price (₹)	S&P BSE Sensex	Lupin share price (₹)	Nifty 50
Apr - 2020	835.10	33717.62	835.30	9859.90
May - 2020	869.80	32424.10	869.80	9580.30
Jun - 2020	911.85	34915.80	911.80	10302.10
Jul - 2020	926.75	37606.89	926.55	11073.45
Aug - 2020	927.55	38628.29	927.55	11387.50
Sep - 2020	1007.10	38067.93	1007.40	11247.55
Oct - 2020	908.40	39614.07	909.25	11642.40
Nov - 2020	891.80	44149.72	891.80	12968.95
Dec - 2020	976.70	47751.33	976.85	13981.75
Jan - 2021	1007.75	46285.77	1007.60	13634.60
Feb - 2021	1018.50	49099.99	1018.35	14529.15
Mar - 2021	1020.95	49509.15	1020.45	14690.70

EVOLUTION OF SHARE CAPITAL

Particulars of 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
2019 - 20	504424 shares under ESOP	504424	905996242
2020 - 21	682012 shares under ESOP	682012	907360266

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

SHARE TRANSFER SYSTEM

The Share Transfer Committee, which approves transfer of shares, comprises Mrs. Manju D. Gupta, Dr. Kamal K. Sharma and Mr. Nilesh D. Gupta. Dr. K. U. Mada, Independent Director was Member up to August 12, 2020.

Shares of the Company are traded only in dematerialised form and are transferable through the depository system. Transfer of shares in physical form are placed before the Share Transfer Committee for approval. The Committee met 15 times during the year.

As mandated by Regulation 40(9) of the Listing Regulations, every six months, audit of share transfer related activities is undertaken by a Company Secretary in practice, whose compliance certificate is submitted to BSE and NSE.

SHARE ALLOTMENT COMMITTEE

Share Allotment Committee, which approves the allotment of shares, comprises Mrs. Manju D. Gupta, Dr. Kamal K. Sharma and Mr. Nilesh D. Gupta.

The Allotment Committee met 14 times during the year, wherein, it approved allotment of shares aggregating 682012, to employees of the Company and its subsidiaries, upon their exercising vested options granted to them under various stock option Plans of the Company.

The Share Allotment Committee has authorized designated persons to comply with pre and post allotment formalities including listing of allotted shares with BSE and NSE.

UNCLAIMED SHARES

As on April 1, 2020, 3100 shares of 14 shareholders remained outstanding as unclaimed in the 'Lupin Limited - Unclaimed Suspense Account'.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, 2300 shares of 8 shareholders were transferred to the IEPF authority.

As on March 31, 2021, 800 shares of 6 shareholders, remained in the Unclaimed Suspense Account, 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, 2021

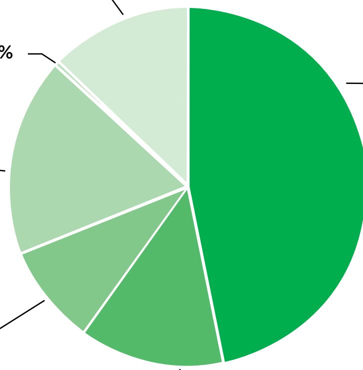
i. Distribution of Shareholding

Shareholding range (No. of shares)	Shareholders		Shareholding	
	Numbers	**%**	**Numbers**	**%**
1 - 500	289035	95.94	16251251	3.58
501 - 1000	5822	1.93	4377381	0.96
1001 - 2000	3887	1.29	5258942	1.16
2001 - 3000	798	0.26	1996372	0.44
3001 - 4000	308	0.10	1094533	0.24
4001 - 5000	214	0.07	993895	0.22
5001 - 10000	397	0.15	2852025	0.63
10001 and above	810	0.27	420855734	92.76
Total:	**301271**	**100.00**	**453680133**	**100.00**

ii. Shareholding Pattern

Category	As on 31.03.2021		As on 31.03.2020	
	No. of shares	**%**	**No. of shares**	**%**
Promoters	212597654	46.86	212566042	46.92
Mutual Funds	59216888	13.05	45914807	10.14
Insurance Cos./Banks/Financial Institutions	40963188	9.03	26923036	5.94
Foreign Institutional Investors (FIIs)	81080604	17.87	102749449	22.68
Foreign Bodies	5000	0.00	5000	0.00
Non Residents	1844766	0.41	2220986	0.49
Public	57972033	12.78	62618801	13.83
Total:	**453680133**	**100.00**	**452998121**	**100.00**

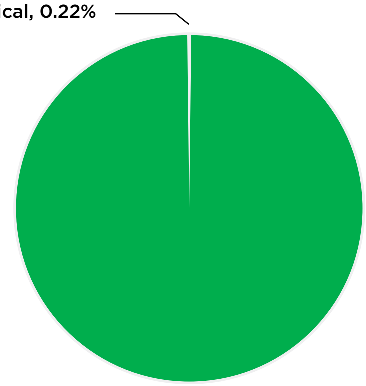
Shareholding Pattern as on March 31, 2021



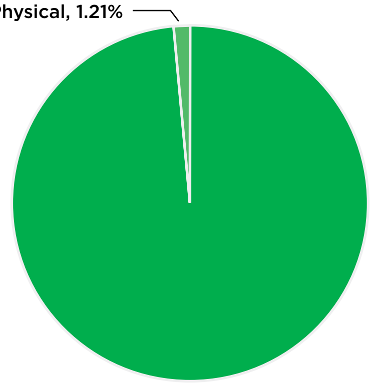
iii. Shareholding Profile

	Demat		Physical		Total
	(Nos.)	%	(Nos.)	%	(Nos.)
Shareholding	452682835	99.78	997298	0.22	452998121
Shareholders	297616	98.79	3655	1.21	301271

Shareholding



Shareholders



iv. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	13498	4.48	Madhya Pradesh	8438	2.80
Assam	1480	0.49	Maharashtra	100887	33.49
Bihar	2750	0.91	North Eastern States	381	0.13
Chhattisgarh	1358	0.45	Orissa	2906	0.96
Delhi	16824	5.58	Punjab	5335	1.77
Goa	1613	0.54	Rajasthan	10601	3.52
Gujarat	33972	11.28	Tamil Nadu	16498	5.48
Haryana	7343	2.44	Telangana	1689	0.56
Himachal Pradesh	738	0.24	Uttarakhand	5858	1.94
Jammu and Kashmir	691	0.23	Uttar Pradesh	13864	4.60
Jharkhand	4231	1.40	West Bengal	18700	6.21
Karnataka	20949	6.95	Others	4310	1.43
Kerala	6357	2.11	**Total:**	**301271**	**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
2020 -21	28.07.2021	325	6.50	-	-
2019 - 20	05.08.20 - 12.08.20	300	6.00	12.08.2020	18.08.2020
2018 - 19	31.07.19 - 07.08.19	250	5.00	07.08.2019	13.08.2019
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 financial year 2006-07 onwards was on the enhanced equity share capital, consequent to the Bonus Issue in the ratio of 1:1.

2. Effective August 31, 2010, the face value of the equity share was reduced from ₹ 10/- each to ₹ 2/- each.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, (Regulations), which has been designed to maintain highest ethical standards. The Code, which is applicable to Designated Persons and their immediate dependent relatives, elaborately prescribes the procedures to be followed while dealing in shares of the Company. They are also prohibited from dealing in shares of the Company during the trading window closure periods announced by the Company in compliance with the Regulations. The Code has been disseminated through the Company's intranet for easy access and increased awareness.

The Company has also adopted 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. The Code restricts Designated Persons in dealing with the shares of the Company while in the possession of any unpublished price sensitive information.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In terms of Clause 76(1) of the SEBI (Depositories and Participants) Regulations, 2018, an audit of the share capital of the Company is conducted for each calendar quarter, by a practicing 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 Reconciliation of Share Capital Audit Report, inter alia, confirms that the Register of Members is duly updated and that demat/remat requests were duly confirmed to the depositories within the stipulated time. Details of changes in the share capital during the quarter are also covered in the said Report.

The said Report is disseminated on BSE and NSE and is also placed at meetings of the Board of Directors and the Stakeholders' Relationship Committee of the Company.

UNCLAIMED DIVIDENDS

Dividends declared by the Company up to the financial year 2012-13, which remained unclaimed/unpaid were transferred to the Investor Education and Protection Fund (IEPF), pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as and when the same were due.

In the interest of its esteemed shareholders, the Company sends them, personalized reminders to claim their unclaimed/unpaid dividends before transferring the same to IEPF Authority.

Unclaimed/unpaid dividends for the financial years 2013-14 onwards will be transferred to the IEPF Authority, as under: -

Financial Year	Date of Declaration	Due date for transfer to IEPF
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
2018 - 19	07.08.2019	12.09.2026
2019 - 20	12.08.2020	17.09.2027

Shareholders are advised to check their records and claim dividend before the due date of transfer to the IEPF Authority, 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 employee 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 shares from time to time, upon the employees exercising their vested options. The Company has not issued any GDR/ADR. There are no outstanding warrants and convertible instruments.

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 - 411 042.
viii)	Block 21, Dabhasa, Padra Taluka, Vadodara, Gujarat - 391 440.
ix)	Plots 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 6A1, 6A2 and 6B, Sector-17, Special Economic Zone, Mihan Notified Area, Nagpur, Maharashtra - 441 108.
xi)	Plot #130, Road #11, J. N. Pharma City Parwada, Visakhapatnam, Andhra Pradesh - 531019.
xii)	4th Â Mile, Bhasmey, Karmarey-Bhasmey Block, Duga Ilaka, East Sikkim, Sikkim - 737132.
xiii)	Novel Laboratories Inc., 400, Campus Drive, Somerset, New Jersey - 00873 - 1145, USA.
xiv)	Laboratorios Grin S.A. de C.V., Rodriguez Saro#630, Col Del Valle, Mexico DF, CP 03100, RFC LGR8309144M3.
xv)	Medquimica Industria Farmaceutica LTDA, RUA FERNANDO LAMARCA, 255 - Bairro Distrito Industrial Juiz de Fora, Minas Gerais, CEP 36092-030, Brazil.

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 6270, Toll Free No. 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board of Directors

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 12, 2021

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

We, Mr. Nilesh D. Gupta, Managing Director and Mr. Ramesh Swaminathan, Executive Director, Global CFO & Head of Corporate Affairs, 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, 2021 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 D. Gupta
Managing Director
(DIN: 01734642)

For LUPIN LIMITED

Ramesh Swaminathan
Executive Director, Global CFO &
Head Corporate Affairs
(DIN: 01833346)

Mumbai, May 12, 2021

DECLARATION FOR COMPLIANCE WITH THE CODES OF CONDUCT

I hereby declare that all the Directors and the Senior Management of the Company have affirmed compliance with the Codes of Conduct as applicable to them for the year ended March 31, 2021.

For LUPIN LIMITED

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 12, 2021

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

To the Members of
Lupin Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 1 October 2018 with addendum to our Engagement letter dated 28 May 2020.
2. This report contains details of compliance of conditions of corporate governance by Lupin Limited ('the Company') for the year ended 31 March 2021 as stipulated in regulations 17 to 27, clauses (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 Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations, is the responsibility of the Company's Management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethicsissued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we 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 our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN: 21113156AAAACE8713

Bengaluru, May 12, 2021

Business Responsibility Report

Your Company is of the firm belief that all sections of the society should flourish in order to achieve sustainable business growth. The Company recognises its responsibility as part of the global community and is committed to give back to the communities it serves. The Company has in compliance with Regulation 34(2)(f) of the 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, 2021.
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):**
Diabetology, Cardiovascular and Respiratory Drugs.
9. **Total number of locations where business activity is undertaken by the Company:**
   a) **Number of International Locations:**
   The Company has 23 international subsidiaries located in 12 countries and a joint venture in Japan. The Company has Representative Offices in China, Myanmar and Vietnam. Offices in Russia and Kazakhstan are under process of liquidation. The Company has 3 manufacturing plants located in 3 countries. The Company also has research facilities in the USA and the Netherlands.
   b) **Number of National Locations:**
   The Company has 2 subsidiaries in India. There are 12 manufacturing plants located 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 based at Pune. The Registered office is in Mumbai. The Company has 27 Carrying & Forwarding Agents, 7 Central Warehouses and 9 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** : ₹ 907.4 million
2. **Total Turnover** : ₹ 109010.2 million (Standalone)
3. **Total Profit after Taxes** : ₹ 12586.2 million (Standalone)
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%):**
   The total CSR spend for the year was ₹ 351.1 million which is 2.02% 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:**
   Amidst the COVID pandemic which affected the global economy, the Company's CSR arm Lupin Human Welfare and Research Foundation (LHWRF) adopted a holistic approach focusing on core thematic areas; Economic, Social, Infrastructure Development and Natural Resource Management. LHWRF was on the forefront to tackle the plight of migrants and loss of livelihood of a large section of the society due to the nationwide lockdown. LHWRF undertook the following initiatives: -

   a) **Multi-pronged Strategy:**
   As the crisis was multi-dimensional, a multi-pronged response was initiated instead of offering piecemeal support. Relief strategy included providing assistance to migrant workers and strengthening the health care system. All the LHWRF 20 centres spanning over 9 states, responded differently depending on the local situation.

   b) **Sustenance of migrants and poor:**
   To help the migrant workers in their hour of need, LHWRF converged and collaborated with the government at district level and provided PPE kits, hand gloves, sanitizers, thermometer guns, etc. Roadside stalls and camps were set-up on major routes to provide water, food, snacks and medical assistance to migrants returning from metro cities to their villages. Meals were arranged at major railway stations on Shramik trains carrying migrant workers. Relief was also provided by way of cooked food packets and dry ration kits to those who lost livelihoods during the lockdown.

   c) **Strengthening the Health care system:**
   Protective gears and equipments like masks, sanitisers, gloves, PPE kits, etc. were provided to frontline Covid warriors viz. doctors, police personnel, medical staff and Asha workers to prepare them for appropriate pandemic response and boost their morale.

   d) **Various models:**
   Focus was on evolving different models of COVID response at different places based on local exigencies:-

   - In Rajasthan, immunity kits were distributed to communities with the support of collectorate, police and health department. Three model quarantine centres were established and operated to help the district administration.
   - In Madhya Pradesh, various medical colleges were provided with ANA machine and RT-PCR machines, thus increasing the efficiency of the medical teams. High Flow Humidifier Machines were provided to the Public Health Department.
   - In Pune, triple-layer double-ply cotton masks were distributed to policemen, sweepers, Asha/Anganwadi workers, FPO members and news reporters. COVID tests were sponsored for police personnel.

Section C: Other Details

1. **Does the Company have Subsidiary Companies?**
   As on March 31, 2021, the Company had 25 subsidiaries and a Joint Venture.
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 25 subsidiaries, 23 are incorporated outside India, which comply with the requirements of their respective countries. They have independent business responsibility initiatives. While Lupin Healthcare Limited is in the process of commencing operations, Lupin Biologics Limited, has yet to commence 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 D. Gupta
      3) **Designation:** Managing Director

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

Sl. No.	Particulars	Details
1.	**DIN**	01734642
2.	**Name**	Mr. Nilesh D. Gupta
3.	**Designation**	Managing Director
4.	**Telephone No.**	+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	N	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 forming part of Integrated Report.

Section E: Principle-wise performance

Principle 1

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

   Corporate Governance has been an integral part of the Company's rich legacy which goes beyond mere legal compliances. The Codes of Conduct for Directors, Independent Directors and Senior Management Personnel, adopted by the Company, have been hosted on the website of the Company (www.lupin.com). The Company encourages and promotes a culture of intensive deliberations, transparency and impartiality in its dealings with stakeholders and the public at large. As a testament of its robust corporate governance practices, the Company instituted **P.L.E.D.G.E.** (**P**reparing **L**upin **E**mployees to **D**emonstrate **G**overnance and **E**thical Conduct), which enforces Code of Business Conduct and Ethics (CODE) and empowers employees to report concerns on actual or suspected violations of the CODE. Employees are at liberty to raise their concerns without any fear of retaliation or retribution and even report their concerns anonymously. The Company adheres to uncompromising integrity in conduct of business and does not tolerate corrupt and immoral practices. Company's operations are guided by strong control systems which are reviewed by both internal and external auditors at regular intervals.

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.**

   The Company did not receive any complaint of sexual harassment. During the year, the Ombudsperson received 21 complaints, pertaining to employment related grievances which were of minor nature. Teams of Strategic Business Unit Heads/Officers appointed by the Ombudsperson investigated/examined the complaints and the same were satisfactorily resolved.

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. The outer carton of the entire range of Telista (Telmisartan and combinations), which is made from recycled white backboard paper, does not have plastic coating, thereby making it biodegradable. The unique pictorial representation of 'Areas of self-care' on Telista, creates patient awareness and serves as a daily reminder to hypertensive patients on lifestyle modifications.

   ii. Medication adherence is a major challenge in the management of Asthma and Chronic Obstructive Pulmonary Disease. Adhero, a smart Bluetooth connected device with Tactile Sensor, connected through an App, maps the usage of Inhaler by patients and can be checked by Health Care Professionals, who can guide them.

   iii. The cartridge of Basugine (Insulin Glargine) has a QR code, which when scanned, guides the patient to the video depicting the right technique for administrating insulin injection.

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 a varied range of generics, branded formulations and APIs at its top-class manufacturing facilities. Since 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. However, ongoing measures are taken by the Company to reduce consumption of energy and water.

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 formulated standard operating procedures for approving vendors. Materials, (local as also imported) are procured from approved vendors. Quality assurance teams conduct periodic vendor audits, especially those supplying key materials. Annual freight contracts are entered into with leading transporters for movement of materials. The Company has enduring business relations with regular vendors and receives their unrelenting support.

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 continues to procure goods and avail services from local and small vendors, particularly those situated near its manufacturing facilities. The Company offers technical support to vendors and guides them in developing products. Procurement of goods from local vendors helps the Company save on transportation and inventory carrying costs.

   With a view to support Micro & Small Enterprises, the Company makes payments within 45 days for goods procured and services availed from them.

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.**

   Yes, the Company has a system of recycling and reuse and continuously strengthens water conservation strategies. About 66% of the wastewater generated in plants was recovered, recycled and reused for utilities thereby reducing usage of fresh water.

   About 57% of high calorific value incinerable waste generated at plants was sent for co-processing in cement kilns and utilization in other industries. In cement plant high calorific incinerable hazardous waste is used as a fuel in place of fossil fuels. Spent solvents generated in the API manufacturing process are recovered in-house and reused or sent to authorized recyclers. Used/spent oil generated from plants is sent to authorised recyclers.

   Being a brand owner, the Company collects, recycles and co-processes post consumable plastic waste which is used as packaging material for the domestic market. Post consumable plastic waste is collected from diverse parts across the country and channelised to generate products or as alternate source of energy.

Principle 3

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

   18573 permanent employees in India as on March 31, 2021.

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

   4729 as on March 31, 2021.

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

   973 as on March 31, 2021.

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

   22 as on March 31, 2021.

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 5.36% 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 being vital, is an integral part of the induction training program and imparted to all manufacturing employees at the time of joining the Company. Training includes firefighting, first-aid, procedural and chemical safety, etc. While on the job procedural safety trainings are regularly imparted, firefighting and first-aid trainings are also given at scheduled intervals as part of the retraining programs.

(b) **Permanent Women Employees:-** Women employees are provided safety training. While Induction safety training is imparted to all women employees recruited in manufacturing facilities, other trainings viz. firefighting and first-aid etc. are imparted periodically.

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

(d) **Employees with Disabilities:-** All differently abled employees are trained. Training is provided to them at par with their fellow employees as per job requirement.

The Board of Directors is briefed about various safety measures taken at Plant locations. During the year, safety training of 551827 manhours was imparted across the Company. Training was also provided to the housekeeping staff.

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.**

   Right2breathe, a dedicated multilingual website helped educate patients about asthma and allergies. A chatbot named ANYA, provides medically verified information for health-related queries. HUMRAHI, an app developed by the Company provides demonstration of Insulin administration techniques and is helpful to diabetic patients as also doctors. It also provides information on diet for diabetic patients.
   In continuation of the Company's commitment towards national eradication of Tuberculosis (TB), the unique mobile app named FIGHT TB, a one-stop solution helped doctors treat TB. The app promotes WHO recommended guidelines for treatment of TB and 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.**

   The Company always focusses and gives importance to conservation and optimum utilization of natural resources. The Environment, Health, Safety and Sustainability policy of the Company which is available on the Company's intranet (https://lupinworld.sharepoint.com), emphasizes on operating in environmentally responsible and sustainable manner by initiating energy-efficient measures in order to reduce/eliminate waste. Water is a precious resource and the Company has in place a mechanism to recover and recycle waste-water in order to reduce consumption of fresh-water.

   At two manufacturing locations, the existing furnace oil fired boilers are being converted to natural gas fired boilers which is a cleaner fuel. Plans are afoot to explore similar possibilities of converting existing furnace oil boilers at other sites.

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

   Yes, internal/external mechanisms are in place, under which, all new facilities and products are risk assessed including environmental impact assessment and development of environmental management plans. The environmental management plans are reviewed during internal meetings. The Company received the prestigious International Sustainability Rating System (ISRS) certification after audit by an external independent entity. The Company continues to be the only pharmaceutical industry in the world to have received the certification in the 8th edition for four of its manufacturing units. These sites are audited every year by the external independent entity.

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, natural gas being a cleaner fuel, the Company is converting the existing furnace oil fired boilers at two of its manufacturing sites to natural gas fired boilers.

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 of the energy-efficient and clean technology initiatives taken up by the Company at different locations were as under: -

   - Reduction in pumping power by utilization of chilled water system return pressure and elimination of hot-well cold well tanks.
   - Installation of auto tube cleaning system in chiller line for reducing the salt scaling formation and maintaining heating efficiency continuously with constant value.
   - Replacement of pumps and motor with high efficiency pumps & motors.
   - Replacement of ordinary/CFL light fittings by LED light fittings.
   - Installation of variable frequency drives.
   - Installation of motion sensors in areas like offices, warehouse to optimize lighting and thereby reducing power consumption.
   - Provision of booster pump to avoid higher head of utility pump.
   - Reduction in generation and distribution losses after converting into centralized operation of chilled water and sub-zero brine to save power.

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

   Yes. The same are monitored by both internal and externally approved 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 pending i.e. 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 inte-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.**

   Lupin Human Welfare & Research Foundation (LHWRF) is the CSR arm of the Company. LHWRF was established by the Company in 1988 to undertake rural development. LHWRF implements the CSR programmes of the Company within the framework of Section 135 and Schedule VII of the Companies Act, 2013 and Rules made thereunder. LHWRF has experience of implementing social projects for over three decades. CSR operations focus on rural India and have a presence in about 5431 villages located in 77 blocks of 23 districts spread across nine states. LHWRF operates through its 20 centres throughout the country.

   The portfolio of the CSR activities is as follows:

   Economic Development Programme

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

   Social Development Programme

   - Women Empowerment;
   - Health including awareness and treatment programmes of Tuberculosis in rural and urban areas;
   - Education; and
   - Social Security.

   Rural infrastructure Development Programme

   - Crossroad development as market hub;
   - Rural economic housing;
   - 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.

   Disaster Relief and Mitigation

   - Relief;
   - Recovery;
   - Rehabilitation; and
   - Restoration of Livelihood of the affected.

   LHWRF has done commendable work for Covid relief and for transiting migrant workers.

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

   Exhaustive and appropriate systems are in place to effectively execute CSR programmes. As per the adopted CSR policy, the programmes of the Company are executed by LHWRF, after due approval from the CSR Committee. In addition to the CSR funds donated by the Company, LHWRF raises supplementary resources through convergence with Banks and Government to achieve greater impact. LHWRF engages in knowledge and funding partnerships with eminent academics and government bodies to develop designs, machines, technology to enhance productivity and establish efficient processes.

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

   Third party impact assessments were conducted for some projects. LHWRF 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. During the current year, it was not possible to conduct any impact assessment due to lockdown and Covid pandemic.

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

   During FY 2020-21, an amount of ₹ 229.9 million was spent on COVID-19 relief activities and various community development projects for economic advancement through education and training viz. Agricultural development, Animal husbandry, Women empowerment, Community health management, Infrastructure development, Natural resource management, Promotion of rural industries, Learn & Earn and Disaster management programmes.

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

   There is an elaborate mechanism to involve communities we serve. Lupin Gram Vikas Panchayat functions in the villages adopted by the Company. The CSR initiatives implemented by the Company are largely sought after by the targeted population. Various initiatives aimed at productivity enhancement, income generation, livelihood development and technological infusion, have adopted and replicated by the communities.

Principle 9

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

   As on March 31, 2021, about 41% 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 stockiest 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 D. Gupta

Managing Director

(DIN: 01734642)

Mumbai, May 12, 2021

Consolidated Financial Statements

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Independent Auditor's Report

To the Members of Lupin Limited

Report on the Audit of 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 March 31,2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows 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, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and joint venture as at March 31, 2021, 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 and the joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 opinion on the consolidated financial statements.

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.

The key audit matter	How the matter was addressed in our audit
1. Revenue Recognition:	
Refer to note 1B(m) of accounting policy and note 39 in consolidated financial statements. Revenue from the sale of pharmaceutical products is recognized 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 distinct 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 considering: • Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors / other stakeholders and / or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors amongst others included the following: – Comparing the accounting policies in respect of revenue recognition with applicable accounting standards to ensure compliance; – Testing design, implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue; – Performing substantive testing of selected samples of revenue transactions recorded during the year-end. For a sample of year-end sales, we verified contractual terms of sales invoices / contracts, shipping documents and acknowledged delivery receipts for those transactions; – Testing of any unusual non-standard manual journal entries that impacted revenue recognised.

The key audit matter	How the matter was addressed in our audit
2. Intangible Assets:	
Refer note 1B(d)&(g) of significant accounting policies. The carrying value of Intangible Assets including In Process Research and Development (IPR&D) aggregate to ₹ 17,501.6 million as at 31 March 2021. IPR&D are tested for impairment annually and other intangible assets are evaluated for any indicators of impairment annually. The group assesses impairment triggers with respect to intangible assets and tests IP R&D for impairment annually, at each cash generating unit (CGU) level. The recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, is compared with the carrying value to identify any impairment. Value in use is usually derived from discounted future cash flows. The discounted cash flow model uses several assumptions. These include estimates of future sales volumes, prices, operational and selling costs, terminal value growth rates, potential product obsolescence, new product launches and the weighted average cost of capital. The likely impact the Covid 19 pandemic on these can also increase the uncertainty involved in these estimates. Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the assets, impairment assessment of intangible assets has been considered as a key audit matter.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors amongst others included the following: – Testing the design and operating effectiveness of controls over impairment assessment including approval of forecasts and valuation models used; – Assessing the valuation methodology used and testing the mathematical accuracy of the impairment models; – Assessing identification of CGUs with reference to the guidance in the applicable accounting standards; – Evaluating the valuation assumptions, such as discount rates, growth in sales, probability of success of new products, operating and selling costs used. Consideration of the impact of economic slowdown caused by Covid 19 pandemic on these assumptions; – Performing sensitivity analysis of key assumptions. These include future revenue growth rates, related costs and the discount rate applied in the valuation models. – Evaluating past performances where relevant and historical accuracy of the forecasts made; – Considering the impact of any adjusting events after the balance sheet date but before the reporting on the carrying values of the assets.
3. Uncertain tax positions (UTPs):	
The Group is subject to complexities arising from various tax positions on deductibility of expenses as well as allowability of tax incentives / exemptions. These are subject to periodic challenges by local tax authorities leading to protracted litigations. There are a number of open tax matters under litigation with tax authorities over a number of years. The range of possible outcomes for provisions and contingencies can be wide. Judgment to make certain judgements in respect of estimates of tax exposures and contingencies is required in order to assess the adequacy of tax provision. Provision for current tax and valuation of UTPs have been identified as a key audit matter due to the inherent complexity in the underlying tax laws and the extent of judgment involved in developing these estimates. These matters are disclosed in note 45 to the consolidated financial statements. Refer note 1B(k) in significant accounting policies.	To obtain sufficient and appropriate audit evidence, our principal audit procedures included, amongst others, the following: – Testing the design and operating effectiveness of the controls over ascertaining completeness of UTPs, provisions for current tax and uncertain tax positions; – Challenging the adequacy of related provisions in conjunction with tax specialists by considering changes to business and tax legislation in key jurisdictions, making relevant enquiries and reading of correspondence with authorities where relevant; – Verifying the calculation for current tax provision. Analyse movements for any release, increase or continued provision during the year; – Challenging judgments with respect to probability of outflow arising from outstanding litigations after considering the status of recent tax assessments, audits and enquiries, recent judicial pronouncements and judgments in similar matters. Also consider 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.

The key audit matter	How the matter was addressed in our audit
4. Goodwill: Refer note no. 1B(g) of significant accounting policies. The carrying value of goodwill aggregate to ₹ 19,624.2 million as at 31 March 2021. The goodwill is evaluated for any indicators of impairment annually as required under Ind AS 38. The group assesses impairment triggers with respect to goodwill annually, at each cash generating unit (CGU) level. The recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, is compared with the carrying value to identify any impairment. Value in use is usually derived from discounted future cash flows. The discounted cash flow model uses several assumptions. These include estimates of future sales volumes, prices, operational and selling costs, terminal value growth rates, potential product obsolescence, new product launches and the weighted average cost of capital. The likely impact the Covid 19 pandemic on these can also increase the uncertainty involved in these estimates. Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the goodwill, impairment assessment of goodwill has been considered as a key audit matter.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors amongst others included the following: - Testing the design and operating effectiveness of controls over impairment assessment including approval of forecasts and valuation models used; - Assessing the valuation methodology used and testing the mathematical accuracy of the impairment models; - Assessing identification of CGUs with reference to the guidance in the applicable accounting standards; - Evaluating the valuation assumptions, such as discount rates, growth in sales, probability of success of new products, operating and selling costs used. Consideration of the impact of economic slowdown caused by Covid 19 pandemic on these assumptions; - Performing sensitivity analysis of key assumptions. These include future revenue growth rates, related costs and the discount rate applied in the valuation models. - Evaluating past performances where relevant and historical accuracy of the forecasts made; - Considering the impact of any adjusting events after the balance sheet date but before the reporting on the carrying values of the assets.

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 Integrated Report, but does not include the financial statements and our auditor's 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 and based on the work done / audit report of other auditors, 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 and Board of Director's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are 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 Management and 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 Management and 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 the respective Board of Directors 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 and its 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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. 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 of 26 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 222,525.5 million as at 31 March 2021, total revenues of ₹ 116,511.0 million and net out cash flows amounting to ₹ 3,128.9 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 ₹ 14.1 million for the year ended 31 March, 2021, in respect of one joint venture, whose financial statements/financial information have not been audited by us. These financial statements/ 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 joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

Certain of these subsidiaries and joint venture are located outside India whose 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 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 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.

(b) The financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of ₹ nil as at 31 March 2021, total revenues of ₹ 89.0 million and net cash out flows amounting to ₹ 21.5 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information 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 the subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

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 and the financial statements/financial information certified by the Management.

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 joint venture as were 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 statement of cash flows 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, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its two subsidiaries company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021, 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 Holding Company, 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 joint venture, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021, on the consolidated financial position of the Group and its joint venture. Refer Note 37 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2021.

   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 March 31, 2021.

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's Registration No. 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 21113156AAAACH3260

Place: Bengaluru
Date: May 12, 2021

Annexure A to the Independent Auditor's report on the consolidated financial statements of Lupin Limited for the period ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(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 the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Lupin Limited (hereinafter referred to as "the Holding Company") and such companies 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 March 31, 2021, 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 judgment, 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 auditors of the relevant subsidiary company in terms of their reports referred to in the 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 reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 21113156AAAACH3260

Place: Bengaluru
Date: May 12, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in million)

	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	43,829.0	43,655.5
b. Capital Work-in-Progress		8,515.4	7,581.6
c. Goodwill	48	19,624.2	18,514.8
d. Other Intangible Assets	3	15,354.4	17,210.8
e. Intangible Assets Under Development	53(b)	2,147.2	1,814.6
f. Investments accounted for using equity method	4	319.1	305.0
g. Financial Assets			
(i) Non-Current Investments	5	461.6	55.7
(ii) Non-Current Loans	6	668.6	476.3
(iii) Other Non-Current Financial Assets	7	34.9	705.1
h. Deferred Tax Assets (Net)	45(d)	1,802.1	1,743.1
i. Non-Current Tax Assets (Net)		2,691.3	1,185.6
j. Other Non-Current Assets	8	792.9	2,458.3
		96,240.7	95,706.4
Current Assets			
a. Inventories	9	40,920.1	34,568.7
b. Financial Assets			
(i) Current Investments	10	23,768.1	23,382.5
(ii) Trade Receivables	11	44,743.2	54,459.3
(iii) Cash and Cash Equivalents	12	9,206.3	22,148.5
(iv) Other Bank Balances	13	8,218.3	2,394.5
(v) Current Loans	14	153.0	370.1
(vi) Other Current Financial Assets	15	4,379.5	3,895.5
c. Current Tax Assets (Net)		56.9	306.1
d. Other Current Assets	16	8,418.3	12,606.9
		139,863.7	154,132.1
TOTAL		**236,104.4**	**249,838.5**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	17	907.4	906.0
b. Other Equity	18	137,124.0	124,461.0
Equity attributable to Owners of the Company		138,031.4	125,367.0
c. Non-Controlling Interest	50(a)	549.7	444.6
		138,581.1	125,811.6
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	19	161.2	17,932.8
(ii) Other Non-Current Financial Liabilities	20	5,971.7	7,247.3
b. Non-Current Provisions	21	3,294.9	2,962.9
c. Deferred Tax Liabilities (Net)	45	2,297.7	1,995.4
d. Other Non-Current Liabilities	22	1,436.9	1,636.5
		13,162.4	31,774.9
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	23	30,494.4	24,927.5
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	24	912.3	989.4
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	24	19,232.1	23,133.6
(iii) Other Current Financial Liabilities	25	22,673.2	28,759.8
b. Other Current Liabilities	26	1,836.9	2,482.5
c. Current Provisions	27	7,843.8	9,077.1
d. Current Tax Liabilities (Net)		1,368.2	2,882.1
		84,360.9	92,252.0
TOTAL		**236,104.4**	**249,838.5**
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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO &
Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in million)

	Note	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Continuing Operations			
INCOME:			
Revenue from Operations	28	151,629.6	153,747.6
Other Income	29	1,362.9	4,837.6
Total Income		**152,992.5**	**158,585.2**
EXPENSES:			
Cost of Materials Consumed	30	31,697.9	31,638.2
Purchases of Stock-in-Trade		26,773.1	22,582.3
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]	31	(4,848.6)	85.5
Employee Benefits Expense	32	28,259.0	29,868.4
Finance Costs	33	1,406.4	3,629.8
Depreciation, Amortisation and Impairment Expense	2&3	8,874.1	9,702.2
Other Expenses	34	44,079.4	46,025.2
Total Expenses		**136,241.3**	**143,531.6**
Profit before Share of Profit of Jointly Controlled Entity and Exceptional items		**16,751.2**	**15,053.6**
Share of Profit from Jointly Controlled Entity (net of tax)		13.3	39.4
Profit before Exceptional items and Tax		**16,764.5**	**15,093.0**
Exceptional items	53	-	7,520.7
Profit before Tax		**16,764.5**	**7,572.3**
Tax Expense:	45		
- Current Tax (net)		4,384.7	6,869.7
- Deferred Tax (net)		100.5	4,701.4
Total Tax Expense		**4,485.2**	**11,571.1**
Profit / (Loss) for the year from continuing operations		**12,279.3**	**(3,998.8)**
Discontinued Operations	54		
Profit / (Loss) before tax from discontinued operations		-	1,195.5
Tax expense of discontinued operations		-	(105.5)
Profit / (Loss) for the year from discontinued operations		**-**	**1,301.0**
Profit / (Loss) for the year		**12,279.3**	**(2,697.8)**
Share of profit / (loss) attributable to Non-Controlling Interest		114.0	(3.9)
Profit / (Loss) for the year attributable to Owners of the Company		**12,165.3**	**(2,693.9)**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be re-classified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(92.9)	(425.9)
(ii) Income tax relating to items that will not be re-classified to profit or loss:	45	40.6	148.1
(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		834.6	(479.7)
(b) Exchange differences in translating the financial statements of foreign operations		2,078.4	(5,449.2)
(ii) Income tax relating to items that will be re-classified to profit or loss:	45	(240.6)	128.9
Other Comprehensive Income / (Loss) for the year, net of tax		**2,620.1**	**(6,077.8)**
Less : Share of Other Comprehensive Income / (Loss) attributable to Non-Controlling Interest		11.7	27.5
Other Comprehensive Income / (Loss) for the year attributable to Owners of the Company		**2,608.4**	**(6,105.3)**
Total Comprehensive Income / (Loss) attributable to:			
Owners of the Company		14,773.7	(8,799.2)
Non-Controlling Interest		125.7	23.6
Total Comprehensive Income / (Loss) for the year		**14,899.4**	**(8,775.6)**
Earnings per equity share for continuing operations (of ₹ 2/- each)	41		
Basic		27.09	(8.83)
Diluted		26.97	(8.83)
Earnings per equity share for discontinued operations (of ₹ 2/- each)	41		
Basic		-	2.87
Diluted		-	2.86
Earnings per equity share for continuing and discontinued operations after share of Profit / (Loss) attributable to non-controlling interest (of ₹ 2/- each)	41		
Basic		26.84	(5.95)
Diluted		26.72	(5.95)
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
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Bengaluru
Dated: May 12, 2021

Place: Mumbai
Dated: May 12, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity Share Capital [Refer note 17]

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	452,998,121	906.0	452,493,697	905.0
Changes in equity share capital during the year	682,012	1.4	504,424	1.0
Balance at the end of the reporting year	**453,680,133**	**907.4**	**452,998,121**	**906.0**

B. Other Equity [Refer note 18]

(₹ in million)

Particulars	**Reserves and Surplus**							**Amalgamation Reserve**	**Share Application Money Pending Allotment**	**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**	**Remeasurements of the net Defined Benefit Plans**		
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**
Profit for the year	-	-	-	-	-	-	(2,693.9)	-	-	-	-	-	(3.9)	(2,697.8)
Adjustment for transition to Ind AS 116 - "Leases" [Refer note 42]	-	-	-	-	-	-	(319.3)	-	-	-	-	-	-	(319.3)
Adjustment for transition to Appendix C of Ind AS 12 - "Income Taxes" [Refer note 45(f)]	-	-	-	-	-	-	(804.5)	-	-	-	-	-	-	(804.5)
Disposal of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(22.0)	(22.0)
Received during the year	-	-	-	-	-	-	-	-	0.8	-	-	-	-	0.8
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(2,612.8)	(348.3)	(277.8)	27.5	(3,211.4)
Reclassification to Profit or Loss on disposal of subsidiaires	-	-	-	-	-	-	-	-	-	(2,863.9)	-	-	-	(2,863.9)
Final dividend on Equity Shares	-	-	-	-	-	-	(2,263.0)	-	-	-	-	-	-	(2,263.0)
Corporate Tax on Dividend	-	-	-	-	-	-	(465.2)	-	-	-	-	-	-	(465.2)
Issue of equity shares on exercise of employee stock options	-	-	-	531.2	-	-	-	-	-	-	-	-	-	531.2
Amortised / Exercised during the year	-	-	-	-	60.4	-	-	-	-	-	-	-	-	60.4
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(25.6)	(25.6)
Transfer from share based payments	-	-	-	-	(98.4)	98.4	-	-	-	-	-	-	-	-
Balance as at 31.03.2020	**263.9**	**126.5**	**0.3**	**9,175.4**	**2,146.2**	**16,767.1**	**102,296.2**	**317.9**	**0.8**	**(5,783.2)**	**(242.9)**	**(607.2)**	**444.6**	**124,905.6**
Profit for the year	-	-	-	-	-	-	12,165.3	-	-	-	-	-	114.0	12,279.3
Received during the year	-	-	-	-	-	-	-	-	0.5	-	-	-	-	0.5
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	-	2,076.2	592.4	(52.3)	11.7	2,628.0
Reclassification to Profit or Loss on winding up of subsidiaires	-	-	-	-	-	-	-	-	-	(9.5)	-	-	-	(9.5)
Final dividend on Equity Shares	-	-	-	-	-	-	(2,718.8)	-	-	-	-	-	-	(2,718.8)
Issue of equity shares on exercise of employee stock options	-	-	-	711.7	-	-	-	-	-	-	-	-	-	711.7
Amortised / Exercised during the year	-	-	-	-	(101.7)	-	-	-	-	-	-	-	-	(101.7)
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(20.6)	(20.6)
Reduction on allotment of shares	-	-	-	-	-	-	-	-	(0.8)	-	-	-	-	(0.8)
Transfer from share based payments	-	-	-	-	(149.7)	149.7	-	-	-	-	-	-	-	-
Balance as at 31.03.2021	**263.9**	**126.5**	**0.3**	**9,887.1**	**1,894.8**	**16,916.8**	**111,742.7**	**317.9**	**0.5**	**(3,716.5)**	**349.5**	**(659.5)**	**549.7**	**137,673.7**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

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 amounts transferred on redemption of redeemable cumulative preference shares in earlier years. The reserve can be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

c) **Legal Reserve**
This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of few subsidiaries.

d) **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.

e) **Employees Stock Options Outstanding**
The Company has employee stock option schemes under which the option to subscribe for the Company's shares have been granted to certain employees and directors. This is used to recognize the value of equity-settled share-based payments provided to the employees as part of their remuneration.

f) **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.

g) **Amalgamation Reserve**
This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

h) **Share Application Money Pending Allotment**
Share Application money represents amount received towards share application money which were pending for allotment as on reporting date.

i) **Foreign Currency Translation Reserve**
This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

j) **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.

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**

Venkataraman Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO &
Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Bengaluru
Dated: May 12, 2021

Place: Mumbai
Dated: May 12, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in million)

	For the Current Year Ended 31.03.2021	For the Previous Year Ended 31.03.2020
A. Cash Flow from Operating Activities		
Profit before Tax		
Continuing Operations	16,764.5	7,572.3
Discontinued Operations	-	1,195.5
Adjustments for:		
Depreciation, Amortisation and Impairment Expense	8,874.1	11,595.8
Profit on sale / write-off of Property, Plant and Equipment / Intangible Assets (net)	(9.3)	(1.9)
Finance Costs	1,406.4	3,629.8
Net Gain on Sale of Mutual Fund Investments	(245.8)	(1,063.1)
Interest on Deposits with Banks and Others	(396.9)	(1,290.5)
Dividend on Mutual Fund Investments	-	(145.6)
Doubtful Trade Receivables / Advances / Deposits written off and provided	615.0	299.4
Unrealised Gain on Mutual Fund Investments (net)	(284.9)	(4.8)
Provisions / Credit balances no longer required written back	(8.7)	0.7
Share Based Payment Expense	504.3	532.8
Profit on Divestment of subsidiaries (net)	-	(12,164.3)
Impairment of Intangible Assets / Intangible Assets Under Development	-	15,900.0
Net Loss on Financial Assets Measured at Fair Value Through Profit and Loss	131.1	-
Share of Profit from Jointly Controlled Entities	(13.3)	(39.4)
Unrealised Exchange Gain on Revaluation (net)	(38.9)	(1,506.0)
Operating Cash flows before Working Capital Changes	**27,297.6**	**24,510.7**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Non-Current Loans	(195.9)	176.2
Other Non-Current Financial Assets	670.2	(271.6)
Other Non-Current Assets	454.4	(77.5)
Inventories	(6,574.2)	(4,795.9)
Trade Receivables	8,950.1	(10,435.2)
Current Loans	216.3	(137.8)
Other Current Financial Assets	(343.6)	2,115.3
Other Current Assets	3,954.7	(2,548.9)
Adjustments for increase / (decrease) in operating liabilities:		
Non-Current Trade Payables	-	(22.8)
Other Non-Current Financial liabilities	(144.6)	1,210.9
Non-Current Provisions	297.6	424.9
Other Non-Current liabilities	(191.8)	(462.4)
Trade Payables	(3,734.5)	5,639.4
Other Current Financial liabilities	(3,466.1)	493.8
Other Current liabilities	(626.9)	1,706.2
Current Provisions	(1,190.6)	2,275.1
Cash Generated from Operations	**25,372.7**	**19,800.5**
Net Income tax paid	(7,155.1)	(5,112.1)
Net Cash Flow generated / (used in) from Operating Activities	**18,217.6**	**14,688.4**
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment, including capital advances	(6,776.2)	(6,731.3)
Proceeds from sale of Property, Plant and Equipment / Intangible Assets	62.2	18.5
Proceeds from / (Purchase of) Non-Current Investments	(400.0)	1,038.6
Purchase of Current Investments	(123,775.2)	(141,257.2)
Proceeds from sale of Current Investments	123,920.3	139,026.9
Proceeds from Divestment of Subsidiaries	-	15,782.9
Bank balances not considered as Cash and Cash Equivalents (net)	(5,823.8)	1,755.4
Interest on Deposits with Banks and Others	396.9	1,290.5
Dividend on Mutual Fund Investments	-	145.6
Net Cash Flow generated / (used in) from Investing Activities	**(12,395.8)**	**11,069.9**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in million)

	For the Current Year Ended 31.03.2021	For the Previous Year Ended 31.03.2020
C. Cash Flow from Financing Activities		
Proceeds from / (Repayment of) Non-Current Borrowings (net)	(20,226.4)	(9,892.3)
Proceeds from / (Repayment of) Current Borrowings (net)	6,549.3	8,388.2
Proceeds from issue of equity shares (ESOPs) and Share application money	1.9	1.0
Securities Premium Received (ESOPs)	105.7	58.7
Payment of Lease liabilities	(1,241.8)	(1,169.9)
Finance Costs	(1,318.2)	(3,561.7)
Dividend paid	(2,723.2)	(2,264.6)
Corporate Tax on Dividend	-	(465.2)
Net Cash Flow generated / (used in) from Financing Activities	**(18,852.7)**	**(8,905.8)**
Net increase / (decrease) in Cash and Cash Equivalents	**(13,030.9)**	**16,852.5**
Cash and Cash Equivalents as at the beginning of the year	22,293.1	5,440.6
Cash and Cash Equivalents as at the end of the year	**9,262.2**	**22,293.1**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet [Refer note 12]	9,206.3	22,148.5
Unrealised loss / (gain) on foreign currency Cash and Cash Equivalents	55.9	144.6
Cash and Cash Equivalents as restated as at the end of the year	**9,262.2**	**22,293.1**

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 Flows".

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Notes

Forming part of the Consolidated 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, USA, Mexico and Brazil with trading and other incidental and related activities extending to the global markets.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is Kalpataru Inspire, 3rd floor, Western Express Highway, Santacruz (East), Mumbai 400055.

1B. 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 12, 2021.

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 recognized in the periods in which the results are known/materialized. 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 r)
- 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)
- Provision for Income Taxes and uncertain tax Positions (Refer note k)

Notes

Forming part of the Consolidated Financial Statements

- Accrual of sales returns and applicable trade discounts, allowances and chargeback (Refer note m)
- 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, 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 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

Notes

Forming part of the Consolidated Financial Statements

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 recognized 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 recognized 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
Improvements on Leased Premises	Over the period of lease
Building	5 to 80 years
Plant and Equipment	10 to 15 years
Office Equipment (Desktop and Laptop)	4 years
Certain assets provided to employees	3 years

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	5 to 50 years
Improvements on Leased Premises	Over the period of lease
Plant and Equipment[1]	3 to 20 years
Furniture and Fixtures	2 to 20 years
Vehicles[1]	3 to 7 years
Office Equipment	2 to 21 years

1. 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 amortization 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

Notes

Forming part of the Consolidated Financial Statements

associated with the expenditure will flow to the Group.

III. **Amortisation**

Intangible assets are amortized 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 amortization period are reviewed at the end of each financial year and the amortization 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 amortized 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.

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.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

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.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.
The impairment loss is recognized 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 recognized 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 recognized 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 recognized.

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Goodwill impairment

Goodwill is tested for impairment annually. 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. Intangibles Assets are reviewed at the end of each reporting period 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 recognized in the Consolidated Statement of Profit and Loss.

Intangible Assets under development are reviewed at the end of each reporting period to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment 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 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 amortized cost, fair value through other

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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 recognized 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 recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets at amortized cost

A 'financial asset' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized 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 derecognized (i.e. removed from the Group's financial statements) when:

- The rights to receive cash flows from the asset have expired, or

- 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,

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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 amortized 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 amortized 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 recognized 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 amortized cost (loans, borrowings and payables) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized 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 recognized 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 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 recognized in the Consolidated Statement of Profit and Loss.

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Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Consolidated Statement of Profit and Loss when the liabilities are derecognized.

Amortized 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 amortization 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 derecognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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

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gain or loss on the hedging instrument recognized 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 recognized 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 recognized 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

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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 consists of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 assets and liabilities are offset only if, the Group:

i) has a legally enforceable right to set off the recognized 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 recognized 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 recognized 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.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

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l) Inventories:

Inventories of all procured materials, Stock-in-Trade, finished goods and work-in-progress 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. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw material, packing materials and Stock-in-Trade 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. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, non-creditable duties and taxes as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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, allowances and chargeback. Revenue includes shipping and handling costs billed to the customer.

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

Income from research services

Income from research services including sale of technology/know-how (rights, licenses and other intangibles) is recognized 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.

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 recognized with reference to the Effective Interest Rate method.

Dividend income

Dividend from investment is recognized 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.

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n) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized as an expense is adjusted to reflect the actual number of stock options that vest.

p) Discontinued Operations:

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

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When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

q) Leases:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the Group uses incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

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Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 Leases which replaced the erstwhile lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduced a single, on-balance sheet lease accounting model for lessees.

The Group had adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group had not restated comparative information, instead, the cumulative effect of initially applying this standard had been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

r) Provisions and Contingent Liabilities:

A provision is recognized 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 recognized 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.

s) Cash and Cash equivalents:

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.

t) 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 recognized as an expense in the period which they are incurred.

u) Government Grants:

Government grants are initially recognized 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 recognized 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 recognized in Consolidated Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

Notes

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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.

v) 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.

w) 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.

x) 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 goods/service received is accounted and when there is reasonable certainty in availing/utilising the credits.

y) 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.

1C. Recent Accounting Pronouncements:

Other Amendments:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.
The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes
Forming part of the Consolidated Financial Statements

2. Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block						Accumulated Depreciation and Impairment Loss						Net Block
	As at 01.04.2020	Additions	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 01.04.2020	For the period	Impairment Loss	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 31.03.2021
Freehold Land	**1,904.7**	**-**	**17.0**	**-**	**-**	**1,921.7**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,921.7**
	3,463.2	*108.8*	*(2.4)*	*-*	*1,664.9*	*1,904.7*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*1,904.7*
Buildings	**16,996.8**	**1,071.7**	**(33.1)**	**1.1**	**-**	**18,034.3**	**2,466.4**	**655.3**	**-**	**2.9**	**0.4**	**-**	**3,124.2**	**14,910.1**
	17,356.2	*2,261.5*	*119.1*	*76.3*	*2,663.7*	*16,996.8*	*2,146.3*	*715.0*	*-*	*15.2*	*18.0*	*392.1*	*2,466.4*	*14,530.4*
Improvements on Leased Premises	**2,124.5**	**120.6**	**(52.0)**	**3.4**	**-**	**2,189.7**	**1,112.6**	**301.9**	**-**	**(26.7)**	**2.3**	**-**	**1,385.5**	**804.2**
	1,744.3	*242.8*	*137.4*	*-*	*-*	*2,124.5*	*733.4*	*313.2*	*-*	*66.0*	*-*	*-*	*1,112.6*	*1,011.9*
Plant and Equipment	**36,495.1**	**3,871.9**	**(118.4)**	**80.3**	**-**	**40,168.3**	**15,743.2**	**3,792.0**	**-**	**(69.9)**	**63.6**	**-**	**19,401.7**	**20,766.6**
	40,715.7	*5,906.1*	*628.9*	*112.3*	*10,643.3*	*36,495.1*	*14,865.0*	*4,423.0*	*-*	*263.0*	*97.5*	*3,710.3*	*15,743.2*	*20,751.9*
Furniture and Fixtures	**1,576.3**	**62.2**	**(1.7)**	**62.5**	**-**	**1,574.3**	**766.7**	**175.3**	**-**	**(5.7)**	**41.1**	**-**	**895.2**	**679.1**
	2,550.5	*285.6*	*68.9*	*23.6*	*1,305.1*	*1,576.3*	*1,171.6*	*325.1*	*-*	*32.4*	*22.4*	*740.0*	*766.7*	*809.6*
Vehicles	**364.5**	**47.4**	**15.8**	**65.8**	**-**	**361.9**	**168.1**	**72.4**	**-**	**8.6**	**55.1**	**-**	**194.0**	**167.9**
	358.6	*83.5*	*(0.8)*	*75.2*	*1.6*	*364.5*	*163.0*	*72.8*	*-*	*(0.3)*	*66.3*	*1.1*	*168.1*	*196.4*
Office Equipment	**2,487.3**	**168.7**	**(9.1)**	**104.3**	**-**	**2,542.6**	**1,791.9**	**349.5**	**-**	**(8.9)**	**98.3**	**-**	**2,034.2**	**508.4**
	2,418.0	*165.0*	*58.5*	*109.0*	*45.2*	*2,487.3*	*1,482.8*	*410.3*	*-*	*44.1*	*109.0*	*36.3*	*1,791.9*	*695.4*
Right of use Assets:														
Leasehold Land	**1,104.6**	**27.5**	**-**	**-**	**-**	**1,132.1**	**46.6**	**13.0**	**-**	**-**	**-**	**-**	**59.6**	**1,072.5**
	1,104.6	*-*	*-*	*-*	*-*	*1,104.6*	*35.5*	*11.1*	*-*	*-*	*-*	*-*	*46.6*	*1,058.0*
Leasehold Buildings	**2,666.4**	**1,266.5**	**(9.4)**	**535.7**	**-**	**3,387.8**	**725.8**	**684.4**	**-**	**(1.6)**	**461.6**	**-**	**947.0**	**2,440.8**
	2,510.0	*831.6*	*135.0*	*1.9*	*808.3*	*2,666.4*	*-*	*858.3*	*-*	*12.8*	*1.8*	*143.5*	*725.8*	*1,940.6*
Leasehold Furniture & Fixtures	**443.1**	**-**	**-**	**-**	**-**	**443.1**	**105.5**	**106.0**	**-**	**-**	**-**	**-**	**211.5**	**231.6**
	76.0	*367.1*	*-*	*-*	*-*	*443.1*	*-*	*105.5*	*-*	*-*	*-*	*-*	*105.5*	*337.6*
Leasehold Vehicles	**469.0**	**235.6**	**(5.3)**	**248.1**	**-**	**451.2**	**134.1**	**189.3**	**-**	**(2.3)**	**153.5**	**-**	**167.6**	**283.6**
	441.3	*204.3*	*17.9*	*97.4*	*97.1*	*469.0*	*0.9*	*232.5*	*-*	*(0.4)*	*71.7*	*27.2*	*134.1*	*334.9*
Leasehold Office Equipments	**100.6**	**-**	**0.2**	**13.7**	**-**	**87.1**	**38.5**	**33.0**	**-**	**-**	**13.7**	**-**	**57.8**	**29.3**
	74.4	*24.5*	*2.1*	*0.4*	*-*	*100.6*	*-*	*38.4*	*-*	*0.5*	*0.4*	*-*	*38.5*	*62.1*
Leasehold Plant & Equipment	**26.4**	**-**	**-**	**-**	**-**	**26.4**	**4.4**	**8.8**	**-**	**-**	**-**	**-**	**13.2**	**13.2**
	-	*26.4*	*-*	*-*	*-*	*26.4*	*-*	*4.4*	*-*	*-*	*-*	*-*	*4.4*	*22.0*
Total	**66,759.3**	**6,872.1**	**(196.0)**	**1,114.9**	**-**	**72,320.5**	**23,103.8**	**6,380.9**	**-**	**(103.6)**	**889.6**	**-**	**28,491.5**	**43,829.0**
	72,812.8	*10,507.2*	*1,164.6*	*496.1*	*17,229.2*	*66,759.3*	*20,598.5*	*7,509.6*	*-*	*433.3*	*387.1*	*5,050.5*	*23,103.8*	*43,655.5*

a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).
b) For details of Right of use asset [Refer note 42].
c) For details on disposals of subsidiaries [Refer note 54].
d) Depreciation for the period includes ₹ Nil (previous year ₹ 1,079.5 million) related to discontinued operations.
e) Previous year figures are given in italics below current year figures in each class of assets.

3. Other Intangibles Assets - Acquired

(₹ in million)

Particulars	Gross Block						Accumulated Amortisation and Impairment Loss						Net Block
	As at 01.04.2020	Additions	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 01.04.2020	For the period	Impairment Loss	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 31.03.2021
Computer Software	**558.3**	**264.1**	**(9.3)**	**21.4**	**-**	**791.7**	**350.4**	**95.8**	**-**	**(3.4)**	**17.3**	**-**	**425.5**	**366.2**
	994.7	*85.3*	*29.9*	*89.6*	*462.0*	*558.3*	*586.0*	*128.7*	*-*	*28.7*	*88.5*	*304.5*	*350.4*	*207.9*
Trademarks and Licences	**1,094.3**	**242.2**	**76.1**	**24.3**	**-**	**1,388.3**	**416.1**	**128.8**	**-**	**52.1**	**21.7**	**-**	**575.3**	**813.0**
	843.6	*213.9*	*133.9*	*8.4*	*88.7*	*1,094.3*	*354.2*	*121.8*	*-*	*(25.2)*	*4.9*	*29.8*	*416.1*	*678.2*
Dossiers/Marketing rights	**54,678.3**	**238.9**	**(1,752.9)**	**21.5**	**-**	**53,142.8**	**38,353.6**	**1,928.6**	**42.5**	**(1,335.6)**	**21.5**	**-**	**38,967.6**	**14,175.2**
	61,963.5	*160.9*	*3,349.4*	*13.2*	*10,782.3*	*54,678.3*	*24,913.0*	*3,835.7*	*10,611.0*	*2,216.8*	*5.1*	*3,217.8*	*38,353.6*	*16,324.7*
Total	**56,330.9**	**745.2**	**(1,686.1)**	**67.2**	**-**	**55,322.8**	**39,120.1**	**2,153.2**	**42.5**	**(1,286.9)**	**60.5**	**-**	**39,968.4**	**15,354.4**
	63,801.8	*460.1*	*3,513.2*	*111.2*	*11,333.0*	*56,330.9*	*25,853.2*	*4,086.2*	*10,611.0*	*2,220.3*	*98.5*	*3,552.1*	*39,120.1*	*17,210.8*

a) For details on disposals of subsidiaries [Refer note 54].
b) For details of Impairment Loss [Refer note 53(b)].
c) Accumulated Amortization and Impairment Loss includes impairment loss in opening balance of ₹ 22,796.2 million (previous year ₹ 11,138.1 million) and in closing balance of ₹ 22,130.5 million (previous year ₹ 22,796.2 million).
d) Amortisation for the period includes ₹ Nil (previous year ₹ 814.0 million) related to discontinued operations.
e) Previous year figures are given in italics below current year figures in each class of assets.

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4. Investment Accounted For Using Equity Method

[Refer note 50(b)]

(₹ in million)

	Number	Face Value	As at 31.03.2021	As at 31.03.2020
Unquoted				
In Jointly Controlled Entity:				
- YL Biologics Ltd., Japan	450	JPY	319.1	305.0
	(450)	*		
Total			**319.1**	**305.0**

* Shares do not have face value

i) Investment in shares are fully paid up		
ii) Aggregate amount of unquoted investments	319.1	305.0
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 31.03.2021	As at 31.03.2020
a) In Equity Instruments (at Fair value through Profit or Loss): Unquoted				
- Biotech Consortium India Ltd., India	50,000	₹	0.5	0.5
	(50,000)	10		
- Enviro Infrastructure Co. Ltd., India	100,000	₹	1.0	1.0
	(100,000)	10		
- Bharuch Enviro Infrastructure Ltd., India	4,410	₹		
[31.03.2021 - ₹ 44,100/-, 31.03.2020 - ₹ 44,100/-]	(4,410)	10		
- Narmada Clean Tech Ltd., India	1,100,388	₹	11.0	11.0
	(1,100,388)	10		
- Tarapur Environment Protection Society, India	72,358	₹	7.2	7.2
	(72,358)	100		
- nReach One (Pty) Ltd, South Africa	8,500,000	ZAR	41.9	36.0
	(8,500,000)	1		
			61.6	55.7
b) In Bonds/Debentures/Securities (at Amortised Cost)				
- Government securities				
Unquoted				
- National Saving Certificates [Deposited with Government Authority] [31.03.2021 - ₹ 5,500/-, 31.03.2020 - ₹ 5,500/-]				
c) In Membership Share in LLP (at Fair Value through Profit or Loss) Unquoted				
- ABCD Technologies LLP, India			400.0	-
[the investment is locked upto April 24, 2024]				
Total			**461.6**	**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	-	-
Market value	-	-
iii) Aggregate amount of unquoted investments	461.6	55.7
iv) Previous year numbers are within brackets below current year numbers		

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6. Non-Current Loans

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
Security Deposits		
- with Related Parties [Refer note 63(C)]	29.0	43.4
- with Others	638.7	418.3
Loans to Employees	0.9	2.0
Advance to Vendors	-	12.6
Total	**668.6**	**476.3**

[There are no other non-current loans which have significant increase in credit risk.]

7. Other Non-Current Financial Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Earmarked Bank Deposits against guarantees & other commitments	10.5	9.7
Other Non-Current Financial Assets (includes miscellaneous receivables, etc.)	24.4	695.4
Total	**34.9**	**705.1**

8. Other Non-Current Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Capital Advances	350.5	1,557.2
Advances other than Capital Advances		
- With Government Authorities (Drawback / Customs and Excise duties receivable)	83.2	423.7
- Advance against investments	31.1	219.6
Prepaid Expenses	94.9	24.4
Other Advances	233.2	233.4
Total	**792.9**	**2,458.3**

9. Inventories

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Raw Materials	9,003.9	8,051.4
Packing Materials	1,967.3	1,653.1
Work-in-Progress	5,945.1	6,111.2
Finished Goods	7,455.9	6,727.7
Stock-in-Trade	10,255.5	7,084.1
Consumable Stores and Spares	2,034.2	1,739.9
Goods-in-Transit		
- Raw Materials	685.7	902.2
- Packing Materials	65.7	32.5
- Stock-in-Trade	3,474.2	2,245.6
- Consumable Stores and Spares	32.6	21.0
Total	**40,920.1**	**34,568.7**

During the year, the Group recorded inventory write-downs of ₹ 2,281.5 million (previous year ₹ 2,485.0 million). These adjustments were included in cost of material consumed and changes in inventories.

Notes

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10. Current Investments

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	-	7,568.1
In Commercial Papers	957.8	2,724.3
Unquoted		
In Deposits with financial institutions	1,022.5	-
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	21,787.8	13,090.1
Total	**23,768.1**	**23,382.5**

a) Aggregate amount of quoted investments and market value thereof		
Book value	957.8	10,292.4
Market value	958.9	10,322.0
b) Aggregate amount of Unquoted Investments	22,810.3	13,090.1
c) Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-

11. Trade Receivables

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Unsecured		
- Considered Good	44,800.4	54,466.3
- Credit Impaired	583.6	525.0
	45,384.0	54,991.3
Less : Allowances for credit losses	640.8	532.0
Total	**44,743.2**	**54,459.3**

[There are no other trade receivables which have significant increase in credit risk. Refer note 58(C) for information about credit risk and market risk of trade receivables.]

12. Cash and Cash Equivalents

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Cash and Cash Equivalents (as per Ind AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	6,799.5	6,605.6
- In EEFC Account	360.8	46.9
- In Deposit Accounts	2,008.9	15,295.2
Cheques on hand	25.5	186.9
Cash on hand	11.6	13.9
Total	**9,206.3**	**22,148.5**

Notes

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13. Other Bank Balances

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Earmarked Balances with Banks		
- Unpaid dividend accounts	48.6	53.0
- Deposits against guarantees and other commitments	29.9	26.7
Bank Deposits with original maturity of more than 3 months but less than 12 months from the balance sheet date	8,139.8	2,314.8
Total	**8,218.3**	**2,394.5**

14. Current Loans

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
(Financial assets stated at cost)		
Unsecured, considered good		
Security Deposits	137.9	344.3
Other Loans and Advances (includes Loans to employees, etc.)	15.1	25.8
Total	**153.0**	**370.1**

[There are no other current loans which have significant increase in credit risk.]

15. Other Current Financial Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Mark to Market Derivative Assets	272.4	132.0
Export Benefits receivable	2,573.1	2,211.0
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	707.6	508.8
Other Current Financial Assets (includes Interest receivables, etc.)	826.4	1,043.7
Total	**4,379.5**	**3,895.5**

16. Other Current Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Advances other than Capital Advances		
Prepaid Expenses	950.7	936.7
Advance to Employees	109.6	101.9
Advance to Vendors		
- Considered Good	1,867.0	2,232.7
- Credit Impaired	133.7	76.4
	2,000.7	2,309.1
Less: Impairment Allowances for Credit Impaired	133.7	76.4
	1,867.0	2,232.7
Advance against investments	-	3,662.2
Export Benefits receivable	893.2	994.3
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	4,544.7	4,623.5
Assets Recoverable From Customers	53.1	55.6
Total	**8,418.3**	**12,606.9**

Notes

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17. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2021		As at 31.03.2020	
	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	453,680,133	907.4	452,998,121	906.0
Total	**453,680,133**	**907.4**	**452,998,121**	**906.0**

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	452,998,121	906.0	452,493,697	905.0
Equity Shares issued during the year pursuant to exercise of ESOPs	682,012	1.4	504,424	1.0
Equity Shares outstanding at the end of the year	453,680,133	907.4	452,998,121	906.0

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, 2021, the amount of dividend per equity share distributed to equity shareholders is ₹ 6.0. (Previous year ended March 31, 2020, ₹ 5.0)

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

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

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**Percentage of Holding**	No. of Shares	Percentage of Holding
Lupin Investments Pvt. Limited	205,608,135	45.32	205,608,135	45.39

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	100,030	0.2	106,030	0.2
Plan 2005	29,045	0.1	33,045	0.1
Plan 2011	1,162,443	2.3	1,316,500	2.6
Plan 2014	1,512,269	3.0	2,333,133	4.7
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2011	672,750	1.3	707,302	1.4
Plan 2014	1,441,937	2.9	1,106,476	2.2

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

Particulars	**As at 31.03.2021 Aggregate No. of Shares**	As at 31.03.2020 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	3,097,164	3,509,786

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.

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18. Other Equity

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
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	9,175.4	8,644.2
Add : Additions during the year*	711.7	531.2
Balance as at the year end	9,887.1	9,175.4
Employees Stock Options Outstanding [Refer note 43]		
Opening Balance as per last Balance Sheet	2,146.2	2,184.2
Add : Amortisation during the year	504.3	532.9
Less : Exercised during the year	606.0	472.5
Less : Transfer to General Reserve	149.7	98.4
Balance as at the year end	1,894.8	2,146.2
General Reserve		
Opening Balance as per last Balance Sheet	16,767.1	16,668.7
Add : Transfer from share based payments	149.7	98.4
Balance as at the year end	16,916.8	16,767.1
Retained Earnings		
Opening Balance as per last Balance Sheet	102,296.2	108,842.1
Less : Adjustment for transition to Ind AS 116 - "Leases" (net off deferred tax) [Refer note 42]	-	319.3
Less : Adjustment for transition to Appendix C of Ind AS 12 - "Income Taxes" [Refer note 45(f)]	-	804.5
Add : Profit / (Loss) for the year	12,165.3	(2,693.9)
Less : Final Dividend on Equity Shares [Refer note 17(c)]	2,718.8	2,263.0
Less : Corporate Tax on Dividend**	-	465.2
Balance as at the year end	111,742.7	102,296.2
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Share Application Money Pending Allotment	0.5	0.8
Other Comprehensive Income		
Foreign Currency Translation Reserve [Refer note 52]		
Opening Balance as per last Balance Sheet	(5,783.2)	(306.5)
Add / (Less) : Additions during the year	2,076.2	(2,612.8)
Add / (Less) : Reclassification to Profit or Loss on disposal of subsidiaires	(9.5)	(2,863.9)
Balance as at the year end	(3,716.5)	(5,783.2)
Cash Flow Hedge Reserve [Refer note 60(C)]		
Opening Balance as per last Balance Sheet	(242.9)	105.4
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding	594.0	(350.8)
[net of deferred tax of ₹ 240.6 million (previous year - ₹ (128.9) million)]		
Add / (Less) : Hedge Ineffectiveness recognised in Statement of Profit and Loss	(1.6)	2.5
Balance as at the year end	349.5	(242.9)
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(607.2)	(329.4)
Add / (Less) : Additions during the year	(52.3)	(277.8)
Balance as at the year end	(659.5)	(607.2)
Total	**137,124.0**	**124,461.0**

*Represents amount received on allotment of 682,012 (previous year 504,424) Equity Shares of the face value of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans".[Refer note 43]

**Represents Corporate Tax on Final Dividend ₹ nil (previous year ₹ 465.1 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ nil (previous year ₹ 0.1 million).

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19. Non-Current Borrowings

[Refer note 25]

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Secured		
Term Loans from Banks	3.3	7.0
	3.3	7.0
Unsecured		
Term Loans from Banks	156.4	17,922.7
Deferred Sales Tax Loan from Government of Maharashtra	1.5	3.1
	157.9	17,925.8
Total	**161.2**	**17,932.8**

a) Secured Term Loan of ₹ 3.3 million 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 mortgage of immovable property of that subsidiary company. This loan is repayable till May 15, 2022.

b) Unsecured Loans ₹ 272.5 million of subsidiary company located in Mexico carries fixed interest rate in the range of 10.35% to 10.50% p.a. and guaranteed by the Company. Of this, loan of ₹ 116.1 million is payable till February 24, 2022 and balance ₹ 156.4 million is repayable till May 23, 2023.

c) Unsecured Loans ₹ 17,056.5 million of subsidiary company located in USA carries interest rate of 0.95% plus LIBOR and guaranteed by the Company. This loan is repayable till May 02, 2021.

d) Deferred Sales Tax Loan availed by Parent company 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.

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

20. Other Non-Current Financial Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Mark to Market Derivative Liabilities	-	301.3
Payable for Capital Expenditure	2,159.3	3,350.0
Payable for Purchase of Non-Current Investment	1,098.6	1,233.1
Employee Benefits Payables	40.7	35.5
Lease Liability - Non Current [Refer note 42]	2,586.9	2,225.9
Other Payables	86.2	101.5
Total	**5,971.7**	**7,247.3**

21. Non-Current Provisions

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Provisions for Employee Benefits [Refer note 27]		
Gratuity [Refer note 44(ii)]	1,814.5	1,713.1
Retirement Benefits	214.7	222.9
Compensated Absences	1,073.3	951.4
Provident Fund	192.4	66.8
Other Provisions		
Asset Retirement Obligation	-	5.1
Others	-	3.6
Total	**3,294.9**	**2,962.9**

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22. Other Non-Current Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Deferred Revenue [Refer note 39(d)]	1,436.9	1,562.7
Deferred Government Grant	-	73.8
Total	**1,436.9**	**1,636.5**

23. Current Borrowings

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Secured		
Loans from Banks	2,425.9	1,749.1
	2,425.9	1,749.1
Unsecured		
Loans from Banks	28,068.5	23,178.4
	28,068.5	23,178.4
Total	**30,494.4**	**24,927.5**

a) Secured loans of ₹ 507.9 million availed by Parent company comprise of Working Capital Demand Loan and are secured by hypothecation of Inventories and book debts carrying market driven interest rates.

b) Secured Loans of ₹ 1,918.0 million availed by a subsidiary company located in Brazil and carries fixed interest rate in the range of 5.07% to 6.60%.

c) Unsecured Loans of ₹ 2,480.0 million availed by Parent company comprise of Working Capital Demand Loan carrying market driven interest rates.

d) Unsecured Loans of ₹ 25,588.5 million availed by a subsidiary company located in USA and carries interest rate at LIBOR plus market driven margin and this loan is guaranteed by the Company.

e) The Group has not defaulted on repayment of loan and interest during the year.

24. Trade Payables

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Acceptances	397.1	865.4
Other than Acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises [Refer note 57]	912.3	989.4
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	18,835.0	22,268.2
Total	**20,144.4**	**24,123.0**

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25. Other Current Financial Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Current Maturities of Non-Current Borrowings [Refer note 19]		
- Term Loans from Banks	17,172.6	20,190.6
- Deferred Sales Tax Loan from Government of Maharashtra	1.6	2.3
Interest Accrued but not due on Borrowings	48.6	160.2
Unpaid Dividend *	48.6	53.0
Mark to Market Derivative Liabilities	2.4	159.3
Payable for Capital Expenditure	1,516.9	624.9
Payable for Purchase of Non-Current Investment	-	3,662.2
Trade Deposits received	98.6	109.2
Employee Benefits Payables	2,711.8	2,817.1
Lease Liability - Current [Refer note 42]	874.1	972.1
Other Payables	198.0	8.9
Total	**22,673.2**	**28,759.8**

* During the year ₹ 3.2 million has been credited to Investor Education and Protection Fund relating to FY 12-13 & FY 13-14

26. Other Current Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	1,128.9	1,376.5
Deferred Revenue [Refer note 39(d)]	323.1	177.8
Deferred Government Grant	62.2	54.7
Advances from customers	260.7	818.5
Other Payables	62.0	55.0
Total	**1,836.9**	**2,482.5**

27. Current Provisions

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Provisions for Employee Benefits [Refer note 21]		
Gratuity [Refer note 44(ii)]	344.0	278.0
Retirement Benefits	49.4	155.5
Compensated Absences	497.7	492.1
Other Provisions		
For Sales Returns [Refer note 55(a)]	3,156.6	4,542.0
For European Commission Fine [Refer note 55(b)]	3,796.1	3,609.5
Total	**7,843.8**	**9,077.1**

Notes

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28. Revenue from Operations

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Sale [Refer note 39]		
Goods	149,139.0	149,891.8
Research Services	130.9	1,536.2
	149,269.9	151,428.0
Other Operating Revenue		
Export Benefits and Other Incentives	1,173.5	2,086.2
Service Charges	25.0	29.5
Insurance Claims	206.6	42.3
Business Compensation and Settlement Income [Refer note 37(f)]	827.2	77.6
Miscellaneous Income	127.4	84.0
	2,359.7	2,319.6
Total	**151,629.6**	**153,747.6**

29. Other Income

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	200.2	399.0
Other Interest	196.7	891.5
Income on Financial Assets carried at fair value through Profit or loss		
Dividend on Mutual Fund Investments	-	145.6
Net gain on Sale of Mutual Fund Investments	245.8	1,063.1
Unrealised Gain on Mutual Fund Investments (net)	284.9	4.8
Net gain on Foreign Currency Transactions	-	1,921.3
Provisions no longer required written back	8.7	-
Profit on Sale of Property, Plant & Equipment / Intangible Assets (net)	9.3	1.9
Miscellaneous Income (including interest on income tax refund)	417.3	410.4
Total	**1,362.9**	**4,837.6**

30. Cost of Materials Consumed

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Raw Materials Consumed	26,618.3	26,959.4
Packing Materials Consumed	5,079.6	4,678.8
Total	**31,697.9**	**31,638.2**

Notes

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31. Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade [(Increase)/Decrease]

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Opening Stock:		
Finished Goods	6,727.7	6,656.7
Stock-in-Trade	9,329.7	9,718.0
Work-in-Progress	6,111.2	5,655.1
	22,168.6	22,029.8
Less:		
Closing Stock:		
Finished Goods	7,455.9	6,727.7
Stock-in-Trade	13,729.7	9,329.7
Work-in-Progress	5,945.1	6,111.2
	27,130.7	22,168.6
Changes In Inventories:		
Finished Goods	(728.2)	(71.0)
Stock-in-Trade	(4,400.0)	388.3
Work-in-Progress	166.1	(456.1)
Foreign Currency Translation Difference	113.5	224.3
Total	**(4,848.6)**	**85.5**

32. Employee Benefits Expense

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Salaries and Wages	24,439.8	25,822.2
Contribution to Provident and Other Funds	2,009.8	2,009.0
Retirement Benefits Expense	172.7	98.0
Share based payment expense [Refer note 43]	508.1	530.9
Staff Welfare Expenses	1,128.6	1,408.3
Total	**28,259.0**	**29,868.4**

33. Finance Costs

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Interest on Financial Liabilities - borrowings carried at amortised cost	759.7	2,632.5
Net Interest on net defined benefit liability	215.3	188.6
Interest on Income Tax	-	359.2
Interest cost on finance lease obligation	199.8	217.5
Other Borrowing Costs (includes bank charges, etc.)	231.6	232.0
Total	**1,406.4**	**3,629.8**

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34. Other Expenses

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Processing Charges	1,350.9	1,328.2
Stores and Spares Consumed	5,543.1	5,415.5
Repairs and Maintenance:		
- Buildings	416.9	338.0
- Plant and Machinery	1,515.8	1,449.3
- Others	1,889.9	1,685.9
Rent and Other Hire Charges [Refer note 42]	671.7	686.8
Rates and Taxes	1,318.4	1,695.8
Insurance	932.8	821.4
Power and Fuel	4,144.8	4,431.7
Contract Labour Charges	1,633.5	1,468.3
Selling and Promotion Expenses	6,671.4	7,494.1
Commission and Brokerage	1,172.9	1,164.5
Freight and Forwarding	2,419.7	2,145.9
Postage and Telephone Expenses	435.9	445.5
Travelling and Conveyance	1,271.6	2,690.0
Legal and Professional Charges [Net of recoveries of ₹ 593.5 million (previous year ₹ nil)]	7,265.3	8,114.8
Donations	113.2	63.6
Clinical and Analytical Charges	2,027.0	2,158.1
Bad Trade Receivables / Advances written off [Net of provision of earlier years adjusted ₹ 5.7 million (previous year ₹ 260.9 million)]	426.9	1.3
Impairment Allowances for Doubtful Trade Receivables / Advances (net)	188.1	298.1
Provision for Impairment of Intangible Assets / Intangible Assets Under Development	-	6.8
Corporate Social Responsibility Expenses [Refer note 56]	243.6	342.0
Directors Sitting Fees	1.8	2.1
Net loss on Foreign Currency Transactions and Translations	909.3	-
Exchange Rate Difference (net)	-	41.4
Business Compensation and Settlement Expenses	286.7	108.2
Miscellaneous Expenses	1,228.2	1,627.9
Total	**44,079.4**	**46,025.2**

35. 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 31.03.2021	As at 31.03.2020
Lupin Pharmaceuticals, Inc.	USA	100%[1]	100%[1]
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%
Nanomi 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]

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Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Bellwether Pharma Pty Limited	Australia	100%[3]	100%[3]
Lupin Healthcare (UK) Limited	UK	100%[4]	100%[4]
Lupin Pharma Canada Limited	Canada	100%[4]	100%[4]
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 (upto July 2, 2020)	UAE	-	100%[4]
Lupin GmbH #	Switzerland	-	100%[4]
Lupin Inc.	USA	100%[2]	100%[4]
Laboratorios Grin S.A. de C.V.	Mexico	100%[8]	100%[4]
Medquímica Indústria Farmacêutica LTDA	Brazil	100%[5]	100%[5]
Novel Laboratories, Inc.	USA	100%[6]	100%[6]
Lupin Research Inc.	USA	100%[6]	100%[6]
YL Biologics Limited (under liquidation)	Japan	45%[7]	45%[7]
Lupin Latam, Inc.	USA	100%[4]	100%[4]
Lupin Japan & Asia Pacific K.K. (upto December 17,2020)	Japan	-	100%[4]
Lupin Europe GmbH	Germany	100%[4]	100%[4]
Lupin Management Inc.	USA	100%[6]	100%[6]
Lupin Biologics Limited	India	100%	-
Lupin Oncology Inc.	USA	100%	-
Lupin Foundation	India	100%	-

[1] 97% Ownership interest held through Lupin Inc., USA.

[2] Ownership interest held through Nanomi B.V., Netherlands#.

[3] Wholly owned subsidiary of Generic Health Pty Limited, Australia.

[4] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland.

[5] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Nanomi B.V., Netherlands.

[6] Wholly owned subsidiaries of Lupin Inc., USA.

[7] Jointly Controlled Entity of Lupin Atlantis Holdings SA, Switzerland (with Yoshindo Inc., Japan having 55% share of interest).

[8] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Lupin Mexico S.A.de.C.V., Mexico.

Lupin GmbH,(Switzerland) which was wholly owned subsidiary of Lupin Atlantis Holdings SA, (Switzerland) got merged with Lupin Atlantis Holdings SA, (Switzerland) on September 21, 2020.

36. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Tangible assets ₹ 1897.6 million (previous year ₹ 3272.9 million) and Intangible assets ₹ 19.0 million (previous year ₹ 141.5 million).

b) Other commitments – Non-cancellable short term leases is ₹ 53.2 million (previous year ₹ 1.7 million) and low value leases is ₹ 290.2 million (previous year ₹ 212.5 million).

c) There are no capital commitments at the jointly controlled entity as at 31.03.2021.

d) Dividends proposed of ₹ 6.50 (previous year ₹ 6/-) per equity share before the financial statements were approved for issue, but not recognised as a liability in the financial statements is ₹ 2949.2 million (previous year ₹ 2718.4 million).

e) There are product supply commitments pursuant to contracts with customers under dossier agreements.

f) There are product procurement commitments pursuant to contracts with suppliers under supply agreements.

g) Financial and corporate guarantees issued by the Company on behalf of subsidiaries are disclosed in note 37.

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37. Contingent Liabilities:

(₹ in million)

	Particulars	**As at 31.03.2021**	As at 31.03.2020
a)	Income tax demands/matters on account of deductions / allowances in earlier years, pending in appeals and potential tax demands in future years in respect of some uncertain tax issues [₹ 439.4 million (previous year ₹ 16.3 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)" ₹ 1239.9 million (previous year ₹ 839.8 million)	2258.7	2028.4
b)	Customs Duty, Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid there against and included under note 8 "Other Non-Current Assets" ₹ 23.9 million (previous year ₹ 24.2 million)	122.6	122.2
c)	Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, local body tax, employee claims, power*, trademarks, pricing and stamp duty and price reported under Medicaid** for one subsidiary. Amount paid there against without admitting liability and included under note 8 "Other Non-Current Assets" ₹ 206.8 million (previous year ₹ 206.5 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.	1814.9	1103.3
d)	Financial guarantee aggregating to ₹ 3399.6 million (previous year ₹ 9382.4 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-

e) 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 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.

In April 2018, LPI was named in both class action and individual cases based on allegations of anticompetitive behavior related to certain products. LPI and one of its employees received a non-party subpoena from the state of Connecticut Attorney General (CAG) related to an civil antitrust case they filed in 2016, requesting documents and other information. In May 2019, 43 state attorneys general, led by the CAG, filed a second lawsuit against 19 companies (including Lupin Pharmaceuticals, Inc.) and 15 individuals 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. These civil lawsuits were combined into the collection of similar cases referred to as In Re Generic Pharmaceuticals Antitrust Litigation, located in Philadelphia, Pennsylvania. As the case is still in the early stage, an estimate of the possible loss or range of loss, if any, cannot be made.

f) In March 2016, Lupin Inc. (LI), a step down subsidiary of the Company, acquired 100% of the equity interest in Gavis and Novel Laboratories, Inc. ("Novel") under a Share Purchase Agreement (SPA). As part of the SPA, LI placed USD 48.4 million in an indemnity escrow account in case the sellers of Novel (Sellers) breach certain representations and warranties. Under the terms of the SPA, LI is indemnified for the damages from such breaches under certain conditions.

In March 2017, AMRI Global, Inc., ("AMRI"), a pharmaceutical research and manufacturing organization filed a lawsuit against Novel for pre-acquisition behaviours. LI recorded an accrued legal settlement and indemnification asset of USD 8.75 million. During the third quarter of fiscal year 2020, LI settled the case with AMRI for USD 8.75 million. In addition to the AMRI case, LI believes that there have been several other breaches of the SPA. As a result, LI did not consent to release the funds from the indemnity escrow account. In November 2020, LI entered into a Settlement Agreement with the Sellers to resolve the disputes between the parties. Pursuant to the Settlement Agreement, LI received USD 25.0 million dispersed from the indemnity escrow account, with the remaining balance dispersed to the Sellers. Upon receipts of the funds, LI and the Sellers withdrew and dismissed the disputes between the parties. LI recorded USD 16.25 million gain, net of the indemnification asset of USD 8.75 million, related to the case, of which USD 10.25 million (₹ 760.6 million) was accounted as Business Compensation and Settlement Income and USD 6.0 million (₹ 445.3 million) netted-off in legal and professional charges as pertains to reimbursement of legal expenses.

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g) From time to time, Lupin Inc. (LI) and its subsidiaries are involved in various intellectual property claims and legal proceedings, which are considered normal to its business. Some of this litigation has been resolved through settlement agreements with the plaintiffs. In September 2019, several antitrust class actions were filed in the Northern District of California against the manufacturers (including LPI and LL) of diabetes treatment Glumetza. The lawsuits allege that a 2012 settlement of a patent litigation regarding Glumetza® delayed the availability of generic alternatives to Glumetza, which caused consumers to pay supracompetitive prices for the drug. The Company disputes the claims and intends to vigorously defend these matters. An estimate of the possible loss or range of loss, if any, cannot be made at this stage of the litigation.

** The Texas Attorney General's office served Lupin Pharmaceuticals Inc. (LPI), with several Civil Investigative Demands from May 29, 2012 and continuing through 2016. The State of Texas (the "State") filed a lawsuit against LPI, Lupin Ltd (LL), Lupin Inc. (LI) and certain executives on June 14, 2016 (the Original Lawsuit) alleging violations of the Texas Medicaid Fraud Prevention Act (TMFPA). During last year, the State offered a settlement of $ 63.5 million to Lupin Group, of which $ 10.0 million was already accrued by LPI in earlier years. Under the settlement agreement, the State and Lupin Group had agreed on all of the terms of the settlement and the State agreed to dismiss the individual defendants, immediately. Final payment of USD 53.5 million (₹ 3791.8 million) by LL and USD 10 million by LPI made during the previous year.

There are no contingent liabilities at the jointly controlled entity as at 31.03.2021.

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 that the probability of outflow is low to moderate considering the merits of the case and the ultimate disposition of these matters may not have material adverse effect on its Consolidated Financial Statements.

38. Expenditure incurred prior to commencement of commercial production included in Capital Work-In-Progress represent direct attributable expenditure for setting up of plants. 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	**2020-2021**	2019-2020
Opening balance	392.8	407.5
Incurred during the year:		
Salaries, allowances and contribution to funds	87.7	109.5
Legal and Professional Charges	-	0.5
Travelling and Conveyance	6.2	8.9
Power and fuel	1.6	0.6
Others	9.4	11.8
Total incurred during the year	104.9	131.3
Less: Capitalised during the year	119.7	146.0
Closing balance	**378.0**	**392.8**

39. Revenue (Ind AS 115)

A. The operations of the Group 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 Group has a credit evaluation

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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 Group is not significant.

Income from research services including sale of technology/know-how (rights, licenses and other intangibles) is recognized 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.

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 recognises or defers the upfront payments received under these arrangements.

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	2020-2021	2019-2020
A. Major Product/Service line:		
- Sale of pharmaceutical goods	149139.0	149891.8
- Income from research services and sale of IPs	130.9	1536.2
Total revenue from contracts with customers	**149269.9**	**151428.0**
B. Primary geographical market:		
- India	57833.1	56454.1
- USA	53222.2	56433.8
- Japan	2274.6	1090.1
- Others	35940.0	37450.0
Total revenue from contracts with customers	**149269.9**	**151428.0**
C. Timing of the revenue recognition:		
- Goods / Services transferred at a point in time	149172.0	151355.0
- Services transferred over time	97.9	73.0
Total revenue from contracts with customers	**149269.9**	**151428.0**

C. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	2020-2021	2019-2020
Revenue as per contracted price	283017.2	300238.6
Adjusted for:		
- Sales Return	5277.2	5482.5
- Discounts / Chargebacks / Rebates	125718.2	139982.8
- Others	2751.9	3345.3
Total revenue from contracts with customers	**149269.9**	**151428.0**

D. Reconciliation of revenue recognised from Contract liability

(₹ in million)

Particulars	2020-2021	2019-2020
Balance in contract liability at the beginning of the year that was not recognized as revenue	1740.5	2068.3
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	463.5	22.9
Less: Revenue recognized that was included in the contract liability balance at the beginning of the year	444.0	350.7
Balance in contract liability at the end of the year that is not recognized as revenue	1760.0	1740.5

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40. 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 31.03.2021**	Year ended 31.03.2020
India	59316.9	58647.5
USA	54023.1	56431.5
Japan	2274.6	1090.1
Others	36015.0	37578.5
	151629.6	**153747.6**

b) Non-current assets (other than financial instruments and deferred tax assets)

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
India	48854.9	45889.2
USA	26420.5	29040.4
Others	18809.2	18023.6
	94084.6	**92953.2**

C. Major customer

Revenue from the largest customer based in USA represented ₹ 9551.0 million (previous year ₹ 11450.6 million) out of the Group's total revenues.

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

a) For continuing operations:

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Net Profit before non-controlling interest attributable to equity shareholders (₹ in million)	12279.3	(3998.8)
Weighted average number of Equity Shares:		
- Basic	453280606	452713439
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1956031	2357930
- Diluted	455236627	455071369
Earnings per Share (in ₹)		
- Basic	27.09	(8.83)
- Diluted	26.97	(8.83)

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b) For discontinued operations:

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Net Profit attributable to equity shareholders (₹ in million)	-	1301.0
Weighted average number of Equity Shares:		
- Basic	-	452713439
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	-	2357930
- Diluted	-	455071369
Earnings per Share (in ₹)		
- Basic	-	2.87
- Diluted	-	2.86

c) For Continuing and discontinued operations

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Net Profit after non-controlling interest attributable to equity shareholders (₹ in million)	12165.3	(2693.9)
Weighted average number of Equity Shares:		
- Basic	453280606	452713439
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1956031	2357930
- Diluted	455236627	455071369
Earnings per Share (in ₹)		
- Basic	26.84	(5.95)
- Diluted	26.72	(5.95)

42. Leases

The Group leases office equipments, vehicles, furniture & fixtures, plant & equipments and office premises. The leases typically run for the period between 12 months to 60 months with an option to renew the lease after that date.

Information about leases for which the Group is lessee is presented below:

i) Right of use assets

(Refer note 2)

(₹ in million)

Particulars	**As at 01.04.2020**	**As at 01.04.2019**
Carrying amount of:		
Right-of-Use: Land	1058.0	1069.1
Right-of-Use: Buildings	1940.6	2510.0
Right-of-Use: Plant & Equipment	22.0	-
Right-of-Use: Furniture & Fixtures	337.6	76.0
Right-of-Use: Vehicles	334.9	440.4
Right-of-Use: Office Equipment	62.1	74.4
Total	**3755.2**	**4169.9**

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(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Cost							
Balance at April 1, 2020	1104.6	2666.4	26.4	443.1	469.0	100.6	**4810.1**
Additions	27.5	1266.4	-	-	235.6	-	**1529.6**
Disposal / Derecognized during the year	-	535.7	-	-	248.1	13.7	**797.5**
Translation adjustments	-	(9.4)	-	-	(5.3)	0.2	**(14.5)**
Balance at March 31, 2021	1132.1	3387.8	26.4	443.1	451.2	87.1	**5527.7**
Accumulated depreciation							
Balance at April 1, 2020	46.6	725.8	4.4	105.5	134.1	38.5	**1054.9**
Depreciation expense	13.0	684.4	8.8	106.0	189.3	33.0	**1034.5**
Disposal / Derecognized during the year	-	461.6	-	-	153.5	13.7	**628.8**
Translation adjustments	-	(1.6)	-	-	(2.3)	-	**(3.9)**
Balance at March 31, 2021	59.6	947.0	13.2	211.5	167.6	57.8	**1456.7**
Net Balance at March 31, 2021	**1072.5**	**2440.8**	**13.2**	**231.6**	**283.6**	**29.3**	**4071.0**
Net Balance at April 1, 2020	**1058.0**	**1940.6**	**22.0**	**337.6**	**334.9**	**62.1**	**3755.2**

(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Cost							
Balance at April 1, 2019	1104.6	2510.0	-	76.0	441.3	74.4	**4206.3**
Additions	-	831.6	26.4	367.1	204.3	24.5	**1453.9**
Disposal / Derecognized during the year	-	810.2	-	-	194.5	0.4	**1005.1**
Translation adjustments	-	135.0	-	-	17.9	2.1	**155.0**
Balance at March 31, 2020	1104.6	2666.4	26.4	443.1	469.0	100.6	**4810.1**
Accumulated depreciation							
Balance at April 1, 2019	35.5	-	-	-	0.9	-	**36.4**
Depreciation expense	11.1	858.3	4.4	105.5	232.5	38.4	**1250.2**
Disposal / Derecognized during the year	-	145.3	-	-	98.9	0.4	**244.6**
Translation adjustments	-	12.8	-	-	(0.4)	0.5	**12.9**
Balance at March 31, 2020	46.6	725.8	4.4	105.5	134.1	38.5	**1054.9**
Net Balance at March 31, 2020	**1058.0**	**1940.6**	**22.0**	**337.6**	**334.9**	**62.1**	**3755.2**
Net Balance at April 1, 2019	**1069.1**	**2510.0**	**-**	**76.0**	**440.4**	**74.4**	**4169.9**

Lease liabilities

(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Balance at April 1, 2020	**110.0**	**2301.4**	**22.5**	**357.9**	**338.8**	**67.4**	**3198.0**
Addition	-	1266.5	-	-	235.6	-	**1502.1**
Accretion of interest (refer note 33)	8.7	142.4	1.6	26.3	17.9	2.9	**199.8**
Payments	(7.3)	(851.3)	(10.0)	(131.1)	(203.6)	(38.5)	**(1241.8)**
Adjustments for Disposals	-	(61.0)	-	-	(86.2)	-	**(147.2)**
Translation adjustment	-	(40.8)	-	-	(9.1)	-	**(49.9)**
Balance at March 31, 2021	**111.4**	**2757.2**	**14.1**	**253.1**	**293.4**	**31.8**	**3461.0**
Current (refer note 25)	**4.9**	**609.2**	**9.2**	**86.2**	**134.6**	**25.3**	**869.4**
Non-current (refer note 20)	**106.5**	**2148.0**	**4.9**	**166.9**	**158.8**	**6.5**	**2591.6**

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Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Balance at April 1, 2019	108.7	2969.6	-	86.3	442.2	80.5	**3687.3**
Addition	-	831.6	26.4	367.1	204.3	24.5	**1453.9**
Accretion of interest (refer note 33)	8.6	148.9	1.1	35.0	18.7	5.2	**217.5**
Payments	(7.3)	(1079.5)	(5.0)	(130.5)	(250.2)	(45.0)	**(1517.5)**
Adjustments for Disposals	-	(684.3)	-	-	(90.3)	-	**(774.6)**
Translation adjustment	-	115.1	-	-	14.1	2.2	**131.4**
Balance at March 31, 2020	**110.0**	**2301.4**	**22.5**	**357.9**	**338.8**	**67.4**	**3198.0**
Current (refer note 25)	**5.3**	**634.7**	**8.4**	**104.8**	**183.3**	**35.6**	**972.1**
Non-current (refer note 20)	**104.7**	**1666.7**	**14.1**	**253.1**	**155.5**	**31.8**	**2225.9**

The maturity analysis of the lease liability is included in the Note No.ii - Financial risk management objectives and policies under maturities of financial liabilities.

Amounts recognised in Statement of Profit and Loss

(₹ in million)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation expense of right-of-use assets (Refer Note No. 2)	1034.5	1250.2
Interest expense on lease liabilities (Refer Note No. 33)	199.8	217.5
Expense relating to short-term leases (Refer Note No. 34)	25.4	17.0
Expense relating to low value assets (Refer Note No. 34)	126.0	166.4
Total	**1385.7**	**1651.1**

ii) Financial risk management

(A) Maturities of financial liabilities

The table below analyze the Group's financial liabilities into relevant maturity analysis based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in million)

Contractual maturities of financial liabilities	Less than 1 Year	More than 1 Year	Total
As at March 31, 2021			
Lease liabilities	1047.9	4312.2	5360.1
As at March 31, 2020			
Lease liabilities	1118.2	3954.7	5072.9

iii) Commitments and contingencies

The Group has not entered into lease contract that have not yet commenced as at March 31, 2021. Commitment in respect of Non-cancellable short term leases is ₹ 53.2 million (previous year ₹ 1.7 million). Commitment in respect of low value leases is ₹ 290.2 million (previous year ₹ 212.5 million).

iv) Changes in accounting policies and disclosures New and amended standards and interpretations

Ind AS 116 was notified with effect from April 1, 2019 which replaced Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

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The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application

The effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is as follows:

Assets	Amount ₹ in million
Right-of-use assets	3098.9
Deferred Tax Assets	125.6
Total assets	**3224.5**

Liabilities	Amount ₹ in million
Financial liabilities - Lease liabilities	3577.3
Lease Equalization Liability	(35.7)
Deferred tax liabilities	-
Long Term Provisions	2.2
Total liabilities	**3543.8**

Total adjustment on equity	Amount ₹ in million
Retained earnings (Refer note 18)	319.3
Total	**319.3**

As at the date of initial application of Ind AS 116 i.e. April 1, 2019, Right of Use assets and lease liabilities were measured at ₹ 3098.9 million and ₹ 3577.3 million respectively.

The difference between Right of use assets along with lease equalization liability and lease liabilities including long term provisions was recognised in Retained earnings. Deferred Tax Asset of ₹ 125.6 million was recognized on Retained earnings.

v) The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019 is as follows:

Particulars	Amount ₹ in million
Liabilities	
Operating lease commitments as at March 31, 2019	4483.5
Discounted operating lease commitments as at April 1, 2019	3577.3
Finance lease liabilities recognised as at March 31, 2019	110.0
Less:	
Commitments relating to short-term leases	-
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	-
Lease liabilities as at April 1, 2019	**3687.3**

Weighted average incremental borrowing rate as at April 1, 2019 is 5.94%.

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43. 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 Remuneration / Compensation / 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.

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	2368280	455.7-2037.5	1155.1	4.7
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	298941	455.7-1563.0	1290.6	NA
Less: Options exercised during the year	115919	455.7-864.8	462.4	NA
Options outstanding at the year end	1953420	455.7-2037.5	1167.0	3.7
Exercisable at the end of the year	1955056	455.7-2037.5	1165.3	3.7

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	2719654	217.8-2037.5	1124.7	5.5
Add: Options granted during the year	40000	701.2-809.4	755.3	9.3
Less: Options lapsed during the year	241928	217.8-1521.7	1218.0	NA
Less: Options exercised during the year	149446	217.8-556.0	394.4	NA
Options outstanding at the year end	2368280	455.7-2037.5	1155.1	4.7
Exercisable at the end of the year	2193814	455.7-2037.5	1139.3	4.5

The weighted average grant date fair value of the options granted under Category A during the years ended March 31, 2021 and 2020 was ₹ nil and ₹ 157.7 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	2054151	2.0	2.0	7.8
Add: Options granted during the year	804627	2.0	2.0	9.7
Less: Options lapsed during the year	175708	2.0	2.0	NA
Less: Options exercised during the year	516093	2.0	2.0	NA
Options outstanding at the year end	2166977	2.0	2.0	8.4
Exercisable at the end of the year	446642	2.0	2.0	6.9

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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	1762924	2.0	2.0	8.6
Add: Options granted during the year	759636	2.0	2.0	9.6
Less: Options lapsed during the year	113431	2.0	2.0	NA
Less: Options exercised during the year	354978	2.0	2.0	NA
Options outstanding at the year end	2054151	2.0	2.0	7.8
Exercisable at the end of the year	396098	2.0	2.0	7.2

The weighted average grant date fair value of the options granted under Category B during the years ended March 31, 2021 and 2020 was ₹ 1006.8 and ₹ 756.4 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	6.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	50000	724.7-724.7	724.7	NA
Options outstanding at the year end	150000	724.7-724.7	675.9	5.6
Exercisable at the end of the year	150000	720.5-891.5	675.9	5.6

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	200000	415.7-891.5	688.1	7.1
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	6.1
Exercisable at the end of the year	200000	415.7-891.5	688.1	6.1

The weighted average grant date fair value of options granted under Category C during the years ended March 31, 2021 and 2020 was ₹ nil and ₹ nil per option, respectively.

The weighted average share price during the year ended March 31, 2021 and 2020 was ₹ 943.8 and ₹ 739.8 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.

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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.

The weighted average inputs used in computing the fair value of options granted were as follows:

Weighted average information – 2020-2021

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 20, 2020	2.0	5.3%	3.5	31.0%	0.6%	809.8	790.7
B	April 20, 2020	2.0	5.3%	3.5	31.0%	0.6%	809.8	790.7
B	August 10, 2020	2.0	4.9%	3.5	31.3%	0.6%	958.0	935.7
B	August 10, 2020	2.0	4.9%	3.5	31.3%	0.6%	958.0	935.7
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	1006.8	1030.2

Weighted average information – 2019-2020

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 12, 2019	809.4	6.7%	2.0	29.0%	0.5%	832.8	131.5
B	May 27, 2019	2.0	6.6%	2.7	30.5%	0.5%	743.3	733.1
B	July 31, 2019	2.0	6.1%	3.5	29.1%	0.5%	764.8	749.4
B	July 31, 2019	2.0	6.1%	3.5	29.1%	0.5%	764.8	749.4
A	October 4, 2019	701.2	5.8%	3.0	28.2%	0.5%	686.5	169.9
B	November 6, 2019	2.0	5.9%	3.5	28.9%	0.5%	771.5	755.9
B	December 4, 2019	2.0	5.8%	3.5	28.3%	0.5%	791.9	776.0
B	December 4, 2019	2.0	5.8%	3.5	28.3%	0.5%	791.9	776.0
B	December 4, 2019	2.0	5.6%	2.7	28.2%	0.5%	791.9	779.3
B	February 3, 2020	2.0	6.0%	3.5	28.3%	0.5%	708.7	694.3
B	February 3, 2020	2.0	6.0%	3.5	28.3%	0.5%	708.7	694.3
B	February 3, 2020	2.0	5.8%	2.7	27.4%	0.5%	708.7	697.2

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	157.7	759.6
B	756.4	771.4

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44. 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 ₹ 947.3 million (previous year ₹ 1065.1 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 Group recognised ₹ 274.3 million (previous year ₹ 266.5 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, 2021. 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 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	223.9	185.3	115.4	101.8
	Past service cost	-	-	-	-
	Interest cost	148.7	136.6	94.8	88.1
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	(0.5)	-	0.9
	- Due to finance assumption	68.4	202.9	47.7	122.7
	- Due to experience assumption	(5.5)	34.3	(95.9)	18.4
	Benefits paid	(225.4)	(139.9)	(77.0)	(77.2)
	PVO at the beginning of the year	2190.4	1771.7	1396.0	1141.3
	PVO at the end of the year	2400.5	2190.4	1481.0	1396.0

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(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	19.0	2.4	-	-
	Interest Income	108.3	107.4	-	-
	Contributions by the employer	225.9	234.3	-	-
	Benefits paid	(225.4)	(139.9)	-	-
	Fair value of plan assets at the beginning of the year	1595.3	1391.2	-	-
	Fair value of plan assets at the end of the year	1723.1	1595.3	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	2400.5	2190.4	1481.0	1396.0
	Fair Value of plan assets at the end of the year	1723.1	1595.3	-	-
	Funded status	(677.4)	(595.1)	(1481.0)	(1396.0)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(677.4)	(595.1)	(1481.0)	(1396.0)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	223.9	185.3	115.4	101.8
	Past service cost	-	-	-	-
	Interest cost	40.4	29.4	94.8	88.1
	Total expense recognised in the Statement of Profit and Loss	264.3*	214.7*	210.2*	189.9*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	(0.5)	-	0.9
	- Due to finance assumption	68.4	202.8	47.7	122.7
	- Due to experience assumption	(5.5)	34.3	(95.9)	18.4
	Return on plan assets excluding net interest	(19.0)	(2.5)	-	-
	Total amount recognised in OCI	43.9	234.1	(48.2)	142.0
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)	1723.1	1595.3	-	-
VII)	**Actual return on the plan assets:**	127.3	109.7	-	-
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08 upto 31.03.2019 Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards			
	Discount rate (%)	6.7	6.8	6.7	6.8
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 there-after
	Average Remaining Service (years)	10.9	11.3	10.9	11.3
	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**	357.6	333.3	NA	NA

*₹ 1.9 million (previous year ₹ 1.8 million) capitalised as pre-operative expenses, out of above amount.

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X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2021
1 year	583.9
2 to 5 years	1216.1
6 to 10 years	1494.2
More than 10 years	4643.5

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)	2020-2021		2019-2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(310.1)	(360.0)	(282.4)	327.6
Future salary growth (1% movement)	356.0	(312.3)	324.2	(284.6)

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, 2021 and based on the same, there is no shortfall towards interest rate obligation.

Based on the actuarial valuation obtained, the following is the details of fund and plan assets.

(₹ in million)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
I)	**PVO and fair value of plan assets:**		
	Fair Value of plan assets	10332.3	9492.4
	Present Value of defined benefit obligations	10524.7	9559.1
	Net excess/(Shortfall)	(192.4)	(66.8)

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(₹ in million)

Sr. No.	Particulars	**As at 31.03.2021**	As at 31.03.2020
II)	**Changes in defined benefit obligation:**		
	Liability at the beginning of the year	9559.1	8332.2
	Interest cost	801.4	706.9
	Current service cost	521.2	475.7
	Employee contribution	915.0	836.3
	Liability Transferred in	(248.3)	(105.4)
	Benefits paid	(1092.2)	(717.6)
	Actuarial gain/(loss) on experience variance	68.5	31.0
	Liability at the end of the year	10524.7	9559.1
III)	**Changes in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	9492.4	8332.4
	Investment income	808.5	720.8
	Employer's contributions	521.2	475.7
	Employee's contribution	915.0	836.3
	Transfers in	(237.5)	(117.9)
	Benefits paid	(1092.2)	(717.6)
	Return on plan assets, excluding amount recognised in net interest expense	(75.1)	(37.3)
	Fair value of plan assets at the end of the year	10332.3	9492.4
IV)	**Expenses recognized in Statement of Profit and Loss:**		
	Current service cost	521.2	475.7
	Interest cost	801.4	706.9
	Expected return on plan assets	(808.5)	(720.8)
	(Income)/ Expense recognised in the Statement of Profit and Loss	514.1	461.8
V)	**Major categories of Plan Assets (As per percentage of Total Plan Assets):**		
	Government of India securities/State Government securities	52.1%	49.9%
	High quality corporate bonds	10.9%	39.6%
	Equity shares of listed companies	3.3%	1.1%
	Debt Mutual Fund	28.6%	2.1%
	Equity Mutual Fund	1.2%	2.9%
	Special Deposit Scheme	2.1%	2.2%
	Bank balance	1.8%	2.2%
	Total	100%	100%
VI)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	6.7	6.8
	Average remaining tenure of investment portfolio (years)	7.5	7.2
	Guaranteed rate of return (%)	8.5	8.5
	Attrition rate - upto 5 years	15.0%	15.0%
	Above 5 years	5.0%	5.0%

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b) Multicare Pharmaceuticals Philippines Inc., Philippines

The 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, 2021. 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 (funded)	
		As at 31.03.2021	As at 31.03.2020
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	18.6	15.8
	Past service cost	-	-
	Interest cost	6.1	6.9
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	(1.3)
	- Due to Finance Assumption	(13.7)	0.6
	- Due to Experience	4.1	(19.6)
	Benefits paid	(0.9)	(4.6)
	Foreign exchange translation difference	3.1	12.1
	PVO at the beginning of the year	117.3	107.4
	PVO at the end of the year	134.6	117.3
II)	**Change in fair value of plan assets:**		
	Return on Plan Assets excluding interest income	1.6	(6.3)
	Interest income	1.7	2.1
	Contributions by the employer	-	6.9
	Contributions by the employee	-	-
	Benefits paid	(0.6)	(4.6)
	Foreign exchange translation difference	0.9	3.4
	Fair value of plan assets at the beginning of the year	32.6	31.1
	Fair value of plan assets at the end of the year	36.2	32.6
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	134.6	117.3
	Fair Value of plan assets at the end of the year	36.2	32.6
	Funded status	(98.4)	(84.7)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(98.4)	(84.7)
IV)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	18.6	15.8
	Past service cost	-	-
	Net interest	4.4	4.8
	Return on Plan Assets excluding interest income	(1.7)	6.3
	Total expense recognised in the Consolidated Statement of Profit and Loss	21.3	26.9

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(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (funded)	
		As at 31.03.2021	As at 31.03.2020
V)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the year		
	- Due to Demographic Assumption	-	(1.3)
	- Due to Finance Assumption	(13.7)	0.6
	- Due to Experience	4.1	(19.6)
	Return on plan assets excluding net interest	(1.6)	6.3
	Total amount recognised in OCI	(11.2)	(14.0)
VI)	**Category of assets as at the end of the year:**		
	Cash & Cash Equivalents	0.0%	0.0%
	Equity Instruments	1.3%	1.4%
	Debt Instruments - Government Bonds	25.7%	25.4%
	Debt Instruments - Other Bonds	12.4%	22.4%
	Unit Investment Trust Funds	73.7%	72.3%
	Others	(13.1%)	(21.5%)
VII)	**Actual return on the plan assets**	3.3	2.1
VIII)	**Assumptions used in accounting for the Retirement Benefit plan:**		
	Mortality (%)	Rates stipulated in 2001 CSO Table	
	Discount rate (%)	4.9	5.1
	Salary escalation rate (%)	6.0	7.0
	Average Remaining Service (years)	23.8	24.8
	Employee attrition rate (%)	18.2	18.2

IX) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2021**
First year	6.6
Second year	9.1
Third year	7.0
Fourth year	7.0
Fifth year	9.1
Beyond five years	97.2

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)

	2020-2021		2019-2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	16.4	(14.1)	14.1	(12.0)
Future salary growth (1% movement)	16.1	(14.0)	13.7	(11.9)

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c) Laboratorios Grin S.A. de C.V., Mexico

The 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, 2021. 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 31.03.2021	As at 31.03.2020
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	9.5	15.5
	Past service cost	-	-
	Interest cost	3.3	3.7
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	(16.1)	13.2
	Benefits paid	(0.9)	(21.7)
	Foreign exchange translation difference	6.6	(6.9)
	PVO at the beginning of the year	49.5	45.8
	PVO at the end of the year	51.8	49.5
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	51.8	49.5
	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	(51.8)	(49.5)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	9.5	15.5
	Past service cost	-	-
	Net interest	3.3	3.7
	Total expense recognised in the Consolidated Statement of Profit and Loss	12.8	19.2
IV)	**Other Comprehensive Income:**		
	Actuarial (gain)/loss recognised for the period		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	(16.1)	13.2
	Total amount recognised in OCI	(16.1)	13.2
V)	**Assumptions used in accounting for the plan:**		
	Mortality (%)	Experience Social insurance by gender	
	Discount rate (%)	6.0	6.6
	Salary escalation rate (%)	5.0	5.0
	Average Remaining Service (years)	13.2	13.2
	Employee attrition rate (%)	22.0	22.0

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VI) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2021**
First year	4.5
Second year	4.3
Third year	4.1
Fourth year	4.9
Fifth year	3.7
Beyond five years	95.5

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)

	2020-2021		2019-2020	
	Increase	**Decrease**	Increase	Decrease
Discount Rate (0.5% movement)	(1.5)	1.6	(1.9)	2.1
Future salary growth (0.5% movement)	0.8	(0.8)	1.0	(1.0)

45. Income taxes:

a) Tax expense recognised in statement of profit and loss:

(₹ in million)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Current Tax Expense for the year	4416.7	6934.0
Tax expense w/back of prior years	(32.0)	(64.3)
Net Current Tax Expense	4384.7	6869.7
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	100.5	4701.4
Tax expense for the year	**4485.2**	**11571.1**

b) Tax expense recognised in other comprehensive income:

(₹ in million)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	40.6	148.1
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(240.6)	128.9
Total	**(200.0)**	**277.0**

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 ₹ 5.0 million (previous year ₹ 5.2 million)

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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, 2021, 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 ₹ nil (previous year ₹ nil).

c) Reconciliation of Consolidated tax expense and the Consolidated accounting profit multiplied by India's domestic tax rate:

(₹ in million)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Profit before tax before jointly controlled entity but including exceptional item	16751.2	7532.9
Tax using the Company's domestic tax rate (March 31, 2021: 34.94%, March 31, 2020: 34.94%)	5853.5	2632.3
Tax effect of:		
Differences in Indian and foreign tax rates	(213.4)	213.6
Unrecognised Deferred tax Assets/ (recognition of previously unrecognised deferred tax assets), net	1089.4	5525.3
Change in tax base due to intra-group asset purchase arrangement	-	3283.4
Expenses not deductible for tax purposes	1395.3	3733.7
Incremental deduction on account of Research and Development costs	(110.0)	(1133.7)
Exemption of profit link incentives	(2980.7)	(1927.4)
Other exempt income	(140.3)	(129.9)
Foreign exchange differences	(11.0)	(324.1)
Others	(365.6)	(237.8)
Current and Deferred Tax expense (excluding prior year taxes) as per note 45(a)	**4517.2**	**11635.4**

d) Movement in deferred tax balances:

(₹ in million)

Particulars	As at 01.04.2020	Recognised in/under				**As at 31.03.2021**
Deferred Tax Assets/ (Liabilities)	Net balance	Profit or Loss	Retained earnings/ OCI	Discontinued operations	FCTR	**Net balance**
Property, plant and equipment	(3828.0)	67.1	-	-	11.6	(3749.3)
Intangibles assets/Intangibles assets under development	351.4	0.9	-	-	(0.5)	351.8
Cash Flow Hedge Reserve	227.7	2.6	(203.9)	-	-	26.4
Operating Tax loss and interest loss carry forward	69.4	-	-	-	14.5	83.9
Provision for Expenses	44.6	69.0	-	-	18.5	132.1
Deferred Income	262.3	(50.8)	-	-	-	211.5
Provision for Employee Benefit	1153.7	22.7	42.4	-	10.6	1229.4
Impairment Allowances for Trade Receivable / Bad Debts	109.2	45.3	-	-	3.4	157.9
Unrealised Profits on Unsold inventories	988.1	(30.4)	-	-	-	957.7
Others	369.3	(235.5)	-	-	(30.8)	103.0
Net Deferred tax assets/(liabilities)	**(252.3)**	**(109.1)**	**(161.5)**	**-**	**27.3**	**(495.6)**

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(₹ in million)

Particulars	As at 01.04.2019	Recognised in/under				As at 31.03.2020
Deferred Tax Assets/(Liabilities)	Net balance	Profit or Loss	Retained earnings/ OCI	Discontinued operations	FCTR	Net balance
Property, plant and equipment	(4856.7)	1034.0	-	(26.6)	21.3	(3828.0)
Intangibles assets/Intangibles assets under development	2803.3	(2512.7)	-	-	60.8	351.4
Cash Flow Hedge Reserve	72.1	28.8	128.9	-	(2.1)	227.7
Operating Tax loss and interest loss carry forward	975.0	(922.6)	-	-	17.0	69.4
Government Grants	138.8	(142.0)	-	-	3.2	-
Provision for Obsolete inventory	113.6	(116.2)	-	-	2.6	-
Litigation Reserve	169.4	(173.4)	-	-	4.0	-
Provision for Expenses	227.1	(22.6)	-	(155.4)	(4.5)	44.6
Deferred Income	353.2	(87.4)	(1.7)	-	(1.8)	262.3
Provision for Employee Benefit	1297.9	47.1	148.1	(339.6)	0.2	1153.7
Impairment Allowances for Trade Receivable / Bad Debts	590.8	(493.3)	-	-	11.7	109.2
Unrealised Profits on Unsold inventories	1861.7	(873.5)	-	-	(0.1)	988.1
Others	711.0	(467.6)	120.3	(15.8)	21.4	369.3
Net Deferred tax assets/(liabilities)	**4457.2**	**(4701.4)**	**395.6**	**(537.4)**	**133.7**	**(252.3)**

Reflected in the balance sheet as follows:

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
Deferred Tax Asset	1802.1	1743.1
Deferred Tax Liability	(2297.7)	(1995.4)
Deferred Tax Asset/(Liabilities)(net)	**(495.6)**	**(252.3)**

e) Operating loss carry forward consists of business losses, capital losses and unabsorbed depreciation. Deferred tax assets have not been recognized on operating losses of ₹ 23357.0 million (previous year ₹ 17787.3 million) because currently there is no 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 2022 through 2038 (previous year from 2021 through 2038) and some of this loss can be carried back till 2014.

f) The Ministry of Corporate Affairs, vide its notification dated 30th March 2019, inserted Appendix C "Uncertainty over Income Tax Treatments" to Ind AS 12 "Income Taxes", applicable from 1st April 2019. The company had opted for the transition provision provided in this Appendix C. The company had identified uncertain tax positions and has estimated the liability based on the most likely amount. These estimates are based on its probability assessment of the uncertain tax treatment accordingly the Company recognised tax provision of ₹ 804.5 million as an adjustment to the opening balance of retained earnings on April 1, 2019.

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46. 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 ₹ 14324.2 million (previous year ₹ 15537.9 million).

47. a) During the year, Lupin Atlantis Holdings SA, Switzerland (LAHSA) acquired/subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Lupin Latam Inc., USA at a total cost of ₹ 7.3 million (previous year ₹ nil) as capital contribution.

ii) Additional investment in Lupin Japan & Asia Pacific K.K. Japan at a total cost of ₹ 38.7 million (previous year ₹ nil) as additional paid-in capital.

iii) Additional investment in Lupin Europe GmbH, Germany at a total cost of ₹ nil (previous year ₹ 39.0 million) as capital contribution

b) During the year, the Company, through its wholly owned subsidiary Lupin Atlantis Holdings SA, Switzerland (LAHSA) acquired/subscribed to the non-qualified preference shares in Lupin Inc., USA at a total cost of ₹ nil (previous year ₹ 21,186.0 million).

c) During the year, the Company, through its wholly owned subsidiary Nanomi B.V. acquired/subscribed to the equity stake of the following subsidiaries;

i) Additional investment in Lupin Inc., USA at a total cost of ₹ 20055.7 million (previous year ₹ 22699.5 million).

ii) 100% equity stake in Nanomi B.V., Netherlands at total cost of ₹ nil (previous year ₹ 2070.6 million).

iii) Equity stake in Medquimica Industria Farmaceutica LTDA, Brazil at a total cost of ₹ nil (previous year ₹ 1061.2 million).

iv) Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ nil (previous year ₹ 1.2 million).

d) During the year, the Company, acquired/subscribed to the equity stake of the following subsidiaries:

i) Investment in Lupin Biologics Limited, India at a total cost of ₹ 1.0 million (previous year ₹ nil) as paid-in capital.

ii) Additional investment in Nanomi B.V., Netherlands at a total cost of ₹ 20227.9 million (previous year ₹ nil) as additional paid-in capital. Of these, ₹ 6742.6 million is against Share Capital and balance ₹13485.3 million is against Share Premium.

e) During the year, the Company, acquired/subscribed to the 0.01% Optionally Convertible Non-cumulative Redeemable Preference Shares (OCNRPS) in Lupin Healthcare Limited, India at a total cost of ₹ 500 million (previous year ₹ nil).

f) During the year, Lupin Middle East FZ-LLC, U.A.E. subsidiary of LAHSA got liquidated on July 02, 2020. LAHSA has written off their investment of ₹ 32.3 million in Lupin Middle East.

g) During the year, Lupin Japan & Asia Pacific K.K., Japan subsidiary of LAHSA got dissolved on December 17, 2020. LAHSA has written off their investment of ₹ 20.0 million in Lupin Japan and Asia Pacific.

h) During the year, Lupin GmbH (Switzerland) got merged with LAHSA on September 21, 2020.

i) During the previous year, LAHSA had sold investment of ₹ 16086.6 million in Lupin Inc., USA. to Nanomi B.V., Netherlands for a nominal value.

j) During the previous year, Symbiomix Therapeutics, LLC, USA wholly owned subsidiary of Lupin Management Inc got dissolved on December 30, 2019.

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.

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48. Goodwill :

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 31.03.2021	As at 31.03.2020
South Africa	5958.4	5110.8
Germany	325.9	314.5
Philippines	297.7	290.0
Australia	428.3	354.3
Netherlands	811.8	783.6
Brazil	806.6	906.4
Mexico	4043.5	3560.3
United States of America	6952.0	7194.9
Total	**19624.2**	**18514.8**

Movement in Goodwill is on account of exchange difference on consolidation amounting to ₹ 1109.4 million.

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:

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 are based on five years specific estimates, five years estimates developed using internal forecasts and a terminal growth rate thereafter considering the value in use of cash generating units is better reflected by projections for 10 years due to the business life cycle and longer term gestation of products. The planning horizon reflects the assumptions for short-to-midterm market developments and have been adjusted for the risks of competition, product life cycle etc.

The terminal growth rates used in extrapolating cash flows beyond the planning horizon ranged from -5% to 6.5% for the year ended March 31, 2021 and from -5% to 5.6% for the year ended March 31, 2020.

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 4.5% to 15.4% for the year ended March 31, 2021 and from 4.5% to 15.4% for the year ended March 31, 2020.

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.

49. a) Lupin Atlantis Holdings SA, Switzerland holds 100% equity stake at a cost of ₹ 279.7 million (previous year ₹ 279.7 million) in Lupin Healthcare UK Ltd, UK (LHUL). The said subsidiary has made profit during the year however it has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and LHUL'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) Nanomi B.V., Netherlands holds 100% equity stake at a cost of ₹ 42755.2 million (previous year ₹ 23369.6 million) in Lupin Inc. 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 Lupin Inc'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.

c) The Company holds 100% equity stake at a cost of ₹ 1.0 million (previous year ₹ nil) in Lupin Biologics Limited. 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 Lupin Biologics Limited 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) Further, net worth of Pharma Dynamics (Proprietary) Limited, Lupin Australia Pty Limited, Lupin Pharma Canada Limited, Lupin Healthcare Limited, Lupin Mexico S.A. de C.V., Generic Health SDN. BHD., Laboratorios Grin S.A. de C.V., Medquímica Indústria

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Farmacêutica LTDA, Novel Laboratories, Inc., Lupin Europe GmbH is substantially less than the carrying amount of investments made by the Company directly or through its subsidiaries.

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.

50. a) Non-controlling Interest represents the non-controlling's share in equity of the subsidiaries as below:

(₹ in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Multicare Pharmaceuticals Philippines Inc., Philippines		
- Share in Equity Capital	13.2	13.2
- Share in Reserves and Surplus	481.1	387.7
- Share in Other Comprehensive Income	55.4	43.7
Total	**549.7**	**444.6**

b) Interest in Joint Venture:

Name of Joint Venture	Country of Incorporation	% Shareholding	
		March 31, 2021	March 31, 2020
YL Biologics Limited	Japan	45%	45%
Carrying amount of investment (₹ in million)		319.1	305.0

Summarised Balance Sheet as at March 31, 2021

(₹ in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Current assets	811.9	666.1
Non-current assets	6.8	162.3
Current liabilities	109.5	150.6
Non-current liabilities	0.1	-
Equity	**709.1**	**677.8**

Summarised Statement of Profit and Loss for the year ended March 31, 2021

(₹ in million)

Particulars	For the current year ended 31.03.2021	For the previous year ended 31.03.2020
Revenue	722.4	1395.4
Expenses	669.6	1272.1
Tax	23.3	35.8
Profit after tax	29.5	87.5

51. Auditors' Remuneration:

(₹ in million)

Particulars	2020-2021	2019-2020
Payment to Auditors of the Company and its subsidiaries:		
a) As Auditors	126.8	131.7
b) for other services including Taxation matters and certifications	16.5	16.9
c) Reimbursement of out-of-pocket expenses	1.5	2.1
Total	**144.8**	**150.7**

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52. Foreign Currency Translation Reserve (Refer note 18) represents the net exchange difference on translation of net investment in foreign operations located at 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 ₹ 2066.7 million (previous year ₹ 5476.7 million debited) is credited during the year to such reserve.

53. Exceptional Items:

During the previous year, the Group recognized following items as exceptional items:

a) Settlement with the State of Texas:

The Texas Attorney General's office served Lupin Pharmaceuticals Inc. (LPI), with several Civil Investigative Demands from May 29, 2012 and continuing through 2016. The State of Texas (the "State") filed a lawsuit against LPI, Lupin Ltd (LL), Lupin Inc. (LI) and certain executives on June 14, 2016 (the Original Lawsuit) alleging violations of the Texas Medicaid Fraud Prevention Act (TMFPA). During the previous year, the State offered a settlement of $ 63.5 million to Lupin Group, of which $ 10.0 million was already accrued by LPI in earlier years. Under the settlement agreement, the State and Lupin Group had agreed on all of the terms of the settlement and the State agreed to dismiss the individual defendants, immediately. Final payment of USD 53.5 million (₹ 3791.8 million) by LL and USD 10 million by LPI made during the previous year.

b) Impairment of IPs:

Following our annual impairment review, the impairment charges recognized during the previous year in the consolidated profit and loss account in relation to certain intangible assets and intangible assets under development is as follows:

Intangible assets – ₹ 10043.6 million (India ₹ 1824.9 million and USA ₹ 8218.7 million)

Intangible assets under development – ₹ 5849.6 million (India ₹ 1172.5 million and USA ₹ 4677.2 million)

Both the categories referred to above relate to intangibles acquired as part of the acquisition of Gavis Group (Gavis), related to USA markets 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.

The impairment had been determined by considering each individual intangible asset as a cash generating unit (CGU) except for IPs under development which had been assessed together as one CGU. Recoverable amount of CGUs for which impairment is done was ₹ 4126.8 million 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 had 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 had been based on historical data from both external and internal sources.

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Assumption	How Determined
Projected cash flows	Based on past experience and adjusted for the following: - Current market dynamics - Anticipated competition - Impact due to COVID 19
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 (Currently Marketed Products and approved ANDAs, Filed ANDAs, and IP R&D) 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 were discounted at post-tax rate ranging from 6% to 15%. The terminal growth rate was considered at -5%.

The cash flow projections were based on five years specific estimates, five years estimates developed using internal forecasts and a terminal growth rate thereafter considering the life of intangibles being approx. 10 years. The management had 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.

Based on the assessment carried out as at March 31, 2021, and after considering performance for the full year ended March 31, 2021, no further provision have been made.

In addition to above, based on the management assessment the value in use of certain IPs were lower than the carrying value and hence an impairment charge of ₹ 43.1 million is recognized during the current year. Further, due to change in business circumstances in certain geographies, management has decided to discontinue further development of certain Intangible assets under development amounting to ₹ 296.8 million. Consequently, the same have been impaired during the current year.

c) Divestment of Subsidiaries in Japan:

During the previous year, the Group sold its stake in its Japanese Subsidiaries resulting in pre-tax gain of ₹ 12164.3 million (for additional details refer note 54).

i) The Group through its Subsidiary Kyowa Pharmaceutical Co Ltd, sold its stake in Kyowa Criticare Ltd (KCC). This transaction resulted in loss of ₹ 1956.7 million.

ii) Further, the Group through its Subsidiary Nanomi B.V. Netherlands (formerly known as Lupin Holding B.V. Netherlands) sold its stake in Kyowa Pharmaceutical Co Ltd. This transaction resulted into gain of ₹ 14121.0 million.

54. Discontinued operations:

During the previous year, on August 22, 2019, Kyowa Pharmaceutical Industry Co., Limited, Japan the holding company for Kyowa Criticare Co., Limited, Japan (KCC) entered into a share purchase agreement with neo ALA co. Ltd, a wholly owned subsidiary of Neopharma group for divestment of its entire stake in KCC.

On November 11, 2019, Nanomi B.V. Netherlands (formerly known as Lupin Holding B.V. Netherlands) subsidiary of the Lupin Limited entered into a share purchase agreement with Plutus Ltd., for divestment of its entire stake in Kyowa Pharmaceutical Industry Co., Limited, Japan.

The said transactions representing Japan segment were concluded on 30th September 2019 and 17th December 2019 respectively. Profit or loss of discontinued operations and the resultant gain / (loss) on disposal has been included in Consolidated financial statements as profit from discontinued operations and exceptional items profit / (loss) on divestment respectively for the year ended March 2020.

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a) Results of discontinued operations

(₹ in million)

Particulars	2019-2020
Revenue	14618.0
Expenses	13422.5
Profit / (loss) before tax from discontinued operations	**1195.5**
Income Tax of discontinued operations	(105.5)
Profit / (loss) after tax from discontinued operations	**1301.0**
Gain on sale of discontinued operation	12164.3
Income Tax on sale of discontinued operation	1814.5
Profit / (loss) from discontinued operations, net of tax	**11650.8**
Basic EPS	2.87
Diluted EPS	2.86

b) Cash flows from/(used) from discontinued operations

(₹ in million)

Particulars	2019-2020
Cash flows from/(used) from operating activities	2727.7
Cash flows from/(used) from investing activities	632.8
Cash flows from/(used) from financing activities	(3297.0)
Net cash flows/(used) for the year	63.5

c) Computation of gain on Disposal of Kyowa Pharmaceutical & KCC

(₹ in million)

Particulars	2019-2020
Cash consideration received (net off expenses)	15782.9
Less: Carrying value of net asset sold (net of NCI)	(1641.5)
Less: Goodwill	(4841.0)
Add: Exchange difference arising on translation of Foreign operations	2863.9
Gain on disposal	12164.3

d) Effect of disposal on the financial position of the Group

(₹ in million)

Particulars	2019-2020
Property, Plant and Equipment, Capital Work-in-progress, Other Intangible Assets and Intangible Assets Under Development	19974.6
Non-Current assets	144.9
Deferred tax assets	897.9
Current Assets	
Inventories	7153.2
Trade and other receivables	6659.2
Cash and cash equivalents	1357.6
Other current assets	419.1
Non-Current liabilities	(27067.3)
Trade and other payables	(7895.0)
Net Assets	**1644.2**
Consideration received	15782.9
Less: Cash and cash equivalents disposed of	1357.6
Net Cash Inflows from disposal of subsidiary	**14425.3**

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55. As per best estimates of the management, provision has been made as under:

(a) Probable return of goods from customers:

(₹ in million)

Particulars	2020-2021	2019-2020
Carrying amount at the beginning of the year	4542.0	3132.4
Add : Additional Provisions made during the year	5196.4	6147.7
Less : Amounts used / utilised during the year	6506.2	4958.5
Add : Exchange Difference during the year	(75.6)	243.1
Less : Reduction on account of disposal of subsidiaries	-	22.7
Carrying amount at the end of the year	**3156.6**	**4542.0**

(b) European Commission fine

(₹ in million)

Particulars	2020-2021	2019-2020
Carrying amount at the beginning of the year	3609.5	3335.8
Add : Additional Provisions (including interest) made during the year	57.1	54.8
Less : Amounts used / utilised during the year	-	-
Add : Exchange Difference during the year	129.5	218.9
Carrying amount at the end of the year	**3796.1**	**3609.5**

56. The aggregate amount of expenditure incurred during the year by the Company on Corporate Social Responsibility (CSR) is ₹ 243.6 million (previous year ₹342.0 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	2020-2021	2019-2020
Donations	215.8	307.3
Employee Benefits Expense	13.7	15.3
Others – Patient Awareness, etc.	14.1	19.4
Total	**243.6**	**342.0**

The amount required to be spent by the company at Standalone level during the year is ₹ 346.6 million (previous year ₹ 555.0 million). No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure and there are no outstanding amounts payables towards any other purposes.

57. 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 31.03.2021	As at 31.03.2020
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	912.3 (interest ₹ nil)	989.4 (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	-	-

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58. 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).

(₹ in million)

As at 31.03.2021	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	461.6	-	-	461.6	-	400.0	61.6*	461.6
Non-Current Loans								
- Security Deposit	-	-	667.7	667.7	-	-	-	-
- Others	-	-	0.9	0.9	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	34.9	34.9	-	-	-	-
Current Investments	21787.8	-	1980.3	23768.1	21787.8	-	-	21787.8
Trade Receivables	-	-	44743.2	44743.2	-	-	-	-
Cash and Cash Equivalents	-	-	9206.3	9206.3	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	8218.3	8218.3	-	-	-	-
Current Loans								
- Security Deposit	-	-	137.9	137.9	-	-	-	-
- Others	-	-	15.1	15.1	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	-	272.4	-	272.4	-	272.4	-	272.4
- Others	-	-	4107.1	4107.1	-	-	-	-
	22249.4	**272.4**	**69111.7**	**91633.5**	**21787.8**	**672.4**	**61.6**	**22521.8**
Financial liabilities								
Non-Current Borrowings	-	-	161.2	161.2	-	-	-	-
Other Non-Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	5971.7	5971.7	-	-	-	-
Current Borrowings	-	-	30494.4	30494.4	-	-	-	-
Trade Payables	-	-	20144.4	20144.4	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	2.4	-	-	2.4	-	2.4	-	2.4
- Others	-	-	22670.8	22670.8	-	-	-	-
	2.4	**-**	**79442.5**	**79444.9**	**-**	**2.4**	**-**	**2.4**

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(₹ in million)

As at 31.03.2020	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Convertible Debentures	-	-	-	-	-	-	-	-
Non-Current Investments – others	55.7	-	-	55.7	-	-	55.7*	55.7
Non-Current Loans								
- Security Deposit	-	-	461.7	461.7	-	-	-	-
- Others	-	-	14.6	14.6	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	705.1	705.1	-	-	-	-
Current Investments	13090.1	-	10292.4	23382.5	13090.1	-	-	13090.1
Trade Receivables	-	-	54459.3	54459.3	-	-	-	-
Cash and Cash Equivalents	-	-	22148.5	22148.5	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	2394.5	2394.5	-	-	-	-
Current Loans								
- Security Deposit	-	-	344.3	344.3	-	-	-	-
- Others	-	-	25.8	25.8	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	132.0	-	-	132.0	-	132.0	-	132.0
- Others	-	-	3763.5	3763.5	-	-	-	-
	13277.8	**-**	**94609.7**	**107887.5**	**13090.1**	**132.0**	**55.7**	**13277.9**
Financial liabilities								
Non-Current Borrowings	-	-	17932.8	17932.8	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Non-Current Financial Liabilities								
- Derivative instruments	-	301.3	-	301.3	-	301.3	-	301.3
- Others	-	-	6946.0	6946.0	-	-	-	-
Current Borrowings	-	-	24927.5	24927.5	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	159.3	-	159.3	-	159.3	-	159.3
- Others	-	-	28600.5	28600.5	-	-	-	-
	-	**460.6**	**102529.8**	**102990.4**	**-**	**460.6**	**-**	**460.6**

* 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.

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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	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.

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 Group 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

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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, 2021, the carrying amount of the Group's largest customer (a wholesaler based in North America) was ₹ 19698.4 million (previous year ₹ 22249.4 million)

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
Not past due but impaired	73.1	1.5
Neither past due not impaired	35155.3	51432.1
Past due not impaired		
- 1-180 days	8185.7	2865.1
- 181- 365 days	367.2	79.1
- more than 365 days	1035.0	83.0
Past due impaired		
- 1-180 days	55.1	245.9
- 181- 365 days	18.7	29.7
- more than 365 days	493.9	254.9
Total	**45384.0**	**54991.3**

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.

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 receivables during the year was as follows:

(₹ in million)

Particulars	**2020-2021**	2019-2020
Balance as at the beginning of the year	532.0	398.5
Impairment loss recognised (net)	216.5	281.6
Amounts written off	(30.5)	(146.5)
Exchange differences	(77.2)	4.0
Reduction on account of disposal of subsidiaries	-	(5.6)
Balance as at the year end	640.8	532.0

The impairment loss at March 31, 2021 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 ₹ 9206.3 million (previous year ₹ 22148.5 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

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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.

(₹ in million)

As at 31.03.2021	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	17335.4	17335.4	17174.2	120.4	40.8	-
Interest Payables	48.6	84.2	57.5	8.1	16.0	3.6
Other Non-Current Financial Liabilities	5971.7	7285.0	731.1	2129.5	3745.9	678.5
Current Borrowings	30494.4	30494.4	30494.4	-	-	-
Trade Payables Current	20144.4	20144.4	20144.4	-	-	-
Other Current Financial Liabilities	5450.4	5450.4	5450.4	-	-	-
Total	**79444.9**	**80793.9**	**74052.1**	**2258.0**	**3802.7**	**682.1**

(₹ in million)

As at 31.03.2020	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	38125.7	38125.7	20192.9	17793.6	139.2	-
Interest Payables	160.2	257.0	194.8	27.5	27.9	6.8
Other Non-Current Financial Liabilities	7247.3	8059.7	-	2496.1	3735.4	1828.2
Current Borrowings	24927.5	24927.5	24927.5	-	-	-
Trade Payables Current	24123.0	24123.0	24123.0	-	-	-
Other Current Financial Liabilities	8406.7	8406.7	8406.7	-	-	-
Total	**102990.4**	**103899.6**	**77844.9**	**20317.2**	**3902.5**	**1835.0**

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.

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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.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2021**	As at 31.03.2020	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 119.0	USD 163.0	Sell

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 31.03.2021**				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	24283.9	465.4	449.7	479.2	2235.8
Non-current Loan	-	-	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	0.7	-	-	-
Current Loans	-	-	-	-	-
Current Financial Assets	-	-	-	-	-
Other current assets	0.9	56.1	-	-	7.7
Cash and cash equivalents	40.3	340.3	-	-	92.6
Other current financial assets	-	11.9	-	-	-
	24325.2	874.4	449.7	479.2	2336.1
Financial liabilities					
Trade Payables	3561.6	984.0	315.9	61.9	473.7
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	0.8	-	-	-	-
Current Financial Liabilities	-	40.5	-	-	-
Current Liabilities	109.7	67.8	-	21.5	136.0
Current Tax Liabilities	-	(26.6)	-	-	14.8
Cash and cash equivalents	-	-	-	-	-
Long Term Borrowings	567.8	-	-	-	-
Other financial Liabilities	31.7	3975.0	8.9	-	11.2
Current Borrowings	1558.3	288.1	-	-	-
	5829.9	5328.8	324.8	83.4	635.7
Net statement of financial position exposure	**18495.3**	**(4454.4)**	**124.9**	**395.8**	**1700.4**

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(₹ in million)

Particulars	As at 31.03.2020				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	28581.9	1136.7	512.1	322.3	1128.2
Non-current Loan	-	-	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	-	-	-	-
Current Loans	-	-	-	-	-
Current Financial Assets	0.9	-	-	-	1.5
Other current assets	3.6	129.6	1.0	-	13.5
Cash and cash equivalents	49.3	946.8	(5.2)	2414.8	34.6
Other current financial assets	-	-	-	467.2	-
	28535.7	2213.1	507.9	3204.3	1177.8
Financial liabilities					
Trade Payables	4084.4	1036.1	152.6	45.8	191.8
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	-	-	-	-	-
Current Financial Liabilities	-	-	-	-	-
Current Liabilities	182.3	108.5	4.6	10.7	31.3
Current Tax Liabilities	-	45.7	-	2430.4	-
Cash and cash equivalents	-	-	-	-	-
Long Term Borrowings	1170.3	-	-	-	-
Other financial Liabilities	50.7	3661.5	0.7	1.8	10.1
Current Borrowings	-	-	-	-	-
	5487.7	4851.8	157.9	2488.7	233.2
Net statement of financial position exposure	**23148.0**	**(2638.7)**	**350.0**	**715.6**	**944.6**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency 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, 2021	Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(185.0)	185.0	(178.3)	178.3
EUR	44.5	(44.5)	29.4	(29.4)
GBP	(1.2)	1.2	(0.8)	0.8
JPY	(4.0)	4.0	(2.7)	2.7
Others	(17.0)	17.0	(11.2)	11.2
	(162.7)	**162.7**	**(163.6)**	**163.6**

(₹ in million)

March 31, 2020	Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(231.5)	231.5	(234.2)	234.2
EUR	26.4	(26.4)	17.4	(17.4)
GBP	(3.5)	3.5	(2.3)	2.3
JPY	(7.2)	7.2	(4.7)	4.7
Others	(9.4)	9.4	(6.2)	6.2
	(225.2)	**225.2**	**(230.0)**	**230.0**

* including other comprehensive income

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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 31.03.2021**	As at 31.03.2020
Non-Current Borrowings		
Fixed rate borrowings	162.8	347.5
Variable rate borrowings	17172.6	37778.2
	17335.4	38125.7
Current Borrowings		
Fixed rate borrowings	-	2116.2
Variable rate borrowings	30494.4	22811.3
	30494.4	24927.5
Total	**47829.8**	**63053.2**

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, 2021		
Variable-rate borrowings	(476.7)	476.7
March 31, 2020		
Variable-rate borrowings	(605.9)	605.9

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, 2021 and March 31, 2020 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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59. Capital Management:

The Group'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 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, 2021 was as follows:

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
Total borrowings	47829.6	63053.2
Less : Cash and cash equivalent	9206.3	22148.5
Less : Other Bank Balances*	8228.8	2404.2
Less : Current Investments	23768.1	23382.5
Adjusted net debt	6626.6	15118.0
Total equity	138031.4	125367.0
Adjusted net debt to total equity ratio	0.05	0.12

*includes earmarked bank deposits against guarantees & other commitments of ₹ 10.5 million (previous year ₹ 9.7 million) classified as Other Non-Current Financial Assets.

60. 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 12-24 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. These contracts have a maturity of 12-24 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 31.03.2021

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	119.0	272.4	-	Other current financials Assets	April 2021 – March 2022	1:1	77.19	(279.67)	(268.69)
Fair value hedge									
Forward exchange forward contracts	2.04 EURO	-	2.4	Other current financials liabilities	February 2021 – May 2021	1:1	88.56	2.40	(2.40)
Forward exchange forward contracts	0.3						72.95		
Forward exchange forward contracts	3.36 EURO	2.8	-	Other current financials Assets	December 2020 – November 2021	1:1	86.55	(2.80)	2.80
Forward exchange forward contracts	13.3						70.67		

(₹ in million)

As at 31.03.2020

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	163.0	-	460.6	Other current financials liabilities / non-current financial liabilities	July 2020 – March 2022	1:1	76.59	510.3	507.2

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b. Disclosure of effects of hedge accounting on financial performance

(₹ in million)

As at 31.03.2021	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	834.6	1.6	Other Expenses – Net loss on Foreign Currency Transactions	-	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2020	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	(658.1)	(2.5)	Other Expenses – Net loss on Foreign Currency Transactions	(43.7)	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 2019	**105.4**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(523.4)
Less : Amounts re-classified to profit or loss	(46.2)
Less: Deferred tax	(128.9)
As at March 31, 2020	**(242.9)**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	834.6
Less : Amounts re-classified to profit or loss	(1.6)
Less: Deferred tax	(240.6)
As at March 31, 2021	**349.5**

61. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet:

(₹ in million)

As at 31.03.2021	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	272.4	-	272.4	-	272.4
Trade and other receivables	45266.2	(15533.7)	29732.5	-	-
Financial liabilities					
Derivative instruments	2.4	-	2.4	-	2.4
Trade and other payables	(15533.7)	15533.7	-	-	-

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

As at 31.03.2020	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	132.0	-	132.0	-	132.0
Trade and other receivables	57500.7	(18599.3)	38901.4	-	-
Financial liabilities					
Derivative instruments	460.6	-	460.6	-	460.6
Trade and other payables	(18599.3)	18599.3	-	-	-

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.

(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.

62. 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 Limited	134.0	185655.7	103.5	12586.2	17.1	446.9	88.2	13033.1
Indian Subsidiaries								
Lupin Healthcare Limited, India	-	61.2	(0.2)	(23.6)	-	-	(0.2)	(23.6)
Lupin Biologics Limited, India	-	(0.2)	-	(1.2)	-	-	-	(1.2)
Lupin Foundation	0.1	108.7	0.9	107.5	-	-	0.7	107.5
Foreign Subsidiaries								
Lupin Pharmaceuticals, Inc., USA	4.5	6203.5	10.4	1265.8	8.8	230.2	10.1	1496.0
Hormosan Pharma GmbH, Germany	1.0	1348.1	2.8	344.4	(0.2)	(6.5)	2.3	337.9
Pharma Dynamics (Proprietary) Limited, South Africa	2.3	3143.2	7.7	934.6	8.5	220.7	7.8	1155.3
Lupin Australia Pty Limited, Australia	-	5.2	-	1.3	-	-	-	1.3
Nanomi B.V., Netherlands	41.3	57269.0	(11.5)	(1393.2)	(12.4)	(323.5)	(11.6)	(1716.7)
Lupin Atlantis Holdings SA, Switzerland	31.5	43719.3	13.2	1601.5	(42.3)	(1102.1)	3.4	499.4
Multicare Pharmaceuticals Philippines Inc., Philippines	0.8	1107.3	1.9	232.7	0.9	23.9	1.7	256.6
Lupin Healthcare (UK) Limited, UK	(0.5)	(651.0)	1.5	180.2	(2.4)	(63.2)	0.8	117.0
Lupin Pharma Canada Limited, Canada	0.1	203.5	0.7	86.8	(1.6)	(40.9)	0.3	45.9
Generic Health Pty Limited, Australia	1.1	1473.1	4.9	593.9	3.0	78.7	4.6	672.6
Lupin Mexico S.A. de C.V., Mexico	-	7.0	-	0.7	-	-	-	0.7

Notes

Forming part of the Consolidated Financial Statements

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
Lupin Philippines Inc., Philippines	0.1	174.2	0.3	41.3	1.0	27.1	0.5	68.4
Generic Health SDN. BHD., Malaysia	-	0.5	-	(1.0)	-	-	-	(1.0)
Lupin Middle East FZ-LLC, UAE (upto July 02, 2020)	-	-	1.8	217.9	0.7	19.2	1.6	237.1
Lupin Inc., USA	(18.8)	(26114.6)	18.7	2279.2	57.3	1494.3	25.5	3773.5
Laboratorios Grin S.A. de C.V., Mexico	1.4	1910.5	2.1	253.9	7.8	203.6	3.1	457.5
Medquimica Industria Farmaceutica LTDA, Brazil	0.6	811.0	(4.3)	(525.8)	(2.6)	(67.4)	(4.0)	(593.2)
Lupin Research Inc., USA	0.7	1003.2	0.2	29.5	(0.2)	(5.3)	0.2	24.2
Lupin Europe GmbH, Germany	-	14.0	(0.1)	(16.6)	-	-	(0.1)	(16.6)
Novel Laboratories, Inc., USA	4.3	5960.8	2.9	350.2	(5.9)	(154.7)	1.3	195.5
Lupin Latam, Inc., USA	-	38.3	0.1	9.6	-	-	0.1	9.6
Lupin Japan & Asia Pacific K.K., Japan (up to December 17, 2020)	-	-	-	(2.7)	-	-	-	(2.7)
Lupin Oncology Inc., USA	-	-	-	-	-	-	-	-
Lupin Management Inc., USA	-	35.2	0.3	35.2	-	-	0.2	35.2
Non-Controlling interests in the Subsidiaries								
Multicare Pharmaceuticals Philippines Inc., Philippines	(0.4)	(549.7)	(0.9)	(114.0)	(0.4)	(11.7)	(0.9)	(125.7)
Foreign Jointly Controlled Entity (to the extent of shareholding)								
YL Biologics Ltd., Japan	-	-	0.1	13.3	-	0.8	0.1	14.1
Total Eliminations/Consolidation Adjustments	(104.1)	(144355.9)	(57.0)	(6922.3)	62.9	1638.3	(35.7)	(5284.0)
Total	**100.0**	**138581.1**	**100.0**	**12165.3**	**100.0**	**2608.4**	**100.0**	**14773.7**

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.

63. 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

Category II: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category III: Key Management Personnel (KMP)

Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh D. Gupta	Managing Director
Mr. Ramesh Swaminathan (w.e.f. March 26, 2020)	Executive Director, Global CFO & Head Corporate Affairs
Mr. Sunil Makharia (from June 10, 2019 to March 25, 2020)	Interim Chief Financial Officer
Mr. R. V. Satam	Company Secretary

Notes

Forming part of the Consolidated Financial Statements

Non- Executive Directors

Mrs. Manju D. Gupta	Chairman
Dr. Kamal K. Sharma	Vice Chairman
Mr. R. A. Shah (upto August 12, 2020)	
Mr. Richard Zahn (upto August 12, 2020)	
Dr. K. U. Mada (upto August 12, 2020)	
Mr. Dileep C. Choksi (upto August 12, 2020)	
Mr. Jean-Luc Belingard	
Ms. Christine Ann Mundkur (w.e.f. April 1, 2019)	
Mr. K. B. S. Anand (w.e.f. August 12, 2020)	
Dr. Punita Kumar-Sinha (w.e.f. August 12, 2020)	
Mr. Robert Funsten (w.e.f. November 10, 2020)	
Mr. Mark D. McDade (w.e.f. January 28, 2021)	

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)
Ms. Shefali Nath Gupta (Wife of Managing Director)
Miss Veda Nilesh Gupta (Daughter of Managing Director)
Master Neel Deshbandhu Gupta (Son of Managing Director)
D. B. Gupta (HUF)
Gupta Family Trust
Lupin Human Welfare and Research Foundation
Mata Shree Gomati Devi Jan Seva Nidhi
Polynova Industries Limited
Zyma Properties Pvt. Limited
Shuban Prints
S.N. Pharma
Team Lease Services Limited

B. Transactions with the related parties:

(₹ in million)

Sr. No.	Transactions	**For the year ended 31.03.2021**	For the year ended 31.03.2020
1.	Rent Expenses		
	Others	54.9	66.2
2.	Expenses Recovered/Rent Received		
	Others	1.6	1.6
3.	Remuneration Paid		
	Key Management Personnel	272.8	229.7
4.	Purchases of Goods/Materials		
	Jointly Controlled Entity	8.8	16.5
	Others	208.2	170.7
5.	Commission, Advisory Fees & Sitting Fees to Non Executive Directors		
	Key Management Personnel	67.8	69.9
6.	Donations Paid		
	Others	237.6	289.2
7.	Dividend Paid		
	Entity having significant influence over the Company	1233.6	1028.0
	Key Management Personnel	7.6	26.6
	Others	35.5	9.2

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Forming part of the Consolidated Financial Statements

8.	Services Received (Expense)		
	Jointly Controlled Entity	62.2	155.0
	Others	83.8	85.6
9.	Expenses Reimbursed		
	Others	4.0	3.0
10.	Refund of Deposit		
	Others	14.4	-

Related party transactions above 1% of revenue from operations are disclosed separately

(₹ in million)

Compensation paid to Key Management Personnel	**For the year ended 31.03.2021**	For the year ended 31.03.2020
Short-term employee benefits	248.0	208.3
Post-employment benefits	13.2	15.6
Share based payments	11.6	5.8
Total	**272.8**	**229.7**

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.

C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	**As at 31.03.2021**	As at 31.03.2020
1.	Deposits paid under Leave and License arrangement for premises		
	Others	29.0	43.4
2.	Trade Receivables		
	Jointly Controlled Entity	30.4	40.7
3.	Trade Payables		
	Jointly Controlled Entity	-	8.1
	Others	6.4	13.0
4.	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.

Notes

Forming part of the Consolidated Financial Statements

64. 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, 2020	Cash Flows	Non-Cash Changes			**March 31, 2021**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	7.0	(3.7)	-	-	-	3.3
Unsecured						
Term Loans from Banks	17922.7	(18330.2)	-	(563.9)	-	156.4
Deferred Sales Tax Loan from Government of Maharashtra	3.1	(1.6)	-	-	-	1.5
Current maturities of Non-Current Borrowings	20192.9	(3018.7)	-	-	-	17174.2
Current Borrowings						
Secured						
Loans from banks	1749.1	676.8	-	-	-	2425.9
Unsecured						
Loans from banks	23178.4	5872.1	-	982.0	-	28068.5
Interest accrued but not due on Borrowings	160.2	1294.8	1406.4	-	-	48.6
Total Liabilities from financing activities	**63213.4**	**(13510.5)**	**1406.4**	**418.1**	**-**	**47878.4**

(₹ in million)

Particulars	April 1, 2019	Cash Flows	Non-Cash Changes			**March 31, 2020**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	3587.7	(3580.7)	-	-	-	7.0
Long Term Maturities of Finance Lease Obligations	0.5	(0.5)	-	-	-	-
Unsecured						
Term Loans from Banks	62823.7	(41690.1)	-	3210.9	-	17922.7
Deferred Sales Tax Loan from Government of Maharashtra	5.3	(2.2)	-	-	-	3.1
Current maturities of Non-Current Borrowings	2705.9	17487.0	-	-	-	20192.9
Current Borrowings						
Secured						
Loans from banks	873.6	875.5	-	-	-	1749.1
Unsecured						
Loans from banks	14928.5	7512.5	-	(737.4)	-	23178.4
Interest accrued but not due on Borrowings	309.6	3480.4	3629.8	-	-	160.2
Total Liabilities from financing activities	**85234.8**	**(15918.1)**	**3629.8**	**2473.5**	**-**	**63213.4**

Notes

Forming part of the Consolidated Financial Statements

65. 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 12, 2021 that require adjustment to or disclosure in the consolidated financial statements.

66. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Supply Chain disruptions as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several countries followed by a global lockdown in March 2020 announced by the various governments, to contain the spread of COVID-19. Similar restrictions continue to prevail in 2021 in various geographies. Since the Group manufactures and supplies pharmaceutical products which is categorized under essential goods, the manufacturing and supplies of the products has been functioning with minimal disruptions. The situation is likely to further improve with easing of restrictions in the coming days.

In light of these circumstances, the Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Group has considered internal and external information while finalizing various estimates in relation to its financial statement up to the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of tangible and intangible assets, financials assets, inventory, receivables etc as well as borrowings and liabilities accrued.

As mentioned above, since the Group is into manufacturing and supply of pharmaceutical products (essential goods) there is no significant impact on the overall demand of the goods and its supply chain. The Group has also not observed any significant delay in the collection from customers thus there is no significant increase in credit risk. Further, the Group's liquidity position is adequate to service all its near term debt and other financing arrangements/liabilities.

The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves globally. The Group will continue to closely monitor any material changes to future economic conditions.

Signature to Note 1 to 66

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: Bengaluru
Date: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO &
Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Standalone Financial Statements

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 March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 ("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 March 31, 2021, 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 on the Standalone financial statements.

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.

The key audit matter	How the matter was addressed in our audit
1. Revenue Recognition: Refer note 1B(k) of accounting policy and note 39 in standalone financial statements. Revenue from the sale of pharmaceutical products is recognized 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 distinct 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 considering: • Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders and/ or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed.	To obtain sufficient and appropriate audit evidence, our principal audit procedures included, amongst others, the following: - Comparing the accounting policies in respect of revenue recognition with applicable accounting standards to ensure compliance; - Testing design, implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue; - Performing substantive testing of selected samples of revenue transactions recorded during the year-end. For a sample of year-end sales, we verified contractual terms of sales invoices/ contracts, shipping documents and acknowledged delivery receipts for those transactions; - Testing of any unusual non-standard manual journal entries that impacted revenue recognised.

The key audit matter	How the matter was addressed in our audit
2. Uncertain tax positions (UTPs): The Company is subject to complexities arising from various tax positions on deductibility of expenses as well as allowability of tax incentives/ exemptions. These are subject to periodic challenges by local tax authorities leading to protracted litigations. There are a number of open tax matters under litigation with tax authorities over a number of years. The range of possible outcomes for provisions and contingencies can be wide. Judgment is required to estimate the tax exposures and contingencies. Provision for current tax, valuation of UTPs has been identified as a key audit matter due to the inherent complexity in the underlying tax laws and the extent of judgment 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.	To obtain sufficient and appropriate audit evidence, our principal audit procedures included, amongst others, the following: - Testing the design and operating effectiveness of the controls over ascertaining completeness of UTPs and provisions for current tax; - Challenging the adequacy of related provisions in conjunction with tax specialists by considering changes to business and tax legislation, making relevant enquiries and reading of correspondence with authorities where relevant; - Verifying the calculation for current tax provision. Analyzing the rationale for any release, increase or continued provision during the year; - Challenging judgments with respect to probability of outflow arising from outstanding litigations after considering the status of recent tax assessments, audits and enquiries, recent judicial pronouncements and judgments in similar matters. Also consider developments in the tax environment and outcome of past litigations.

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 Integrated report, but does not include the financial statements and our auditor's 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 and Board of Director'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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 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.

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 section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (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 changes in equity and the standalone statement of cash flows 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 March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Auditor's) 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 March 31, 2021, on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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 March 31, 2021.

(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: 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 21113156AAAACF2763

Place: Bengaluru
Date: 12 May 2021

Annexure A to the Independent Auditor's Report - 31 March 2021

(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, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Based on the information and explanations provided to us, physical verification of a portion of the fixed assets was initiated during the year in accordance with this program and was partially completed owing to the restrictions and limitations imposed due to the Covid-19 pandemic during the year. No material discrepancies have been noticed to the extent the verification was completed during the year.

(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, 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 March 2021)	Net Block (as at 31 March 2021)	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 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 sq. ft.	133.9	86.9	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, except the following:

(₹ in million)

Particulars of the building	Gross Block (as at 31 March 2021)	Net Block (as at 31 March 2021)	Remarks
Leasehold building located in Delhi admeasuring 1628 sq.ft.	2.8	2.2	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 March 2021)	Net Block (as at 31 March 2021)
Building located in Maharashtra	7.5	4.9
Land located in Uttarakhand	0.3	0.3

(ii) Inventories, apart from goods in transit and inventories lying with outside 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 outside parties has 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, Sales tax, Value added tax, Service tax and other material statutory dues were in arrears as at 31 March 2021 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, Goods and Service tax, duty of Excise 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 issued any debentures.

(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 material 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
Firms Registrations No: 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN: 21113156AAAACF2763

Place: Bengaluru
Date: 12 May 2021

Annexure – I to the Independent Auditor's Report – 31 March 2021

Amounts of dues of Income tax, sales tax, Value added tax, Service tax, duty of Customs, duty of Excise 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)	2005-2007, 2013-2016	1,320.6	347.8
		Income Tax Appellate Tribunal (ITAT) [Including ₹ 423.1 million consequent to department preferring appeals against the orders of the Appellate Authority passed in favour of the company]	2008-2012	690.2	423.1
		High Court [consequent to department preferring appeal against the order of the Appellate Authority passed in favour of the company]	1993-94	16.3	16.3
Central Excise Act, 1944	Excise duty De-bonding matters	Customs, Excise, and Service Tax Appellate Tribunal (CESTAT)	2010 & 2012	418.1	47.0
	Service Tax Matters		2005-08	47.9	47.9
	Excise Duty		2015-18	54.2	54.2
The Customs Act 1962	Customs duty		2010-11	0.8	0.8
CGST Act, 2017	GST	Goods and Service Tax Appellate Tribunal (GSTAT)	2017-18	437.0	437.0
Central and various States' Sales Tax Acts and various States' Value Added Tax Acts	Sales tax and Value added tax	Sales Tax Tribunal	2000-01	32.6	26.7
			2003-06		
			2009-11		
			2017-18		
		Supreme Court	2000-01	0.5	0.5
		High Court	2002-03	11.6	5.3
			2004-05		
		Commissioner of Sales Tax (Appeal)	2001- 03	1.6	1.5
			2004-05		
			2014-15		
		Joint Commissioner	2001-04	12.0	4.5
			2005-06		
			2013-14		
		Deputy Commissioner	1994-95	0.2	0.2
			2015-16		
		Additional Commissioner	1994-95	14.5	11.0
			2010-11		
			2015-18		
		Assistant Commissioner	2017-18	0.3	-

Annexure B to the Independent Auditor's report on the standalone financial statements of Lupin Limited for the period ended March 31, 2021.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(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 March 31, 2021, 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, 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 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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. 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 21113156AAAACF2763

Place: Bengaluru
Date: 12 May 2021

Balance Sheet

as at March 31, 2021

(₹ in million)

	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	35,561.7	34,461.9
b. Capital Work-in-Progress		7,958.3	6,946.3
c. Intangible Assets	3	826.6	676.9
d. Intangible Assets Under Development	50	1,550.3	1,273.7
e. Financial Assets			
(i) Non-Current Investments			
- In Subsidiaries	4	71,996.2	51,247.3
- In Others	4	419.7	19.7
(ii) Non-Current Loans	5	658.7	447.2
(iii) Other Non-Current Financial Assets	6	10.5	9.7
f. Non-Current Tax Assets (Net)		2,691.3	1,178.3
g. Other Non-Current Assets	7	738.6	2,158.9
		122,411.9	98,419.9
Current Assets			
a. Inventories	8	27,081.9	24,846.1
b. Financial Assets			
(i) Current Investments	9	23,209.9	23,297.3
(ii) Trade Receivables	10	31,905.4	36,163.3
(iii) Cash and Cash Equivalents	11	1,774.1	11,680.2
(iv) Other Bank Balances	12	1,066.0	1,379.1
(v) Current Loans	13	126.4	348.9
(vi) Other Current Financial Assets	14	4,311.5	3,245.8
c. Current Tax Assets (Net)		-	2.0
d. Other Current Assets	15	6,698.5	7,422.4
		96,173.7	108,385.1
TOTAL		**218,585.6**	**206,805.0**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	16	907.4	906.0
b. Other Equity	17	184,748.3	173,826.0
		185,655.7	174,732.0
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	18	1.5	3.1
(ii) Other Non-Current Financial Liabilities	19	1,359.9	1,195.9
b. Non-Current Provisions	20	3,079.6	2,726.3
c. Deferred Tax Liabilities (Net)	46	2,173.2	1,929.4
d. Other Non-Current Liabilities	21	457.4	660.4
		7,071.6	6,515.1
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	22	2,987.9	52.9
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	23	912.3	989.4
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	23	11,051.6	14,671.9
(iii) Other Current Financial Liabilities	24	2,965.0	2,747.1
b. Other Current Liabilities	25	1,014.0	1,194.9
c. Current Provisions	26	5,889.8	5,515.6
d. Current Tax Liabilities (Net)		1,037.7	386.1
		25,858.3	25,557.9
TOTAL		**218,585.6**	**206,805.0**
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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in million)

	Note	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
INCOME:			
Revenue from Operations	27	110,559.3	110,256.6
Other Income	28	1,290.9	4,751.9
Total Income		**111,850.2**	**115,008.5**
EXPENSES:			
Cost of Materials Consumed	29	27,412.2	27,532.2
Purchases of Stock-in-Trade		15,229.5	14,827.7
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]	30	(818.6)	(287.2)
Employee Benefits Expense	31	16,958.6	17,032.2
Finance Costs	32	406.2	525.9
Depreciation, Amortisation and Impairment Expense	2&3	5,028.3	5,187.5
Other Expenses	33	31,337.0	32,075.6
Total Expenses		**95,553.2**	**96,893.9**
Profit before Exceptional items and Tax		**16,297.0**	**18,114.6**
Exceptional items	50	-	7,592.1
Profit before Tax		**16,297.0**	**10,522.5**
Tax Expense	46		
- Current Tax (Net)		3,628.5	3,620.5
- Deferred Tax (Net)		82.3	(373.5)
Total Tax Expense		**3,710.8**	**3,247.0**
Profit for the year		**12,586.2**	**7,275.5**
Other Comprehensive Income/ (Loss)			
(A) (i) Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(121.3)	(442.9)
(ii) Income tax relating to items that will not be reclassified to profit or loss:	46	42.4	154.8
(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		729.7	(562.1)
(ii) Income tax relating to items that will be reclassified to profit or loss:	46	(203.9)	157.7
Other Comprehensive Income/ (Loss) for the year, net of tax		**446.9**	**(692.5)**
Total Comprehensive Income for the year		**13,033.1**	**6,583.0**
Earnings per equity share (in ₹)	43		
Basic		**27.77**	**16.07**
Diluted		**27.65**	**15.99**
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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity Share Capital [Refer note 16]

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	452,998,121	906.0	452,493,697	905.0
Changes in equity share capital during the year	682,012	1.4	504,424	1.0
Balance at the end of the reporting year	**453,680,133**	**907.4**	452,998,121	906.0

B. Other Equity [Refer note 17]

(₹ in million)

Particulars	**Reserves and Surplus**						**Amalgamation Reserve**	**Share Application Money Pending Allotment**	**Other items of Other Comprehensive Income**		**Total Other Equity**
	Capital Reserve	**Capital Redemption Reserve**	**Securities Premium**	**Employees Stock Options Outstanding**	**General Reserve**	**Retained Earnings**			**Effective portion of Cash Flow Hedges**	**Remeasurement of the net Defined Benefit Plans**	
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**
Profit for the year	-	-	-	-	-	7,275.5	-	-	-	-	7,275.5
Adjustment for transition to Ind AS 116 - "Leases"	-	-	-	-	-	(86.9)	-	-	-	-	(86.9)
Adjustment for transition to Appendix C of Ind AS 12 - "Income Taxes" [Refer note 46(d)]	-	-	-	-	-	(804.5)	-	-	-	-	(804.5)
Received during the year	-	-	-	-	-	-	-	0.8	-	-	0.8
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	(401.9)	(288.1)	(690.0)
Final dividend on Equity Shares	-	-	-	-	-	(2,263.0)	-	-	-	-	(2,263.0)
Corporate Tax on Dividend	-	-	-	-	-	(465.2)	-	-	-	-	(465.2)
Issue of equity shares on exercise of employee stock options	-	-	531.2	-	-	-	-	-	-	-	531.2
Amortised/ Exercised during the year	-	-	-	60.4	-	-	-	-	-	-	60.4
Transfer from share based payments	-	-	-	(98.4)	98.4	-	-	-	-	-	-
Balance as at 31.03.2020	**263.9**	**126.5**	**9,175.5**	**2,146.2**	**16,767.1**	**145,929.3**	**317.9**	**0.8**	**(324.4)**	**(576.8)**	**173,826.0**
Profit for the year	-	-	-	-	-	12,586.2	-	-	-	-	12,586.2
Received during the year	-	-	-	-	-	-	-	0.5	-	-	0.5
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	524.2	(78.9)	445.3
Final dividend on Equity Shares	-	-	-	-	-	(2,718.8)	-	-	-	-	(2,718.8)
Issue of equity shares on exercise of employee stock options	-	-	711.7	-	-	-	-	-	-	-	711.7
Amortised/ Exercised during the year	-	-		(101.7)	-	-	-	-	-	-	(101.7)
Reduction on allotment of shares	-	-	-	-	-	-	-	(0.8)	-	-	(0.8)
Transfer from share based payments	-	-	-	(149.7)	149.7	-	-	-	-	-	-
Balance as at 31.03.2021	**263.9**	**126.5**	**9,887.2**	**1,894.8**	**16,916.8**	**155,796.7**	**317.9**	**0.5**	**199.8**	**(655.7)**	**184,748.3**

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 amounts transferred on redemption of redeemable cumulative preference shares in earlier years. The reserve can be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

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) Employees Stock Options Outstanding

The Company has employee stock option schemes under which the option to subscribe for the Company's shares have been granted to certain employees and directors. This is used to recognize the value of equity-settled share-based payments provided to the employees as part of their remuneration.

e) 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.

f) Amalgamation Reserve

This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

g) Share Application Money Pending Allotment

Share application money represents amount received towards share application money which were pending for allotment as on reporting date.

h) 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.

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: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO &
Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in million)

		For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	16,297.0	10,522.5
	Adjustments for:		
	Depreciation, Amortisation and Impairment Expense	5,028.3	5,187.5
	Impairment of Intangible assets/ Intangible asset under development	-	3,800.3
	Loss/ (Profit) on Sale/ Write-off of Property, Plant and Equipment/ Intangible Assets (net)	0.7	17.6
	Net Gain on sale of Mutual Fund Investments	(243.6)	(1,062.8)
	Finance Costs	406.2	525.9
	Interest on Deposits with Banks and Others	(317.5)	(80.2)
	Dividend on Mutual Fund Investments	-	(145.6)
	Unrealised Loss/ (Gain) on Mutual Fund Investments (net)	(277.7)	(2.4)
	Unrealised Loss/ (Gain) on Preference Shares	(20.0)	-
	Doubtful Trade Receivables/ Advances provided (net)	148.0	16.8
	Bad Trade Receivables/ Advances written off	0.1	3.2
	Share Based Payments Expense	386.6	415.3
	Unrealised Exchange loss/ (gain) on revaluation (net)	(39.0)	(1,490.2)
	Operating Cash Flows before Working Capital Changes	**21,369.1**	**17,707.9**
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Inventories	(2,235.8)	(1,786.3)
	Trade Receivables	4,071.6	2,757.4
	Current Loans	222.5	(119.8)
	Non-Current Loans	(211.5)	180.2
	Other Current Financial Assets	(678.9)	3,075.1
	Other Current Assets	666.6	(1,104.4)
	Other Non-Current Assets	275.6	(105.6)
	Other Non-Current Financial Assets	0.8	4.6
	Adjustments for increase/ (decrease) in operating liabilities:		
	Trade Payables	(3,563.0)	2,933.9
	Non-Current Trade Payables	-	(16.1)
	Other Current Financial liabilities	252.9	1,015.3
	Other Current liabilities	(180.9)	325.1
	Other Non-Current liabilities	(203.0)	134.0
	Other Non-Current Financial liabilities	4.1	(5.8)
	Current Provisions	252.9	611.8
	Non-Current Provisions	145.7	446.8
	Cash Generated from Operations	**20,188.7**	**26,054.1**
	Net Income tax paid	(4,487.9)	(3,859.2)
	Net Cash Flow generated/ (used in) from Operating Activities	**15,700.8**	**22,194.9**
B.	**Cash Flow from Investing Activities**		
	Capital expenditure on Property, Plant and Equipment, including capital advances	(5,198.3)	(5,181.1)
	Proceeds from sale of Property, Plant and Equipment/ Intangible Assets	15.1	20.3
	Purchase of Non-Current Investment	(21,128.9)	-
	Proceeds from sale of Non-Current Investments	-	1,033.7
	Purchase of Current Investments	(114,462.8)	(141,138.8)
	Proceeds from sale of Current Investments	115,069.1	138,968.6
	Bank balances not considered as Cash and Cash Equivalents (net)	313.1	(1,324.1)
	Dividend on Mutual Fund Investments	-	145.6
	Interest on Deposits with Banks and others	317.5	80.2
	Net Cash Flow generated/ (used in) from Investing Activities	**(25,075.2)**	**(7,395.6)**

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
C. Cash Flow from Financing Activities		
Proceeds from/ (Repayment of) Non Current Borrowings (net)	(2.3)	(35.4)
Proceeds from/ (Repayment of) Current Borrowings (net)	2,935.0	36.1
Proceeds from issue of equity shares (ESOPs) and Share application money	1.9	1.0
Securities Premium Received (ESOPs)	105.7	58.7
Payment of Lease liabilities	(779.2)	(798.2)
Finance Costs	(69.6)	(210.9)
Dividend paid	(2,723.2)	(2,264.6)
Corporate Tax on Dividend	-	(465.2)
Net Cash Flow generated/ (used in) from Financing Activities	**(531.7)**	**(3,678.5)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(9,906.1)**	**11,120.8**
Cash and Cash Equivalents as at the beginning of the year	11,680.2	559.4
Cash and Cash Equivalents as at end of the reporting year (Refer note 11)	**1,774.1**	**11,680.2**

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 Flows".

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: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
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Managing Director
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Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

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, USA, Mexico and Brazil with trading and other incidental and related activities extending to the global markets.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is Kalpataru Inspire, 3rd floor, Western Express Highway, Santacruz (East), Mumbai 400055.

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 12, 2021.

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)
- Provision for Income taxes and uncertain tax positions (refer note i)
- Accrual of Sales return and other applicable trade discounts and allowances (refer note k)
- Share-based payment transactions (Refer note m)

Notes

Forming part of the Standalone Financial Statements

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 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
Improvements on Leased Premises	Over the period of lease
Building	5 to 80 years
Plant and Equipment	10 to 15 years
Office Equipment (Desktop and Laptop)	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.

Notes

Forming part of the Standalone Financial Statements

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 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.

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.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

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.

Notes

Forming part of the Standalone Financial Statements

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. 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.

Notes

Forming part of the Standalone Financial Statements

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.

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.

Notes

Forming part of the Standalone Financial Statements

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 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 of 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,

Notes

Forming part of the Standalone Financial Statements

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).

i) Income tax:

Income tax expense consists of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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 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.

Notes

Forming part of the Standalone Financial Statements

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.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

j) Inventories:

Inventories of all procured materials, Stock-in-Trade, finished goods and work-in-progress 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. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw material, packing materials and Stock-in-Trade 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. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, non-creditable duties and taxes as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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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. Revenue includes shipping and handling costs billed to the customer.

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

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.

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.

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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 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:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of- use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, If that rate cannot be readily determined, the Company uses incremental borrowing rate, Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of

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the lease and type of the asset leased. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 Leases which replaced the erstwhile lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduced a single, on-balance sheet lease accounting model for lessees.

The Company had adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company had not restated comparative information, instead, the cumulative effect of initially applying this standard had been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

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) Cash and Cash equivalents:

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.

q) 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.

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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 in which they are incurred.

r) 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.

s) 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.

t) 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.

u) 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 goods/service received is accounted and when there is reasonable certainty in availing/utilising the credits.

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:

Other Amendments:

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital

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work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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2. Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation					Net Block
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	For the period	Impairment Loss	Disposals	As at 31.03.2021	As at 31.03.2021
Freehold Land	**974.7**	**-**	**-**	**974.7**	**-**	**-**	**-**	**-**	**-**	**974.7**
	865.9	*108.8*	*-*	*974.7*	*-*	*-*	*-*	*-*	*-*	*974.7*
Buildings	**14,151.1**	**1,052.8**	**1.1**	**15,202.8**	**2,149.5**	**560.6**	**-**	**0.4**	**2,709.7**	**12,493.1**
	12,237.5	*1,939.7*	*26.1*	*14,151.1*	*1,602.1*	*552.2*	*-*	*4.8*	*2,149.5*	*12,001.6*
Improvements on Leased Premises	**440.5**	**40.2**	**3.4**	**477.3**	**284.7**	**94.5**	**-**	**2.3**	**376.9**	**100.4**
	425.1	*15.4*	*-*	*440.5*	*166.9*	*117.8*	*-*	*-*	*284.7*	*155.8*
Plant and Equipment	**31,250.1**	**3,586.0**	**73.0**	**34,763.1**	**13,471.3**	**3,140.7**	**-**	**57.0**	**16,555.0**	**18,208.1**
	26,830.4	*4,513.8*	*94.1*	*31,250.1*	*10,448.0*	*3,102.1*	*-*	*78.8*	*13,471.3*	*17,778.8*
Furniture and Fixtures	**1,233.6**	**58.0**	**33.7**	**1,257.9**	**530.9**	**133.1**	**-**	**26.3**	**637.7**	**620.2**
	1,088.7	*167.8*	*22.9*	*1,233.6*	*415.2*	*138.0*	*-*	*22.3*	*530.9*	*702.7*
Vehicles	**84.4**	**-**	**1.9**	**82.5**	**38.8**	**10.6**	**-**	**1.4**	**48.0**	**34.5**
	76.0	*11.5*	*3.1*	*84.4*	*31.8*	*10.1*	*-*	*3.1*	*38.8*	*45.6*
Office Equipment	**1,858.4**	**121.3**	**46.4**	**1,933.3**	**1,306.4**	**270.1**	**-**	**45.5**	**1,531.0**	**402.3**
	1,776.2	*105.2*	*23.0*	*1,858.4*	*1,033.1*	*296.3*	*-*	*23.0*	*1,306.4*	*552.0*
Right of use Assets										
Leasehold Land	**1,104.5**	**27.5**	**-**	**1,132.0**	**46.3**	**13.0**	**-**	**-**	**59.3**	**1,072.7**
	1,104.5	*-*	*-*	*1,104.5*	*35.2*	*11.1*	*-*	*-*	*46.3*	*1,058.2*
Leasehold Buildings	**1,104.6**	**1,034.7**	**449.9**	**1,689.4**	**419.3**	**421.8**	**-**	**401.6**	**439.5**	**1,249.9**
	706.1	*398.5*	*-*	*1,104.6*	*-*	*419.3*	*-*	*-*	*419.3*	*685.3*
Leasehold Plant and Equipment	**26.4**	**-**	**-**	**26.4**	**4.4**	**8.8**	**-**	**-**	**13.2**	**13.2**
	-	*26.4*	*-*	*26.4*	*-*	*4.4*	*-*	*-*	*4.4*	*22.0*
Leasehold Furniture & Fixtures	**443.1**	**-**	**-**	**443.1**	**105.5**	**106.0**	**-**	**-**	**211.5**	**231.6**
	76.0	*367.1*	*-*	*443.1*	*-*	*105.5*	*-*	*-*	*105.5*	*337.6*
Leasehold Vehicles	**187.1**	**120.4**	**61.5**	**246.0**	**67.9**	**78.8**	**-**	**51.1**	**95.6**	**150.4**
	89.1	*99.5*	*1.5*	*187.1*	*-*	*68.7*	*-*	*0.8*	*67.9*	*119.2*
Leasehold Office Equipments	**52.8**	**-**	**13.7**	**39.1**	**24.4**	**17.8**	**-**	**13.7**	**28.5**	**10.6**
	44.6	*8.2*	*-*	*52.8*	*-*	*24.4*	*-*	*-*	*24.4*	*28.4*
Total	**52,911.3**	**6,040.9**	**684.6**	**58,267.6**	**18,449.4**	**4,855.8**	**-**	**599.3**	**22,705.9**	**35,561.7**
	45,320.1	*7,761.9*	*170.7*	*52,911.3*	*13,732.3*	*4,849.9*	*-*	*132.8*	*18,449.4*	*34,461.9*

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 ₹ 584.7 million (previous year ₹ 480.6 million) located at Research and Development Centers of the Company.

c) For details of Right-of-use asset [Refer note 42].

d) Previous year figures are given in italics below current year figures in each class of assets.

3. Intangible Assets - Acquired

(₹ in million)

Particulars	Gross Block				Accumulated Amortisation					Net Block
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	For the period	Impairment Loss	Disposals	As at 31.03.2021	As at 31.03.2021
Computer Software	**263.2**	**116.8**	**17.1**	**362.9**	**161.9**	**39.4**	**-**	**17.1**	**184.2**	**178.7**
	237.8	*26.4*	*1.0*	*263.2*	*128.9*	*34.0*	*-*	*1.0*	*161.9*	*101.3*
Trademarks and Licences	**238.7**	**205.4**	**20.0**	**424.1**	**145.0**	**71.2**	**-**	**20.0**	**196.2**	**227.9**
	185.3	*53.4*	*-*	*238.7*	*100.5*	*44.5*	*-*	*-*	*145.0*	*93.7*
Dossiers/Marketing rights	**3,248.2**	**-**	**-**	**3,248.2**	**2,766.3**	**61.9**	**-**	**-**	**2,828.2**	**420.0**
	3,248.2	*-*	*-*	*3,248.2*	*384.4*	*259.1*	*2,122.8*	*-*	*2,766.3*	*481.9*
Total	**3,750.1**	**322.2**	**37.1**	**4,035.2**	**3,073.2**	**172.5**	**-**	**37.1**	**3,208.6**	**826.6**
	3,671.3	*79.8*	*1.0*	*3,750.1*	*613.8*	*337.6*	*2,122.8*	*1.0*	*3,073.2*	*676.9*

a) For details of Impairment Loss [Refer note 50 (B)].

b) Previous year figures are given in italics below current year figures in each class of assets.

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4. Non-Current Investments

[Refer note 37]

(₹ in million)

	Number	Face Value	As at 31.03.2021	As at 31.03.2020
a. In Subsidiary Companies				
Unquoted				
i) Equity Instruments (at Cost)				
- Nanomi B.V., Netherlands	194,829 (105,829)	USD 1,000 (EURO 1,000)	26,948.2	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	2,486 (2,486)	CHF 1,000	2,993.7	2,993.7
- Lupin Biologics Ltd. India	100,000	₹ 10	1.0	-
- Lupin Oncology Inc., USA	-	-	-	-
ii) Capital Contributions: (at Cost)				
- Nanomi B.V., Netherlands			6,385.5	6,385.5
- Lupin Atlantis Holdings SA, Switzerland			35,019.0	35,019.0
iii) Preference Shares (at Fair Value through Profit or Loss)				
- Lupin Healthcare Ltd. India (0.01% Optionally Convertible Non-cumulative Redeemable Preference Shares)	50,000,000 -	₹ 10	520.0	-
			71,996.2	**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 [31.03.2021 - ₹ 44,100; 31.03.2020 - ₹ 44,100/-]	4,410 (4,410)	₹ 10		
- Narmada Clean Tech Ltd., India	1,100,388 (1,100,388)	₹ 10	11.0	11.0
- Tarapur Environment Protection Society, India	72,358 (72,358)	₹ 100	7.2	7.2
			19.7	**19.7**

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(₹ in million)

		Number	Face Value	As at 31.03.2021	As at 31.03.2020
ii)	**In Bonds/Debentures/Securities (at Amortised Cost)**				
	Unquoted				
	- Government Securities				
	- National Saving Certificates [Deposited with Government Authority] [31.03.2021- ₹ 5,500; 31.03.2020 - ₹ 5,500]				
iii)	**In Membership Share in LLP, (at Fair Value through Profit or Loss): Unquoted**				
	- ABCD Technologies LLP, India			400.0	-
	[the investment is locked upto April 24, 2024]			**400.0**	**-**
				419.7	**19.7**
Total				**72,415.9**	**51,267.0**

* 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

		31.03.2021	31.03.2020
	Book value	-	-
	Market value	-	-
iv)	Aggregate amount of unquoted investments	72,415.9	51,267.0

v) Previous year numbers are within brackets below current year numbers

5. Non-Current Loans

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
Security Deposits		
With Related Parties [Refer note 56 (C)]	29.0	43.4
Others	628.8	401.8
Loans to Employees	0.9	2.0
Total	**658.7**	**447.2**

[There are no other non-current loans which have significant increase in credit risk.]

6. Other Non-Current Financial Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good unless otherwise stated		
Earmarked Bank Deposits against guarantees and other commitments	10.5	9.7
Total	**10.5**	**9.7**

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7. Other Non-Current Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Capital Advances	344.2	1,488.9
Advances other than Capital Advances		
- With Government Authorities (Drawback/Customs & Excise duties receivable)	68.8	416.0
- Prepaid Expenses	92.4	20.6
Other Advances	233.2	233.4
Total	**738.6**	**2,158.9**

8. Inventories

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Raw Materials	7,601.5	6,791.0
Packing Materials	1,597.9	1,179.3
Work-in-progress	5,214.0	5,109.9
Finished Goods	6,088.8	5,722.0
Stock-in-Trade	3,930.3	3,576.9
Consumable Stores and Spares	1,930.0	1,631.2
Goods-in-Transit		
- Raw Materials	603.3	758.9
- Packing Materials	65.7	32.5
- Stock-in-Trade	17.8	23.4
- Consumable Stores and Spares	32.6	21.0
Total	**27,081.9**	**24,846.1**

During the year, the Company recorded inventory write-downs of ₹ 1,846.1 million (previous year ₹ 1,909.2 million). These adjustments were included in cost of material consumed and changes in inventories.

9. Current Investments

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	-	7,568.1
In Commercial Papers	957.8	2,724.3
Unquoted		
In Deposits with financial institutions	1,022.5	-
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	21,229.6	13,004.9
Total	**23,209.9**	**23,297.3**

a)	Aggregate amount of quoted investments and market value thereof		
	Book value	957.8	10,292.4
	Market value	958.9	10,322.0
b)	Aggregate amount of Unquoted Investments	22,252.1	13,004.9
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 31.03.2021	As at 31.03.2020
Unsecured		
- Considered Good	31,962.6	36,164.8
- Credit Impaired	169.1	134.1
	32,131.7	36,298.9
Less : Allowances for credit losses	226.3	135.6
Total	**31,905.4**	**36,163.3**

[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 ₹ 22,989.8 million (31.03.2020 ₹ 27,081.9 million) [Refer note 56 (C)]

11. Cash and Cash Equivalents

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Cash and Cash Equivalents (as per Ind AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	1,381.0	1,512.1
- In EEFC Account	360.8	46.9
In Deposit Accounts	-	10,005.9
Cheques on hand	25.5	106.0
Cash on hand	6.8	9.3
Total	**1,774.1**	**11,680.2**

12. Other Bank Balances

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Earmarked Balances with Banks		
- Unpaid dividend accounts	48.6	53.0
- Deposits against guarantees and other commitments	1.2	11.9
Bank Deposits with original maturity of more than 3 months but less than 12 months from the balance sheet date	1,016.2	1,314.2
Total	**1,066.0**	**1,379.1**

13. Current Loans

(Financial assets stated at cost)

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
Security Deposits	113.9	323.5
Other Loans (includes Loans to employees, etc.)	12.5	25.4
Total	**126.4**	**348.9**

[There are no other current loans which have significant increase in credit risk.]

Notes

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14. Other Current Financial Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Receivables from Related Parties [Refer note 56 (C)]	378.5	150.8
Mark to Market Derivative Assets	269.1	-
Export Benefits receivable	2,573.1	2,211.0
With Government Authorities (GST credit/VAT/Cenvat/Service tax/refund receivable)	707.6	508.8
Other Current Financial Assets (includes Interest receivables, etc.)	383.2	375.2
Total	**4,311.5**	**3,245.8**

15. Other Current Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Advances other than Capital Advances		
Prepaid Expenses	355.9	258.7
Advances to Employees	97.7	62.8
Advances to Vendors		
- Considered Good	1,120.1	1,781.9
- Credit Impaired	133.7	76.4
	1,253.8	1,858.3
Less : Impairment Allowances for Credit Impaired	133.7	76.4
	1,120.1	1,781.9
Export Benefits receivable	893.2	994.3
With Government Authorities (GST credit/VAT/Cenvat/Service tax/refund receivable)	4,178.8	4,269.1
Assets Recoverable From Customers	52.8	55.6
Total	**6,698.5**	**7,422.4**

16. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2021		As at 31.03.2020	
	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	453,680,133	907.4	452,998,121	906.0
Total	**453,680,133**	**907.4**	**452,998,121**	**906.0**

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	452,998,121	906.0	452,493,697	905.0
Equity Shares issued during the year pursuant to exercise of ESOPs	682,012	1.4	504,424	1.0
Equity Shares outstanding at the end of the year	**453,680,133**	**907.4**	**452,998,121**	**906.0**

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, 2021, the amount of dividend per equity share distributed to equity shareholders is ₹ 6.0. (Previous year ended March 31, 2020, ₹ 5.0)

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

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

Name of Shareholder	**As at 31.03.2021**		As at 31.03.2020	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Lupin Investments Pvt. Limited	205,608,135	45.32	205,608,135	45.39

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

Particulars	**As at 31.03.2021**		As at 31.03.2020	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	100,030	0.2	106,030	0.2
Plan 2005	29,045	0.1	33,045	0.1
Plan 2011	1,162,443	2.3	1,316,500	2.6
Plan 2014	1,512,269	3.0	2,333,133	4.7
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2011	672,750	1.3	707,302	1.4
Plan 2014	1,441,937	2.9	1,106,476	2.2

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

Particulars	**As at 31.03.2021 Aggregate No. of Shares**	As at 31.03.2020 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	3,097,164	3,509,786

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.

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17. Other Equity

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
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	9,175.5	8,644.3
Add : Additions during the year*	711.7	531.2
Balance as at the year end	9,887.2	9,175.5
Employees Stock Options Outstanding [Refer note 44]		
Opening Balance as per last Balance Sheet	2,146.2	2,184.2
Add : Amortisation during the year	504.3	532.9
Less : Exercised during the year	606.0	472.5
Less : Transfer to General Reserve	149.7	98.4
Balance as at the year end	1,894.8	2,146.2
General Reserve		
Opening Balance as per last Balance Sheet	16,767.1	16,668.7
Add : Transfer from share based payments	149.7	98.4
Balance as at the year end	16,916.8	16,767.1
Retained Earnings		
Opening Balance as per last Balance Sheet	145,929.3	142,273.4
Less : Adjustment for transition to Ind AS 116 - "Leases" (net off deferred tax)	-	86.9
Less : Adjustment for transition to Appendix C of Ind AS 12 - "Income Taxes" [Refer note 46(d)]	-	804.5
Add : Profit for the year	12,586.2	7,275.5
Less : Final Dividend on Equity Shares [Refer note 16 (c)]	2,718.8	2,263.0
Less : Corporate Tax on Dividend**	-	465.2
Balance as at the year end	155,796.7	145,929.3
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Share Application Money Pending Allotment	0.5	0.8
Other Comprehensive Income		
Cash Flow Hedge Reserve [Refer note 54 (c)]		
Opening Balance as per last Balance Sheet	(324.4)	77.5
Add/(Less) : Effect of foreign exchange rate variations on hedging instrument outstanding [net of deferred tax of ₹ 209.3 million] (31.03.2020 ₹ (157.7) million)	525.8	(404.4)
(Less)/Add : Hedge Ineffectiveness recognised in Statement of Profit & Loss	(1.6)	2.5
Balance as at the year end	199.8	(324.4)
Actuarial Gain/(Loss)		
Opening Balance as per last Balance Sheet	(576.8)	(288.7)
Add/(Less) : Additions during the year	(78.9)	(288.1)
Balance as at the year end	(655.7)	(576.8)
Total	**184,748.3**	**173,826.0**

*Represents amount received on allotment of 682,012 (previous year 504,424) 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 ₹ nil (previous year ₹ 465.1 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ nil (previous year ₹ 0.1 million).

Notes

Forming part of the Standalone Financial Statements

18. Non-Current Borrowings

[Refer note 24]

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Term Loans - from other parties		
Unsecured		
Deferred Sales Tax Loan from Government of Maharashtra	1.5	3.1
Total	**1.5**	**3.1**

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

19. Other Non-Current Financial Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Mark to Market Derivative Liabilities	-	301.3
Employee Benefits Payables	39.6	35.5
Lease Liability [Refer note 42]	1,320.3	859.1
Total	**1,359.9**	**1,195.9**

20. Non-Current Provisions

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Provisions for Employee Benefits [Refer note 26]		
Gratuity [Refer note 45 (ii) A]	1,814.4	1,713.1
Compensated Absences	1,072.8	946.4
Provident Fund	192.4	66.8
Total	**3,079.6**	**2,726.3**

21. Other Non-Current Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Deferred Revenue [Refer note 39 (d)]	457.4	586.6
Deferred Government Grant	-	73.8
Total	**457.4**	**660.4**

Notes

Forming part of the Standalone Financial Statements

22. Current Borrowings

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Secured		
Loans from Banks	507.9	52.9
Unsecured		
Loans from Banks	2,480.0	-
Total	**2,987.9**	**52.9**

a) Secured Loans comprise of Working Capital Loan and are secured by hypothecation of Inventories and book debts carrying market driven interest rates. Unsecured Loans comprise of Working Capital Loan carrying market driven interest rates.

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

23. Trade Payables

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Acceptances	397.1	827.4
Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises [Refer note 49]	912.3	989.4
- Total outstanding dues of Others	10,654.5	13,844.5
Total	**11,963.9**	**15,661.3**

24. Other Current Financial Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Current Maturities of Non-Current Borrowings [Refer note 18]		
- Deferred Sales Tax Loan from Government of Maharashtra	1.6	2.3
Unpaid Dividend *	48.6	53.0
Mark to Market Derivative Liabilities	-	159.3
Payable for Capital Expenditure	763.9	610.3
Trade Deposits received	96.8	106.8
Employee Benefits Payables	1,510.1	1,247.2
Lease Liability [Refer note 42]	543.3	567.5
Other Payables (Includes retention money, etc.)	0.7	0.7
Total	**2,965.0**	**2,747.1**

* During the year ₹ 3.2 million has been credited to Investor Education and Protection Fund relating to FY 12-13 & FY 13-14.

25. Other Current Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	715.3	886.3
Deferred Revenue [Refer note 39 (d)]	147.2	123.1
Deferred Government Grant	62.2	54.7
Advances from customers	89.3	130.8
Total	**1,014.0**	**1,194.9**

Notes

Forming part of the Standalone Financial Statements

26. Current Provisions

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Provisions for Employee Benefits [Refer note 20]		
Gratuity [Refer note 45 (ii) A]	344.0	278.0
Compensated Absences	213.9	207.3
Other Provisions		
For Sales Returns [Refer note 51 (a)]	1,535.8	1,420.8
For European Commission fine [Refer note 51 (b)]	3,796.1	3,609.5
Total	**5,889.8**	**5,515.6**

27. Revenue from Operations

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Sale [Refer note 39]		
Goods	108,736.7	106,290.6
Research Services	273.5	1,767.7
	109,010.2	108,058.3
Other Operating Revenue		
Export Benefits and Other Incentives	1,173.5	2,086.2
Insurance Claims	201.7	39.7
Business Compensation and Settlement Income	66.6	4.0
Miscellaneous Income	107.3	68.4
	1,549.1	2,198.3
Total	**110,559.3**	**110,256.6**

28. Other Income

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	133.6	80.2
Other Interest	183.9	874.1
Income on Financial Assets carried at fair value through profit or loss		
Dividend on Mutual Fund Investments	-	145.6
Net gain on Sale of Mutual Fund Investments	243.6	1,062.8
Unrealised Gain on Mutual Fund Investments (net)	277.7	2.4
Unrealised Gain on Preference Shares Investment	20.0	-
Net gain on Foreign Currency Transactions	-	2,189.5
Miscellaneous Income (including interest on income tax refund)	432.1	397.3
Total	**1,290.9**	**4,751.9**

Notes

Forming part of the Standalone Financial Statements

29. Cost of Materials Consumed

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Raw Materials Consumed	23,284.2	23,683.3
Packing Materials Consumed	4,128.0	3,848.9
Total	**27,412.2**	**27,532.2**

30. Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade [(Increase)/Decrease]

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Opening Stock:		
Finished Goods	5,722.0	5,718.4
Stock-in-Trade	3,600.4	3,299.3
Work-in-Progress	5,109.9	5,127.4
	14,432.3	14,145.1
Less:		
Closing Stock:		
Finished Goods	6,088.8	5,722.0
Stock-in-Trade	3,948.1	3,600.4
Work-in-Progress	5,214.0	5,109.9
	15,250.9	14,432.3
Changes In Inventories:		
Finished Goods	(366.8)	(3.6)
Stock-in-Trade	(347.7)	(301.1)
Work-in-progress	(104.1)	17.5
Total	**(818.6)**	**(287.2)**

31. Employee Benefits Expense

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Salaries and Wages	14,505.6	14,604.3
Contribution to Provident and Other Funds	1,227.1	1,121.9
Retirement Benefits Expense	115.4	44.7
Share Based Payments Expense [Refer note 44]	389.1	415.3
Staff Welfare Expenses	721.4	846.0
Total	**16,958.6**	**17,032.2**

Notes

Forming part of the Standalone Financial Statements

32. Finance Costs

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Interest on Financial Liabilities - borrowing carried at amortised cost	45.1	77.9
Net Interest on net defined benefit liability	207.6	184.9
Interest cost on Finance lease obligation	129.0	138.7
Other Borrowing Costs (includes bank charges, etc.)	24.5	65.1
Interest on Income Tax	-	59.3
Total	**406.2**	**525.9**

33. Other Expenses

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Processing Charges	839.3	936.0
Stores and Spares Consumed	4,532.6	4,391.2
Repairs and Maintenance:		
- Buildings	221.9	285.5
- Plant and Machinery	1,179.4	1,092.9
- Others	1,527.8	1,355.4
Rent and Other Hire Charges [Refer note 42]	524.7	514.2
Rates and Taxes	980.9	1,095.5
Insurance	691.0	565.7
Power and Fuel	3,895.4	4,162.6
Contract Labour Charges	1,203.7	1,124.7
Selling and Promotion Expenses	2,484.7	3,886.7
Commission and Brokerage	946.3	911.8
Freight and Forwarding	803.1	557.4
Postage and Telephone Expenses	255.6	257.1
Travelling and Conveyance	1,146.3	1,940.5
Legal and Professional Charges [Net of recoveries of ₹ 148.2 million (previous year ₹ nil)]	5,694.6	5,819.7
Donations	53.1	45.6
Clinical and Analytical Charges	1,853.2	1,901.3
Loss on Sale/Write-off of Property, Plant and Equipment/Intangible Assets (net)	0.7	17.6
Bad Trade Receivables/Advances written off [Net of provision of earlier years adjusted ₹ 2.2 million (previous year ₹ 20.6 million)]	0.1	3.2
Impairment Allowances for Doubtful Trade Receivables/Advances (net)	171.2	69.4
Corporate Social Responsibility Expenses [Refer note 48]	351.1	342.0
Directors Sitting Fees	1.8	2.1
Net loss on Foreign Currency Transactions	925.0	-
Business Compensation and Settlement Expenses	286.7	80.9
Miscellaneous Expenses	766.8	716.6
Total	**31,337.0**	**32,075.6**

Notes

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34, 35 Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 1758.1 million (previous year ₹ 3036.1 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) Equity commitment in subsidiaries amounting to ₹ 17180.8 million.

d) Other commitments – Non-cancellable short term leases is ₹ 53.2 million (previous Year ₹ 1.7 million). Low value leases is ₹ 290.2 million (Previous Year ₹ 212.5 million).

e) Dividends proposed of ₹ 6.50 (previous year ₹ 6/-) per equity share before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 2949.2 million (previous year ₹ 2718.4 million).

f) There are product supply commitments pursuant to contracts with customers under dossier agreements.

g) There are product procurement commitments pursuant to contracts with suppliers under supply agreements.

h) Financial and corporate guarantees issued by the company on behalf of subsidiaries are disclosed in note 36.

36. Contingent Liabilities:

(₹ in million)

	Particulars	**As at 31.03.2021**	As at 31.03.2020
a)	Income tax demands/matters on account of deductions/allowances in earlier years, pending in appeals and potential tax demands in future years in respect of some uncertain tax issues [₹ 439.4 million (previous year ₹ 16.3 million) consequent to department preferring appeals against the order of the Appellate Authority passed in favour of the company] Amount paid there against and included under "Non-Current Tax Assets (Net)" ₹ 1239.9 million (previous year ₹ 839.8 million)	2258.7	2028.4
b)	Customs duty, Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid there against and included under Note 7 "Other Non-Current Assets" ₹ 23.9 million (previous year ₹ 24.2 million).	122.6	122.2
c)	Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, local body tax, employee claims, power*, trademarks, pricing and stamp duty. Amount paid there against without admitting liability and included under Note 7 "Other Non-Current Assets" ₹ 206.8 million (previous year ₹ 206.5 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.	1814.9	1103.3
d)	Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of subsidiary companies aggregating ₹ 29.2 million (previous year ₹ 7566.5 million).	-	7566.5
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 ₹ 49702.5 million (previous year ₹ 60993.6 million).	44559.7	54777.1
f)	Financial guarantee aggregating to ₹ 3399.6 million (previous year ₹ 9382.4 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-

Notes

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

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

The Company is involved in various legal proceedings, including product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Company believes that the probability of outflow is low to moderate considering the merits of the case and the ultimate disposition of these matters may not have material adverse effect on its Financial Statements.

37. The Company holds 3,007,237 equity shares (unquoted) of Sai Wardha Power Ltd., India at a cost of ₹ 30.1 million which was fully impaired by the Company.

38. Expenses incurred prior to commencement of commercial production included in Capital Work-In-Progress represent direct attributable expenditure for setting up of plants. The same will be capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses are:

(₹ in million)

Particulars	**2020-2021**	2019-2020
Opening balance	392.8	407.5
Incurred during the year:		
Salaries, allowances and contribution to funds	87.7	109.5
Legal and Professional Charges	-	0.5
Travelling and Conveyance	6.2	8.9
Power and fuel	1.6	0.6
Others	9.4	11.8
Total incurred during the year	104.9	131.3
Less: Capitalised during the year	119.7	146.0
Closing balance	**378.0**	**392.8**

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.

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.

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.

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	**2020-2021**	2019-2020
A. Major Product/Service line:		
- Sale of pharmaceutical goods	108736.7	106290.6
- Income from research services and sale of IPs	273.5	1767.7
Total revenue from contracts with customers	**109010.2**	**108058.3**
B. Primary geographical market:		
- India	57833.1	56454.2
- USA	32371.1	31204.3
- Japan	1094.6	950.1
- Others	17711.4	19449.7
Total revenue from contracts with customers	**109010.2**	**108058.3**
C. Timing of the revenue recognition:		
- Goods/Services transferred at a point in time	108769.7	107731.6
- Services transferred over time	240.5	326.7
Total revenue from contracts with customers	**109010.2**	**108058.3**

c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	**2020-2021**	2019-2020
Revenue as per contracted price	118403.9	116568.2
Adjusted for:		
- Sales returns	1934.9	2100.2
- Discounts/Chargebacks/Rebates	6468.6	5979.8
- Others	990.2	429.9
Total revenue from contracts with customers	**109010.2**	**108058.3**

d) Reconciliation of revenue recognised from Contract liability:

(₹ in million)

Particulars	**2020-2021**	2019-2020
Balance in contract liability at the beginning of the period that was not recognized as revenue	709.7	955.8
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	148.4	22.8
Less: Revenue recognized that was included in the contract liability balance at the beginning of the period	253.5	268.9
Balance in contract liability at the end of the period that is not recognized as revenue	604.6	709.7

40. Segment Reporting:

The Company has presented data relating to its segments based on its consolidated financial statements which are presented in the same Integrated 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	2020-2021	2019-2020
Payment to Auditors*:		
a) As Auditors	16.6	14.6
b) For other services including Certification	3.4	10.5
c) Reimbursement of out-of-pocket expenses	1.1	1.2
Total	**21.1**	**26.3**

* Excluding GST

42. Leases:

The Company leases office equipment, vehicles, furniture & fixtures, plant & equipment and office premises. The leases typically run for the period between 12 months to 60 months.

Information about leases for which the Company is lessee is presented below:

i) Right of Use Assets

(₹ in million)

Particulars	**As at 01.04.2020**	**As at 01.04.2019**
Carrying amount of :		
Right-of-Use: Land	1058.2	1069.3
Right-of-Use: Buildings	685.3	706.1
Right-of-Use: Plant & Equipment	22.0	-
Right-of-Use: Furniture & Fixtures	337.6	76.0
Right-of-Use: Vehicles	119.2	89.1
Right-of-Use: Office Equipment	28.4	44.6
Total	**2250.7**	**1985.1**

(₹ in million)

Particulars	**Right-of-Use: Land**	**Right-of-Use: Buildings**	**Right-of-Use: Plant & Equipment**	**Right-of-Use: Furniture & Fixtures**	**Right of-Use: Vehicles**	**Right-of-Use: Office Equipment**	**Total**
Cost							
Balance at April 1, 2020	1104.5	1104.6	26.4	443.1	187.1	52.8	**2918.5**
Additions	27.5	1034.7	-	-	120.4	-	**1182.6**
Disposal/Derecognized during the year	-	449.9	-	-	61.5	13.7	**525.1**
Balance at March 31, 2021	1132.0	1689.4	26.4	443.1	246.0	39.1	**3576.0**

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Accumulated depreciation							
Balance at April 1, 2020	46.3	419.3	4.4	105.5	67.9	24.4	**667.8**
Depreciation expense	13.0	421.8	8.8	106.0	78.8	17.8	**646.2**
Disposal/Derecognized during the year	-	(401.6)	-	-	(51.1)	(13.7)	**(466.4)**
Balance at March 31, 2021	59.3	439.5	13.2	211.5	95.6	28.5	**847.6**
Net Balance at March 31, 2021	**1072.7**	**1249.9**	**13.2**	**231.6**	**150.4**	**10.6**	**2728.4**
Net Balance at April 1, 2020	**1058.2**	**685.3**	**22.0**	**337.6**	**119.2**	**28.4**	**2250.7**

(₹ in million)

Particulars	**Right-of-Use: Land**	**Right-of-Use: Buildings**	**Right-of-Use: Plant & Equipment**	**Right-of-Use: Furniture & Fixtures**	**Right-of Use: Vehicles**	**Right-of-Use: Office Equipment**	**Total**
Cost							
Balance at April 1, 2019	1104.5	706.1	-	76.0	89.1	44.6	**2020.3**
Additions	-	389.5	26.4	367.1	99.5	8.2	**899.7**
Disposal/Derecognized during the year	-	-	-	-	1.5	-	**1.5**
Balance at March 31, 2020	1104.5	1104.6	26.4	443.1	187.1	52.8	**2918.5**
Accumulated depreciation							
Balance at April 1, 2019	35.2	-	-	-	-	-	**35.2**
Depreciation expense	11.1	419.3	4.4	105.5	68.7	24.4	**633.4**
Disposal/Derecognized during the year	-	-	-	-	(0.8)	-	**(0.8)**
Balance at March 31, 2020	46.3	419.3	4.4	105.5	67.9	24.4	**667.8**
Net Balance at March 31, 2020	**1058.2**	**685.3**	**22.0**	**337.6**	**119.2**	**28.4**	**2250.7**
Net Balance at April 1, 2019	**1069.3**	**706.1**	**-**	**76.0**	**89.1**	**44.6**	**1985.1**

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Lease liabilities

(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of Use: Vehicles	Right-of-Use: Office Equipment	Total
Balance at April 1, 2020	110.0	786.3	22.5	357.9	122.1	27.8	1426.6
Addition	-	1034.7	-	-	120.4	-	1155.1
Accreditation of interest	8.7	78.2	1.6	26.3	12.7	1.5	129.0
Payments	(7.3)	(520.7)	(10.1)	(131.1)	(90.5)	(19.6)	(779.2)
Adjustments for Disposals	-	(57.4)	-	-	(10.5)	-	(67.9)
Balance at March 31, 2021	**111.4**	**1321.1**	**14.1**	**253.1**	**154.2**	**9.7**	**1863.6**
Current	**4.9**	**363.2**	**9.2**	**86.2**	**70.4**	**9.4**	**543.3**
Non-Current	**106.5**	**957.9**	**4.9**	**166.9**	**83.8**	**0.3**	**1320.3**

(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Balance at April 1, 2019	108.7	863.4	-	86.3	91.5	43.9	1193.8
Addition	-	398.5	26.4	367.1	99.5	8.2	899.7
Accreditation of interest	8.6	80.5	1.1	35.0	10.3	3.2	138.7
Payments	(7.3)	(556.7)	(10.1)	(131.1)	(90.5)	(19.6)	(815.2)
Adjustments for Disposals	-	(57.4)	-	-	-	-	(57.4)
Balance at March 31, 2020	**110.0**	**728.3**	**17.5**	**357.3**	**110.8**	**35.7**	**1359.3**
Current	**5.3**	**372.7**	**8.4**	**104.8**	**70.4**	**9.4**	**571.0**
Non-Current	**104.7**	**355.6**	**9.1**	**253.1**	**40.4**	**26.3**	**789.2**

The maturity analysis of the lease liability is included in the Note No.ii - Financial risk management objectives and policies under maturities of financial liabilities.

Amounts recognised in Profit and Loss

(₹ in million)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Depreciation expense of right-of-use assets (Refer Note No. 2)	646.2	633.4
Interest expense on lease liabilities (Refer Note No. 32)	129.0	138.7
Expense relating to short-term leases (Refer Note No. 33)	25.4	1.3
Expense relating to low value assets (Refer Note No. 33)	126.0	146.3
Total	**926.6**	**919.7**

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ii) Financial risk management

(A) Maturities of financial liabilities

The table below analyze the Company's financial liabilities into relevant maturity analysis based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in million)

Contractual maturities of financial liabilities	Less than 1 Year	More than 1 Year	Total
As at March 31, 2021			
Lease liabilities	659.7	2886.4	3546.1
As at March 31, 2020			
Lease liabilities	655.4	2410.6	3066.0

iii) Commitments and contingencies

The Company has not entered into lease contracts that have not yet commenced as at March 31, 2021.

iv) Changes in accounting policies and disclosures New and amended standards and interpretations

Ind AS 116 was notified with effect from April 1 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition measurement presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1 2019. Under this method the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is as follows:

(₹ in million)

Assets	Amount
Right-of-use assets	915.8
Deferred Tax Assets	46.7
Total assets	**962.5**

(₹ in million)

Liabilities	Amount
Financial liabilities - Lease liabilities	1085.1
Lease Equalization Liability	(35.7)
Total liabilities	**1049.4**

(₹ in million)

Total adjustment on equity	Amount
Retained earnings	86.9
Non-controlling interests	-
Total	**86.9**

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As at the date of intial application of ₹ AS 116 i.e. April 1, 2019 Right of Use assets and lease liabilities were measured at ₹ 915.8 million and ₹ 1085.1 million respectively.

The difference between Right of use assets along with lease equalization liability and lease liabilities was recognised in Retained earnings. Deferred Tax Asset of ₹ 46.7 million was recognized on Retained earnings.

v) The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019 is as follows:

Particulars	As at 01.04.2019 (₹ in million)
Assets	
Operating lease commitments as at March 31, 2019	1748.0
Discounted operating lease commitments as at April 1, 2019	1085.1
Finance lease liabilities recognised as at March 31, 2019	108.7
Less:	
Commitments relating to short-term leases	-
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	-
Lease liabilities as at April 1, 2019	**1193.8**

Weighted average incremental borrowing rate as at April 1, 2019 is 8.58%.

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

Particulars	**Year Ended 31.03.2021**	Year Ended 31.03.2020
Profit attributable to Equity Shareholders (₹ in million)	12586.2	7275.5
Weighted average number of Equity Shares:		
- Basic	453280606	452713439
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1956031	2357930
- Diluted	455236627	455071369
Earnings per Share (in ₹)		
- Basic	27.77	16.07
- Diluted	27.65	15.99

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 Remuneration/Compensation/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 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	2368280	455.7-2037.5	1155.1	4.7
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	298941	455.7-1563.0	1290.6	NA
Less: Options exercised during the year	115919	455.7-864.8	462.4	NA
Options outstanding at the year end	1953420	455.7-2037.5	1167.0	3.7
Exercisable at the end of the period	1955056	455.7-2037.5	1165.3	3.7

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	2719654	217.8-2037.5	1124.7	5.5
Add: Options granted during the year	40000	701.2-809.4	755.3	9.3
Less: Options lapsed during the year	241928	217.8-1521.7	1218.0	NA
Less: Options exercised during the year	149446	217.8-556.0	394.4	NA
Options outstanding at the year end	2368280	455.7-2037.5	1155.1	4.7
Exercisable at the end of the period	2193814	455.7-2037.5	1139.3	4.5

The weighted average grant date fair value of the options granted under Category A during the years ended March 31, 2021 and 2020 was ₹ Nil and ₹ 157.7 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	2054151	2.0	2.0	7.8
Add: Options granted during the year	804627	2.0	2.0	9.7
Less: Options lapsed during the year	175708	2.0	2.0	NA
Less: Options exercised during the year	516093	2.0	2.0	NA
Options outstanding at the year end	2166977	2.0	2.0	8.4
Exercisable at the end of the period	446642	2.0	2.0	6.9

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	1762924	2.0	2.0	8.6
Add: Options granted during the year	759636	2.0	2.0	9.6
Less: Options lapsed during the year	113431	2.0	2.0	NA
Less: Options exercised during the year	354978	2.0	2.0	NA
Options outstanding at the year end	2054151	2.0	2.0	7.8
Exercisable at the end of the period	396098	2.0	2.0	7.2

The weighted average grant date fair value of the options granted under Category B during the years ended March 31, 2021 and 2020 was ₹ 1006.8 and ₹ 756.4 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	6.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	50000	724.7-724.7	724.7	NA
Options outstanding at the year end	150000	724.7-724.7	675.9	5.6
Exercisable at the end of the period	150000	720.5-891.5	675.9	5.6

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	200000	415.7-891.5	688.1	7.1
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	6.1
Exercisable at the end of the period	200000	415.7-891.5	688.1	6.1

The weighted average grant date fair value of options granted under Category C during the years ended March 31, 2021 and 2020 was ₹ nil and ₹ nil per option, respectively.

The weighted average share price during the years ended March 31, 2021 and 2020 was ₹ 943.8 and ₹ 739.8 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 – 2020-2021

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 20, 2020	2.0	5.3%	3.5	31.0%	0.6%	809.8	790.7
B	April 20, 2020	2.0	5.3%	3.5	31.0%	0.6%	809.8	790.7
B	August 10, 2020	2.0	4.9%	3.5	31.3%	0.6%	958.0	935.7
B	August 10, 2020	2.0	4.9%	3.5	31.3%	0.6%	958.0	935.7
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	1006.8	1030.2

Weighted average information – 2019-2020

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 12, 2019	809.4	6.7%	2.0	29.0%	0.5%	832.8	131.5
B	May 27, 2019	2.0	6.6%	2.7	30.5%	0.5%	743.3	733.1
B	July 31, 2019	2.0	6.1%	3.5	29.1%	0.5%	764.8	749.4
B	July 31, 2019	2.0	6.1%	3.5	29.1%	0.5%	764.8	749.4
A	October 4, 2019	701.2	5.8%	3.0	28.2%	0.5%	686.5	169.9
B	November 6, 2019	2.0	5.9%	3.5	28.9%	0.5%	771.5	755.9
B	December 4, 2019	2.0	5.8%	3.5	28.3%	0.5%	791.9	776.0
B	December 4, 2019	2.0	5.8%	3.5	28.3%	0.5%	791.9	776.0
B	December 4, 2019	2.0	5.6%	2.7	28.2%	0.5%	791.9	779.3
B	February 3, 2020	2.0	6.0%	3.5	28.3%	0.5%	708.7	694.3
B	February 3, 2020	2.0	6.0%	3.5	28.3%	0.5%	708.7	694.3
B	February 3, 2020	2.0	5.8%	2.7	27.4%	0.5%	708.7	697.2

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	157.7	759.6
B	756.4	771.4

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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 ₹ 174.7 million (previous year ₹ 186.9 million) for superannuation contribution and ₹ 274.3 million (previous year ₹ 266.5 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, 2021. 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 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	223.9	185.3	115.4	101.8
	Past service cost	-	-	-	-
	Interest cost	148.7	136.6	94.8	88.1
	Actuarial loss/(gain)				
	- Due to demographic assumption	-	(0.5)	-	0.9
	- Due to finance assumption	68.4	202.9	47.7	122.7
	- Due to experience assumption	(5.5)	34.3	(95.9)	18.4
	Benefits paid	(225.4)	(139.9)	(77.0)	(77.2)
	PVO at the beginning of the year	2190.4	1771.7	1396.0	1141.3
	PVO at the end of the year	2400.5	2190.4	1481.0	1396.0
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	19.0	2.5	-	-
	Interest Income	108.3	107.2	-	-
	Contributions by the employer	225.9	234.3	-	-
	Benefits paid	(225.4)	(139.9)	-	-
	Fair value of plan assets at the beginning of the year	1595.3	1391.2	-	-
	Fair value of plan assets at the end of the year	1723.1	1595.3	-	-

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(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	2400.5	2190.4	1481.0	1396.0
	Fair Value of plan assets at the end of the year	1723.1	1595.3	-	-
	Funded status	(677.4)	(595.1)	(1481.0)	(1396.0)
	Unrecognised actuarial gain/(loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(677.4)	(595.1)	(1481.0)	(1396.0)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	223.9	185.3	115.4	101.8
	Past service cost	-	-	-	-
	Interest cost	40.4	29.4	94.8	88.1
	Total expense recognised in the Statement of Profit and Loss	264.3*	214.7*	210.2*	189.9*
V)	**Other Comprehensive Income**				
	Actuarial loss/(gain)				
	- Due to demographic assumption	-	(0.5)	-	0.9
	- Due to finance assumption	68.4	202.8	47.7	122.7
	- Due to experience assumption	(5.5)	34.3	(95.9)	18.4
	Return on plan assets excluding net interest	(19.0)	(2.5)	-	-
	Total amount recognised in OCI	43.9	234.1	(48.2)	142.0
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)	1723.1	1595.3	-	-
VII)	**Actual return on the plan assets:**	127.3	109.7	-	-
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08 upto 31.03.2019 Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards			
	Discount rate (%)	6.7	6.8	6.7	6.8
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter
	Average Remaining Service (years)	10.9	11.3	10.9	11.3
	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**	357.6	333.3	NA	NA

* ₹ 1.9 million (previous year ₹ 1.8 million) capitalised as pre-operative expenses out of above amount.

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X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2021
1 year	583.9
2 to 5 years	1216.1
6 to 10 years	1494.2
More than 10 years	4643.5

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)	2020-2021		2019-2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(310.1)	(360.0)	(282.4)	327.6
Future salary growth (1% movement)	356.0	(312.3)	324.2	(284.6)

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, 2021 and based on the same, there is no shortfall towards interest rate obligation.

Based on the actuarial valuation obtained, the following is the details of fund and plan assets.

(₹ in million)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
I)	PVO and fair value of plan assets:		
	Fair Value of plan assets	10332.3	9492.4
	Present Value of defined benefit obligations	10524.7	9559.1
	Net excess/(shortfall)	(192.4)	(66.8)
II)	Changes in defined benefit obligation:		
	Liability at the beginning of the year	9559.1	8332.2
	Interest cost	801.4	706.9
	Current service cost	521.2	475.7
	Employee contribution	915.0	836.3
	Liability Transferred in	(248.3)	(105.4)
	Benefits paid	(1092.2)	(717.6)
	Actuarial gain/(loss) on experience variance	68.5	31.0
	Liability at the end of the year	10524.7	9559.1

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(₹ in million)

Sr. No.	Particulars	**As at 31.03.2021**	As at 31.03.2020
III)	Changes in fair value of plan assets:		
	Fair value of plan assets at the beginning of the year	9492.4	8332.4
	Investment income	808.5	720.8
	Employer's contributions	521.2	475.7
	Employee's contribution	915.0	836.3
	Transfers in	(237.5)	(117.9)
	Benefits paid	(1092.2)	(717.6)
	Return on plan assets, excluding amount recognised in net interest expense	(75.1)	(37.3)
	Fair value of plan assets at the end of the year	10332.3	9492.4
IV)	Expenses recognized in Statement of Profit and Loss:		
	Current service cost	521.2	475.7
	Interest cost	801.4	706.9
	Expected return on plan assets	(808.5)	(720.8)
	(Income)/Expense recognised in the Statement of Profit and Loss	514.1	461.8
V)	Major categories of Plan Assets (As per percentage of Total Plan Assets):		
	Government of India securities/State Government securities	52.1%	49.9%
	High quality corporate bonds	10.9%	39.6%
	Equity shares of listed companies	3.3%	1.1%
	Debt Mutual Fund	28.6%	2.1%
	Equity Mutual Fund	1.2%	2.9%
	Special Deposit Scheme	2.1%	2.2%
	Bank balance	1.8%	2.2%
	Total	100%	100%
VI)	Assumptions used in accounting for the provident fund plan:		
	Discount rate (%)	6.7	6.8
	Average remaining tenure of investment portfolio (years)	7.5	7.2
	Guaranteed rate of return (%)	8.5	8.5
	Attrition rate - upto 5 years	15.0%	15.0%
	Above 5 years	5.0%	5.0%

46. Income taxes:

a. Tax expense/(benefit) recognised in profit and loss:

(₹ in million)

Particulars	**Year Ended 31.03.2021**	Year Ended 31.03.2020
Current Tax Expense for the year	3671.0	3679.0
Tax expense w/back of prior years	(42.5)	(58.5)
Net Current Tax Expense	3628.5	3620.5
Deferred income tax liability/(asset) net		
Origination and reversal of temporary differences	82.3	(373.5)
Tax expense for the year	**3710.8**	**3247.0**

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b. Tax expense/(benefit) recognised in other comprehensive income:

(₹ in million)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	42.4	154.8
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(203.9)	157.7
Total	**(161.5)**	**312.5**

c. Reconciliation of tax expense/(benefit) and accounting profit multiplied by India's domestic tax rate:

(₹ in million)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Profit before tax including exceptional item	16297.0	10522.5
Tax using the Company's domestic tax rate (March 31 2021: 34.94% March 31 2020: 34.94%)	5694.8	3677.0
Tax effect of:		
Expenses not deductible for tax purposes	1104.3	2774.1
Impact of change in tax rates	-	(11.8)
Incremental deduction allowed for Research and Development costs	-	(949.3)
Exemption of profit link incentives	(2980.7)	(1927.4)
Other Exemption Income	-	(51.6)
Other	(65.1)	(205.5)
Current and Deferred Tax expense (excluding prior year taxes) as per note 46(a)	**3753.3**	**3305.5**

d. Movement in deferred tax balances:

(Current Year ₹ in million)

Particulars	Net balance April 1 2020	Recognised in profit or loss	Recognised in Retained Earnings/ OCI	Net balance March 31 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property plant and equipment	(3682.2)	27.8	-	(3654.4)	-	(3654.4)
Cash Flow Hedge Reserve	133.0	-	(203.9)	(70.9)	-	(70.9)
Trade Receivables	74.0	58.7	-	132.7	132.7	-
Mark to Market (Gain)/Loss	(0.8)	(103.2)	-	(104.0)	-	(104.0)
Deferred Income	248.2	(36.7)	-	211.5	211.5	-
Interest on tax refunds to be taxed in the year of receipt – as per ICDS IV Para 8(2)	-	(74.0)	-	(74.0)	-	(74.0)
VRS Compensation	26.6	(3.0)	-	23.6	23.6	-
Employee benefits	1051.0	80.2	42.4	1173.6	1173.6	-
Other items	220.8	(32.1)	-	188.7	188.7	-
Net Deferred tax assets/ (liabilities)	**(1929.4)**	**(82.3)**	**(161.5)**	**(2173.2)**	**1730.1**	**(3903.3)**

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(Previous Year ₹ in million)

Particulars	Net balance **April 1 2019**	Recognised in profit or loss	Recognised in OCI	Net balance March 31 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/(liabilities)						
Property plant and equipment	(4044.7)	362.5	-	(3682.2)	-	(3682.2)
Cash Flow Hedge Reserve	(24.7)	-	157.7	133.0	133.0	-
Trade Receivables	57.2	16.8	-	74.0	74.0	-
Mark to Market (Gain)/Loss	-	(0.8)	-	(0.8)	-	(0.8)
Deferred Income	334.2	(86.0)	-	248.2	248.2	-
VRS Compensation	29.6	(3.0)	-	26.6	26.6	-
Employee benefits	808.2	88.0	154.8	1051.0	1051.0	-
Other items	178.0	(4.0)	46.8	220.8	220.8	-
Net Deferred tax assets/ (liabilities)	**(2662.2)**	**373.5**	**359.3**	**(1929.4)**	**1753.6**	**(3683.0)**

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.

The Ministry of Corporate Affairs, vide its notification dated 30th March 2019, inserted Appendix C "Uncertainty over Income Tax Treatments" to Ind AS 12 "Income Taxes", applicable from 1st April 2019. The company had opted the transition provision provided in this Appendix C. The company had identified uncertain tax positions and has estimated the liability based on the most likely amount. These estimates are based on its probability assessment of the uncertain tax treatment, accordingly the Company had recognised tax provision of ₹ 804.5 million as an adjustment to the opening balance of retained earnings on 1st April 2019.

47. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ₹ 11272.9 million (previous year ₹ 11700.7 million).

48. The aggregate amount of expenditure incurred during the year on Corporate Social Responsibility (CSR) is ₹ 351.1 million (previous year ₹ 342.0 million) and is shown separately under note 33 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

(₹ in million)

Particulars	**2020-2021**	2019-2020
Donations	323.3	307.3
Employee Benefits Expense	13.7	15.3
Others – Patient Awareness etc.	14.1	19.4
Total	**351.1**	**342.0**

The amount required to be spent by the Company during the year is ₹ 346.6 million (previous year ₹ 555.0 million). No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure and there are no outstanding amounts payables towards any other purposes.

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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 31.03.2021**	As at 31.03.2020
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	912.3 (interest ₹ nil)	989.4 (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. Exceptional Items:

During the previous year, the company recognized following items as exceptional items:

a) Settlement with the State of Texas:

The Texas Attorney General's office served Lupin Pharmaceuticals Inc. (LPI), with several Civil Investigative Demands from May 29, 2012 and continuing through 2016. The State of Texas (the "State") filed a lawsuit against LPI, Lupin Ltd (LL), Lupin Inc. (LI) and certain executives on June 14, 2016 (the Original Lawsuit) alleging violations of the Texas Medicaid Fraud Prevention Act (TMFPA). During the previous year, the State offered a settlement of $ 63.5 million to Lupin Group, of which $ 10.0 million was already accrued by LPI in earlier years. Under the settlement agreement, the State and Lupin Group had agreed on all of the terms of the settlement and the State agreed to dismiss the individual defendants, immediately. Final payment of $ 53.5 million (₹ 3791.8 million) by LL and $ 10 million by LPI made during the previous year.

b) Impairment of IPs:

Following our annual impairment review the impairment charges recognized during the previous year in the standalone profit and loss account in relation to certain intangible assets and intangible assets under development is as follows:

Intangible assets – ₹ 2122.8 million

Intangible assets under development – ₹ 1677.5 million

Both the categories referred to above relate to intangibles acquired as part of the acquisition of Gavis Group (Gavis), related to US market, 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.

The impairment has been determined by considering each individual intangible asset as a cash generating unit (CGU) except for IPs under development which have been assessed together as one CGU. Recoverable amount of CGUs for which impairment is done is ₹ 167.6 million. 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:

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- 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 - Impact due to COVID 19
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 (Currently Marketed Products and approved ANDAs, Filed ANDAs, and IP R&D) 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%. The terminal growth rate is considered at -5%.

The cash flow projections are based on five years specific estimates, five years estimates developed using internal forecasts and a terminal growth rate thereafter considering the life of intangibles being approx. 10 years. 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.

Based on the assessment carried out as at March 31, 2020 and after considering performance for the full year ended March 31, 2020 no further provision have been made.

51. As per best estimate of the management provision has been made as under:

a) Probable return of goods from customers:

(₹ in million)

Particulars	**2020-2021**	2019-2020
Carrying amount at the beginning of the year	1420.8	1195.6
Add : Additional Provisions made during the year	1841.6	1957.8
Less : Amounts used/utilised during the year	1726.6	1732.6
Carrying amount at the end of the year	1535.8	1420.8

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b) European Commission fine:

(₹ in million)

Particulars	2020-2021	2019-2020
Carrying amount at the beginning of the year	3609.5	3335.8
Add : Additional Provisions (including interest) made during the year	57.1	54.8
Less : Amounts used/utilised during the year	-	-
Add : Exchange Difference during the year	129.5	218.9
Carrying amount at the end of the year	3796.1	3609.5

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).

(₹ in million)

As at 31.03.2021	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 Preference Shares	520.0	-	-	520.0	-	520.0	-	520.0
- Others	419.7	-	-	419.7	-	400.0	19.7*	419.7
Non-Current Loans	-	-	-	-	-	-	-	-
- Security Deposit	-	-	657.8	657.8	-	-	-	-
- Others	-	-	0.9	0.9	-	-	-	-
Other Non-Current Financial Assets								
- Derivative Instruments	-	-	-	-	-	-	-	-
- Others	-	-	10.5	10.5	-	-	-	-
Current Investments	21229.6	-	1980.3	23209.9	21229.6	-	-	21229.6
Trade Receivables	-	-	31905.4	31905.4	-	-	-	-
Cash and Cash Equivalents	-	-	1774.1	1774.1	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	1066.0	1066.0	-	-	-	-
Current Loans	-	-	126.4	126.4	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	-	269.1	-	269.1	-	-	-	-
- Others	-	-	4042.4	4042.4	-	-	-	-
	22169.3	**269.1**	**41563.8**	**64002.2**	**21229.6**	**920.0**	**19.7**	**22169.3**

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(₹ in million)

As at 31.03.2021	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non-Current Borrowings	-	-	1.5	1.5	-	-	-	-
Other Non-Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	1359.9	1359.9	-	-	-	-
Current Borrowings	-	-	2987.9	2987.9	-	-	-	-
Trade Payables	-	-	11963.9	11963.9	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	2965.0	2965.0	-	-	-	-
	-	**-**	**19278.2**	**19278.2**	**-**	**-**	**-**	**-**

(₹ in million)

As at 31.03.2020	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	19.7	-	-	19.7	-	-	19.7*	19.7
Non-Current Loans								
- Security Deposit	-	-	445.2	445.2	-	-	-	-
- Others	-	-	2.0	2.0	-	-	-	-
Other Non-Current Financial Assets								
- Derivative Instruments	-	-	-	-	-	-	-	-
- Others	-	-	9.7	9.7	-	-	-	-
Current Investments	13004.9	-	10292.4	23297.3	13004.9	-	-	13004.9
Trade Receivables	-	-	36163.3	36163.3	-	-	-	-
Cash and Cash Equivalents	-	-	11680.2	11680.2	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	1379.1	1379.1	-	-	-	-
Current Loans	-	-	348.9	348.9	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	3245.8	3245.8	-	-	-	-
	13024.6	**-**	**63566.6**	**76591.2**	**13004.9**	**-**	**19.7**	**13024.6**
Financial liabilities								
Non-Current Borrowings	-	-	3.1	3.1	-	-	-	-
Other Non-Current Financial Liabilities								

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(₹ in million)

As at 31.03.2020	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
- Derivative instruments	-	301.3	-	301.3	-	-	-	-
- Others	-	-	894.6	894.6	-	-	-	-
Current Borrowings	-	-	52.9	52.9	-	-	-	-
Trade Payables	-	-	15661.3	15661.3	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	159.3	-	159.3	-	-	-	-
- Others	-	-	2587.8	2587.8	-	-	-	-
	-	**460.6**	**19199.7**	**19660.3**	**-**	**-**	**-**	**-**

* 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	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

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

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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 ₹ 18998.2 million (previous year ₹ 24424.2 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 31.03.2021**	As at 31.03.2020
Not past due but impaired	57.2	1.5
Neither past due not impaired	28578.4	21981.8
Past due not impaired		
- 1-180 days	2963.9	13531.5
- 181-365 days	140.4	611.5
- more than 365 days	222.4	38.5
Past due impaired		
- 1-180 days	40.4	9.1
- 181-365 days	0.5	28.0
- more than 365 days	128.5	97.0
Total	**32131.7**	**36298.9**

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.

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	**2020-2021**	2019-2020
Balance as at the beginning of the year	135.6	118.8
Impairment loss recognised (net)	94.0	37.0
Amounts written off	(2.2)	(20.4)
Exchange differences	(1.1)	0.2
Balance as at the year end	226.3	135.6

The impairment loss at March 31 2021 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 ₹ 1774.1 million (previous year ₹ 11680.2 million). The cash and cash equivalents are held with banks.

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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.

(₹ in million)

As at 31.03.2021	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	3.1	3.1	1.6	1.0	0.5	-
Interest Payables	-	35.6	8.9	8.1	15.0	3.6
Other Non-Current Financial Liabilities	1359.9	1359.9	-	514.7	732.7	112.5
Current Borrowings	2987.9	2987.9	2987.9	-	-	-
Trade Payables Current	11963.9	11963.9	11963.9	-	-	-
Other Current Financial Liabilities	2965.0	2965.0	2965.0	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	-	-	-	-	-	-
- Inflow		-	-	-	-	-
Total	**19307.8**	**19315.4**	**17927.3**	**523.8**	**748.2**	**116.1**

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(₹ in million)

As at 31.03.2020	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	5.4	5.4	2.3	1.6	1.5	-
Interest Payables	-	45.3	9.6	8.9	20.0	6.8
Other Non-Current Financial Liabilities	894.6	894.6	-	333.7	462.4	98.5
Current Borrowings	52.9	52.9	52.9	-	-	-
Trade Payables Current	15661.3	15661.3	15661.3	-	-	-
Other Current Financial Liabilities	2585.5	2585.5	2585.5	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	460.6	460.6	159.3	301.3	-	-
- Inflow		-	-	-	-	-
Total	**19660.3**	**19705.6**	**18470.9**	**645.5**	**483.9**	**105.3**

* 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 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.

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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 31.03.2021**	As at 31.03.2020	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 119.0	USD 163.0	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 31.03.2021**				
	USD	**EURO**	**GBP**	**JPY**	**Others**
Financial assets					
Cash and cash equivalents	0.9	-	-	-	2.6
Trade Receivables	24224.2	621.7	324.9	283.8	873.9
Other current financial assets	-	-	-	-	-
	24225.1	621.7	324.9	283.8	876.5
Financial liabilities					
Trade Payables	2587.8	374.1	244.4	5.5	352.7
Other current financial liabilities	31.7	3975.0	8.9	-	11.2
	2619.5	4349.1	253.3	5.5	363.9
Net statement of financial position exposure	**21605.6**	**(3727.4)**	**71.6**	**278.3**	**512.6**

(₹ in million)

Particulars	As at 31.03.2020				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	18.9	-	-	-	5.0
Trade Receivables	28395.6	721.7	419.8	198.0	309.2
Other current financial assets	-	-	-	-	-
	28414.5	721.7	419.8	198.0	314.2
Financial liabilities					
Trade Payables	3306.2	490.9	93.4	42.9	80.8
Other current financial liabilities	50.7	3629.1	0.7	1.8	10.1
	3356.9	4120.0	94.1	44.7	90.9
Net statement of financial position exposure	**25057.6**	**(3398.3)**	**325.7**	**153.3**	**223.3**

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency 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, 2021	Profit or (loss)		Equity net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(216.1)	216.1	(197.2)	197.2
EUR	37.3	(37.3)	24.2	(24.2)
GBP	(0.7)	0.7	(0.5)	0.5
JPY	(2.8)	2.8	(1.8)	1.8
Others	(5.1)	5.1	(3.3)	3.3
	(187.4)	**187.4**	**(178.5)**	**178.5**

(₹ in million)

March 31, 2020	Profit or (loss)		Equity net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(250.6)	250.6	(246.8)	246.8
EUR	34.0	(34.0)	22.4	(22.4)
GBP	(3.3)	3.3	(2.1)	2.1
JPY	(1.5)	1.5	(1.0)	1.0
Others	(2.2)	2.2	(1.5)	1.5
	(223.6)	**223.6**	**(229.0)**	**229.0**

* including other comprehensive income

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 31.03.2021**	As at 31.03.2020
Non-Current Borrowings		
Fixed rate borrowings	3.1	5.4
Variable rate borrowings	-	-
	3.1	5.4
Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	2987.9	52.9
	2987.9	52.9
Total	**2991.0**	**58.3**

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, 2021		
Variable-rate borrowings	(29.9)	29.9
March 31, 2020		
Variable-rate borrowings	(0.5)	0.5

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, 2021 and March 31, 2020 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 2021 was as follows:

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
Total borrowings	2991.0	58.3
Less : Cash and cash equivalent	1774.1	11680.2
Less : Other Bank Balances*	1076.5	1388.8
Less : Current Investments	23209.9	23297.3
Adjusted net debt	(23069.5)	(36308.0)
Total equity	185655.7	174732.0
Adjusted net debt to total equity ratio	(0.12)	(0.21)

* includes earmarked bank deposits against guarantees & other commitments of ₹ 10.5 million (previous year ₹ 9.7 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 foreign currency exposure in respect of highly probable forecast sales over the following 12-24 months. 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. These contracts have a maturity of 12-24 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 31.03.2021

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	119.0	269.1	-	Other current/ non-current financial liability	April 2021 – March 2022	1:1	77.19	(279.7)	(268.7)
Forward exchange forward contracts	-	-	-	Other current financials liabilities/ non-current financial liabilities					

(₹ in million)

As at 31.03.2020

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	163.0	-	460.6	Other current/ non-current financial liability	July 2020 – March 2022	1:1	76.59	510.3	507.2
Forward exchange forward contracts	-	-	-	Other current financials liabilities/ non-current financial liabilities					

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b. Disclosure of effects of hedge accounting on financial performance

(₹ in million)

As at 31.03.2021	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	(834.6)	1.6	Other Expenses - Net loss on Foreign Currency Transactions	104.9	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2020	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	(523.3)	(2.5)	Other Expenses - Net loss on Foreign Currency Transactions	38.8	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 April 1, 2019	**77.5**
Add: Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(523.3)
Less: Amounts re-classified to profit or loss	(36.3)
Less: Deferred tax	157.7
As at March 31, 2020	**(324.4)**
Add: Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	834.6
Less: Amounts re-classified to profit or loss	(106.5)
Less: Deferred tax	(203.9)
As at March 31, 2021	**199.8**

55. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet as at March 31, 2021:

(₹ in million)

As at 31.03.2021	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	269.1	-	269.1	-	269.1
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	-	-	-	-	-

The recognised financial instruments that are offset in balance sheet as at March 31, 2020:

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(₹ in million)

As at 31.03.2020	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	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments	460.6	-	460.6	-	460.6
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.

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

Category II: Subsidiaries:

Lupin Pharmaceuticals Inc. USA
Kyowa Pharmaceutical Industry Co. Limited Japan (upto December 17, 2019)
Lupin Australia Pty Limited Australia
Nanomi 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 (upto September 30, 2019)
Lupin Middle East FZ-LLC UAE (upto July 02, 2020)
Lupin GmbH Switzerland (upto September 29,2020)
Lupin Inc. USA
Medquimica Industria Farmaceutica LTDA Brazil

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Laboratorios Grin S.A. de C.V. Mexico
Lupin Pharma LLC Russia (upto April 9, 2019)
Novel Laboratories Inc. USA
Lupin Research Inc. USA
Lupin Latam Inc. USA
Lupin Japan & Asia Pacific K.K. Japan (upto December 17, 2020)
Symbiomix Therapeutics LLC USA (upto December 30, 2019)
Lupin Management Inc., USA
Lupin Europe GmbH, Germany
Lupin Foundation India
Lupin Biologics Limited India (w.e.f. January 28, 2021)
Lupin Oncology Inc.,USA (w.e.f. March 15, 2021)

Category III: Jointly Controlled Entity:

YL Biologics Ltd. Japan

Category IV: Key Management Personnel (KMP)

Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh D. Gupta	Managing Director
Mr. Ramesh Swaminathan (w.e.f. March 26, 2020)	Executive Director, Global CFO & Head Corporate Affairs
Mr. Sunil Makharia (from June 10, 2019 to March 25, 2020)	Interim Chief Financial Officer
Mr. R. V. Satam	Company Secretary
Non-Executive Directors	
Mrs. Manju D. Gupta	Chairman
Dr. Kamal K. Sharma	Vice Chairman
Mr. R. A. Shah (upto August 12, 2020)	
Mr. Richard Zahn (upto August 12, 2020)	
Dr. K. U. Mada (upto August 12, 2020)	
Mr. Dileep C. Choksi (upto August 12, 2020)	
Mr. Jean-Luc Belingard	
Ms. Christine Ann Mundkur (w.e.f. April 1, 2019)	
Mr. K.B.S. Anand (w.e.f August 12, 2020)	
Dr. Punita Kumar Sinha (w.e.f from August 12, 2020)	
Mr. Robert Funsten (w.e.f. November 10, 2020)	
Mr. Mark D. McDade (w.e.f. from January 28, 2021)	

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)
Ms. Shefali Nath Gupta (Wife of Managing Director)
Miss Veda Nilesh Gupta (Daughter of Managing Director)
Master Neel Deshbandhu Gupta (Son of Managing Director)
D. B. Gupta (HUF)
Gupta Family Trust
Lupin Human Welfare and Research Foundation
Mata Shree Gomati Devi Jan Seva Nidhi
Polynova Industries Limited
Zyma Properties Pvt. Limited
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 31.03.2021**	For the year ended 31.03.2020
1.	Sale of Goods		
	Lupin Pharmaceuticals Inc.	28890.1	30756.4
	Other Subsidiaries	7571.1	5397.5
2.	Sale – Research Services-Others		
	Subsidiaries	142.7	231.5
3.	Royalty Income		
	Subsidiaries	10.1	-
4.	Fees Received against guarantees provided on their behalf		
	Subsidiaries	134.6	221.7
5.	Services Rendered (Income)		
	Subsidiaries	71.0	31.1
6.	Rent Paid		
	Others	54.9	66.2
7.	Research and Development Expenses		
	Lupin Research Inc.	1080.8	1334.0
	Other Subsidiaries	180.7	1.2
8.	Expenses incurred on their behalf Recovered/Rent Received		
	Subsidiaries	492.7	398.7
	Others	1.6	1.6
9.	Remuneration Paid		
	Key Management Personnel	146.8	101.4
10.	Purchases of Goods/Materials		
	Subsidiaries	-	19.0
	Jointly Controlled Entity	8.8	16.5
	Others	208.2	170.7
11.	Commission, Advisory Fees & Sitting Fees to Non-Executive Directors		
	Key Management Personnel	67.8	69.9
12.	Donations Paid		
	Subsidiaries	107.5	-
	Others	237.6	289.2
13.	Dividend Paid		
	Entity having significant influence over the Company	1233.6	1028.0
	Key Management Personnel	7.6	26.6
	Others	35.5	9.2
14.	Services Received (Expense)		
	Lupin Pharmaceuticals Inc.	79.3	103.1
	Other Subsidiaries	978.9	1045.2
	Others	83.8	85.6
15.	Expenses incurred on our behalf & Others Reimbursements		
	Subsidiaries	968.4	905.7
	Others	4.0	3.0
16.	Refund of Deposit		
	Others	14.4	-
17.	Interest Income		
	Subsidiaries	0.02	-
18.	Investment in Subsidiary		
	Subsidiaries	20228.9	-

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

Sr. No.	Transactions	For the year ended 31.03.2021	For the year ended 31.03.2020
19.	Letter of Comfort issued by the Company to the bankers of a Subsidiary		
	Lupin Pharmaceuticals Inc.	-	1891.6
20.	Corporate guarantees issued by the Company to the bankers of subsidiary companies		
	Lupin Pharmaceuticals Inc.	11569.7	8550.1
	Other Subsidiaries	1326.6	-
21.	Letter of Awareness issued by the Company to the bankers of subsidiary companies		-
	Laboratorios Grin SA de CV, Mexico	29.2	-
22.	Withdrawal of corporate guarantees given by the Company to the bankers of subsidiary companies		
	Kyowa Pharmaceutical Industry Co. Limited	-	14293.6
	Hormosan Pharma GMBH Germany	620.8	77.7
	Generic Health Pty. Ltd., Australia	271.8	-
	Lupin Atlantis Holdings SA, Switzerland	378.3	-
	Kyowa Criticare Co. Ltd Japan	-	374.5
	Lupin Healthcare (UK) Limited, UK	60.8	-
	Lupin Inc. USA	21386.0	21991.3
23.	Withdrawal of Letter of Comfort by the Company to the bankers of subsidiary companies		
	Lupin Pharmaceuticals Inc.	7566.5	-
24.	Withdrawal of Guarantees issued by the Company on behalf of subsidiary companies for contractual obligations		
	Lupin Atlantis Holdings SA, Switzerland	5864.0	-

Related party transactions above 1% of revenue from operations are disclosed separately.

(₹ in million)

Compensation paid to Key Management Personnel	For the year ended 31.03.2021	For the year ended 31.03.2020
Short-term employee benefits	123.2	83.5
Post-employment benefits	12.1	12.1
Share based payments	11.5	5.8
Total	**146.8**	**101.4**

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.

C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	As at 31.03.2021	As at 31.03.2020
1.	Investments		
	Subsidiaries	71976.2	51247.3
2.	Deposits paid under Leave and License arrangement for premises		
	Others	29.0	43.4
3.	Trade Receivables		
	Subsidiaries	22989.8	27081.9

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

Sr. No.	Balances	**As at 31.03.2021**	As at 31.03.2020
4.	Trade Payables		
	Subsidiaries	848.6	1666.0
	Jointly Controlled Entity	-	8.1
	Others	6.4	13.0
5.	Expenses Payable		
	Subsidiaries	97.0	123.0
6.	Expenses Receivable		
	Subsidiaries	319.9	78.7
	Others	0.2	-
7.	Income/Interest Receivable		
	Subsidiaries	58.6	72.1
8.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1
9.	Letter of Comfort issued by the Company to the bankers of subsidiary companies	-	7566.5
10.	Corporate guarantees issued by the Company to the bankers of subsidiary companies	49702.5	60993.6
11.	Guarantees issued by the Company on behalf of subsidiary companies for contractual obligations	3399.6	9382.4
12.	Letter of Awareness issued by the Company to the bankers of subsidiary companies	29.2	-

Transactions and balances with Jointly Controlled Entity have been reported at full value.

57. 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, 2020	Cash Flows	Non-Cash Changes			**March 31, 2021**
			Acquisition	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	3.1	(1.6)	-	-	-	1.5
Current maturities of Non-Current Borrowings	2.3	(0.7)	-	-	-	1.6
Current Borrowings						
Secured						
Loans from banks	52.9	455.0	-	-	-	507.9
Unsecured						
Loans from banks	-	2480.0	-	-	-	2480.0
Interest accrued but not due on Borrowings	-	-	-	-	-	-
Total Liabilities from financing activities	**58.3**	**2932.7**	**-**	**-**	**-**	**2991.0**

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

Particulars	April 1, 2019	Cash Flows	Non-Cash Changes			March 31, 2020
			Acquisition	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	5.3	(2.2)	-	-	-	3.1
Current maturities of Non-Current Borrowings	35.5	(33.2)	-	-	-	2.3
Current Borrowings						
Secured						
Loans from banks	16.8	36.1	-	-	-	52.9
Interest accrued but not due on Borrowings	0.1	(0.1)	-	-	-	-
Total Liabilities from financing activities	**57.7**	**0.6**	**-**	**-**	**-**	**58.3**

58. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Supply Chain disruptions as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several countries followed by a global lockdown in March 2020 announced by the various governments, to contain the spread of COVID-19. Similar restrictions continue to prevail in 2021 in various geographies. Since the Company manufactures and supplies pharmaceutical products which is categorized under essential goods, the manufacturing and supplies of the products has been functioning with minimal disruptions. The situation is likely to further improve with easing of restrictions in the coming days.

In light of these circumstances, the Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement up to the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of tangible and intangible assets, financials assets, inventory, receivables etc as well as borrowings and liabilities accrued.

As mentioned above, since the Company is into manufacturing and supply of pharmaceutical products (essential goods) there is no significant impact on the overall demand of the goods and its supply chain. The Company has also not observed any significant delay in the collection from customers thus there is no significant increase in Credit risk. Further, the Company's liquidity position is adequate to service all its near term debt and other financing arrangements/liabilities.

The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves globally. The Company will continue to closely monitor any material changes to future economic conditions.

Signature to note 1 to 58

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: Bengaluru
Dated: May 12, 2021

For and on behalf of
Board of Directors of Lupin Limited

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS – 11973

Place: Mumbai
Dated: May 12, 2021

Notes

LUPIN

REGISTERED OFFICE

Lupin Limited
(CIN: L24100MH1983PLC029442)
Kalpataru Inspire, 3rd Floor
Off Western Express Highway, Santacruz (East)
Mumbai - 400 055, India.
Tel: +91 22 6640 2323

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