July 20, 2020

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

In compliance with Regulation 34(1) of the Listing Regulations, enclosed is the Annual Report of the Company for the year ended March 31, 2020, along with the Notice convening the Thirty-Eighth Annual General Meeting at **4.00 p.m. (IST) on Wednesday, August 12, 2020**.

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

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For LUPIN LIMITED

RAJVARDHAN VISHNU SATAM

Digitally signed by RAJVARDHAN VISHNU SATAM
DN: c=IN, o=Personal, postalCode=400062, st=Maharashtra, 2.5.4.20=c19d8ef961d9fa59e973a093a4d3924b2532eb2f496ea7e2abcf74700f5375b7, serialNumber=df8ebe60a88c796663c738ea25bfa0b475d195f726cdb67a2ff09c4242771b2a, cn=RAJVARDHAN VISHNU SATAM
Date: 2020.07.20 10:00:31 +05'30'

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

Encl: a/a

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

Notice to Members

NOTICE is hereby given that the Thirty-Eighth Annual General Meeting of Lupin Limited will be held on Wednesday, August 12, 2020 at 4.00 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, 3rd Floor, Kalpataru Inspire, 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, 2020, 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, 2020, 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/- per equity share, for the year ended March 31, 2020.

4. To consider the re-appointment of Mr. Nilesh Deshbandhu Gupta, as director, who retires by rotation and being eligible, offers himself, for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution for the re-appointment of Ms. Vinita Gupta as the Chief Executive Officer of the Company: -

"**RESOLVED THAT** pursuant to the provisions of the Articles of Association of the Company, Sections 2(18), 2(51), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (each as amended from time to time, including any statutory modifications or re-enactment thereof), Ms. Vinita Gupta (DIN: 00058631) be and is hereby re-appointed as the Chief Executive Officer (CEO) of the Company, for a period of five years effective May 28, 2020, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

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

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution for the appointment of Mr. Ramesh Swaminathan as Executive Director, Global CFO & Head Corporate Affairs of the Company: -

"**RESOLVED THAT** pursuant to the provisions of the Articles of Association of the Company, Sections 2(19), 2(51), 152, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (each as amended from time to time, including any statutory modifications or re-enactment thereof), Mr. Ramesh Swaminathan, (DIN No. 01833346), who in terms of Section 161 of the Act, was appointed by the Board of Directors as an Additional Director of the Company, effective March 26, 2020 and holds office until the date of this Annual General Meeting, and in respect of whom, the Company has received notices in writing pursuant to Section 160 of the Act, from Members proposing his candidature, be and is hereby appointed as a regular Director and designated as Executive Director, Global CFO & Head Corporate Affairs of the Company, for a period of five years effective March 26, 2020, on payment of remuneration as per the terms and conditions set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT Mr. Ramesh shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall be deemed to mean and include any Committee constituted by the Board), be and is hereby authorised to revise, amend, alter and vary the remuneration or pay any other allowances, benefits and perquisites to Mr. Ramesh, within the overall maximum prescribed limit, in such manner as may be agreed upon between the Board and Mr. Ramesh and to take such steps as may be necessary to give effect to this Resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution for the re-appointment of Mr. Jean-Luc Belingard as an Independent Director: -

"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule IV of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulations 17, 25(2) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), in each case as amended from time to time, including any statutory modifications, or re-enactment thereof, Mr. Jean-Luc Belingard (DIN: 07325356), who holds office up to the conclusion of this Annual General Meeting, 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 his 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 for a term of five years from the conclusion of the Thirty-Eighth Annual General Meeting i.e. from August 12, 2020 till August 11, 2025 and he shall not be subject to retirement by rotation.

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

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution for payment of commission to Non-Executive Directors: -

"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 197, 198 and any other applicable provisions of the Companies Act, 2013 (Act) and Rules made thereunder, Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (each as amended from time to time, including any statutory modifications or re-enactment thereof) and subject to such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded for payment of commission not exceeding in the aggregate, 0.5% per annum of the Company's standalone net profit, computed in the manner laid down by Section 198 and other applicable provisions, if any, of the Act, to non-executive directors of the Company or to some or any of them, in such proportion, as may be decided by the Board of Directors from time to time, for a period of five years commencing from April 1, 2020.

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."

9. 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, 2021: -

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any amendments or re-enactments thereof), Mr. S. D. Shenoy (FCMA, Membership No. 8318), practising cost accountant, Cost Auditor, appointed by the Board of Directors, to conduct audit of the cost records of the Company, for the

year ending March 31, 2021, be paid remuneration of ₹ 700,000/- (Rupees Seven Hundred Thousand only) plus applicable taxes and out-of-pocket expenses.

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

Notes:

1. In view of the global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), has 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 Companies Act, 2013 (Act).

4. Members under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to mail to investorservices@lupin.com, a scanned copy (PDF/JPEG format) of the Board Resolution 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 in respect of Special Business to be transacted at the AGM is annexed and forms part of this Notice. The Board of Directors have considered and decided to include Item Nos. 5 to 9 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

6. Register of Members and Share Transfer Register will be closed from Wednesday, August 5, 2020 to Wednesday, August 12, 2020, (both days inclusive).

7. Dividend for the year ended March 31, 2020, if declared, at the AGM, shall be paid to those Members, whose names appear: -

a. as beneficial owners at the end of business hours on Tuesday, August 4, 2020, as per lists furnished by Central Depository Services (I) Limited (CDSL) and National Securities Depository Limited (NSDL), in respect of shares held in electronic form; and

b. on the Register of Members of the Company as on Tuesday, August 4, 2020, after giving effect to valid transfers in respect of transfer requests lodged with the Company/Link Intime India Private Limited (LIIPL), Registrar and Share Transfer Agent (RTA) on or before the close of business hours on Tuesday, August 4, 2020, in respect of shares held in physical form.

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

In order to enable the Company to remit dividend electronically through National 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 at 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 Members.

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, 2013 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, 2012, 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 12, 2020.

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

13. Pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the MCA read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM and Annual Report for the year ended March 31, 2020 are being sent electronically to those Members whose email addresses are registered with the DP/RTA. Notice of the AGM along with the Explanatory Statement and the Annual Report for the year ended March 31, 2020, circulated to Members is 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 the 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, May 28, 2020.

Registered Office:
3rd Floor, Kalpataru Inspire,
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 Mr. Nilesh Deshbandhu Gupta, Managing Director, 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 Annual Report.

Mr. Nilesh Deshbandhu Gupta holds 904,764 fully paid-up equity shares of ₹ 2/- each in the Company.

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

This Explanatory Statement may also be regarded as a disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends passing of the said Resolution.

ITEM NO. 5

Ms. Vinita Gupta, 51, was appointed as Chief Executive Officer (CEO) of the Company, effective September 1, 2013. She has been a Director on the Board of the Company since June 27, 2001. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 28, 2020, approved the re-appointment of Ms. Vinita Gupta as the CEO of the Company effective May 28, 2020, for a period of five years until May 27, 2025. The Audit Committee approved the said re-appointment. Ms. Vinita Gupta shall undertake and supervise certain functions in relation to the Company pertaining to financing/fund raising, marketing, business development and exploring organic/inorganic growth opportunities viz. acquisitions, joint ventures, forging strategic alliances and partnerships.

Ms. Vinita Gupta is an employee of Lupin Management, Inc., USA (LMI), wholly-owned subsidiary of the Company. Her brief profile, areas of expertise, qualifications, experience, number of meetings of the Board attended during the year, directorships/ memberships/chairmanships of Committees of other Boards and remuneration paid to her in terms of the Service Agreement are mentioned in the Annexures to Directors Report, Corporate Governance Report and Financial Statements for the year ended March 31, 2020.

In terms of the Service Agreement, the LMI Board is permitted to revise, amend, alter and vary the remuneration of Ms. Vinita Gupta. No remuneration shall be payable to Ms. Vinita by Lupin Limited, India on her re-appointment to the role as its CEO.

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

Ms. Vinita Gupta and Mrs. Manju D. Gupta and Mr. Nilesh Deshbandhu Gupta who are related to her

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

The Board recommends passing of the said Resolution.

ITEM NO. 6

At its meeting held on March 25, 2020, the Board of Directors appointed Mr. Ramesh Swaminathan, 54, as Executive Director, Global CFO & Head Corporate Affairs of the Company for a period of five years effective March 26, 2020, subject to terms and conditions mentioned herein below: -

Salary:

Basic pay, allowances and other benefits ₹ 45,297,648/- per annum.

Performance-linked Incentive/Bonus:

An amount not exceeding 50% of the fixed cost to the Company as may be determined by the Chief Executive Officer/Managing Director of the Company, at the end of each financial year.

Others:

In addition to the above, Mr. Ramesh shall be entitled to provident fund (Company's contribution 12% of Basic Salary), gratuity, mediclaim, accident and life insurance coverage and leave with full pay and encashment thereof as per Company Policy. He shall be entitled to membership fees of maximum two clubs. He will be entitled to stock options as may be determined by the Nomination and Remuneration Committee from time to time.

At the time of joining, Mr. Ramesh was paid one time sign-on amount of ₹ 12,000,000/- and 20000 Stock Options at the face value of ₹ 2/- per share.

Mr. Ramesh will be entitled to annual increments as per Company Policy as approved by the Chief Executive Officer/Managing Director of the Company.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

Overall remuneration:

The overall remuneration of Mr. Ramesh in any one financial year shall not exceed the limits prescribed by Section 197 and Schedule V and other applicable provisions of the Companies Act, 2013 (Act) including any amendments and re-enactments thereof as may from time to time be in force.

Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency or tenure of his service, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule V of the Act including any amendments and re-enactments thereof as may from time to time be in force.

In terms of Section 160 of Act, the Company has received notices in writing from certain Members proposing the candidature of Mr. Ramesh to be appointed as Director.

The appointment and terms of remuneration were recommended by the Nomination and Remuneration Committee.

Brief profile of Mr. Ramesh, his areas of expertise, qualifications, experience, number of meetings of the Board attended during the year, directorships/ memberships/chairmanships of Committees of other Boards and remuneration paid to him are mentioned in the Annexures to Directors Report, Corporate Governance Report and Financial Statements for the year ended March 31, 2020.

Considering Mr. Ramesh's experience, expertise, responsibilities shouldered by him, volume of the Company's business, the terms of his remuneration are reasonable.

The Company has received from Mr. Ramesh, his consent to act as a Director and a declaration that he is not disqualified from acting as the Director of the Company.

Mr. Ramesh holds 18,732 fully paid-up equity shares of the face value of ₹ 2/- each in the Company.

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

This Explanatory Statement may also be regarded as a disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends passing of the said Resolution.

ITEM NO. 7

At the 34th Annual General Meeting (AGM) held on August 3, 2016, Mr. Jean-Luc Belingard was appointed as Independent Director on the Board of the Company till the conclusion of the 38th AGM.

As recommended by the Nomination and Remuneration Committee, based on performance evaluation of Mr. Belingard, the Board of Directors, at its meeting held on May 28, 2020, approved his re-appointment, as an Independent Director of the Company for a period of five years, with effect from the conclusion of the 38th AGM i.e. August 12, 2020 till August 11, 2025, subject to approval by the Members by Special Resolution.

The Company has received the following from Mr. Belingard: -

- Consent to act as a Director 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;
- Certificates 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;
- Notice in Form MBP - 1 pursuant to Section 184(1) of the Act, read with Rule 9 of the Companies (Meetings of Board and its Powers) Rules, 2014, disclosing his interest in companies/firms/ association of individuals; and
- Declaration pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), confirming that he meets the criteria of independence enumerated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, respectively and that there has been no change in the circumstances affecting his status as Independent Director and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

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

The terms and conditions of his appointment are posted on the Company's website www.lupin.com and are open for inspection by the Members at the Registered Office of the Company.

Brief profile of Mr. Belingard, 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 Annual Report.

Mr. Belingard 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 Mr. Belingard as Independent Director, for a term of five years with effect from the conclusion of the 38th AGM i.e. August 12, 2020 till August 11, 2025, by passing a Special Resolution at the forthcoming AGM.

Mr. Belingard is interested in the said Resolution. No other Director/Key Managerial Personnel of the Company and their relatives are interested in or concerned with the said Resolution.

This Explanatory Statement may also be regarded as a disclosure pursuant to Regulation 36(3) of the Listing Regulations.

The Board considers that the continued association of Mr. Belingard would immensely benefit the Company and that it is desirable to continue to avail of his services. Accordingly, the Board recommends the passing of Resolution.

ITEM NO. 8

In appreciation of the valuable advice, support and guidance rendered by non-executive directors and as recommended by the Board, the Members, at the Annual General Meeting held on July 23, 2015, approved the payment of commission to them not exceeding in the aggregate 0.5% p.a. of the net profit

of the Company, computed in the manner laid down by Sections 197 and 198, of the Companies Act, 2013 and Rules made thereunder, for a period of five years commencing from April 1, 2015. The said approval was up to March 31, 2020.

The Company continues to greatly benefit from the invaluable inputs provided by non-executive directors, who have vast experience, expertise and wisdom in various fields of business. Non-executive directors are Members of various Committees constituted by the Board and offer expert advice and guidance. In appreciation of the valuable support and guidance rendered by them, it is proposed to pay them commission in such proportion as may be decided by the Board from time to time.

At its meeting held on May 28, 2020, the Board of Directors approved the payment of commission not exceeding in the aggregate 0.5% per annum of the standalone net profit of the Company, for a period of five years commencing from April 1, 2020, computed in the manner laid down by Sections 197, 198 and other applicable provisions, if any, of the Act and Rules made thereunder including any statutory amendment(s) or re-enactment(s) thereof. The commission to be paid to the non-executive directors is in accordance with the Nomination and Remuneration Policy of the Company which is available on its website www.lupin.com.

Your approval is sought for the said proposal which would also constitute approval pursuant to Regulation 17(6)(a) and (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All non-executive directors, Ms. Vinita Gupta and Mr. Nilesh Deshbandhu Gupta being related to Mrs. Manju D. Gupta are interested in the said Resolution. None of the other Directors/Key Managerial Personnel or their relatives are interested in or concerned with the said Resolution.

The Board recommends passing of the said Resolution.

ITEM NO. 9

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. S. D. Shenoy (FCMA, Membership No. 8318), practicing cost accountant, Cost Auditor, to conduct audit of the cost records of the Company for the year ending March 31, 2021.

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

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 700,000/- plus applicable taxes and out of pocket expenses payable to the Cost Auditor as approved by the Board of Directors 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, 2021.

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

The Board recommends passing of the said Resolution.

By Order of the Board of Directors

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

Mumbai, May 28, 2020.

Registered Office:
3rd Floor, Kalpataru Inspire,
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

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in.

   Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under: -

   - Click on **'Sign Up'** under **'SHARE HOLDER'** tab and register with your following details: -

A. User ID: Enter your User ID

- Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID.**
- Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.**
- 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.

- Members holding shares in **CDSL demat account shall provide either 'C' or 'D', above.**
- Members holding shares in **NSDL demat account shall provide 'D', above.**
- 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 for **'Lupin Limited/ Event number 200069'.**
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.
8. 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.

If you have forgotten the 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'.**
- In case member is having valid email address, Password will be sent to his/her registered e-mail address.
- Member 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.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

In case Members 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 call on +91 (022) 4918 2505/4918 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 Thursday, August 6, 2020.

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. Thursday, August 6, 2020, may obtain the login ID and password by sending a request to enotices@linkintime.co.in. However, if he/she is already registered with LIIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

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, not later than forty eight hours 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).

PROCESS AND MANNER FOR ATTENDING THE THIRTY-EIGHTH 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 agm2020speakers@lupin.com, atleast 48 hours prior to the date of AGM i.e. on or before 4.00 p.m. (IST) on Monday, August 10, 2020.
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, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at agm2020speakers@lupin.com, atleast 48 hours prior to the date of AGM i.e. on or before 4.00 p.m. (IST) on Monday, August 10, 2020. 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 Email ID) 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 4.00 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 a 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 2020-21 does not exceed ₹ 5,000/-.

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

   a. Tax shall be deducted at source in accordance with Section 194 of the Act @ 7.5%, if the amount of dividend payable exceeds ₹ 5,000/-.

   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%.

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 and education cess) shall be deducted on the amount of dividend payable.

2. However, pursuant to Section 90(2) of the Act, non-resident shareholders 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 shareholder shall furnish the following documents not later than **5.00 p.m. (IST) on Thursday, July 30, 2020,** to LIIPL, RTA 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 2020-21. 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 III)**; and

d. Self-declaration **(Annexure IV)** 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 2020-21.

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.

Notwithstanding Paragraph 2 above, as per the provisions of Section 196D of the Act, tax shall be deducted at source @ 20% (plus applicable surcharge and health and education cess) on dividend payable to Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs). Such TDS rate shall not be reduced on account of the application of the beneficial DTAA rate or lower tax deduction order, if any.

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 Thursday, July 30, 2020.** 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 Thursday, July 30, 2020,** in order to enable the Company to determine and deduct appropriate TDS/ withholding tax.

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 (Forms)
8. Document attachment - 3 (Any other supporting document)

Please note that no communication on tax determination/deduction shall be entertained after **Thursday, July 30, 2020.** 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://incometaxindiaefiling.gov.in.

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 MCA, dividend will be paid electronically in the bank accounts of Shareholders. The Company will keep on hold demand drafts of shareholders who have not registered their bank details and will dispatch the same once the lock down is lifted and postal services are normalised. 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

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

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 2021 relevant to the assessment year 2021-2022 will be nil.

*I/We also declare that * my/our *income/incomes referred to in column16 and the aggregate amount of income/ incomes referred to in column 18 for the previous year ending on 31st March, 2021 relevant to the assessment year 2021-2022 .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]

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

Place: **.....**

Date: **.....**

_____ ***Signature of the person responsible for paying the income referred to in column16 of Part I***

*Delete whichever is not applicable.

1 As per provisions of section 206 AA (2), the declaration under section 197 A (1) or 197 A (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 197 A (1) and a person (other than a company or a firm) under section 197 A (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 I 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 31 A (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
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

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, 2021 relevant to the assessment year 2021-2022 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

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 _____*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 - IV

<To be printed on letter head>

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

Dear Sir/Madam,

Re.: Self declaration for Indian Financial Year (FY) 2020-21 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 2020-21 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 2020 to 31 March 2021.

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>

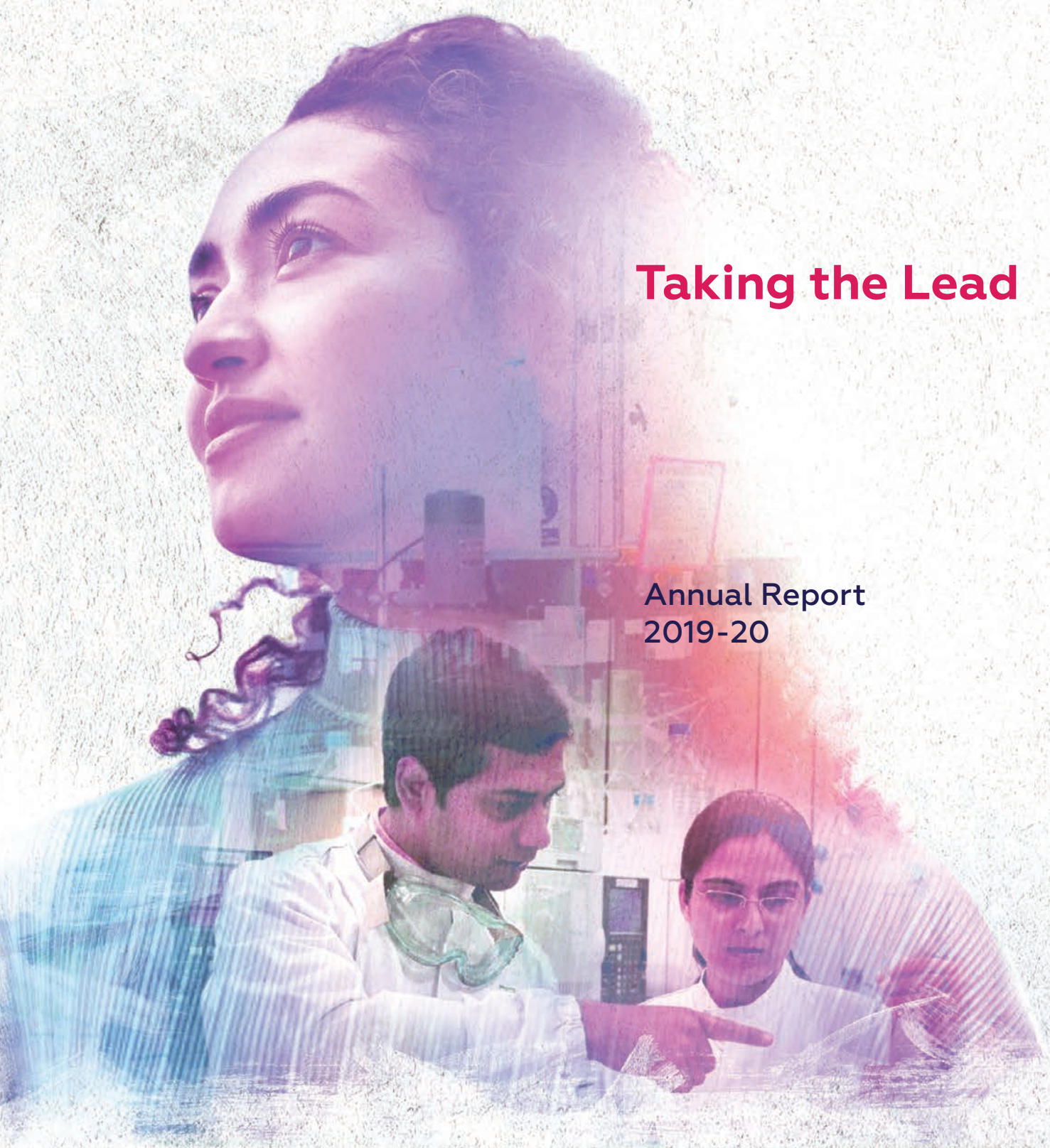
_____

Name: <insert authorised person name>

<Insert designation>

LUPIN

Taking the Lead



Annual Report 2019-20

Our founder, Dr. Desh Bandhu Gupta believed in Tagore's maxim that 'Life must not be the infinite elongation of a straight line.'

This is more true today than ever before, as we see every line of Society and the Economy being stretched or bent, if not broken.

DBG believed that the broadest shoulders must carry the heaviest burdens. We are humbled and honored that we can be counted on to take the lead at this time – to bring new products and therapies to market, to ensure access to affordable, quality healthcare, to guarantee the safety and well-being of all our stakeholders and to wholeheartedly give back to Society.

Count on us to take the lead

Contents

Corporate Overview

2 A Tribute to Our Founder
4 Our Global Footprint
6 Pharma in a COVID-19 World
8 Financial Highlights
10 Chairman's Letter
12 Vice Chairman's Letter
14 CEO & MD's Letter
16 United States
18 India
20 Latin America
21 Asia Pacific
22 Europe, Middle East and Africa
24 Active Pharmaceutical Ingredients
26 Research and Development
30 Global Manufacturing & Supply Chain
33 Quality and Compliance
34 Environment, Health and Safety
36 Financial Review
38 Human Resources
40 Corporate Social Obligation
42 Board of Directors
44 Awards & Recognitions
45 Corporate Information
46 Ten Year Financial Summary

Statutory Reports

48 Directors' Report
84 Corporate Governance Report
103 Independent Auditor's Certificate on Corporate Governance
104 Business Responsibility Report

Financial Statements

117 Independent Auditor's Report on Consolidated Financial Statements
126 Consolidated Financial Statements
210 Independent Auditor's Report on Standalone Financial Statements
220 Standalone Financial Statements



in the U.S. by Prescriptions



in Anti-Hypertensive Segment in the U.S.



in 63 Products in the U.S.



Brands in the Top 100 Brands of India



Across Chronic Therapies in India

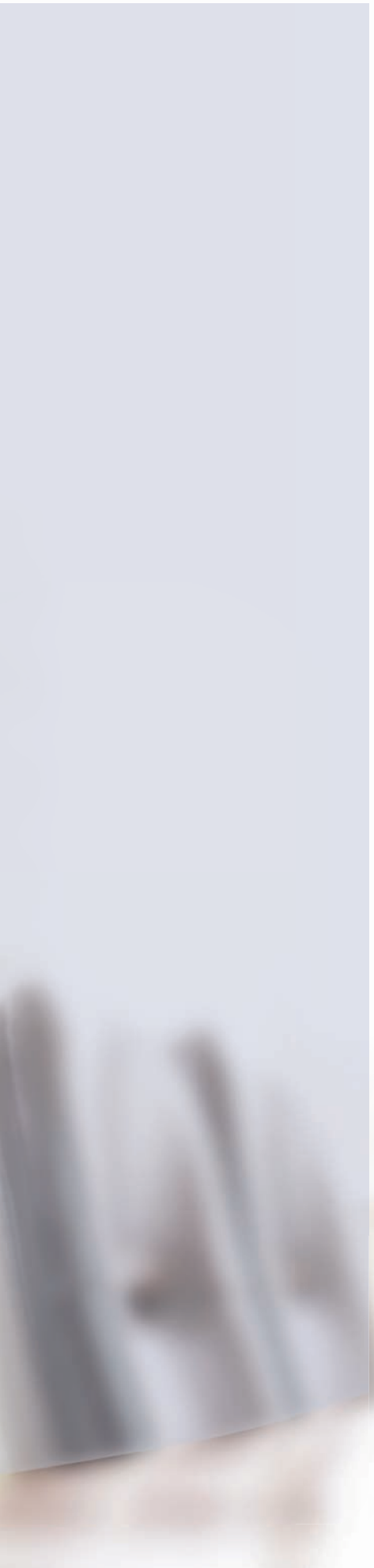


Generic Player in Australia and South Africa

Dr. Desh Bandhu Gupta

1938 – 2017
Founder and Former Chairman





Dr. Desh Bandhu Gupta (DBG, as we all call him) was a visionary, with a compelling view of the future, for Lupin and for India. He was deeply committed to the idea of India that he envisioned – a technological powerhouse and an inclusive nation, leading the world. Lupin today bears his flag of ambitious optimism, relentless passion, and public spiritedness, as it takes on global challenges in Research, Manufacturing and Marketing.

DBG always said investing in his people and contributing to their overall development is what makes us powerful. Lupin is a formidable influence in the world today, with our unique culture of empowered employees working towards a collective goal. The path we walk is paved by DBG's values that influence every decision and engagement with our team, customers, and society.

Right from the start of the COVID-19 pandemic, as in our business, our actions demonstrated the amazing spirit of our Lupinytts, the relentless "never give up" attitude that we learnt from DBG, living by his words, "I firmly believe that Lupin is a great company with great people doing great work." Our single-minded goal through the COVID-19 crisis has been to ensure that we can be counted on to take the lead – to ensure access to our affordable, quality products, to guarantee the safety and well-being of all our people, and to give back to Society.

We have a lot to do. Make ourselves stronger. Grow faster. And to do all this sustainably, creating a benchmark of excellence in research and manufacturing in a rapidly changing world. Building a pharmaceutical giant for India, and the World.

DBG's belief in people, deep concern for the good of Society and a Company based on values, made him deliver the unimaginable. Today more than ever, we see what DBG saw a long time ago – Lupin is not just a business, it is a vehicle to do good for Society.

Our Global Footprint



Quality, Manufacturing & Compliance:

India: Aurangabad, Ankleshwar, Dabhasa, Goa, Indore, Jammu, Mandideep, Nagpur, Pune, Sikkim, Tarapur & Vizag

U.S.: New Jersey; **LATAM:** Mexico & Brazil

Research:

India: Pune & Aurangabad; **U.S.:** 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
Goa
Vizag

Pharma in a COVID-19 World

Leading the Change

A humanitarian crisis of the scale of the COVID-19 pandemic presents times of great uncertainty and change. While industries and individuals are grappling with the challenges, the global pharmaceutical industry has taken center stage in the fight against COVID-19, its contribution ranging from vaccine development, research on repurposed and novel medicines, production of testing kits, and support to frontline workers and the needy.

In light of the COVID-19 pandemic, the pharma industry will also witness massive shifts in R&D, supply chain, operations, digital adoption and talent management. At Lupin, we are using this challenge as an opportunity to become more resilient, more efficient and more focused on bringing quality, affordable treatments to market faster to help improve outcomes for patients.





Ensuring business continuity

Being a part of Essential Services, the pharma industry has been particularly responsive to the disruption caused by COVID-19 and taken exemplary and expedited steps to ensure business continuity. In fact, the Operations model of pharma companies has become a ready working model for resumption of manufacturing operations across industries. Overcoming input material disruptions and logistic challenges, our commercial and operational teams at Lupin are working closely with our customers and government agencies to ensure that we are able to maintain a consistent supply of our products, including those for the treatment of COVID-19.

At the peak of the disruption in April 2020, Lupin sites still delivered 90% of their formulations target and 120% of their API target

A March 2020 survey conducted by the Institute for Supply Chain Management, stated that nearly 75% of companies reported supply chain disruption in one form or the other due to coronavirus-related transportation restrictions. Companies across sectors are reevaluating their strategies to address supply chain risks. The Government of India has indicated its support by announcing several incentives to set up API units to boost domestic manufacturing in India and mitigate risk of supply chain shocks from external sources. At Lupin, we are using this opportunity to reassess our manufacturing footprint, de-risk in-line products and engrain flawless execution as a key differentiator.

Lupin has less than 30% dependence on early raw materials and intermediates from China and our supply chain ensured that we remained insulated from supply disruption

Safeguarding the health and safety of our people

Right at the onset of the COVID-19 crisis, we rolled out harmonized plans at all our manufacturing sites and offices. The comprehensive plan to prioritize the health and well-being of all Lupinytts integrates with the existing efforts of independent teams at each site. We have seen our manufacturing leaders step up and ensure that while we continue manufacturing our much-needed essential medicines, the safety of our people is not compromised. Right from screening and ensuring social distancing at work or in cafeterias, to using Personal Protective Equipment (PPE) at all times, they have left no stone unturned. Our Supply Chain and Procurement teams ensured optimal supply of PPE and sanitization materials, while there was an ongoing global shortage.

Global Giving programs

COVID-19 has stretched the world's resources severely, and corporates and institutions have stepped up like never before. Lupin's product portfolio (including products pending approval) includes many products related to the treatment of COVID-19 including Azithromycin, Hydroxychloroquine and Albuterol as well as other flu, antibiotic and antiviral products.

Our employees raised INR 55 Million by contributing two days of their salary and Lupin contributed a matching sum of INR 55 Million. In addition, the Dr. Desh Bandhu Gupta family contributed INR 100 Million to together set up the Lupin COVID-19 Relief Fund to drive initiatives that support overburdened healthcare systems through donation of PPEs, medicines and provide for meals for front-line workers and the needy. We are humbled and proud of the difference that we have been able to make.

To date Lupin has donated 2.38 Million masks, 1.12 Million medical equipment, 130,800 PPE suits, 470,000 sanitizers, 208,200 food kits and supported 93,000 migrants during the COVID-19 crisis

Lupin's Global Giving Programs extend to our communities across India, U.S., Latin America and Europe. In addition to numerous measures that we carried out directly, the Lupin COVID-19 Relief Fund has contributed meaningfully to the PM CARES Fund in India and supported healthcare facilities across the severely affected regions of New York, New Jersey, Baltimore and Florida.





Leveraging opportunity

The U.S. spends about 17% of its GDP on healthcare. According to a report by IMARC, the global generics drugs market is expected to reach US$ 497 Billion by 2025. India stands to gain as a leading provider of generic medicines to the U.S. India accounts for 46% of generics supplies to the U.S. market by volumes. With more emphasis on global drug supply security, we expect Indian generic majors to benefit by further leveraging our low-cost base, high throughput, quality standards and the skill set required to take on newer challenges.

With 30 Billion+ extended units capacity, 85% of Lupin's products marketed in the U.S. are supplied from India

Embracing digital

A key step in risk mitigation against future disruptions will be the creation of flexible operating models, increasing automation and reliance on technology to minimize human interface. Further, uptick in digital promotional activity is likely with physicians advocating for more patient engagement on virtual platforms with promotion moving into the virtual space. We see that Industry 4.0 adoption would unleash cost optimization possibilities and drive efficiencies in ways never imagined before.

During COVID-19, Lupin was the first Indian pharma company to suspend field operations and introduce a Digital platform for customer engagement through which our field force could connect with doctors effectively

At the same time, we as an industry, deal with sensitive information that is required to comply with several regulations. We now see Digital becoming a key anchor of our strategy, having deep impact on our research, manufacturing, quality, commercial and other allied operations.

Managing talent

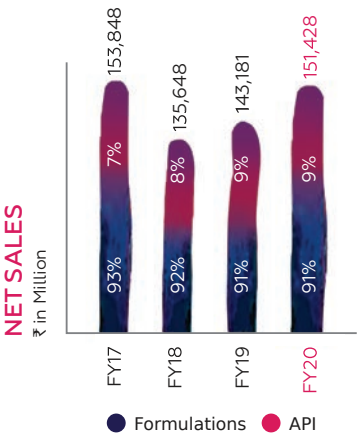
Employees need to imbibe a safety-conscious mindset and be receptive to changes in working patterns and privacy norms with health and travel declarations becoming common. Companies will also have to balance the twin imperatives of maintaining limited headcount and ensuring 100% productivity at sites. We see upskilling of talent and equipping our people with abilities to work remotely, with a deeper understanding of digital possibilities but still retaining the Lupin spirit.

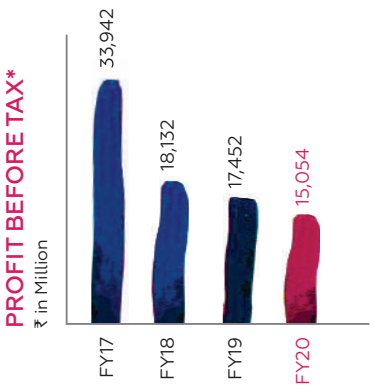
During the lockdown, Lupin rolled out close to 200 online programs and had 15,000 enrollments

Taking Stock

Financial Highlights

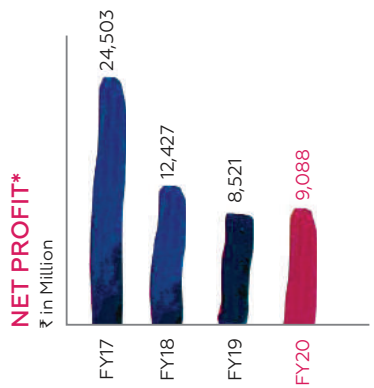
Profit and Loss Metrics



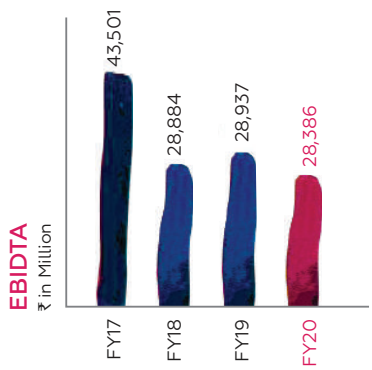


*Numbers reported above are before exceptional items

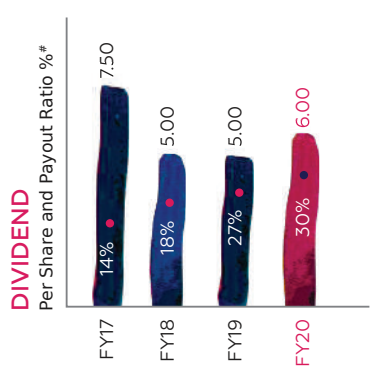




*Numbers reported above are before exceptional items



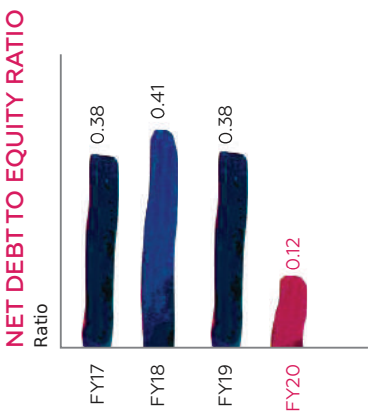
*All P&L metrics are restated for continuing operations excluding Japan

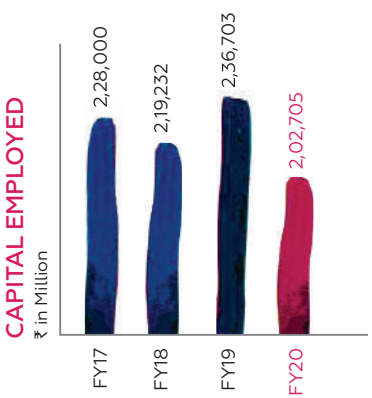


#Payout Ratio calculated using Adjusted EPS

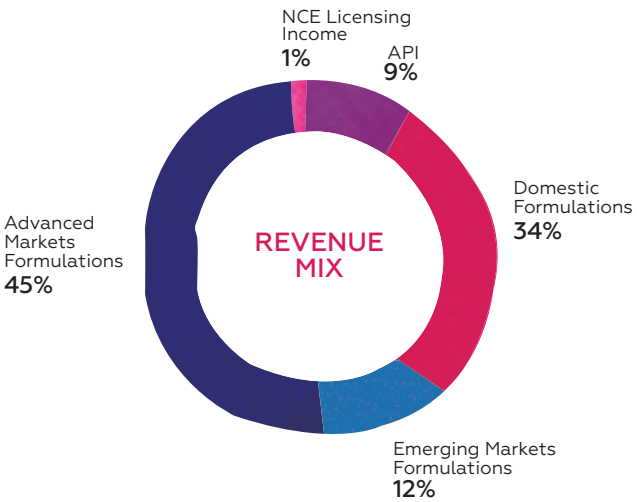
Balance Sheet Metrics

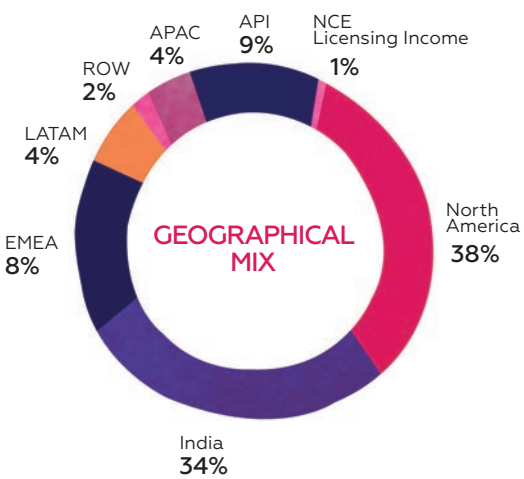






Capital Employed Defined as Equity + Reserves + Long Term Liabilities + Current Borrowings + Current Portion of Long Term Borrowings





Chairman's Letter

Our actions during the COVID-19 crisis reflect the strong influence of our core values on each Lupinytt.



Dear Shareholders

I am pleased to present to you Lupin's FY20 Annual Report.

FY20 was a good year. In addition to recording growth across all our geographies, we made significant progress in the year to ensure that we continue on this growth path. Inspite of the odds, we have demonstrated that the right strategy, focus and geographical footprint will deliver consistent and sustainable growth.

In FY20, our India branded products business recorded double digit growth, driven by new product introductions and a strong thrust on brand building. Our Global Institutional Business hit multiple milestones in building a broader offering of life-saving TB and HIV medicines, taking forward Dr. Desh Bandhu Gupta's commitment to Society. In the U.S., our generics business is seeing signs of price stability after successive years of price pressure. We are committed to bringing much-needed products to market – our Levothyroxine is now ramping up to a meaningful share and we continue our progress on complex generics and biosimilars. In a significant development, our Etanercept biosimilar has now received European approval.

Likewise, in Europe, we have made good progress in building our specialty business around NaMuscla® – an important product for managing a rare, inherited neuromuscular disease.

On the manufacturing front, we continue to build our capabilities and strengthen our processes. Through our robust efforts in implementing important initiatives in Quality and Compliance, we now see consistent positive outcomes from regulatory inspections. In this, I see Lupin earning back its rightful place and becoming the global benchmark for Quality and Compliance.

As a company, we made substantial progress in focusing on the essentials and strengthening our financials. With the divestment of Kyowa, Japan in FY20, we have strengthened our capital structure to invest in our priorities and strategic focus areas.

The global COVID-19 pandemic that we have all been facing together since the last quarter of FY20, has strengthened our resilience as a company and our commitment to human-kind. Even during the lockdown, despite debilitating challenges, we delivered on our commitment and ensured the supply of much needed life-saving medicines. I am proud of our team's efforts in giving back across all our geographies. We continue to engage in activities that complement governmental relief efforts – distributing medicines, meals, food kits and PPEs.

There is a quote that echoes my feelings very closely, "Adversity does not build Character, it reveals Character". In the COVID-19 crisis, the true values and character of the Lupin team have been revealed – and it is something that DBG would be proud of.

I would like to thank all our employees for their hard work and commitment thoughtout FY20. But most of all, I would like to thank you, our shareholders and customers for your continued support as we look forward to a successful FY21.

Warm regards,

Manju D. Gupta
Chairman

Vice Chairman's Letter

By taking in our stride the learnings of the past few years and acting upon them, we have embarked on a journey of transformation that leads to sustainable growth.



Dear Shareholders

It gives me immense pleasure to write to you.

As we close FY20 on a high note and move into FY21, with multiple manufacturing sites clearing regulatory inspections, a stronger-than-ever portfolio of approved products, and a robust product pipeline awaiting approval, I believe we are at an inflection point. By taking in our stride the learnings of the past few years and acting upon them, we have embarked on a journey of transformation that leads to sustainable growth.

Our businesses across key geographies have recorded strong growth with India and U.S. leading from the front and accounting for 72% of global revenues. We have 174 products in the U.S. generics market out of which 63 are No. 1. This is a commendable achievement, one that reflects our strength in the generics segment.

We invested 10.3% of our revenue into R&D, a lot of it into complex platforms that will serve as the blood line for future growth and progress. We have 43 First-to-File products pending launch, with an estimated market size of US$ 43.6 Billion, and 14 of these are exclusive opportunities.

Manufacturing is our strength and in Q4 FY20 and Q1 FY21, we received positive audit outcomes from U.S. FDA for all our facilities that were inspected in this period. Despite testing times brought in by the COVID-19 pandemic, our manufacturing and supply chain teams across geographies remained solid, focussing on the customer and delivering on supply chain commitments.

The COVID-19 crisis further reinforced our belief in our people. It once again highlighted a Lupin trait, the strong will of Lupinytts, one that makes us overcome every obstacle in our way. The respect we have earned during the crisis by standing by our people, continuing to supply medicines globally and supporting our communities should make each one of us proud. It is reflective of the values that our founder Chairman, Dr. Desh Bandhu Gupta stood for.

As we move into FY21, it will be important to sustain growth momentum and surge ahead. We are well-poised to take off on a robust trajectory and enter new realms of enterprise growth and profitability.

Thank you,

Dr. Kamal K. Sharma
Vice Chairman

CEO and MD's Letter

We are committed to deliver on differentiated products, flawless execution, cost optimization and attaining global quality and compliance standards.



Dear Shareholders

The last quarter of FY20 saw the pharmaceutical industry rallying together at a difficult time, taking charge of action against the COVID-19 crisis. From repurposing existing drugs to the hunt for a vaccine, ramping up R&D efforts while ensuring supply of essential drugs amidst unprecedented disruption, all while safeguarding the health and safety of employees, the industry stood taller than ever before.

We are truly proud of how our Lupin team stepped up to respond to the crisis. We established and communicated a dual mission, to keep our Lupinytts safe while maintaining our supply of life-saving medicines for the patients and communities we serve. Our Manufacturing and Supply Chain team responded with characteristic agility to ensure supply continuity while we rapidly adapted to new ways of working for our Manufacturing, Research, Field and Office staff. This rapid execution and speed of socializing best practices globally, demonstrated our agility, spirit of excellence as well as our values of Respect and Care. In addition, the spirit of Lupin shone brightly through our giving efforts in India, the U.S. and many other parts around the world.

At Lupin, FY20 was a year of focused execution. We made strong progress on our strategic growth drivers, remediation efforts at our sites as well as cost optimization efforts. We evolved and strengthened our pipeline of complex generics and biosimilars and closed our second major New Chemical Entity licensing, further validating our ability to innovate. In addition, we executed a strategic divestiture of our Japan business and used the proceeds to strengthen our balance sheet.

Our U.S. business stabilized in FY20 and saw an increase of 5% during the year, excluding Ranolazine, on the back of important products like Levothyroxine and Oseltamivir outpacing in-line product declines. We retain the #3 position in the U.S., accounting for 6.3% share of generics prescriptions dispensed, aided by our leadership in chronic therapies. We expect to continue our ramp-up of Levothyroxine and look forward to the launch of our first major inhalation product, Albuterol in the coming fiscal (pending FDA approval).

During the year, we filed 21 ANDAs, two of which were confirmed exclusive First-to-Files. We now have over 158 ANDAs pending approval with the U.S. FDA; a rich pipeline addressing a total market of over US$ 71.7 Billion comprising of inhalation, first-to-files and injectable products.

Our Complex Generic portfolio meaningfully advanced in FY20. On the inhalation front, gFostair® is the anchor product for our inhalation business in Europe and we expect to launch it in the U.K. in FY21. Importantly, we received European approval for our Etanercept biosimilar and expect to launch it in FY21. We also remain on track for our Pegfilgrastim U.S. filing and now have global trials ongoing for Ranibizumab.

On the Specialty front in Europe, NaMuscla® is our first orphan drug and marks our foray into the rare-disease space. The direct-to-market model for NaMuscla® is now live and we continue to ink marketing alliances to bring it to a broader set of patients across Europe. While FY20 was a difficult year for Solosec® in the U.S., we believe in the potential of the product and hope to realize the same with a more focused commercial team, and partnerships to expand the portfolio. We remain committed to building a world-class Women's Health portfolio in the U.S. On New Drug Development, our team recorded its second win with the successful licensing of our lead MEK inhibitor compound to Boehringer Ingelheim. This builds upon last year's successful pact with AbbVie for Lupin's MALT1 inhibitor program.

Our India business continues to outperform the Indian Pharmaceutical Market with 13% YoY growth. Our focus on brand building has helped us elevate ten brands to the Top 300 from just six in FY18.

The hard work and focused execution by our team on Quality and Compliance has seen an inflection point. We now have consecutive positive outcomes for the five U.S. FDA inspections conducted in Q4 FY20. Through our robust efforts in implementing important initiatives like Quality First as well as undertaking specific remediation activities, our track record has started reflecting our commitment to be the global benchmark in Quality and Compliance for the pharmaceutical industry.

Our top priority for FY20 was to get Lupin back on the growth path, from the decline we saw in FY19. We have made significant progress in this effort, as well as in optimizing our costs on several fronts. We are confident that our performance will reflect the same over the next few quarters as the global situation normalizes. In FY20, we achieved an EBIDTA margin of 18.7% and recognize that there is much more to be done as we realize Lupin's true potential.

We are committed to deliver on differentiated products, flawless execution, cost optimization and attaining global quality and compliance standards. Even on the backdrop of a weak economic global environment, we know that this focus will enable us to generate sustainable, profitable returns for our shareholders, and set a very bright path for Lupin.

Best regards,

Vinita Gupta
Chief Executive Officer

Nilesh D. Gupta
Managing Director

Geared to Deliver

United States

3rd by Prescriptions

63 Products Rank No. 1

30% Average Product/Market Share

Over the past 5 years, Lupin's endeavour has been to strengthen its presence in the U.S., the largest pharmaceutical market globally that accounts for more than 45% of global pharmaceutical sales.

During FY20, the U.S. contributed 38% to the company's revenues, aggregating US$ 800 Million. This is a 3% growth over FY19, largely supported by the ramp up of our Levothyroxine generic during the year. Price erosion in our legacy product portfolio was largely contained to mid-single digits. During the year, we filed 21 ANDAs in the U.S., two of which were confirmed exclusive First-to-Files (FTFs). We now have over 158 ANDAs pending approval with the U.S. FDA, a rich pipeline that includes inhalation, FTF and injectable products.



U.S. Specialty

Early in FY20, we triggered a deep introspection on our Specialty strategy as our lead women's health product, Solosec® witnessed lower than expected traction. We moved swiftly to put in place a set of focused initiatives. We have strengthened the leadership team with experienced executives led by a new President of the U.S. Speciality business, Jon Stelzmiller, who comes with extensive experience in building women's health brands. Led by Jon, the Specialty team executed a host of transformational efforts, which prior to COVID-19, was set to build a formidable and durable franchise.

We remain committed to building a world class Women's Health franchise in the U.S.

However, with the sharp reduction in prescriptions for acute medicines and the continued impact of COVID-19 in FY21, we have now implemented a new operating structure. A smaller team carries forward our ambition in U.S. Specialty, but we believe it will best position us to respond to the market, patient needs, and achieve sustainable growth, going forward.

Securing preferred formulary status for Solosec® with Express Scripts, one of the largest commercial formularies in the U.S., the successful conclusion of our phase 3 study in trichomoniasis, as well as our ongoing business development activities and internal pipeline assets give us confidence of a significant future ahead for this business.

U.S. Generics

Our base U.S. generics business was robust in FY20, helping us deliver even amidst challenges. Our track record with customers remains strong.

Our focus on strengthening our already agile supply chain backed by unparalleled customer service helped us capitalize on seasonal product opportunities like gTamiflu®. Lupin's product portfolio (including those pending approval) includes many of the products related to the treatment of COVID-19 such as Azithromycin and Albuterol as well as other flu, antibiotic and antiviral products.

123 of our products, out of a total of 174, rank amongst the top three products in their segment. Our marketed products have an average market share of 30%

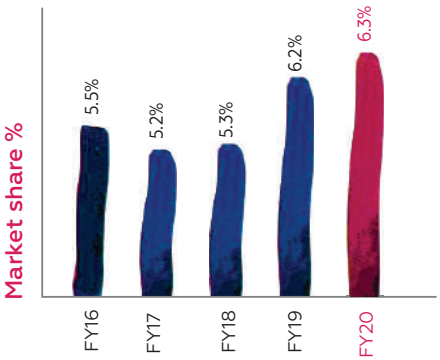
During the year, we continued to work toward reinforcing our quality systems and processes across our manufacturing network ensuring compliance with regulatory standards.

In the last quarter of FY20, the intensive efforts of our team began to bear fruit with successive positive outcomes for inspections at several of our facilities. This will help us deliver on new product launches whilst consolidating our position in our existing portfolio. These measures will now accelerate our U.S. generics growth trajectory.

Throughout the year, we proactively resolved challenges around supply chain issues, channel consolidation and ongoing U.S. FDA discussions that affected new product launches. During the last quarter of the year, we ramped up these efforts substantially in sync with our global efforts to fight COVID-19. Our agile supply chain and meticulous planning ensured continuity of product supply in the market. We also exhibited responsible stewardship in our communities by contributing substantial quantities of product, PPEs and meals to frontline workers and the needy.

In the coming year, we look forward to delivering the promise of our pipeline products including our first Metered Dose Inhaler (MDI) launch in the U.S. — Albuterol (gProAir®), which would mark an inflection point for our complex generics evolution. We remain on track for our biosimilar Pegfilgrastim U.S. filing in FY21. We are confident that as we move ahead, an improved pricing environment, resolution of U.S. FDA issues at certain facilities, and ramp-up of our recent niche product launches will accelerate our growth.

Market Share % (Gx)



Generics Market TRx Ranking

Rank	Corporation	MAT March 2020 (Mn)	Mkt Share	Growth
1	TEVA	407	10.61%	-11.89%
2	AUROBINDO	329	8.58%	30.32%
3	LUPIN	240	6.27%	4.08%
4	ZYDUS	151	3.94%	21.00%
5	AMNEAL	148	3.87%	4.99%

Data Source: IQVIA MAT March 2020

Being the Best

India

6th Rank in India Pharma Market

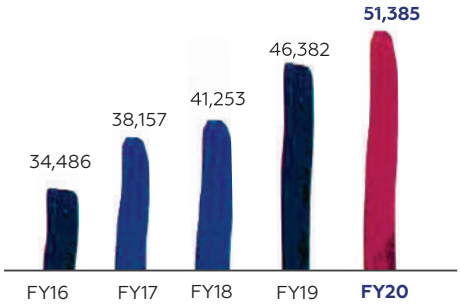
11% Four-Year CAGR

10 Lupin Brands Feature in the Top 300

Lupin's India business is a crucial growth driver and continues to lead the way with greater profitability and value by consistently delivering best-in-class results. In FY20, our Domestic Formulations business crossed the milestone revenue figure of INR 50,000 Million and registered double-digit growth.

Domestic Formulation Sales

₹ in Million



Lupin Market Share in IPM

FY16 3.46%

FY20 3.61%

Lupin's Top 10 Products in Top 300 Brands list

BUDAMATE ONDERO GLUCONORM HUMINSULIN ONDEROMET TONACT CIDMUS IVABRAD GIBTULIO RABLET D

The India business continues to be the second largest business unit for Lupin, contributing 34% to the topline and significantly to the bottomline.

Lupin's branded generics sales grew by 13.6% in FY20. Lupin's branded generic business is currently placed at 6th position in the Indian Pharmaceutical Market (IPM). The branded generics business has consistently outpaced the IPM with a four-year CAGR of 11.7% vs. IPM CAGR of 9.4%. Importantly, over the last four years, we have improved our market share from 3.46% in FY16 to 3.61% in FY20.

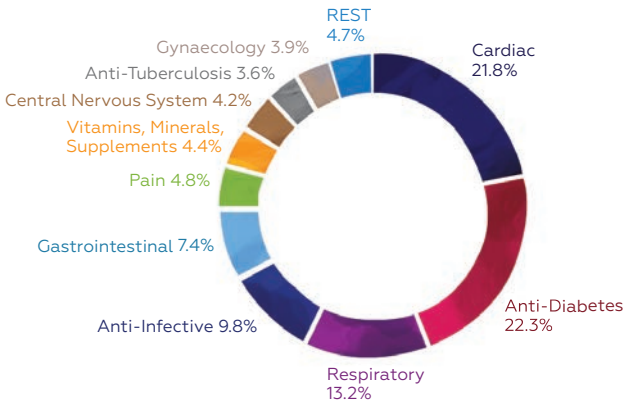
Overall, Lupin retains the 4th position in the high growth chronic segment. The chronic segment has improved in salience to 62% of total revenues and the acute segment contributes the balance 38%.

Our top five therapies, cardiology, anti-diabetes, respiratory, anti-infective and gastrointestinal contribute more than 74% of total sales. We continue to lead in the anti-TB segment and maintain 2nd position in the respiratory and 3rd position in the anti-diabetes and cardiology segments. We have grown significantly in the anti-diabetes segment with growth of 18.4% versus IPM's growth of 11.8%, resulting in improved market share from 7.9% in FY19 to 8.4% in FY20. We now have 10 Lupin brands that feature in the Top 300 brands of the IPM. In FY20, Lupin successfully launched three new divisions focused on the urology, dermatology and pediatric respiratory therapy areas. We also launched 'Adhero,' a first of its kind Bluetooth-Enabled Smart Device in India to support treatment of respiratory disease. We continue to demonstrate

Lupin's Therapy-Wise Ranking

Therapy	Rank FY20	Market Share
ANTI-TB	1	56.6%
RESPIRATORY	2	5.8%
CARDIOLOGY	3	6.6%
ANTI-DIABETES	3	8.4%
CNS	6	2.6%
GYNAECOLOGY	10	2.8%
GASTROINTESTINAL	11	2.6%

Therapy-Wise Share of Revenue



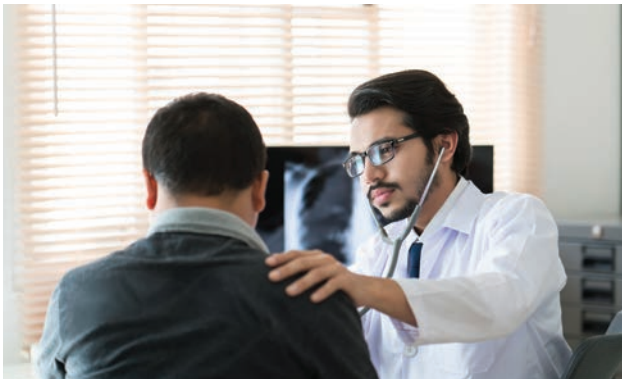
leadership in launching new products and rank 3rd in the IPM in the 12 months New Product Introduction Index.

We are focused on building therapy-specific scientific platforms to enable long-term and meaningful association with focused specialties. In FY20, Lupin associated with the American College of Gastroenterology (ACG) to create a platform for gastroenterologists and similarly with Mayo Clinic for Orthopedics.

Lupin has been at the forefront of digital transformation and technology adoption. 'Anya,' Lupin's Health Chatbot launched in FY20, can answer queries on respiratory ailments, Hypertension and Diabetes. It can even respond in Hindi and Tamil for the latter two conditions. Through our social media channels, we continue to engage with health care professionals through live webinars and content focused on therapeutic advancement.

Lupin has also partnered with new-age startups to leverage their digital prowess and reach patients for educating them on developing healthy habits and improving adherence.





OTC

Our OTC division, LupinLife Consumer Health, is committed to bringing value-based offerings to consumers by introducing well positioned brands based on robust scientific evidence. In FY20, LupinLife reinforced its market presence by strengthening its portfolio and distribution reach. We continue on the growth trajectory with double-digit growth in sales despite headwinds in some markets. There were several Rx to OTC brand shifts in FY20, especially Lupizyme (used for the treatment of digestion related problems) and Aptivate (an appetite stimulant) that have bolstered the product portfolio. Along with introducing brand extensions such as Softovac®O (Orange flavor), we also initiated multiple advertising campaigns for our key brands.

Outlook

Lupin's India business is a sustainable growth story for Lupin. We continue to work on business imperatives and key drivers while engaging with our key stakeholders, doctors, patients and consumers.

Our expertise in brand building, focus on gaining market leadership in key therapies, and agility to adopt digital initiatives will continue to propel our India business towards newer milestones and a promising future.

Data Source: IQVIA MAT March 2020

Laying the Foundation

Latin America (LATAM)

2nd in Mexico Ophthalmic Reference Market (Units)

5th in Brazil Reference Market (Units)

28% Growth in Brazil (Generics)

In FY20, the pharmaceutical market in LATAM region grew by 12%, driven by innovation in select therapeutic areas and sale of branded generics. Overall, our LATAM business recorded growth of 8.6% and contributed 4% to our overall revenues in FY20.

While there has been continued improvement in healthcare access and budgetary allocation by successive governments through the course of the last decade, it still remains a constraining factor to overall growth prospects. In FY20, the two biggest markets in the region, Brazil and Mexico, represented 64% of LATAM market in size and witnessed a growth of 9%. The region also includes exports from India. We have now expanded our presence into Chile, Peru and Colombia by signing distribution agreements with key players in these markets.



Mexico

Mexico is one of the world's largest pharmaceutical markets, with a size of US$ 7.5 Billion. The market witnessed robust growth of 8% in FY20, albeit affected by currency devaluation due to macroeconomic headwinds.

Laboratorios Grin (Lab Grin), Lupin's subsidiary in Mexico, recorded a growth of 3.6% in secondary sales and continues to be ranked 2nd in the ophthalmic reference market (by units). In FY20, we launched important products like hyaluronic acid in preservative free presentations. This launch further strengthened our presence in the dry eye segment.

Lab Grin's portfolio consists of 50 ophthalmic products and 10 primary care products. We intend to now leverage our global product pipeline and grow in areas beyond the ophthalmic segment by launching products in the respiratory, pain management and CNS segments. We are committed to transforming Lab Grin's portfolio to one that is balanced with innovative and branded generics products, across therapy areas.

Brazil

The Brazilian pharmaceutical market is US$ 14.9 Billion and is the most important pharmaceutical market in LATAM, accounting for about 42% of the region's sales. It is ranked as the 13th largest pharmaceutical market worldwide. In FY20, the Brazilian pharmaceutical market recovered with a growth rate of approximately 10% largely led by robust volume growth. However, price pressures coupled with higher input costs weighed on profitability.

MedQuimica, Lupin's Brazilian subsidiary, now ranks 14th in value and is the 5th largest in terms of volumes (in reference market), commanding a 2.1% market share. During the year, MedQuimica launched 10 new generic and dermatology products. MedQuimica outpaced industry growth, delivering 28.1% and 14.2% growth in value and volumes respectively, per IQVIA. Leveraging our strong manufacturing platform and efficient commercial structure, we are aligned to emerge stronger in the quarters to come. Whilst in the short term there are significant headwinds in terms of lower footfall in clinics, increase in input and logistic costs, specific supply shortages and unfavourable forex rates, we continue to believe in the potential of Brazil as a growth market for the pharma industry. Our strategy to leverage our global pipeline assets in the CNS, Ophthalmology and Respiratory segments and build innovation capabilities in both Specialty and OTC, will pay dividends from the region in the years to come.

Data Source: IQVIA MAT Dec 2019 & March 2020

Building Rank

Asia Pacific (APAC)

10 Markets Served in the Region

4th Largest Generic Company in Australia

5th Largest Branded Generic Company in Philippines

The APAC region accounts for more than 20% of the global pharmaceutical market with an estimated market size of US$ 230 Billion. Lupin is present in the major markets of Japan, Australia and Philippines in the region, and the region accounts for 4% of our global sales. In FY20, we recorded a growth of 8.4% in the region, while the market grew at 6%.

Japan

The pharmaceutical market of Japan is pegged at US$ 79 Billion. The market has significantly evolved since we entered in 2007. Kyowa Pharmaceutical Industry Co. Ltd, acquired in 2007 was our main subsidiary in Japan. Its acquired Kyowa Criti Care focused on the injectables business. We believe that Japan's intense cost-containment regulations with regular price cuts present significant headwinds for growth, and led us to exit our on-shore presence in the market in FY20.

We remain interested in the Japanese market. Lupin continues to supply its existing products, APIs and select new products in Japan through a licensing agreement with Kyowa Pharmaceutical Industry Co. Ltd. We are also committed to our partnership with Nichi-Iko for biosimilar Etanercept, which was successfully launched in Japan in H2 FY20. We will continue to selectively bring our portfolio of complex generics and rare diseases to the Japanese market, partnering with the right partners to maximize value for the company.

2007
Entered Japan market via Kyowa Pharmaceutical Industry Co. acquisition

2007 - 2019
Developed robust business in complex generics; launched biosimilar Etanercept

2019
Divested Japan assets to neo ALA Co. Ltd. and Unison Capital's entity Plutus Ltd.

2019
Divestment generated post-tax net cash flows of JPY 33,328 Million leading to a net debt to equity ratio improvement from 0.32 (Q2 FY20) to 0.08 (Q3 FY20)

Australia

The Australian pharmaceutical market is valued at US$ 11.7 Billion with a growth rate of 6.8% in FY20. The generics segment in Australia has witnessed consolidation in recent times and grew at a faster rate of 13.2%, backed by government support.

Lupin's Australian subsidiary, Generic Health ranks 4th in the region amongst generic players and supplies generic prescriptions and OTC medicines to pharmacies and hospitals in Australia. Generic Health reported a strong FY20, with revenues of AUD 48 Million.

As we move ahead, we plan to introduce our complex injectable and respiratory products to the Australian market, in addition to select niche products with limited competition.

The Philippines

The Philippines pharmaceutical market is valued at US$ 4.4 Billion, and grew by 8.3% in FY20.

Multicare Pharmaceuticals Philippines Inc. (Multicare), Lupin's subsidiary in the country, is a premium branded generics company with a strong presence in the rheumatology, gastrointestinal and diabetes segments. We rank 5th among branded generic companies in the country.

Multicare generated total revenues of PHP 1,760 Million, recording a growth of 13% compared with the previous year.

Our strategy for the region focuses on increasing our market share by launching a mix of in-house and in-licensed products. The in-house inhalation and injectable pipeline is expected to be launched in the Philippines in the near future.

Data Source: IQVIA MAT March 2020

Bringing new Solutions

Europe, Middle East and Africa (EMEA)

8% of Global Sales

NaMuscla Roll-out on Track

4th in South Africa (Generics)

The Europe, Middle East and Africa (EMEA) region accounts for 26% of the global pharmaceutical market with an estimated market size of US$ 292 Billion. Lupin is present in the major markets of U.K., Germany and South Africa, with the region contributing 8% to the company's global sales.

The region offers significant opportunity to Lupin for further growth in the 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 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. We plan to comprehensively address Europe and the Middle East with this product before taking it to other geographies.

Europe

The pharmaceutical market in Europe is valued at US$ 267 Billion. In FY20, Lupin's business in Europe registered a growth of 13% with sales of INR 6,414 Million. The key contributors to growth include the portfolio expansion of Hormosan Pharma, our German subsidiary, new product launches and scaling NaMuscla® across U.K., Germany and France.

The restructuring of our sales and marketing strategy in Germany along with our cost optimization measures and implementation of centralized finance shared services, delivered cost savings which further boosted the bottomline for the region.

During the year, Hormosan entered into a partnership with Eli Lilly to promote their migraine product Emgality®, further strengthening Hormosan's position as a market leader in the cluster headache and migraine segment. We also increased promotion of our key products including Oxycodone, Sumatriptan Pen and NaMuscla®. In the U.K., we launched Valproate Semisodium and several ARVs. Negotiations for NaMuscla® reimbursement remain on track, paving our growth path in existing markets while we continue exploring partnerships to expand reach beyond the EU5 markets.

FY21 is poised to be a milestone year as we prepare to launch our first inhalation product (generic Fostair® MDI), our first biosimilar (Etanercept), and continue the expansion of NaMuscla®





South Africa

The pharmaceutical market in South Africa is valued at US$ 3.6 Billion. While the market grew by 1% YoY, Lupin's South African subsidiary, Pharma Dynamics, registered a growth of 4.9% with sales of ZAR 1,219 Million driven by continued strength in key pharma segments, including CVS and CNS. In FY20, Pharma Dynamics achieved Broad-Based Black Economic Empowerment (BBBEE) compliance. This ensures the continued access for our products and puts us in a preferred status.

While the new regulatory body, South African Health Products Regulatory Authority (SAHPRA) works towards strengthening its presence, we anticipate some delays in product approvals. In addition, the benchmark-pricing band structures being used by medical aid funding agencies have been driving prices down. Growth rate during the year was constrained by the minimal price increase approved by the government.

Despite these hurdles, Pharma Dynamics was the 3rd fastest growing pharma company overall and the fastest growing company in the OTC 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 COVID-19, especially the EfferFlu product range.

Rank 1 by volume in CVS

Rank 2 by volume in CNS & Hospital IV

3rd fastest growing pharma company in region

Our growth in FY21 will be driven by our strong market position, a robust portfolio in the CVS space, and launch of new products. In addition, we target to expand our product offering in the OTC, Self-Help (CAMS) category and also enter the medical cannabidiol market with a complimentary (non-scheduled) product.

In the backdrop of the COVID-19 pandemic, 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 customers, while accelerating our pace towards digital transformation.

Data Source: IQVIA MAT March 2020

The Backbone

Active Pharmaceutical Ingredients (API)

46% Market Share in TB Segment

₹13 Billion FY20 Turnover

9% Share of Lupin Revenue in FY20

Lupin's API business contributes to both captive consumption as well as external sales across 70 countries. For FY20, it constituted 9% of consolidated revenues driven from six manufacturing sites at Tarapur, Ankleshwar, Dabhasa, Mandideep, Indore and Visakhapatnam.

In addition to sale of API, the business is forward integrated into the Principal to Principal (P2P) business which aims to provide access to new molecules for first-to-market opportunities in developing countries and the Global Institutional Business (GIB) which partners with governments and organizations to help eradicate diseases like Tuberculosis (TB), HIV and Malaria.

In addition to a very strong marketed product portfolio, we have a valuable development pipeline of new products across select therapy areas of interest.



In FY20, each of our key APIs exceeded revenues of INR 1.5 Billion and is a category leader

The battle against Tuberculosis

Lupin has always been at the forefront of the global fight against TB and we are the largest supplier of first-line anti-TB drugs in the world. Our API plants operate in compliance with all applicable standards, including WHO GMP, and our products are prequalifed by WHO, signifying high quality standards. We are the largest supply partners to governments of high TB burden countries across Africa and Asia, including India.

We are strengthening our anti-TB portfolio with the development of key products recommended for the treatment of multi-drug resistant (MDR) TB. Our expertise in fermentation technology required to manufacture products like Rifampicin, which forms the backbone for treating TB.

Opportunity landscape in ARV

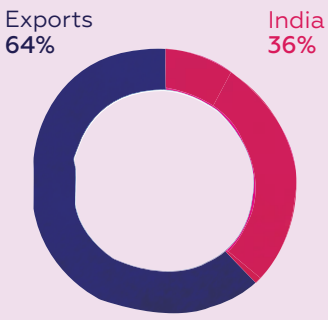
Our antiretroviral (ARV) portfolio is comprehensive and has evolved in line with current treatment guidelines. With a comprehensive development pipeline, meaningful filings and select approvals to date, we are geared to address the ARV segment, with an overall market size of US$ 1.8 Billion.

Facilitating access to the newest molecules

Our P2P business leverages our rich expertise in API research and formulation development. The business entails launching several first-to-market products in India and other developing geographies, providing partners with a strong and reliable product supply.

Our P2P product pipeline is focused on developing new molecules and combinations attuned to market needs. In line with this, we are strengthening our gastroenterology portfolio with unique combination drugs for the management of dyspepsia, while in the cardiac segment we are strengthening our product range with complex extended release formulations for the management of heart failure.

Share of API revenues



Data Source: IQVIA MAT March 2020



The Catalyst

Research and Development

With 7 R&D centers employing over 1,500 personnel, Lupin has pursued a single goal in all its research endeavors – bringing affordable, quality medicines to market that address unmet patient needs. Our Research and Development efforts are primed to utilize the best technologies, superior competencies and strategic partnerships, helping us do truly global cutting-edge work.





430 Cumulative ANDA Filings

272 ANDA Approvals

R&D Spend **₹15,538** Million

43 First-to-Files

14 Exclusive First-to-Files

Generic API and finished product research

We continue to invest ahead of the curve to advance our global Generic R&D pipeline with significant investments in complex generic platform technologies. The guiding principles are appropriate capital allocation, productivity and profitability improvement. Our Generic R&D pipeline is aimed at developing a comprehensive portfolio of high entry barrier products in the inhalation, injectable, ophthalmic and oral space with complexities linked with API, delivery systems, device design or clinical trial requirements.

Highlights FY20

- Filed 21 ANDAs* comprising oral, injectable, ophthalmic, inhalation and dermatology dosage forms and 2 NDAs
- ANDA filings for the year include 2 confirmed exclusive First-to-File (FTF) and 6 shared FTF products
- Received approval for 14 ANDAs from U.S. FDA; launched 18 products in the U.S. market
- Filed 11 generic products in other advanced markets including EMEA (Europe, South Africa and Russia), APAC (Japan and Australia), LATAM (Mexico and Brazil) and Canada; received 10 approvals in these geographies
- Filed 2 Marketing Authorization Approvals (MAA) for anti-TB and antiretroviral institution sale products, including one PEPFAR filing

** Includes 2 external filing through partner organizations*



Biosimiliar research

FY20 saw significant developments on our biosimilar Etanercept front with its launch in Japan in partnership with Yoshindo and Nichi-Iko. In June 2020, the European Commission (EC) granted marketing authorization for our biosimilar Etanercept (branded as Nepexto®), for all indications of the reference product (Enbrel®). The regulatory approval follows the adoption of a positive opinion by the Committee for Medicinal Products for Human Use (CHMP) in March 2020, which was based on a biosimilarity assessment including preclinical and clinical studies demonstrating bioequivalence to Enbrel®. In addition, a global phase 3 clinical study in patients with moderate-to-severe active rheumatoid arthritis confirmed equivalence of Nepexto® to Enbrel® in terms of efficacy, safety and immunogenicity. The centralized marketing authorization applies to all member countries of the European Union. This milestone reflects the strong scientific program behind Nepexto® and commitment by our team and our partner, Mylan, to commercialize the product as soon as possible.

Our biosimilar pipeline is a rich portfolio of diverse products at various stages of development, with the potential for us to be there in the first wave of biosimilar launch.

Ongoing developments include:

Pegfilgrastim: Successfully conducted U.S. FDA-centric clinical studies and achieved positive results

Ranibizumab: Phase 3 clinical study ongoing in India and global clinical trial initiated

Aflibercept: Received grant of US$ 6.5 Million under the National Biopharma Scheme of the Department of Biotechnology, Government of India

Novel Drug Discovery & Development (NDDD)

Our NDDD team has developed a pipeline of highly differentiated and innovative New Chemical Entities in focused therapy areas of Oncology, Immunology and Metabolic Disorders. During the year, we successfully partnered with Boehringer Ingelheim to advance our clinical stage MEK inhibitor LNP3794 for the treatment of difficult-to-treat cancers.

AbbVie/MALT1 Partnership (FY19)

abbvie

AbbVie licensed Lupin's MALT1 (Mucosa-Associated Lymphoid Tissue Lymphoma Translocation Protein 1) Inhibitor Program

Lupin received US$ 30 Million upfront + milestone payments up to US$ 947 Million and royalty on sales

Boehringer Ingelheim (BI)/ MEK Partnership (FY20)

Boehringer Ingelheim

BI licensed Lupin's MEK inhibitor compound for clinical development in combination with its KRAS inhibitor pipeline

Lupin received US$ 20 Million upfront + milestone payments more than US$ 700 Million and royalty on sales

Bioclinical research

Lupin Bioresearch Centre (LBC) conducts both in-vivo and in-vitro bioequivalence studies as part of regulatory dossier submission for regulatory agencies across the globe. LBC has managed 74 studies in FY20 and established cumulatively over 300 validated analytical methods to date.

Intellectual Property Management Group (IPMG)

Lupin was First-to-File in FY20 with respect to generic versions of Juluca® Tablets, Entresto® Tablets, Rexulti® Tablets, Odefsey® Tablets, Descovy® Tablets, Vemlidy® Tablets, and Bridion® Intravenous Solution, with the cumulative FTF products pending launch now standing at 43.

We settled 8 pending U.S. patent litigations and received a favorable U.K. court decision in the Truvada® SPC challenge. We secured a total of 65 patents in FY20.

Complex injectables platform, Nanomi

Nanomi, Lupin's Netherlands subsidiary, has unique capabilities in the field of microspheres and nanoparticle manufacture for the development of long-acting injectables. Nanomi's expertise relies on its proprietary Microsieve technology. Post a successful meeting with the U.S. FDA, Nanomi is now set to embark on a clinical program for its lead Long Acting Injectable asset.



Inhalation Research Center, Coral Springs

Lupin's Inhalation Research Center at Coral Springs, Florida, is a specialized R&D facility focused on research and development of inhalation products for the treatment of asthma, chronic obstructive pulmonary diseases and other respiratory ailments.

Highlights FY20

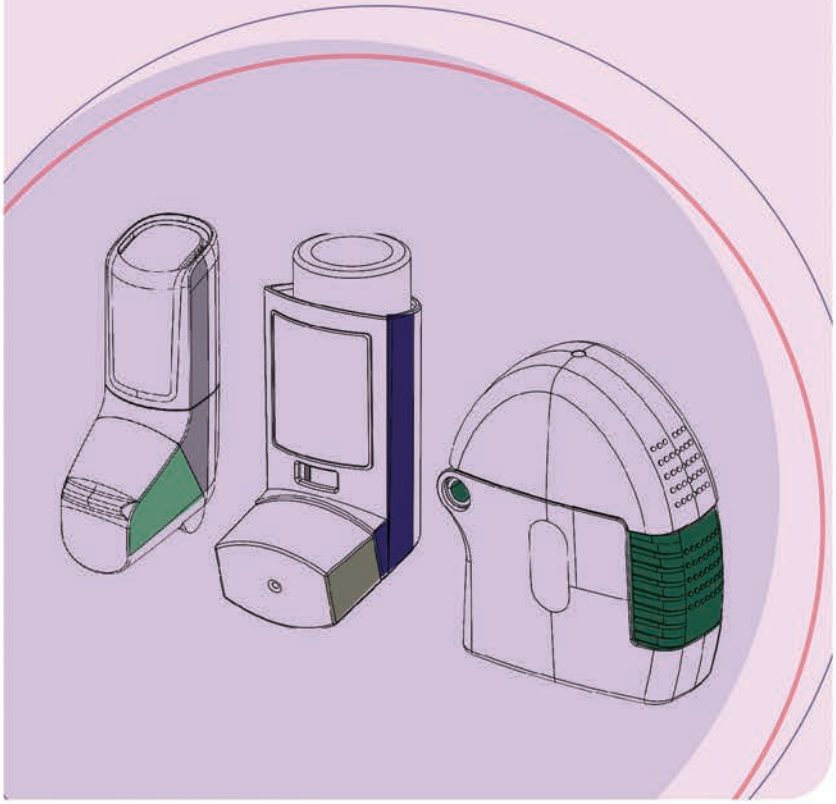
Generic Fostair®: Successfully completed pivotal PK study; MAA submitted to U.K. MHRA

Generic Spiriva®: Targeting approval in FY21

Generic Dulera®: ANDA submitted to the U.S. FDA

Generic ProAir®: Successfully addressed all regulatory queries in line with recent U.S. FDA guidance

Generics of Qvar® and Ellipta® franchise: Developed functioning prototypes of generic Redihaler® and Ellipta® devices with Lupin owned IP



In FY20, we made significant progress in the development of complex generic formulations, in progressing our biosimilars pipeline and in our new drug development portfolio. This ongoing delivery from our R&D is a critical part of our strategy to bring to market a strong pipeline of complex products that bolster our revenues.

Building Greatness

Global Manufacturing & Supply Chain

With a manufacturing footprint of 15 sites spread across India, United States, Brazil and Mexico, Lupin's technical operations are its powerhouse to globally deliver high quality and affordable products.

In FY20, we continued our thrust on expanding capacities and automation to support growth in existing businesses and commercialization of our pipeline of complex generics and biotechnology products. We enhanced existing capacities significantly and created capacities for several new areas:

The high-potency product manufacturing block at Indore Unit I that was commissioned at the end of FY19 for commercial production of products such as Levothyroxine, has been stabilized in the current fiscal. Another facility for high potency products is under commissioning.

We completed the construction of the Pyrazinamide API block in our Vizag facility.

Our state-of-the-art plant for Metered Dose Inhalers (MDI) in Indore Unit III is now nearing completion.Commercial production has commenced in this Unit for other products this fiscal.

Project work on our new hi-tech facility for Oral Solid Dose (OSD) formulations and a dedicated sterile facility for injectables in our Nagpur SEZ facility was completed. Commercial production commenced from the OSD facility at the beginning of the year. The sterile injectable facility is equipped with the latest technologies involved in injectable manufacturing and includes a Prefilled Syringe (PFS) filling line, Vial filling line and Lyophilizers under aseptic isolators.

Project work for the multi-fold expansion of our Biotech Drug Substance facility at Pune is ongoing to support the future demand and pipeline of our biosimilars, including Etanercept.



Supply Chain

The supply chain function at Lupin has been built on a framework of agility, business continuity, service standards and optimizing on inventory carrying costs. The model has always been found to be robust with accolades from multiple channel partners. We carry out periodic 'supply risk assessments' to absorb supply shocks. This was especially put to test in the COVID-19 outbreak and related lockdown in India and other parts of the world, which impacted distribution networks across the country as well as the availability of key raw materials. Through the resilience built into our supply chain and concerted and collaborative efforts with supply partners, the team ensured continuity of production and supply of our products.

Highlights FY20

Built a future-ready procurement operations engine through the centralized Shared Services function leading to automated procurement operations

First blockchain initiative implemented to build transparency with Contract Manufacturing Operations (CMO)

Maintained an industry leading OTIF (On-Time In-Full) score of 95% + for all procurement categories

Site highlights

MANDIDEEP

Installed roof top solar power panels (capacity 500 KW) as an alternate source of power. These will generate annualized savings of INR 3.4 Million

Installation of Emulsification unit to improve steam fuel ratio by 2.3% will give substantial savings annually

TARAPUR

Centralized Data Acquisition System implemented for real time data capture in manufacturing operations to reduce human errors

Quality Control (QC) lab improvement implemented leading to transcription error reduction; '5S' project helped in reduction of lab incidents

Received the Government of Maharashtra Health Department award

AURANGABAD

New, state-of-the-art building constructed for Quality Control

INDORE

Carried out multiple infrastructure upgrades such as installation of aerodynamically designed cooling tower fans and automatic tube cleaning system for chillers

Installation of Sotax AT70 Automated Smart Dissolution in the QC laboratory and installation of automated canister actuation system (NOVI) for MDI products

GOA

Implemented Centralized Data Acquisition System and 200 KW solar power project for clean, renewable energy

Engineering team was the 2nd runner up in the CII All Goa Kaizen Competition

NAGPUR

Won the prestigious Engineering News Record Global Best Project Award of Merit in the Manufacturing category. The award was given to Lupin's Oral Solid and Sterile Injectable units at Nagpur

ANKLESHWAR

Future Ready Factory of the Year Platinum Award received from Frost & Sullivan

Par-Excellence Award received from Quality Circle Forum of India – HQ for Cefadroxil Yield Improvement

Gold Award received from American Society of Quality (ASQ) for Cefadroxil Yield Improvement


Ankleshwar

Operational Excellence Awards

Received the International Sustainability Rating System (ISRS 8th edition) certification for Mandideep, Tarapur, Ankleshwar and Dabhasa sites. The first three sites achieved a rating of 7 which is the highest score in the pharmaceutical sector globally

Received award for Best Operational Excellence in Manufacturing at the India Pharma Awards for the third time in last four years











Putting Quality First

Quality and Compliance

Our unwavering commitment to sustainable Quality and Compliance remains deeply rooted in our core values and is a part of our Quality First commitment. Lupin's continued engagement through global benchmarking and collaboration with regulatory bodies, industry working groups and subject matter experts continues to shape our Quality Governance Model.

Putting Quality First is not only a mandate coming from the outcome of regulatory inspections but also a strategic decision to examine and revamp our core manufacturing operations so that they are in line with our aspirations. With this in mind, we initiated the Global Quality Action Plan (GQAP), an integrated plan and a roadmap driving global standardization under a single quality system across Lupin's manufacturing entities.
We have further strengthened our Quality and Compliance team by bringing in Johnny Mikell as head of Quality and Compliance, a seasoned leader with significant experience in global quality operations and compliance in the generics, branded and API segments.

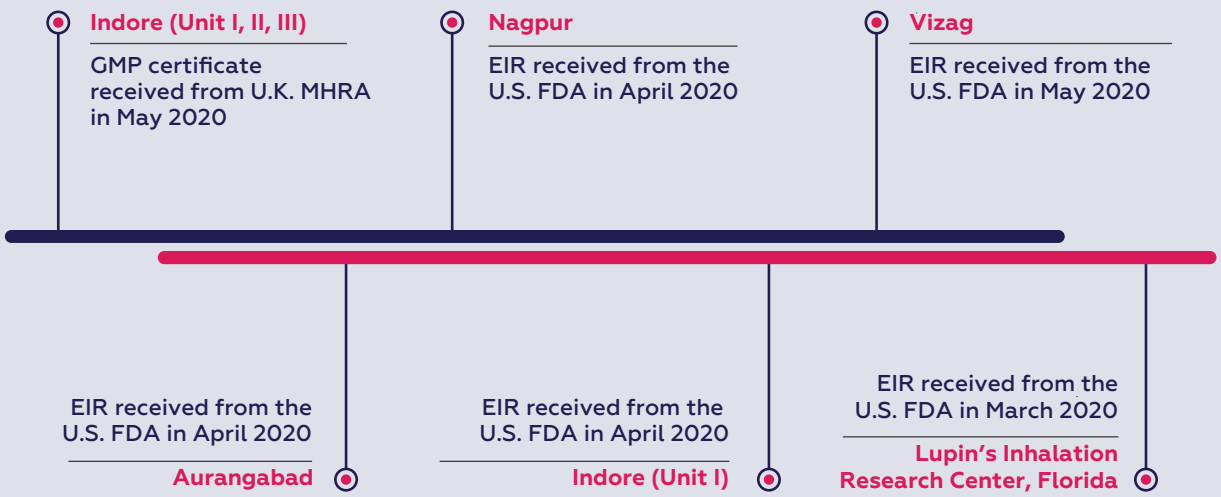
In an effort to minimize errors arising out of manual interventions, we have embraced technology and automation across all our sites. In FY20, we have introduced several automated processes like advanced robotic equipment for preparing analytical samples at our Indore site. There are several other enterprise-wide systems being implemented that will bring Lupin to being best-in-class in both our Manufacturing and Quality operations. These include electronic Batch Production Records, Laboratory Information Management System and a Quality Assurance Management System. We recognize that we also have to continuously upskill our team and have completely overhauled our training program for technical personnel. Measures like Gemba Walkthroughs instituted across our manufacturing facilities ensure continuous assessment and true ownership of our sites by our team.

Quality outcomes

The effectiveness of our Quality remediation measures can be seen in the outcomes of recent inspections conducted by the U.S. FDA and other regulatory agencies, across our sites.

We place the highest priority on the safety, efficacy and reliability of our products, the safety of our patients, and towards maintaining the highest data quality.

Recent inspection history



Leading Compliance

Environment, Health and Safety

As a leading pharmaceutical player supplying medicines to over 100 countries across the globe, our sites are certified by all relevant regulatory bodies. Through our Environment, Health and Safety measures we ensure that our procedures and practices in manufacturing our products meet the highest international benchmarks. We continue to upgrade and invest in infrastructure to create a greener footprint of our operations whilst investing in our employees' health and safety through training, process overhauls and technology deployment.

Energy consumption and conservation

In FY20, our consumption of energy from both renewable and non-renewable sources was 2,981,239 GJ. Of the total energy used in our manufacturing plants and R&D center, 10.3% comes from renewable sources.
We have also started switching over from furnace oil to cleaner fuel for several of our facilities. To further reduce dependency on fossil fuels, we have installed solar power panels at almost all our facilities.

Water management

Our total water consumption for FY20 was 2,648,232 KL, including both fresh and recovered water. Of this, over 30% is recovered water. The primary source of the freshwater is municipal/industrial bodies and this is further supplemented by groundwater and surface water.

Steps taken to reduce energy consumption

- 2,175 GJ energy was saved by replacing conventional sodium vapour and fluorescent lights by LED lights at five of our API sites
- Replacement of pumps and motors with high efficiency models
- Installation of variable frequency drives
- Installation of motion sensors in offices and warehouses to optimize energy utilization

Steps taken to reduce freshwater consumption

- Steam condensate recovery and reuse in the boiler
- About 68% of the wastewater generated in our plants is recycled and reused directly for utilities, flushing, etc. after recovery
- Rainwater and AHU condensate to the tune of 7,740 KL was collected and used in place of freshwater

Roof-top solar panels at Aurangabad site



Wastewater recovery plant at Nagpur site



Wastewater management

At Lupin, we continuously improve our wastewater management and output. We have installed wastewater treatment plants and water recovery plants consisting of state-of-the-art reverse osmosis units (RO), multiple-effect evaporators (MEEs) and agitated thin film dryers (ATFD) to recover water from the wastewater.

Waste management and recycling

All hazardous and non-hazardous wastes generated from our facilities are segregated, recovered, recycled and disposed as per their individual characteristics, in compliance with all regulations. In FY20, our plants generated biodegradable wastes amounting to 3,942 MT which was either sent to piggeries or composted to convert it into usable organic fertilizer.

Greenhouse emission

We have used the Emission Factors of Central Electricity Authority (CEA), 2018, India and United States Environmental Protection Agency (USEPA), 2020, Greenhouse Gas Inventories for the estimation of direct and indirect emissions from scope 1 (71,967 tCO2) and scope 2 (325,562 tCO2) energy use. We have reduced 7,490 tCO2e by using solar and wind power.

Employee health & safety





We have implemented one of the leading safety and sustainability management systems, International Sustainability Rating System (ISRS) at four of our major API sites (Tarapur, Ankleshwar, Dabhasa and Mandideep). ISRS is a comprehensive safety and sustainability rating system which rates 15 management processes in a continuous improvement loop. During the last audit, three of our sites were rated at level 7 and one site was rated level 6 on a 10-point scale. Lupin is proud to be the only pharmaceutical company in the world to achieve a rating of 7, the highest ISRS rating achieved for any pharmaceutical company globally.

Navigating COVID-19

Environment, Health and Safety are at the center of all decision-making in our response to the COVID-19 pandemic.

Lupin ensured that its sites and employees could continue work without disruption by implementing numerous procedures and protocols such as regular deep sanitization of premises and employee transport/buses

We have implemented measures to ensure social distancing is practiced across shop floors, QC laboratories and canteens

Robust screening procedures are in place and all employees are mandatorily screened

We have implemented Self-declaration through a daily health monitoring app to track employee health

Employees, contractors and visitors are provided masks and sanitizers regularly

Mock drills are carried out at each facility to prepare for any emergency and check the efficacy of our COVID-19 response protocols

Like any responsible corporate entity, Lupin is committed towards the goals of sustainable growth, employee health and safety along with shareholder value creation. Our measurement on various environmental parameters has matured over the years and will enable us to gauge our performance even better.

A Strong Core

Financial Review

The current year saw us making several notable strides on the Finance front that set us on a stronger footing for the future – stronger capital return ratios, lower balance sheet leverage and lowered effective tax rates. With regards to Business performance, we closed the year with solid growth across key markets and a strong compliance record across facilities in recent audits. In light of the COVID-19 crisis, the last quarter tested our leadership, endurance and adaptation skills, and I am delighted to share that we excelled in the way we responded.



Ramesh Swaminathan
Executive Director, Global CFO and Head Corporate Affairs

Financial highlights

Recorded consolidated sales (from continuing operations) of INR 151,428 Million in FY20 compared to INR 143,181 Million in FY19; a growth of 5.8%

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) from continuing operations was INR 28,386 Million; 18.7% of sales

Profit before Tax (PBT) before Exceptional items (from continuing operations) was INR 15,054 Million; 9.9% of sales

Exceptional items for the year amounted to INR 7,521 Million and included:

- Profit on divestment of Japan operations of INR 12,164 Million
- Impairment of intangibles of INR 15,893 Million
- Settlement with State of Texas of INR 3,792 Million

Profit before Tax and after Exceptional items (from continuing operations) was INR 7,533 Million

Net Profit before Exceptional items (from continuing operations) was INR 9,088 Million in FY20 as compared to INR 8,521 Million in FY19; growth of 6.7%

Net Debt as on March 31, 2020 stands at INR 15,118 Million as compared to INR 52,438 Million as on March 31, 2019

Net Debt-Equity for the company stands at 0.12:1 on March 31, 2020 as compared to 0.38:1 as on March 31, 2019

The Board recommended a Dividend of 300% for FY20

Current ratio in FY20 stood at 1.7 compared to 2.3 in FY19 due to increase in the current portion of long term debt by US$ 267 Million relating to the Gavis acquisition

Interest coverage ratio in FY20 stood at 5.5 compared to 7.8 in FY19 due to increase in reported finance costs on implementation of IND-AS 116 (Leases) in FY20

Research and Development

R&D investment (from continuing operations) for FY20 was INR 15,538 Million, 10.3% of revenue versus 10.5% in FY19. The accent on cost optimization and productivity improvement without impacting product delivery of our pipeline of complex generics, biosimilars and differentiated products is paying off.

We made solid progress on several key products during the year – we received European approval for Nepexto®, a biosimilar to Enbrel® (Etanercept). We advanced our inhalation pipeline with the filing of another MDI with the U.S. FDA, and received tentative U.S. FDA approval for gBrovana. We have now filed five major inhalation products in the developed markets, with collective sales of almost US$ 6 Billion (IQVIA MAT Mar 2020). We are committed to bringing gProAir® to the U.S. market shortly.

Cost optimization

With the changing dynamics of the generics market, we believe that cost optimization and prudent capital allocation will continue to be a key business imperative. We aim to continue creating a leaner and more efficient organization. In FY20, we made significant strides in our cost optimization initiatives encompassing value engineering, procurement efficiencies and R&D productivity. However, input price rises on other molecules and sales mix changes eroded visibility of the same, to some measure. These initiatives have however created a strong foundation and our cost optimization momentum will continue with increased rigor in FY21.

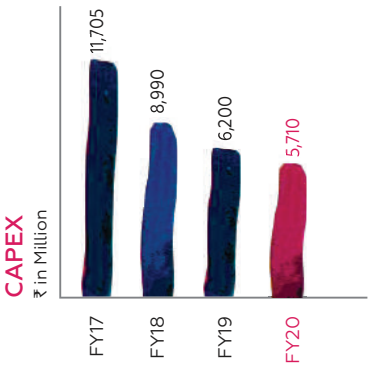
Capital allocation and balance sheet strengthening

In FY20, we divested our Japanese subsidiaries Kyowa CritiCare Co., Ltd. (KCC) and Kyowa Pharmaceutical Industry Co., Ltd. (Kyowa). The net proceeds were utilized to pare long-term debt by ~US$ 300 Million. This divesture coupled with debt repayment is expected to improve our return on capital employed by ~72 bps.

We also recognized a non-cash impairment of US$ 225 Million (INR 15,893 Million) as a result of erosion in the value of our Gavis acquisition. Erosion in the value of pipeline products and increased competition on existing products were key reasons for the impairment.

Capital expenditure

We continue to invest in upgradation of our existing manufacturing facilities to aid efficiencies as well as build capacities to meet future demand. We have signficiant enhancements of our Biosimilar and Inhalation facilities underway. We invested INR 5,710 Million toward capex requirements during the year.



Internal control systems & Information Technology

We continue to invest in automation of business processes and operations in order to improve efficiencies, drive down costs and for driving business. Automation of processes including Laboratory Information Management, Batch Process Records, Document Management, Acquisition & Consolidation of shop floor data, and HR processes have made signficant progress and are being scaled across the company. Our medical representatives are equipped with the best digital tools to engage with doctors. Infrastructure harmonization and heightened emphasis on information security have been focus areas. Our newly created Finance Shared Service Center aided by Robotic Process Automation supports markets around the globe, ushering in greater efficiencies and savings. The robustness of these initiatives is being tested in the COVID-19 crisis, but I am happy to share that we have come out with flying colours to date, having crafted agile solutions to remotely manage continuity and carry on business.

A strong internal audit framework is key to ensuring compliance. Our audit framework monitors and controls all systems and processes and business groups ensuring compliance to financial norms and procedures, building financial control and accountability within our business ecosystem. We are ably assisted by Ernst & Young (EY) and PricewaterhouseCoopers (PwC) who support our Internal Audit function.

Risk, concerns and threats

We witnessed huge volatility in commodity prices and foreign currencies towards the end of the fiscal year due to the COVID-19 outbreak. This was further accelerated by a stringent lockdown in China, a key source of raw material and intermediates for the Pharmaceutical industry, leading to a significant supply chain disruption. Our investment in building a global supply chain leveraging business intelligence, reporting and forecasting systems has helped us ensure business continuity at this time. In addition, our deep customer relationships coupled with agile supply chain helped us in ensuring high service levels across markets.

Our forex strategy for the short, mid and the long-term through appropriate forecasting and hedging tools helped minimize forex volatility. We rely on risk management and forecasting frameworks and a strong compliance ethic to manage competitive, economic, financial, geopolitical and social risks.

We are conscious of the headwinds being faced by the industry. However, we see the emergence of an improved business environment, especially in the second half of FY21 and are confident that the measures taken by us in recent times would help us to come out stronger than ever.

The Spirit of Lupin

Human Resources

Great Place to Work™ Certified Company

Innovation, transformation and continuous improvement are the bedrock of all great companies. These traits are the pillars of our people philosophy and help us build our functional capabilities to embrace technology and best-in-class practices, allowing us to create greater value for the organization and our stakeholders. This also enables us to attract the best talent, develop skills, enhance roles and shape careers that contribute to the fulfilment of Lupin's vision. All this goes into accolades such as being recognized as a Great Place to Work™, a 'Gold Standard' in workplace culture assessment and recognition.



Dr. Desh Bandhu Gupta Spirit of Lupin Award 2019 Winners


Ashes Chowdhury


Bosco Martins


Vikas Dhavle


Ana Ribeiro


Ben Ellis


Pritesh Upadhyay


Elis Cook


Jenny Shah

New HR model

In FY20, we migrated to a new Human Resources (HR) model comprising Business Partners (HRBPs) and Centre of Expertise (CoE). The new model allows HR to collaborate with our businesses on aspects such as strategy design and execution, workforce planning, talent management and organization development. The CoEs in turn, continuously update and improve our core HR processes.

In line with this transformation, we introduced EmployeeKonnect, an integrated and globally deployed digital platform to ensure seamless availability of employee data across different services and systems. Additionally, we launched an automated Recruitment Management Module which streamlines our recruitment lifecycle.

Leadership development

The fiscal also witnessed the launch of our Senior Leadership Development Program, an intense nine-month learning journey for our senior leadership participants to self-assess, learn and develop themselves with support from top-notch faculty, coaches and our business leaders. The debut of the program saw 35 leaders undergo a five-day classroom training in Naples, Florida.

Corporate Values awards

After receiving an overwhelming response from 1800 nominees across the globe, we were delighted to announce the first recipients of the Dr. Desh Bandhu Gupta Spirit of Lupin Awards. The DBG Spirit of Lupin Awards recognize those employees amongst us, who embody Lupin's core values and are role models.

COVID-19 response

HR has played a critical role in ensuring business continuity through the COVID-19 disruption by ensuring the health and safety of our employees. Even as corporates were grappling to come to terms with the pandemic, we designed and executed on a blueprint for site and office operations teams, working collaboratively with functions such as Manufacturing, Environment Health and Safety, R&D, our India Fieldforce and IT to ensure last mile connectivity for each employee and providing them support through the crisis.

We launched LIBERATE, a medical helpline for our employees to address their concerns around COVID-19 symptoms and queries. We also doubled the medical and life insurance coverage for all our employees to provide relief during this time of unprecedented stress. During the lockdown, we have offered multiple learning programs in order to upskill employees and support their mental well-being. Close to 200 online programs with over 15,000 enrollments have been conducted.

We are committed to doing all that is needed to ensure the safety and well-being of our employees during these uncertain times.

Serving Communities Everywhere

Corporate Social Obligation

9 States

23 Districts

4546 Villages

The Lupin Human Welfare and Research Foundation (LHWRF) works towards creating holistic and sustainable growth for rural communities across India. Our programs are of meaningful scale and are focused around economic development, social development, natural resource management, and infrastructure development.







Economic development

Rural development has been at the core of LHWRF's efforts since its inception in 1988. LHWRF undertakes economic upliftment activities in the areas of agriculture, animal husbandry and rural industrialization, with special emphasis on enhancing farm productivity and income. This is primarily done through measures like crop diversification, introducing technology interventions in agriculture, breed improvement in farm animals, and support for commercial dairies and fisheries.

Social development

LHWRF's social development programs are focused on women empowerment, community health management, education and skill training via creation of self-help groups for women, organizing health camps, and efforts aimed at increasing student retention in rural schools.

Natural Resource Management (NRM)

Through the natural resource management interventions, the Foundation aims to insulate rural communities from the impact of droughts and uncertain weather-related issues. Efforts are aimed at increasing water access and land productivity.

Infrastructure development

LHWRF has been assisting development of rural infrastructure through measures such as strengthening of civic infrastructure in rural schools, sanitation and low-cost housing. These initiatives have improved the quality of life of rural communities multi-fold.

COVID-19 and rising to the occasion

LHWRF has carried out unparalleled work during the unprecedented COVID-19 crisis. The Foundation provided timely support to affected communities, assisting transiting migrants and quarantined people. From coordinating with district administration and authorities, distributing food packets to migrants, organizing food camps and grain distribution centers, to distributing masks and sanitizers for frontline workers and officials, the Foundation stood in support of all those affected by the pandemic.

	Families addressed
Economic development	47,990
Social development	594,863
Natural Resource Management	76,827
Infrastructure development	9,556



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 and
Head Corporate Affairs



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



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



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



Mr. Jean-Luc Belingard
Independent Director



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



Ms. Christine Mundkur
Independent Director

Awards & Recognitions

Ranked No. 1 in the Biotech and Pharma list and amongst Top 50 large organizations by Great Place to Work™ for 2019-20

Recognized for Operational Excellence in Manufacturing at the India Pharma Award 2019

Lupin's Ankleshwar Facility Won the Gold Award from the American Society for Quality

Won the BEST Award 2019 from Association of Talent Development

Recognized as India Pharma Leader Award at the India Pharma 2020 and India Medical Device 2020 Conference organized by FICCI and the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India

Won Award from Quality Circle Forum of India at 33rd National Convention on Quality Concepts at IIT BHU, Varanasi

3 sites rated 7 by ISRS (International Sustainability Rating System), the highest score in the pharmaceutical sector globally

Excellence in Corporate Social Responsibility at the India Pharma Award 2019

Lupin Foundation won the Corporate Citizen Award 2019 from the Indian Drug Manufacturers' Association



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. R. A. Shah, Independent Director
Mr. Richard Zahn, Independent Director
Dr. K. U. Mada, Independent Director
Mr. Dileep C. Choksi, Independent Director
Mr. Jean-Luc Belingard, Independent Director
Ms. Christine Mundkur, 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, Head Global R&D and Biosimilars
Dr. Sofia Mumtaz, Head - Pipeline Management and Legal
Mr. Thierry Volle, President - Europe, Middle-East & Africa
Dr. Fabrice Egros, President - LATAM and Asia Pacific
Mr. J. Alan Butcher, Chief Corporate Development Officer
Mr. Jon Stelzmiller, President - US Specialty
Mr. Johnny Mikell, President - Global Head of Quality

REGISTERED OFFICE

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www.lupin.com | info@lupin.com

CORPORATE IDENTITY NUMBER

L24100MH1983PLC029442

REGISTRAR AND SHARE TRANSFER AGENT

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Unit: Lupin Limited, C 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083, India.
+91 22 4918 6270 | Toll Free 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. K. U. Mada, Chairman
Dr. Kamal K. Sharma
Mr. Dileep C. Choksi

NOMINATION AND REMUNERATION COMMITTEE

Dr. K. U. Mada, Chairman
Mr. R. A. Shah
Mr. Richard Zahn

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Dileep C. Choksi, Chairman
Mr. Nilesh D. Gupta
Dr. K. U. Mada

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Manju D. Gupta, Chairman
Dr. Kamal K. Sharma
Ms. Vinita Gupta
Mr. Nilesh D. Gupta
Mr. Dileep C. Choksi

RISK MANAGEMENT COMMITTEE

Dr. Kamal K. Sharma, Chairman
Ms. Vinita Gupta
Mr. Nilesh D. Gupta
Mr. Sunil Makharia

KEY CONTACTS

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Mr. R. V. Satam
investorservices@lupin.com

Ten Year Financial Summary

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at March 31,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SOURCES OF FUNDS										
Shareholders' funds										
Equity Share Capital	892.4	893.3	895.1	896.8	899.0	901.2	903.2	904.2	905.0	906.0
Reserves & Surplus	31,918.4	39,235.6	51,146.7	68,418.9	90,833.3	110,732.5	134,072.5	134,866.4	136,517.3	124,461.0
	32,810.8	40,128.9	52,041.8	69,315.7	91,732.3	111,633.7	134,975.7	135,770.6	137,422.3	125,367.0
Non-Controlling Interest	515.1	722.9	594.5	669.4	241.0	320.8	345.2	400.8	468.6	444.6
Loans	11,623.9	16,391.0	11,644.9	6,537.4	5,371.2	71,775.2	79,660.9	71,428.0	84,961.5	63,053.2
Deferred Tax Liabilities (net)	1,791.8	1,910.1	2,336.8	2,486.6	1,527.5	3,266.8	3,948.5	2,855.3	2,882.8	1,995.4
Other Liabilities (incl. Provisions)	14,502.0	20,669.3	22,520.6	23,051.2	33,737.7	39,252.1	47,142.5	52,599.1	53,758.5	58,978.3
TOTAL	**61,243.6**	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**	**249,838.5**
APPLICATION OF FUNDS										
Fixed Assets										
Net Block	17,313.4	22,456.6	24,928.5	26,977.3	27,200.3	64,515.2	87,229.2	79,135.0	87,063.9	60,866.3
Capital Work-in-Progress (incl. Capital Advances)	5,319.3	4,973.7	3,909.0	4,110.2	6,745.3	32,145.5	24,639.0	26,555.6	17,293.9	10,953.4
	22,632.7	27,430.3	28,837.5	31,087.5	33,945.6	96,660.7	111,868.2	105,690.6	104,357.8	71,819.7
Goodwill on Consolidation	3,254.9	5,040.0	5,073.2	6,578.7	16,252.8	22,654.4	23,100.1	24,484.9	23,803.2	18,514.8
Investments	31.5	28.0	20.6	20.6	55.4	143.3	220.0	267.1	317.7	360.7
Deferred Tax Assets (net)	380.5	467.8	704.4	708.1	2,561.7	3,358.5	5,076.4	7,165.6	7,340.0	1,743.1
Other Assets										
Inventories	11,999.6	17,326.7	19,489.3	21,294.5	25,036.1	32,736.5	36,422.8	36,624.9	38,367.7	34,568.7
Receivables	12,556.4	17,800.1	21,869.9	24,641.0	26,475.2	45,487.6	43,073.4	51,922.1	51,498.0	54,459.3
Cash & Bank Balances (refer note iii)	4,201.4	4,024.7	4,348.8	9,739.1	21,304.7	8,237.7	28,135.4	16,431.7	32,523.5	47,935.2
Others	6,186.6	7,704.6	8,794.9	7,990.8	6,978.2	16,969.9	18,176.5	20,466.9	21,285.8	20,437.0
	34,944.0	46,856.1	54,502.9	63,665.4	79,794.2	103,431.7	125,808.1	125,445.6	143,675.0	157,400.2
TOTAL	**61,243.6**	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**	**249,838.5**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Year ended March 31,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
INCOME										
Sales	57,421.7	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
Other Operating Income	1,121.5	1,232.1	1,796.7	1,999.3	1,703.0	4,976.7	3,745.3	2,443.1	3,465.1	2,319.6
Other Income	221.9	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
Total Revenue	**58,765.1**	**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**
EXPENSES										
Cost of Materials	22,379.3	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
Employee Benefits Expense	7,675.6	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
Manufacturing and Other Expenses	16,709.9	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
Total Expenses	**46,764.8**	**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**
Profit before Interest, Depreciation & Tax	12,000.3	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
Finance Cost	344.8	354.7	409.5	266.5	98.1	594.7	1,525.3	2,043.5	3,024.9	3,629.8
Depreciation and Amortisation	1,711.8	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
Profit before Exceptional Items & Tax	9,943.7	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
Exceptional Items (Refer note iv)	-	-	-	-	-	-	-	14,643.5	3,399.8	7,520.7
Profit before Tax	**9,943.7**	**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**
Current Tax	1,176.3	2,756.2	5,829.0	9,536.0	10,041.6	11,433.5	10,882.1	5,349.8	8,496.8	6,869.7
Deferred Tax	(26.5)	329.4	12.6	85.5	(337.6)	(840.1)	(1,097.0)	(2,465.2)	382.6	4,701.4
Net Profit/(Loss) before Discontinued Operations, Share of Profit from Jointly Controlled Entity, Non-Controlling Interest and Share of Loss in Associates	8,793.9	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)
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
Share of Profit/(Loss) attributable to Non-Controlling Interest	148.4	198.6	262.8	331.3	411.9	87.6	71.7	70.9	89.3	(3.9)
Share of Loss in Associates	20.0	-	-	-	-	-	-	-	-	-
Net Profit/(Loss)	**8,625.5**	**8,676.5**	**13,141.6**	**18,363.7**	**24,032.4**	**22,607.4**	**25,574.6**	**2,512.6**	**6,065.5**	**(2,693.9)**

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.

iv) Exceptional item for 2020 pertains to Profit/Loss on divestment of subsidiaries in Japan (Kyowa Pharmaceutical & Kyowa CritiCare), Impairment of intangible assets and Settlement with the State of Texas. Exceptional item for 2019 pertains to Provision for fine to European Commission and for 2018 pertains to Impairment of intangible assets.

Directors' Report

To the Members

Your Directors have pleasure in presenting their report on business and operations of your Company for the year ended March 31, 2020.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	110256.6	113563.2	153747.6	146645.6
Other Income	4751.9	2913.4	4837.6	3330.1
Profit before interest, depreciation and tax	23828.0	31441.2	28385.6	28937.3
Less: Finance Costs	525.9	354.7	3629.8	3024.9
Less: Depreciation and amortisation	5187.5	4263.0	9702.2	8460.5
Profit before share of Profit from Jointly Controlled Entity, exceptional items and Tax	**18114.6**	**26823.5**	**15053.6**	**17451.9**
Add: Share of Profit from Jointly Controlled Entity	-	-	39.4	37.5
Less: Exceptional Items	7592.1	3399.8	7520.7	3399.8
Less: Provision for taxation (including deferred tax)	3247.0	8035.4	11571.1	8879.4
Profit/(Loss) after tax from continuing operations	**7275.5**	**15388.3**	**(3998.8)**	**5210.2**
Profit/(Loss) after tax from discontinued operations	**-**	**-**	**1301.0**	**944.6**
Profit/(Loss) after tax and before non-controlling interest	**7275.5**	**15388.3**	**(2697.8)**	**6154.8**
Share of Profit/(Loss)attributable to Non-controlling Interest	-	-	(3.9)	89.3
Net Profit/(Loss) attributable to Shareholders of the Company	**7275.5**	**15388.3**	**(2693.9)**	**6065.5**

Performance Review

Consolidated Revenue from Operations for the year ended March 31, 2020 was ₹ 153747.6 million, higher by 4.8% over the previous year. International business contributed 63%. Consolidated profit before exceptional items and tax was ₹ 15053.6 million. Exceptional items pertain to impairment of ₹15893.2 million related to certain acquired IPs, profit of ₹ 14121.0 million on divestment of the Company's entire stake in Kyowa Pharmaceutical Industry Co., Limited, Japan, settlement amount of ₹ 3791.8 million in respect of State of Texas lawsuit in the USA and loss of ₹ 1956.7 million on divestment of the Company's entire stake in Kyowa CritiCare Co., Limited, Japan. Exceptional items for the year ended March 31, 2019, pertained to provision for fine to European commission. Net loss after exceptional items was ₹ 2693.9 million.

COVID-19 Pandemic

Amidst the ongoing COVID-19 pandemic that has gripped the world, your Directors appreciate the stupendous efforts of the Lupin family in ensuring health and safety of employees across the globe as also maintaining continuity of supply of much-needed products for communities and patients the Company serves. The Company put into practice the values imbibed by the beloved Chairman, Late Dr. Desh Bandhu Gupta and his uncompromising commitment to continue work and ensure that despite challenges, life-saving medicines manufactured by the Company are available across the world. With a view to facilitate the upkeep of good health for its employees across India, the Company extended a medical outreach program - **LIBERATE** (**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.

The Company's Global Giving Program directed its relief efforts towards mitigating the COVID-19 crisis. In its fight against COVID, the Company's CSR arm Lupin Human Welfare and Research Foundation has been at the forefront for providing relief by supplying food, medicines, personal protective equipment etc. to the underprivileged, and frontline warriors, across regions. Various initiatives were undertaken to support the overburdened national and state healthcare systems in India and elsewhere in the world to supplement the relief efforts to tackle the ongoing COVID crisis. The Company has extended support and distributed essential commodities where the need is the most.

Dividend

With a view to compensate shareholders due to dividend becoming taxable effective April 1, 2020, your Directors recommended higher dividend of 300% (₹ 6/- per equity share) as against 250% (₹ 5/- per equity share) of the previous year. The total dividend amount is ₹ 2718.4 million.

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

Share Capital

During the year, the paid-up share capital of the Company rose by ₹ 1 million consequent to the allotment of 504424 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, 2020 was ₹ 906 million.

Credit Rating

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

Subsidiary Companies/Joint Venture

As on March 31, 2020, the Company had 26 subsidiaries and a joint venture.

As part of streamlining Japanese operations and aligning with the vision to focus on key markets and strategic priorities to achieve sustainable growth, the Company divested its entire stake in Kyowa Criticare Co., Ltd., Japan, and Kyowa Pharmaceutical Industry Co. Limited, Japan, effective September 30, 2019 and December 9, 2019, respectively. Consequently, both entities ceased to be subsidiaries of the Company.

As part of internal restructuring, on October 2, 2019, Nanomi B.V., Netherlands, wholly-owned subsidiary of the Company, was merged with Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company, effective April 1, 2019 and its name was changed to Nanomi B.V., Netherlands.

As part of reorganising business operations, Lupin Pharma LLC, Russia and Symbiomix Therapeutics, LLC, USA, wholly-owned subsidiaries of the Company, were liquidated effective April 9, 2019 and December 30, 2019, respectively.

The name of Lupin IP Ventures Inc., USA, was changed to Lupin Management, Inc., USA, effective March 10, 2020.

In compliance with 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. Financial statements of subsidiaries and joint venture are available for inspection by Members at the Registered Office of the Company during business hours pursuant to the provisions of Section 136 of the Act. The Company shall provide a copy of the financial statements of its subsidiaries and joint venture to Members free of cost upon their request. These financial statements are also available on the Company's website www.lupin.com.

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

Management Discussion and Analysis

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

Corporate Governance Report

Your Directors reaffirm their continued commitment to adhere to the highest standards of Corporate Governance. As stipulated by Regulation 34(3) read with Schedule V(C) of the Listing Regulations, Corporate Governance Report forms part of this Annual Report. Annexed to the said Report is the Auditors' certificate as prescribed under Schedule V(E) of the Listing Regulations.

Business Responsibility Report

As stipulated by Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report forms part of this Annual Report.

Corporate Social Responsibility (CSR)

With a holistic approach, the Company's CSR arm Lupin Human Welfare and Research Foundation (LHWRF) focuses on the four thematic areas: Economic, Social, Infrastructure Development and Natural Resource Management (NRM). LHWRF has a presence in 4546 villages located in 63 blocks of 23 districts spread across nine states in India. It operates through 20 centres. Developing rural economy includes a family centered approach and initiation of actions to enable the upliftment of the poor. Other areas like disaster relief and mitigation were taken up with a view to attain sustainable development.

The Company broadly undertakes the following CSR activities: -

- Economic Development;
- Social Development;
- Rural infrastructure Development;
- Natural Resource Management;
- Learn & Earn Program; and
- Disaster Relief and Mitigation.

Pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the year, the Company ought to have spent ₹ 555.1 million on CSR activities. The actual spend was ₹ 342 million. Despite best efforts, the Company has been unable to execute its ambitious plan of setting-up a state-of-the-art JCI and NABH accredited hospital in Mumbai as it could not identify a suitable plot. The Company aims to continuously increase its CSR spend and is constantly exploring new areas/activities, particularly deeper sustainable projects, to accelerate the spend. During FY 2020-21, the Company will also make CSR spends towards relief efforts for mitigating the COVID-19 pandemic, including contribution to the PM CARES Fund.

Details of CSR activities undertaken by the Company are given in **Annexure 'B'** to this Report. The policy on CSR which has been approved by the Board and the same 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, 2020, 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, 2020 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

As recommended by the Nomination and Remuneration Committee (NRC), the Board re-appointed Ms. Vinita Gupta, Chief Executive Officer, for a period of five years, effective May 28, 2020, subject to approval of the Members. Ms. Vinita is an employee of Lupin Management, Inc., USA, wholly-owned subsidiary of the Company.

Pursuant to the provisions of Section 152 of the Act, Mr. Nilesh Deshbandhu Gupta, Managing Director, retires by rotation at the forthcoming Annual General Meeting (AGM) and is eligible for re-appointment.

As recommended by the NRC, Mr. Ramesh Swaminathan, Executive Director, Global CFO & Head Corporate Affairs, was appointed as an Additional Director effective March 26, 2020. Pursuant to the provisions of Sections 149 and 152 of the Act, Mr. Ramesh holds office up to the date of the forthcoming AGM. Mr. Ramesh brings to the Company rich experience of over 30 years. In addition to having worked with the Company for more than a decade in his earlier stint, he has also worked with reputed organizations in diverse industry sectors such as VST Industries Ltd, SPIC Group, Standard Chartered Bank, Henkel and L&T. Notices under Sections 152 and 160(1) of the Act, have been received from certain Members proposing his name for appointment as Director.

At the 34th AGM held on August 3, 2016, Mr. Jean-Luc Belingard was appointed as an Independent Director to hold office till the conclusion of the 38th 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 NRC, Mr. Belingard is being re-appointed as an Independent Director to hold office for a period of five years after the conclusion of the 38th AGM i.e. from August 12, 2020 till August 11, 2025. His appointment is subject to approval by the Members vide a Special Resolution at the ensuing AGM. Mr. Belingard has consented for being appointed as an Independent Director and has confirmed that he is not disqualified from being appointed as a Director. He has also submitted declaration as

regards Independent status vis-à-vis the Company. Notices under Sections 152 and 160(1) of the Act, have been received from certain Members proposing his name for appointment as Director.

In compliance with the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, all the 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, respectively and that there has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year, eight Board meetings were held, on May 15, 2019, June 10, 2019, August 7, 2019, August 21, 2019, November 6, 2019, November 11, 2019, February 6, 2020 and March 25, 2020, the details of which, are given in the Corporate Governance Report which forms part of this Annual 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

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

Nomination and Remuneration Policy

The Board has on the recommendations of the NRC, formulated a Policy relating to the remuneration of Directors, key managerial personnel and other employees as stipulated by Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations. The policy lays down the guiding principles, the philosophy and the basis for recommending payment of remuneration to the executive/non-executive Directors (by way of sitting fees and commission). It includes criteria for determining qualifications, positive attributes and independence of directors and other matters. The functions of the NRC are disclosed in the Corporate Governance Report, which forms part of the Annual 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/pdf/corporate-policies/nomination-and-remuneration-policy-ll-final.pdf).

Related Party Transactions

No transaction with related parties conflicted with the interests of the Company. 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 pricing basis. The Audit Committee periodically approves related party transactions. Material related party transactions were entered into by the Company only with its subsidiaries. Apart from remuneration, sitting fees and commission, there is no pecuniary transaction with any Director, which had potential conflicts of interest with the Company. As approved by the Members vide Postal Ballot, Dr. Kamal K. Sharma, Vice Chairman, also served as an Advisor from April 1, 2019 to September 30, 2019. Particulars of his remuneration as Advisor are given in **Annexure 'H'** to this Report. 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. In compliance with 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/pdf/corporate-policies/policy-related-party-transactions.pdf.

Risk Management

The Company has a structured approach for handling risks. It has in place a Risk Management framework which defines roles and responsibilities at different levels. Risk Management team reviews the overall risks and identifies the critical 'risks that matter'. The Risk Management Committee (RMC) formulated in compliance with Regulation 21 of the Listing Regulations, reviews at regular intervals, the overall risks at Company level and ensures that it has a robust monitoring mechanism along with adequate mitigation plans for the critical 'risks that matter' based on their probability of occurrence, potential impact and volatility. The emerging risks are discussed periodically with the concerned operational and business teams which includes review of the mitigation plans. The Board has defined role and responsibilities of the RMC and has delegated to it, monitoring and reviewing the risk management plan. Constitution of the RMC, its terms of reference, details of meeting held and attendance thereat are given in the Corporate Governance Report, which forms part of the Annual Report.

Particulars of loans/guarantees/ investments/securities

Pursuant to 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 Annual Report.

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

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

Human Resources

Your Company strongly believes that human resources are its invaluable assets. The Company has the privilege of being recognised as 'Great Place to Work' and it has retained its position of being the No. 1 Company in Pharma and Biotech Industry in 2019. After securing 2nd rank in 2013, in the same category, the Company secured the top position in 2014 and has ever since, maintained its rank every year it participated. Your Company was named in the Top 50 companies of India. The Company's 'people-first' culture, best-in-class work environment and innovative learning initiatives were the prime drivers behind these laurels.

The Company has in place an Internal Complaints Committee as mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Also, the employees are regularly sensitized about matters connected with 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, 2020, are given in **Annexure 'E'** to this Report.

Vigil Mechanism/Whistleblower Policy

As stipulated by Section 177(9) 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 in place a strong vigil mechanism for Directors and employees to report concerns and provides adequate safeguards against victimization of persons who use the said mechanism. Details of the same are covered in the Corporate Governance Report which forms part of the Annual Report. Over the years, your Company established a reputation for doing business with integrity and has displayed zero tolerance for any form of unethical conduct or behaviour. The vigil mechanism provides direct access to the Chairperson of the Audit Committee. Whistleblower Policy has been hosted on Company's website www.lupin.com. Policies on Code of Conduct and Prevention of Sexual Harassment are on the internal portal of the Company.

Particulars of Employees Remuneration

Particulars of remuneration of employees required to be disclosed pursuant to the provisions of 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. Particulars of remuneration of employees for the year ended March 31, 2020 required to be furnished in terms of Rules 5(2) and 5(3) of the said Rules, forms part of this Report and shall be provided to Members upon written request pursuant to second proviso of Rule 5. 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, pursuant to Section 136(2) of the Act.

Auditors

At the 34th AGM held on Wednesday, August 3, 2016, Members appointed B S R & Co. LLP, Chartered Accountants (Firm Regn. 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 to be held in July/August 2021, subject to ratification of their appointment by Members at every AGM.

The requirement of seeking ratification of Members for continuance of appointment of Statutory Auditors at every AGM was withdrawn by the Companies Amendment Act, 2017.

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

Internal Audit

Internal audit of Company's operations is conducted by the Corporate Internal Audit team and other reputed firms appointed from time to time.
The Company also appointed local Chartered Accountant firms to conduct audits of Carrying & Forwarding Agents and Central Warehouses of the Company in India. Internal audit findings are discussed at meetings of the Audit Committee and corrective actions taken.

Cost Audit

Pursuant to 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 15, 2019, appointed Mr. S. D. Shenoy, Practising Cost Accountant (FCMA No. 8318), as Cost Auditor to conduct cost audit for the year ended March 31, 2020. Mr. Shenoy confirmed that he was free from disqualifications as specified under Section 141 read with Sections 139 and 148 of the Act, held a valid certificate of practice and that his appointment met the requirements of Sections 141(3)(g) and 148 of the Act. He also confirmed that he was independent and 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 court/competent authority.

In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditor is required to be ratified by Members. Accordingly, an Ordinary Resolution was passed by the Members at the 37th AGM held on August 7, 2019, approving the remuneration of Mr. Shenoy for the year ended March 31, 2020.

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

In compliance with 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, 2019, under the head 'Drugs and Pharmaceuticals' was filed with the Central Government on October 11, 2019, well within the prescribed time.

Secretarial Audit

Pursuant to the provisions of 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, Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661) was appointed by the Board of Directors at its meeting held on May 15, 2019, to undertake Secretarial Audit of the Company for the year ended March 31, 2020. Secretarial Audit Report in prescribed Form No. MR-3 is given in **Annexures 'G'** and **'G'-1** to this Report. The Company continues to have an unqualified Secretarial Audit Report.

Annual Secretarial Compliance Report

Pursuant to Circular No. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, issued by the Securities and Exchange Board of India (SEBI), Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661), was appointed for issuing Annual Secretarial Compliance Report for the year ended March 31, 2020. The Report which was placed at the Board Meeting held on May 28, 2020, confirms that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or its material subsidiaries or promoters/directors by SEBI/BSE/NSE. The said Report shall be filed with Stock Exchanges within stipulated time.

In compliance with the said Circular, the Company submitted the Annual Secretarial Compliance Report for the year ended March 31, 2019 to BSE and NSE on May 28, 2019, within the stipulated time.

Compliance with Secretarial Standards

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

Extract of Annual Return

As stipulated by the provisions of Sections 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the

Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form No. MGT-9 as on March 31, 2020, is provided as **Annexure 'H'** to this Report. The same is available on the Company's website www.lupin.com (web link: https://www.lupin.com/investors/extract-of-the-annual-return/).

Acknowledgements

Your Directors commend all employees of the Company for their dedication, commitment, hard work and contributions. The Board wishes to express their deep gratitude to various departments of the Central and State governments, suppliers, distributors, banks, financial institutions, analysts, business associates, medical professionals, customers and members.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 28, 2020

ANNEXURE 'A' TO
THE DIRECTORS' REPORT

FORM NO. AOC - 1

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

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

Part 'A' : Subsidiaries

(₹ in million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of share holding
Lupin Pharmaceuticals, Inc., USA	30.06.2003	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	[Refer Note Nos. 1 and 14]	4707.5	61214.2	56506.7	Nil	55328.1	2641.8	1222.5	1419.3	Nil	100%
Kyowa Pharmaceutical Industry Co., Limited, Japan (up to December 17, 2019)	18.10.2007	N.A.	JPY and Exchange Rate INR 65.79 for 100 JPY	Nil [Refer Note No. 2]	Nil	Nil	Nil	Nil	13667.4	(62.1)	(105.0)	42.8	Nil	99.82%
Pharma Dynamics (Proprietary) Limited, South Africa	01.03.2008	N.A.	ZAR and Exchange Rate INR 4.23 for ZAR 1	0.5	1987.4	3087.0	1099.1	36.0	5820.6	1341.2	399.2	942.0	Nil	100%
Hormosan Pharma GmbH, Germany	25.07.2008	N.A.	Euro and Exchange Rate INR 82.77 for 1 Euro	8.1	1002.1	2588.4	1578.2	Nil	2848.5	527.8	49.5	478.3	Nil	100%
Multicare Pharmaceuticals Philippines, Inc., Philippines [Refer Note No. 7]	26.03.2009	N.A.	PHP and Exchange Rate INR 1.47 for PHP 1	26.9	865.8	2161.6	1268.9	Nil	2428.3	44.7	51.7	(7.0)	Nil	51%
Generic Health Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate is INR 46.08 for 1 AUD	1344.3	(535.6)	1407.8	599.1	Nil	2314.9	164.5	Nil	164.5	Nil	100%
Kyowa CritiCare Co., Limited, Japan (up to September 30, 2019)	30.11.2011	N.A.	JPY and Exchange Rate INR 65.66 for 100 JPY	Nil [Refer Note No. 8]	Nil	Nil	Nil	Nil	1687.5	11.2	(0.6)	11.8	Nil	99.82%
Lupin Atlantis Holdings SA, Switzerland	05.06.2007	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	115.9	42997.2	46811.9	3698.8	Nil	10178.3	8563.7	[Refer Note No. 19]	8563.7	Nil	100%
Lupin Healthcare (UK) Limited, UK	05.06.2009	N.A.	GBP and Exchange Rate INR 93.50 for 1 GBP	279.7	(1047.8)	1380.5	2148.6	Nil	852.3	(385.4)	Nil	(385.4)	Nil	100%
Lupin Australia Pty Limited, Australia	01.12.2004	N.A.	AU $ and Exchange Rate INR 46.08 for 1 AUD	33.3	(29.4)	19.2	15.3	Nil	Nil	(1.9)	Nil	(1.9)	Nil	100%
Lupin Pharma Canada Limited, Canada	18.06.2009	N.A.	CAD and Exchange Rate INR 53.08 for 1 CAD	155.5	2.1	1249.3	1091.7	Nil	1483.4	115.2	22.1	93.1	Nil	100%
Lupin Mexico S.A. de C.V., Mexico	23.08.2010	N.A.	MXN $ and Exchange Rate INR 3.15 for MXN $ 1	52.2	(45.9)	6.3	[Refer Note No. 15]	Nil	Nil	(1.0)	Nil	(1.0)	Nil	100%
Bellwether Pharma Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate INR 46.08 for 1 AUD	281.2 [Refer Note No. 9]	(289.4)	Nil	8.2	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Philippines Inc., Philippines	20.12.2010	N.A.	PHP and Exchange Rate INR 1.47 for PHP 1	59.9	45.9	613.8	508.0	Nil	539.0	41.8	13.3	28.5	Nil	100%
Lupin Healthcare Limited, India	17.03.2011	N.A.	INR	26.2	58.7	85.9	1.0	85.2	Nil	2.6	1.0	1.6	Nil	100%
Generic Health SDN. BHD., Malaysia	18.05.2011	N.A.	RM and Exchange Rate INR 17.52 for RM 1	8.2	(7.0)	1.5	0.3	Nil	Nil	(0.8)	Nil	(0.8)	Nil	100%

(₹ in million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of share holding
Lupin Middle East FZ-LLC, UAE	13.06.2012	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	32.3	(269.3)	4.6	241.6	Nil	Nil	(45.9)	Nil	(45.9)	Nil	100%
Lupin Inc., USA [Refer Note Nos. 3 and 22]	27.06.2013	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	23369.6	(73468.6)	31055.0	81154.0	Nil	3406.7	(25626.6)	3272.7	(28899.3)	Nil	100%
Lupin GmbH, Switzerland	15.08.2013	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	1.3	200.3	421.1	219.5	Nil	Nil	58.3	17.7	40.6	Nil	100%
Nanomi B.V., Netherlands [Refer Note No. 6]	30.01.2014	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	6720.3	32037.5	46477.6	7719.8	Nil	Nil	25573.0	2785.5	22787.5	Nil	100%
Laboratorios Grin, S.A. de C.V., Mexico	01.10.2014	N.A.	MXN $ and Exchange Rate INR 3.15 for MXN $ 1	854.2	598.8	2808.5	1355.5	Nil	2507.0	(106.0)	(16.2)	(89.8)	Nil	100%
Medquimica Industria Farmaceutica LTDA, Brazil [Refer Note No. 10]	24.06.2015	N.A.	BRL and Exchange Rate INR 14.40 for BRL 1	5055.8	(3651.6)	5146.2	3742.0	Nil	3047.1	(1120.7)	(30.8)	(1089.9)	Nil	100%
Novel Laboratories, Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	[Refer Note No. 16]	5765.3	9255.6	3490.3	Nil	6841.6	(1103.6)	(509.8)	(593.8)	Nil	100%
Lupin Research Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	[Refer Note No. 17]	1134.1	2709.7	1575.6	Nil	2404.9	320.5	189.8	130.7	Nil	100%
Lupin Pharma LLC, Russia [Refer Note No. 20]	11.02.2016	N.A.	RUB and Exchange Rate INR 0.95 for RUB 1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Latam, Inc., USA	15.12.2016	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	[Refer Note No. 18]	21.4	109.4	88.1	Nil	Nil	12.5	4.0	8.5	Nil	100%
Lupin Japan & Asia Pacific K.K., Japan	13.03.2017	N.A.	JPY and Exchange Rate INR 69.63 for 100 JPY	3.0	(17.3)	174.5	188.8	Nil	Nil	(3.0)	7.1	(10.1)	Nil	100%
Lupin IP Ventures Inc., USA [Refer Note No. 11]	10.10.2017	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Symbiomix Therapeutics, LLC, USA [Refer Note No. 21]	10.10.2017	N.A.	US $ and Exchange Rate INR 75.67 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Europe GmbH, Germany	05.02.2018	N.A.	Euro and Exchange Rate INR 82.77 for 1 Euro	2.0	28.6	51.9	21.3	Nil	Nil	(10.3)	Nil	(10.3)	Nil	100%

Notes:

1) The shares in Lupin Pharmaceuticals, Inc., USA, are held by Lupin Inc., USA (97%) and Lupin Limited (3%).
2) On December 17, 2019, the Company completed the divestiture of its entire stake in Kyowa Pharmaceutical Industry Co., Limited, Japan.
3) Lupin Atlantis Holdings SA, Switzerland, (LAHSA), held 100% Common shares of Lupin Inc., USA. On March 31, 2020, LAHSA sold to Nanomi B.V., Netherlands, (earlier known as Lupin Holdings B.V., Netherlands), its entire shareholding in Lupin Inc., USA.
4) 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.
5) The entire shareholdings of Lupin Healthcare (UK) Limited, UK, Lupin Pharma Canada Limited, Canada, Lupin Middle East FZ-LLC, UAE, Lupin GmbH, Switzerland, Laboratorios Grin S.A. de C.V., Mexico, Lupin Latam, Inc., USA, Lupin Japan & Asia Pacific K.K., Japan and Lupin Europe GmbH, Germany, are held by Lupin Atlantis Holdings SA, Switzerland.
6) During the year, Nanomi B.V., Netherlands, wholly-owned subsidiary of Lupin Atlantis Holdings SA, Switzerland, was sold to Lupin Holdings B.V., Netherlands. On October 2, 2019, Nanomi B.V., Netherlands, was merged with Lupin Holdings B.V., Netherlands, effective April 1, 2019 and the name of Lupin Holdings B.V., Netherlands, was changed to Nanomi B.V., Netherlands.
7) Nanomi B.V., Netherlands, holds 51% shares of Multicare Pharmaceuticals Philippines, Inc., Philippines.
8) On September 30, 2019, the Company completed divestiture of its entire stake in Kyowa CritiCare Co., Limited, Japan.
9) The entire shareholding of Bellwether Pharma Pty Limited, Australia, is held by Generic Health Pty Limited, Australia.
10) Effective February 11, 2020, Lupin Atlantis Holdings SA, Switzerland, holds 73.88% and Nanomi B.V., Netherlands, holds 26.12% shares in Medquimica Industria Farmaceutica LTDA, Brazil.

11) Name of Lupin IP Ventures, Inc., USA, was changed to Lupin Management, Inc., USA, effective March 10, 2020.
12) The entire shareholdings of Novel Laboratories, Inc., USA, Lupin Research Inc., USA and Lupin Management, Inc., USA, are held by Lupin Inc., USA.
13) Lupin Mexico S.A. de C.V., Mexico, Lupin Healthcare Limited, India, Generic Health SDN. BHD., Malaysia, Lupin Europe GmbH, Germany and Lupin Management, Inc., USA, have not yet commenced commercial operations.
14) Lupin Pharmaceuticals, Inc., USA, has Share Capital of USD 1 i.e ₹ 62/-.
15) Total liabilities in Lupin Mexico S.A. de C.V. Mexico, are ₹ 69,652/-.
16) Novel Laboratories, Inc., USA, has Share Capital of USD 1 i.e. ₹ 67/-.
17) Lupin Research Inc., USA, has Share Capital of USD 1 i.e. ₹ 67/-
18) Lupin Latam, Inc., USA, has Share Capital of USD 1 i.e. ₹ 68/-.
19) Lupin Atlantis Holdings SA, Switzerland, has tax provision of ₹ 45,298/-
20) Lupin Pharma LLC, Russia, was liquidated on April 9, 2019.
21) Symbiomix Therapeutics, LLC, USA, was liquidated on December 30, 2019.
22) On March 31, 2020, Lupin Inc., USA, issued 28000 preferred shares (at USD 10000 par value, 15-year term) to Lupin Atlantis Holdings SA, Switzerland.
23) 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 Deshbandhu Gupta	Ramesh Swaminathan	R. V. Satam
Chairperson	***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 28, 2020

Part 'B' Joint Ventures
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Jointly Controlled Entity

(₹ in million)

Name of the Jointly Controlled Entity	YL Biologics Limited, Japan
1) Latest Audited Balance Sheet Date	March 31, 2020
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	305.0
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	305.0
7) Profit/Loss for the year	
(i) Considered in Consolidation (after inter company adjustment)	39.4
(ii) Not Considered in Consolidation	48.2

* **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 Deshbandhu Gupta	Ramesh Swaminathan	R. V. Satam
Chairperson	***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 28, 2020

ANNEXURE 'B' TO
THE DIRECTORS' REPORT

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

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

The CSR Policy aims at:

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

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

2. Composition of the CSR Committee:

i) Mrs. Manju D. Gupta - Chairperson
ii) Dr. Kamal K. Sharma
iii) Ms. Vinita Gupta
iv) Mr. Nilesh Deshbandhu Gupta
v) Mr. Dileep C. Choksi

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

The average net profit of the Company for the last three financial years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 was ₹ 27753.3 million.

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

₹ 555.1 million.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year:
₹ 555.1 million.

(b) Amount unspent, if any:
₹ 213.1 million.

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

(₹ in million)

1. Sl. No.	2. CSR project/activity identified	3. Sector in which the Project is covered	4. Projects/Programs (1) Local area or other (2) Specify the State and District where projects/ programs were undertaken	5. Amount outlay (budget) project/ program-wise	6. Amount spent on the projects/ programs Sub-heads: (1) Direct Expenditure on projects/ programs (2) Overheads	7. Cumulative expenditure up to the reporting period (From FY 2014-15)	8. Amount spent: Direct/through implementing agency
1.	Rural Support Programme	Social and Economic Development	Alwar, Bharatpur (Rajasthan), Dhule, Pune, Sindhudurg (Maharashtra), Vidisha (Madhya Pradesh)	150.0	154.5	681.7	LHWRF*/ MSGDJSN**
2.	Learn and Earn Programme	Social and Economic Development	Dabhasa (Gujarat), Tarapur and Nagpur (Maharashtra), Goa and Sikkim	23.7	18.3	76.0	LHWRF
3.	Rural Support Programme	Social and Economic Development	Plant Locations: Ankleshwar, Dabhasa (Gujarat), Aurangabad, Nagpur, Tarapur (Maharashtra), Pithampur, Mandideep (Madhya Pradesh), Vishakhapatnam (Andhra Pradesh), Goa, Jammu and Sikkim.	80.0	80.2	310.7	LHWRF
4.	Tuberculosis Eradication	Health	Mumbai	20.0	-	53.7	LHWRF
5.	Patient Awareness Camps	Health	National Level	20.0	19.6	87.6	Direct
6.	Donations for CSR	-	National Level	60.0	54.1	187.4	Direct
7.	Salary and Administrative Expenses	-	National Level	17.7	15.3	68.9	Direct
			Total:	**371.4**	**342.0**	**1466.0**	

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

6. The aim of the Company is to continuously increase the amount of spend. The Company is looking for new areas/activities, particularly deeper sustainable projects to accelerate the spend. During FY 2020-21, the Company will also make CSR spends towards relief efforts for mitigating the COVID-19 pandemic, including contribution to the PM CARES Fund.

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

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Nilesh Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 28, 2020

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, 2020 were at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis: -

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in million)	Date(s) of approval by the Audit Committee/ Board	Amount paid as advances
1.	Lupin Pharmaceuticals, Inc., USA, (wholly-owned subsidiary)	Sale of Goods	Continuous	Based on Transfer Pricing Guidelines - ₹ 30756.4	August 6, 2019, August 7, 2019 November 5, 2019, November 6, 2019, February 5, 2020, February 6, 2020 and May 28, 2020	Nil
2.	Dr. Kamal K. Sharma, Vice Chairman	Advisory Fees (office or place of profit) as approved by Members	October 1, 2018 - September 30, 2019	In terms of Advisory Agreement - ₹ 22.9 (April 1, 2019 - September 30, 2019)	August 6, 2019, August 7, 2019, November 5, 2019 and November 6, 2019	Nil

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 28, 2020

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 motion sensors for light fixtures.
- **b)** Installed guns for compressed air/portable and purified water.
- **c)** Replaced CFL lights with LED ones.
- **d)** Installed variable frequency drives on cooling water pumps.
- **e)** Trimmed Pump impeller at utility.
- **f)** Installed emulsification system for effective burning of furnace oil boiler.
- **g)** Replaced steam ejector with dry vacuum pump.
- **h)** Implemented close loop system in chilled water.
- **i)** Replaced screw air compressor with centrifugal ones.
- **j)** Installed energy efficient gear boxes and motors.
- **k)** Installed auto-control valves for steam utilization at furnace oil storage tank.
- **l)** Installed HVAC and process equipments with variable frequency drives.
- **m)** Replaced conventional pumps with high efficiency ones.
- **n)** Installed condensing and pressurized economizers.

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

- **a)** Installed solar panel.
- **b)** Installed heat pumps.
- **c)** Installed capacitor banks.
- **d)** Used wind power.
- **e)** Installed plate heat exchangers for hot water generation.

(iii) capital investment on energy conservation equipments;

- **a)** Nagpur - ₹ 89.6 million.
- **b)** Ankleshwar - ₹ 12.67 million.
- **c)** Goa - ₹ 8.06 million.
- **d)** Mandideep - ₹ 3.2 million.
- **e)** Pithampur - ₹ 0.55 million.
- **f)** Aurangabad - ₹ 0.49 million.
- **g)** Pune - ₹ 0.13 million.

(B) Technology absorption:

(i) efforts made towards technology absorption;

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

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

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

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

(a) details of technology imported;
No specific technology was imported during FY 2019-20. 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) Foreign expenditure incurred on Research & Development (Consolidated):

a.	Capital	₹ 704.8 million
b.	Recurring (excluding depreciation of ₹ 1615.3 million)	₹ 14366.8 million
	Total:	₹ **15071.6 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	₹ 51449.9 million
Foreign Exchange outgo in terms of actual outflows	₹ 19470.1 million

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 28, 2020

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, 2020, were as under: -

DESCRIPTION	DETAILS
Diluted earnings per share (EPS) (Consolidated) on issue of shares pursuant to all the schemes covered under the Regulations, calculated in accordance with Accounting Standard IND (AS) 33 'Earnings per share'.	Diluted earnings per share (consolidated) as on 31.03.2020: (₹ 5.95) No. of Options outstanding as on 31.03.2020: 4622431 Shares

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2020

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, 2020, were as under: -

(i) A description of each Employee Stock Option Scheme (ESOS) existed during 01.04.2019 and 31.03.2020:

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 Employees Stock Option Plan 2011 (ESOP 2011)	10.05.2011	3600000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
4.	Lupin Employees Stock Option Plan 2014 (ESOP 2014)	21.10.2014	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
5.	Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005)	28.07.2005	802820	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price, or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
6.	Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011)	10.05.2011	900000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value, or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	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	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 ₹ 2.00 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):

No.	Particulars	Details	
1.	Number of options outstanding at the beginning of the period	**Plan**	**No. of options**
		ESOP 2003	126850
		ESOP 2005	35795
		ESOP 2011	1317069
		ESOP 2014	1377164
		SESOP 2005	100568
		SESOP 2011	645865
		SESOP 2014	1079267
		Total	**4682578**
2.	Number of options granted during the year	**Plan**	**No. of options**
		ESOP 2011	40000
		ESOP 2014	567338
		SESOP 2011	66018
		SESOP 2014	126280
		Total	**799636**
3.	Number of options forfeieted/lapsed during the year	Lapsed on account of resignation of employees:	
		Plan	**No. of options**
		ESOP 2003	11965
		ESOP 2005	1250
		ESOP 2011	58905
		ESOP 2014	60020
		SESOP 2005	568
		SESOP 2011	66362
		SESOP 2014	156289
		Total	**355359**
4.	Number of options vested during the year	**Plan**	**No. of options**
		ESOP 2011	24014
		ESOP 2014	435390
		SESOP 2011	46119
		SESOP 2014	251655
		Total	**757178**
5.	Number of options exercised during the year	**Plan**	**No. of options**
		ESOP 2003	8855
		ESOP 2005	1500
		ESOP 2011	50741
		ESOP 2014	323579
		SESOP 2005	100000
		SESOP 2011	1225
		SESOP 2014	18524
		Total	**504424**

No.	Particulars	Details	
6.	Number of shares arising as a result of exercise of options	**Plan**	**No. of shares**
		ESOP 2003	8855
		ESOP 2005	1500
		ESOP 2011	50741
		ESOP 2014	323579
		SESOP 2005	100000
		SESOP 2011	1225
		SESOP 2014	18524
		Total	**504424**
7.	Money realised by exercise of options (₹), if scheme is implemented directly by the company	**Plan**	**Amount (₹)**
		ESOP 2003	2290962.15
		ESOP 2005	556455.00
		ESOP 2011	19027263.75
		ESOP 2014	647158.00
		SESOP 2005	37097000.00
		SESOP 2011	2450.00
		SESOP 2014	37048.00
		Total	**59658336.90**
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	106030
		ESOP 2005	33045
		ESOP 2011	1247423
		ESOP 2014	1560903
		SESOP 2011	644296
		SESOP 2014	1030734
		Total	**4622431**
10.	Number of options exercisable at the end of the year	**Plan**	**No. of options**
		ESOP 2003	106030
		ESOP 2005	33045
		ESOP 2011	1137755
		ESOP 2014	357842
		SESOP 2011	489154
		SESOP 2014	666086
		Total	**2789912**

(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: ₹ 39.68
	(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: ₹ 726.13

(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)** Dr. Rajender Kamboj was granted 20000 options under ESOP 2011. The exercise price of the options is ₹ 809.35. **ii)** Dr. Rajender Kamboj was granted 20000 options under ESOP 2011. The exercise price of the options is ₹ 701.25. **iii)** Dr. Fabrice Egros was granted 4900 options under SESOP 2011. The exercise price of the options is ₹ 2.00. **iv)** Mr. Thierry Volle was granted 4900 options under SESOP 2011. The exercise price of the options is ₹ 2.00. **v)** Mr. Johnny M. Mikell was granted 24900 options under SESOP 2014. The exercise price of the options is ₹ 2.00. **vi)** Mr. James Butcher was granted 38675 options under SESOP 2014. The exercise price of the options is ₹ 2.00. **vii)** Mr. Alok Sonig was granted 8000 options under SESOP 2014. 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 Nomination and Remuneration 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**	**SESOP 2011**	**ESOP 2014**	**ESOP 2011**	**ESOP 2014**	**ESOP 2014**	**SESOP 2011**
Grant date	12.04.19	27.05.19	31.07.19	31.07.19	04.10.19	06.11.19	04.12.19	04.12.19
Risk free rate (%)	6.69	6.62	6.10	6.10	5.80	5.87	5.79	5.79
Expected life (years)	2.00	2.67	3.50	3.50	3.00	3.50	3.50	3.50
Volatility (%)	7.29	30.49	29.06	29.06	28.16	28.94	28.32	28.32
Dividend yield (%)	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Stock price **(NSE closing rate)** ₹	**832.75**	**743.30**	**764.80**	**764.80**	**686.50**	**771.45**	**791.90**	**791.90**
Option Fair Value ₹	**131.47**	**733.07**	**749.40**	**749.40**	**169.89**	**755.92**	**776.00**	**776.00**

Variables	Weighted Average Information			
	9	10	11	12
Plan	**SESOP 2014**	**ESOP 2014**	**SESOP 2011**	**SESOP 2014**
Grant date	04.12.19	03.02.20	03.02.20	03.02.20
Risk free rate (%)	5.57	6.02	6.02	5.79
Expected life (years)	2.67	3.50	3.50	2.67
Volatility (%)	28.19	28.27	28.27	27.44
Dividend yield (%)	0.52	0.52	0.52	0.52
Stock price **(NSE closing rate)** ₹	**791.90**	**708.65**	**708.65**	**708.65**
Option Fair Value ₹	**779.29**	**694.26**	**694.26**	**697.18**

DETAILS OF STOCK APPRECIATION RIGHTS AS ON MARCH 31, 2020

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 01.04.2019 and 31.03.2020: No Scheme existed.

DETAILS RELATED TO TRUST AS ON MARCH 31, 2020

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

(i) General information of all schemes: No Scheme Existed.

(ii) Brief details of transactions in shares by the Trust: Not Applicable.

(iii) In case of secondary acquisition of shares by the Trust: Not Applicable

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 28, 2020

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, 2020 (₹ in million)	% increase in the remuneration in the year ended March 31, 2020	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mrs. Manju D. Gupta, *Chairperson*	3.69	2.5%	8
2.	Dr. Kamal K. Sharma, *Vice Chairman*	32.43	-	71
3.	Ms. Vinita Gupta, *Chief Executive Officer*	128.28	(Refer Note No. vi)	280
4.	Mr. Nilesh Deshbandhu Gupta, *Managing Director*	59.68	(Refer Note No. vi)	130
5.	Mr. Ramesh Swaminathan, *Executive Director, Global CFO & Head Corporate Affairs (w.e.f. March 26, 2020)*	0.79	N.A.	2
6.	Mr. R. A. Shah, *Independent Director*	3.76	2.2%	8
7.	Dr. K. U. Mada, *Independent Director*	3.46	2.7%	8
8.	Mr. Dileep C. Choksi, *Independent Director*	3.32	3.8%	7
9.	Mr. Richard Zahn, *Independent Director*	7.82	10.6%	17
10.	Mr. Jean-Luc Belingard *Independent Director*	7.71	9.8%	17
11.	Ms. Christine Mundkur *Independent Director (w.e.f. April 1, 2019)*	7.75	N.A.	17
12.	Mr. Sunil Makharia, *Interim Chief Financial Officer (from June 10, 2019 to March 25, 2020)*	32.55	N.A.	71
13.	Mr. R. V. Satam, *Company Secretary*	8.41	-	N.A.

i) The median remuneration of employees of the Company for the year ended March 31, 2020 was ₹ 0.46 million.

ii) During the year ended March 31, 2020, there was an increase of 6.15% in the median remuneration of employees.

iii) During the year ended March 31, 2020, there was an average increase of 6.14% in the salaries of employees other than key managerial personnel.

iv) As on March 31, 2020, the Company had 18302 permanent employees.

v) Ms. Vinita Gupta is an employee of Lupin Management, Inc., USA, wholly-owned subsidiary of the Company.

vi) Ms. Vinita Gupta and Mr. Nilesh Deshbandhu Gupta opted out of receiving any remuneration for one-year period from August 8, 2018 to August 7, 2019, hence amounts for the current year and previous year are not comparable.

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

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 28, 2020

ANNEXURE 'G' TO
THE DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2020

[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) Regulations, 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, 2020, 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, 2020 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 the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company: -

a. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945, as amended from time to time;

b. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, as amended from time to time; and

c. Drugs (Price Control) Order, 2013, as amended from time to time.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Companies Act, 2013, amendments thereto and Rules made thereunder.

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 504424 equity shares aggregating ₹ 1,008,848 to 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 : F009492B000290454

Place: Mumbai
Date: May 28, 2020

ANNEXURE 'G'-1

(TO THE SECRETARIAL AUDIT REPORT OF LUPIN LIMITED FOR YEAR ENDED MARCH 31, 2020)

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. Due to nationwide lockdown on account of the continuing Covid-19 pandemic, I was not able to physically examine and verify certain information. However, in such cases, I verified the records based on authenticated soft copies of documents furnished by the Company. 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 the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Ms. Neena Bhatia
(Company Secretary)
FCS No: 9492
CP. No.: 2661
UDIN : F009492B000290454

Place: Mumbai
Date: May 28, 2020

ANNEXURE 'H' TO
THE DIRECTORS' REPORT

FORM NO. MGT - 9.
EXTRACT OF ANNUAL RETURN
as on the year ended March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

(i)	Corporate Identity Number (CIN)	:	L24100MH1983PLC029442
(ii)	Registration Date	:	March 1, 1983
(iii)	Name of the Company	:	LUPIN LIMITED
(iv)	Category/Sub-Category of the Company	:	Company having Share Capital
(v)	Address of the Registered office and contact details	:	Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055. Tel. No. + 91 22 6640 2323
(vi)	Whether listed Company	:	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	:	Link Intime India Pvt. Ltd. (Share Transfer Agent) Unit: Lupin Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083. Tel. No.: +91 22 4918 6270 Toll Free No.: 1800 1020 878 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Lupin Pharmaceuticals, Inc., HarborPlace Tower, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A.	Subsidiary	100%	2(87)
2.	Kyowa Pharmaceutical Industry Co., Ltd., (up to December 17, 2019) Nakanoshima Festival Tower West 27F, 3-2-4 Nakanoshima, Kita-ku, Osaka 530-0005, Japan.	N.A.	Subsidiary	99.82%	2(87)
3.	Pharma Dynamics (Proprietary) Ltd., 1st Floor, Grapevine House, Steenberg Office Park, Silverwood Close, Westlake, Cape Town, 7945, P.O. Box 30958, South Africa.	N.A.	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4.	Hormosan Pharma GmbH, Hanauer Landstraße 139-143 60314 Frankfurt am Main Germany.	N.A.	Subsidiary	100%	2(87)
5.	Multicare Pharmaceuticals Philippines, Inc., 26th Floor, Rufino Tower, Ayala Avenue, Makati City, Philippines.	N.A.	Subsidiary	51%	2(87)
6.	Generic Health Pty Ltd., Level 2, Suite 2, 19-23 Prospect St, Box Hill, Victoria 3128, Australia.	N.A.	Subsidiary	100%	2(87)
7.	Kyowa CritiCare Co., Ltd., (up to September 30, 2019) 4-18-29, Asahicho, Atsugi-City, Kanagawa 243-0014, Japan.	N.A.	Subsidiary	99.82%	2(87)
8.	Lupin Holdings B.V., (now known as Nanomi B.V.), Naritaweg 165, Telestone 8, 1043 BW Amsterdam Netherlands.	N.A.	Subsidiary	100%	2(87)
9.	Lupin Atlantis Holdings SA, Landis + Gyr-Strasse 1, 6300 Zug, Switzerland.	N.A.	Subsidiary	100%	2(87)
10.	Lupin Healthcare (UK) Ltd., The Urban Building, Floor 2, 3-9 Albert Street, Slough, Berkshire, SL1 2BE, UK.	N.A.	Subsidiary	100%	2(87)
11.	Lupin Australia Pty Ltd., Level 2, Suite 2, 19-23 Prospect St, Box Hill, Victoria 3128, Australia.	N.A.	Subsidiary	100%	2(87)
12.	Lupin Pharma Canada Ltd., 15 Wertheim Crt, Suite 707 Richmond Hill, Ontario L4B 3H7.	N.A.	Subsidiary	100%	2(87)
13.	Lupin Mexico S.A. de C.V., Gabriel Mancera 1761, Colonia De Valle, Ciudad de Mexico, c.p. 03100.	N.A.	Subsidiary	100%	2(87)
14.	Bellwether Pharma Pty Ltd., Level 2, Suite 2, 19-23 Prospect St, Box Hill, Victoria 3128, Australia.	N.A.	Subsidiary	100%	2(87)
15.	Lupin Philippines, Inc., 1135 Chino Roces Avenue, Makati City, 1231, Philippines.	N.A.	Subsidiary	100%	2(87)
16.	Lupin Healthcare Ltd., Kalpataru Inspire, 3rd Floor Off Western Express Highway, Santacruz (East), Mumbai - 400 055.	U24100MH2011PLC214885	Subsidiary	100%	2(87)
17.	Generic Health SDN. BHD., Upper Penthouse, Wisma RKT, No.2, Jalan Raja Abdulla, Off Jalan Sultan Ismail, 50300 Kuala Lumpur, Malaysia.	N.A.	Subsidiary	100%	2(87)
18.	Lupin Middle East FZ-LLC, Executive Office No. 9, Floor No. 1, Block No. 03, Dubai International Academic City, P.O. Box - 345029, Dubai, UAE.	N.A.	Subsidiary	100%	2(87)
19.	Lupin Inc., HarborPlace Tower, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A.	Subsidiary	100%	2(87)
20.	Lupin GmbH, Landis + Gyr-Strasse 1, 6300 Zug, Switzerland.	N.A.	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
21.	Nanomi B.V., (merged with Lupin Holdings B.V., Netherlands effective April 1, 2019) Zutphenstraat 51, 7575 EJ OLDEN ZAAL, Netherlands.	N.A.	Subsidiary	100%	2(87)
22.	Laboratorios Grin, S.A. de C.V., Rodriguez Saro#630, Col Del Valle, Ciudad de Mexico, CP 03100, RFC LGR8309144M3.	N.A.	Subsidiary	100%	2(87)
23.	Medquimica Industria Farmaceutica LTDA, Rua Fernando Lamarca, 255 - Distrito Industrial, Juiz de Fora, Minas Gerais, Brazil 36092-030.	N.A.	Subsidiary	100%	2(87)
24.	Novel Laboratories, Inc., 400 Campus Drive, Somerset, New Jersey-00873-1145, USA.	N.A.	Subsidiary	100%	2(87)
25.	Lupin Research Inc., HarborPlace Tower, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A.	Subsidiary	100%	2(87)
26.	Lupin Pharma LLC, (up to April 9, 2019) Russian Federation, 1 17246, Moscow, Nauchny proezd 17, Premises XXXIV, Rooms 1 - 14, Russia.	N.A.	Subsidiary	100%	2(87)
27.	Lupin Latam, Inc., 5801, Pelican Bay Boulevard - suite 500 Naples, Florida 34108, USA.	N.A.	Subsidiary	100%	2(87)
28.	Lupin Japan & Asia Pacific KK, Toranoman Hills, Mori Tower, 1-23-3, Toranoman, Minato-ku, Tokyo 105-630, Japan.	N.A.	Subsidiary	100%	2(87)
29.	Lupin Management, Inc., (earlier known as Lupin IP Ventures Inc.) 5801 Pelican Bay Blvd, Suite 500 Naples, FL 34108, USA.	N.A.	Subsidiary	100%	2(87)
30.	Symbiomix Therapeutics, LLC, (up to December 30, 2019) 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A.	Subsidiary	100%	2(87)
31.	Lupin Europe GmbH, Hanauer Landstraße 139-143 60314 Frankfurt am Main Germany.	N.A.	Subsidiary	100%	2(87)

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

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

i) Category-wise Shareholding:

Category of Shareholders		No. of Shares held at the beginning of the year i.e. as on 01.04.2019				No. of Shares held at the end of the year i.e. as on 31.03.2020				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individuals/HUF	5650113	0	5650113	1.25	5670513	0	5670513	1.25	0.00
(b)	Central Government									
(c)	State Government(s)									
(d)	Bodies Corporate	205609135	0	205609135	45.44	205609135	0	205609135	45.39	-0.05
(e)	Financials Institutions/ Banks									
(f)	Any Other									
	Sub-Total (A)(1)	**211259248**	**0**	**211259248**	**46.69**	**211279648**	**0.00**	**211279648**	**46.64**	**-0.05**
(2)	**Foreign**									
(a)	NRIs - Individuals	1286394	0	1286394	0.28	1286394	0	1286394	0.28	0.00
(b)	Other - Individuals									
(c)	Bodies Corporate									
(d)	Banks/FI									
(e)	Any Other									
	Sub-Total (A)(2)	**1286394**	**0**	**1286394**	**0.28**	**1286394**	**0**	**1286394**	**0.28**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**212545642**	**0**	**212545642**	**46.97**	**212566042**	**0**	**212566042**	**46.92**	**-0.05**
(B)	**Public shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	28990464	30200	29020664	6.41	45885207	29600	45914807	10.14	3.72
(b)	Banks/FI	1961655	3900	1965555	0.43	1453658	3900	1457558	0.32	-0.11
(c)	Central Government	1270832	0	1270832	0.28	1270943	0	1270943	0.28	0.00
(d)	State Government(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies	22425287	100	22425387	4.96	25465378	100	25465478	5.62	0.67
(g)	FIIs	117059368	3600	117062968	25.87	102745849	0	102745849	22.68	-3.19
(h)	Foreign Venture Capital Funds									
(i)	**Any other:**	-	-	-	-	-	-	-	-	-
	Alternate Investment Funds	522589	0	522589	0.12	848396	0	848396	0.19	0.07
	Foreign Bodies	5000	0	5000	0.00	5000	3600	8600	0.00	0.00
	Sub Total (B)(1)	**172235195**	**37800**	**172272995**	**38.07**	**177674431**	**37200**	**177711631**	**39.23**	**1.16**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
	i) Indian	5654673	21300	5675973	1.25	3191832	21300	3213132	0.71	-0.55
	ii) Overseas									
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	37079994	1242988	38322982	8.47	34532884	1009908	35542792	7.85	-0.62
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13494116	0	13494116	2.98	12891623	0	12891623	2.85	-0.14

Category of Shareholders		No. of Shares held at the beginning of the year i.e. as on 01.04.2019				No. of Shares held at the end of the year i.e. as on 31.03.2020				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(c)	**Others (specify):**									
	Non-Resident Indians	2444024	21400	2465424	0.54	2101368	20200	2121568	0.47	-0.08
	Foreign Nationals	103606	0	103606	0.02	99418	0	99418	0.02	0.00
	Clearing Members	1933229	0	1933229	0.43	1693652	0	1693652	0.37	-0.05
	Trusts	5279617	0	5279617	1.17	6535872	0	6535872	1.44	0.28
	IEPF	400113	0	400113	0.09	622391	0	622391	0.14	0.05
	Sub Total (B)(2)	**66389372**	**1285688**	**67675060**	**14.96**	**61669040**	**1051408**	**62720448**	**13.85**	**-1.11**
	Total Public Share holding (B) = (B)(1) + (B)(2)	**238624567**	**1323488**	**239948055**	**53.03**	**239343471**	**1088608**	**240432079**	**53.08**	**0.05**
	TOTAL (A) + (B)	**451170209**	**1323488**	**452493697**	**100.00**	**451909513**	**1088608**	**452998121**	**100.00**	**0.00**
(C)	**Shares held by Custodians for GDRs and ADRS**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL: (A)+(B)+(C)	**451170209**	**1323488**	**452493697**	**100.00**	**451909513**	**1088608**	**452998121**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 01.04.2019			No. of Shares held at the end of the year as on 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Lupin Investments Pvt. Ltd	205608135	45.44	0.000	205608135	45.39	0.000	-0.05
2.	Manju D. Gupta	3871162	0.86	0.000	3871162	0.85	0.000	0.00
3.	D. B. Gupta (HUF)	647580	0.14	0.000	647580	0.14	0.000	0.00
4.	Nilesh Gupta	901064	0.20	0.000	901064	0.20	0.000	0.00
5.	Anuja Gupta	725705	0.16	0.000	725705	0.16	0.000	0.00
6.	Richa Gupta	233265	0.05	0.000	233265	0.05	0.000	0.00
7.	Vinita Gupta	327424	0.07	0.000	327424	0.07	0.000	0.00
8.	Kavita Gupta	200170	0.04	0.000	200170	0.04	0.000	0.00
9.	Veda Nilesh Gupta	28385	0.01	0.000	45285	0.01	0.000	0.00
10.	Neel Deshbandhu Gupta	0	0.00	0.000	3500	0.00	0.000	0.00
11.	Shefali Nath Gupta	1752	0.00	0.000	1752	0.00	0.000	0.00
12.	Manju D Gupta (As a Trustee of Gupta Family Trust)	1000	0.00	0.000	1000	0.00	0.000	0.00
	Total:	**212545642**	**46.97**	**0.000**	**212566042**	**46.92**	**0.000**	**-0.05**

iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Lupin Investments Pvt. Ltd	205608135	45.44	0.000	205608135	45.39	0.000	-0.05
2.	Manju D. Gupta	3871162	0.86	0.000	3871162	0.85	0.000	0.00
3.	D. B. Gupta (HUF)	647580	0.14	0.000	647580	0.14	0.000	0.00
4.	Nilesh Gupta	901064	0.20	0.000	901064	0.20	0.000	0.00
5.	Anuja Gupta	725705	0.16	0.000	725705	0.16	0.000	0.00
6.	Richa Gupta	233265	0.05	0.000	233265	0.05	0.000	0.00
7.	Vinita Gupta	327424	0.07	0.000	327424	0.07	0.000	0.00
8.	Kavita Gupta	200170	0.04	0.000	200170	0.04	0.000	0.00
9.	Veda Nilesh Gupta	28385	0.01	0.000	45285	0.01	0.000	0.00
10	Neel Deshbandhu Gupta	0	0.00	0.000	3500	0.00	0.000	0.00
11.	Shefali Nath Gupta	1752	0.00	0.000	1752	0.00	0.000	0.00
12.	Manju D. Gupta (As a Trustee of Gupta Family Trust)	1000	0.00	0.000	1000	0.00	0.000	0.00
	Total:	**212545642**	**46.97**	**0.000**	**212566042**	**46.92**	**0.000**	**-0.05**

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

Sl. No.	Name of the Shareholder	Date	Increase/ Decrease and reason for the same*	No. of Shares held at the beginning of the year as on 01.04.2019		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**HDFC Trustee Company Limited- HDFC Equity Fund**	**At the beginning of the year**	**-**	**497358**	**0.11**	**-**	**-**
		05.04.2019	39900	-	-	537258	0.12
		12.04.2019	-410	-	-	536848	0.12
		26.04.2019	62300	-	-	599148	0.13
		10.05.2019	1400	-	-	600548	0.13
		17.05.2019	121100	-	-	721648	0.16
		24.05.2019	439918	-	-	1161566	0.26
		31.05.2019	510000	-	-	1671566	0.37
		02.08.2019	-43400	-	-	1628166	0.36
		23.08.2019	-164500	-	-	1463666	0.32
		30.08.2019	-91700	-	-	1371966	0.30
		06.09.2019	50000	-	-	1421966	0.31
		13.09.2019	159700	-	-	1581666	0.35
		20.09.2019	497000	-	-	2078666	0.46
		27.09.2019	759067	-	-	2837733	0.63
		04.10.2019	7000	-	-	2844733	0.63
		11.10.2019	-122600	-	-	2722133	0.60
		18.10.2019	899220	-	-	3621353	0.80
		25.10.2019	945080	-	-	4566433	1.01
		01.11.2019	1000000	-	-	5566433	1.23
		08.11.2019	43400	-	-	5609833	1.24
		15.11.2019	1654200	-	-	7264033	1.60
		22.11.2019	500000	-	-	7764033	1.71
		13.12.2019	135100	-	-	7899133	1.74
		03.01.2020	110000	-	-	8009133	1.77
		10.01.2020	83500	-	-	8092633	1.79
		17.01.2020	547000	-	-	8639633	1.91
		24.01.2020	260000	-	-	8899633	1.96
		14.02.2020	910407	-	-	9810040	2.17
		28.02.2020	-294000	-	-	9516040	2.10
		06.03.2020	1476000	-	-	10992040	2.43
		20.03.2020	301506	-	-	11293546	2.49
		27.03.2020	267400	-	-	11560946	2.55
		31.03.2020	-1100	-	-	11559846	2.55
		At the end of the year	**-**	**-**	**-**	**11559846**	**2.55**
2	**Life Insurance Corporation of India**	**At the beginning of the year**	**-**	**10951777**	**2.42**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**10951777**	**2.42**
3	**Franklin India Focused Equity Fund**	**At the beginning of the year**	**-**	**4730000**	**1.04**	**-**	**-**
		02.08.2019	-516	-	-	4729484	1.04
		08.11.2019	-500000	-	-	4229484	0.93
		29.11.2019	-229484	-	-	4000000	0.88
		06.12.2019	-459871	-	-	3540129	0.78
		03.01.2020	-129	-	-	3540000	0.78
		14.02.2020	2300000	-	-	5840000	1.29
		21.02.2020	1020092	-	-	6860092	1.51
		28.02.2020	979908	-	-	7840000	1.73
		06.03.2020	383797	-	-	8223797	1.82
		13.03.2020	190929	-	-	8414726	1.86
		20.03.2020	385274	-	-	8800000	1.94
		31.03.2020	200000	-	-	9000000	1.99
		At the end of the year	**-**	**-**	**-**	**9000000**	**1.99**

Sl. No.	Name of the Shareholder	Date	Increase/ Decrease and reason for the same*	No. of Shares held at the beginning of the year as on 01.04.2019		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	**Rakesh Jhunjhunwala**	**At the beginning of the year**	**-**	**8723605**	**1.93**	**-**	**-**
		17.05.2019	-1000000	-	-	7723605	1.71
		19.07.2019	125000	-	-	7848605	1.73
		02.08.2019	-290000	-	-	7558605	1.67
		16.08.2019	-488000	-	-	7070605	1.56
		27.12.2019	-135000	-	-	6935605	1.53
		31.01.2020	85000	-	-	7020605	1.55
		21.02.2020	-200000	-	-	6820605	1.51
		20.03.2020	25000	-	-	6845605	1.51
		At the end of the year	**-**	**-**	**-**	**6845605**	**1.51**
5	**NPS Trust- A/C LIC Pension Fund Scheme - State Govt**	**At the beginning of the year**	**-**	**5152145**	**1.14**	**-**	**-**
		05.04.2019	2265	-	-	5154410	1.14
		17.05.2019	24800	-	-	5179210	1.14
		14.06.2019	11699	-	-	5190909	1.15
		21.06.2019	20046	-	-	5210955	1.15
		12.07.2019	100	-	-	5211055	1.15
		19.07.2019	172	-	-	5211227	1.15
		09.08.2019	-11159	-	-	5200068	1.15
		16.08.2019	33683	-	-	5233751	1.16
		27.09.2019	1421	-	-	5235172	1.16
		18.10.2019	26310	-	-	5261482	1.16
		01.11.2019	250	-	-	5261732	1.16
		08.11.2019	1668	-	-	5263400	1.16
		20.12.2019	1940	-	-	5265340	1.16
		17.01.2020	241843	-	-	5507183	1.22
		24.01.2020	162750	-	-	5669933	1.25
		31.01.2020	178289	-	-	5848222	1.29
		07.02.2020	135000	-	-	5983222	1.32
		14.02.2020	52750	-	-	6035972	1.33
		28.02.2020	110350	-	-	6146322	1.36
		06.03.2020	58069	-	-	6204391	1.37
		13.03.2020	65400	-	-	6269791	1.38
		27.03.2020	167450	-	-	6437241	1.42
		31.03.2020	23900	-	-	6461141	1.43
		At the end of the year	**-**	**-**	**-**	**6461141**	**1.43**
6	**Government Pension Fund Global**	**At the beginning of the year**	**-**	**6555571**	**1.45**	**-**	**-**
		31.05.2019	349520	-	-	6905091	1.52
		29.06.2019	4736	-	-	6909827	1.53
		26.07.2019	390203	-	-	7300030	1.61
		02.08.2019	1106316	-	-	8406346	1.86
		10.01.2020	-281806	-	-	8124540	1.79
		17.01.2020	-257450	-	-	7867090	1.74
		14.02.2020	-1681519	-	-	6185571	1.37
		27.03.2020	-103000	-	-	6082571	1.34
		At the end of the year	**-**	**-**	**-**	**6082571**	**1.34**
7	**Comgest Growth Plc - Comgest Growth Emerging Markets**	**At the beginning of the year**	**-**	**6841112**	**1.51**	**-**	**-**
		22.11.2019	36966	-	-	6878078	1.52
		27.03.2020	-589337	-	-	6288741	1.39
		31.03.2020	-588160	-	-	5700581	1.26
		At the end of the year	**-**	**-**	**-**	**5700581**	**1.26**

Sl. No.	Name of the Shareholder	Date	Increase/ Decrease and reason for the same*	No. of Shares held at the beginning of the year as on 01.04.2019		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	**Vanguard Total International Stock Index Fund**	**At the beginning of the year**	**-**	**3604614**	**0.80**	**-**	**-**
		26.04.2019	-94901	-	-	3509713	0.77
		26.07.2019	43920	-	-	3553633	0.78
		16.08.2019	46646	-	-	3600279	0.79
		30.08.2019	52813	-	-	3653092	0.81
		14.02.2020	60766	-	-	3713858	0.82
		28.02.2020	46763	-	-	3760621	0.83
		13.03.2020	50784	-	-	3811405	0.84
		20.03.2020	161242	-	-	3972647	0.88
		27.03.2020	-11934	-	-	3960713	0.87
		At the end of the year	**-**	-	-	**3960713**	**0.87**
9	**Mirae Asset Emerging Bluechip Fund**	**At the beginning of the year**	**-**	**214740**	**0.05**	**-**	**-**
		05.04.2019	6500	-	-	221240	0.05
		10.05.2019	-12600	-	-	208640	0.05
		02.08.2019	-10000	-	-	198640	0.04
		23.08.2019	25000	-	-	223640	0.05
		11.10.2019	20000	-	-	243640	0.05
		08.11.2019	-20961	-	-	222679	0.05
		29.11.2019	-20000	-	-	202679	0.04
		06.12.2019	-12379	-	-	190300	0.04
		17.01.2020	40000	-	-	230300	0.05
		24.01.2020	15000	-	-	245300	0.05
		31.01.2020	28636	-	-	273936	0.06
		07.02.2020	9261	-	-	283197	0.06
		14.02.2020	1583787	-	-	1866984	0.41
		21.02.2020	730000	-	-	2596984	0.57
		28.02.2020	139887	-	-	2736871	0.60
		06.03.2020	986300	-	-	3723171	0.82
		20.03.2020	1966	-	-	3725137	0.82
		31.03.2020	220000	-	-	3945137	0.87
		At the end of the year	**-**	-	-	**3945137**	**0.87**
10	**Kotak Standard Multicap Fund**	**At the beginning of the year**	**-**	**4449985**	**0.98**	**-**	**-**
		05.04.2019	-271600	-	-	4178385	0.92
		12.04.2019	-172500	-	-	4005885	0.88
		19.04.2019	-303800	-	-	3702085	0.82
		26.04.2019	-40453	-	-	3661632	0.81
		03.05.2019	4900	-	-	3666532	0.81
		10.05.2019	118300	-	-	3784832	0.84
		17.05.2019	-66240	-	-	3718592	0.82
		24.05.2019	81240	-	-	3799832	0.84
		31.05.2019	32100	-	-	3831932	0.85
		07.06.2019	117146	-	-	3949078	0.87
		14.06.2019	20212	-	-	3969290	0.88
		21.06.2019	-37100	-	-	3932190	0.87
		29.06.2019	-238000	-	-	3694190	0.82
		05.07.2019	-9800	-	-	3684390	0.81
		12.07.2019	-107200	-	-	3577190	0.79
		19.07.2019	-51100	-	-	3526090	0.78
		26.07.2019	-11200	-	-	3514890	0.78
		02.08.2019	-203700	-	-	3311190	0.73
		09.08.2019	-30100	-	-	3281090	0.72
		16.08.2019	-3500	-	-	3277590	0.72

Sl. No.	Name of the Shareholder	Date	Increase/ Decrease and reason for the same*	No. of Shares held at the beginning of the year as on 01.04.2019		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		23.08.2019	-93800	-	-	3183790	0.70
		06.09.2019	35700	-	-	3219490	0.71
		13.09.2019	-2800	-	-	3216690	0.71
		20.09.2019	48300	-	-	3264990	0.72
		27.09.2019	154700	-	-	3419690	0.75
		30.09.2019	700	-	-	3420390	0.76
		04.10.2019	-224000	-	-	3196390	0.71
		11.10.2019	-6300	-	-	3190090	0.70
		18.10.2019	-4900	-	-	3185190	0.70
		25.10.2019	37800	-	-	3222990	0.71
		01.11.2019	116900	-	-	3339890	0.74
		08.11.2019	382200	-	-	3722090	0.82
		15.11.2019	13600	-	-	3735690	0.82
		22.11.2019	411500	-	-	4147190	0.92
		29.11.2019	396200	-	-	4543390	1.00
		06.12.2019	222600	-	-	4765990	1.05
		13.12.2019	34700	-	-	4800690	1.06
		20.12.2019	29400	-	-	4830090	1.07
		27.12.2019	1400	-	-	4831490	1.07
		31.12.2019	-50400	-	-	4781090	1.06
		03.01.2020	-127400	-	-	4653690	1.03
		10.01.2020	-1400	-	-	4652290	1.03
		17.01.2020	32900	-	-	4685190	1.03
		24.01.2020	34000	-	-	4719190	1.04
		31.01.2020	-359800	-	-	4359390	0.96
		07.02.2020	-951300	-	-	3408090	0.75
		14.02.2020	-37100	-	-	3370990	0.74
		28.02.2020	29400	-	-	3400390	0.75
		06.03.2020	377600	-	-	3777990	0.83
		13.03.2020	77800	-	-	3855790	0.85
		20.03.2020	-700	-	-	3855090	0.85
		27.03.2020	-131600	-	-	3723490	0.82
		31.03.2020	86800	-	-	3810290	0.84
		At the end of the year	**-**	**-**	**-**	**3810290**	**0.84**

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

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director/ Key Managerial Personnel	Particulars		No. of Shares held at the beginning of the year i.e. as on 01.04.2019		Cumulative Shareholding during the year	
		Date	Reason for increase/ decrease	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**Dr. D. B. Gupta (HUF)**	**At the beginning of the year**	**-**	**647580**	**0.14**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**647580**	**0.14**
2.	**Mrs. Manju D. Gupta**	**At the beginning of the year**	**-**	**3871162**	**0.85**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**3871162**	**0.85**
3.	**Dr. Kamal K. Sharma**	**At the beginning of the year**	**-**	**169900**	**0.04**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**169900**	**0.04**

Sl. No.	Name of the Director/ Key Managerial Personnel	Particulars		No. of Shares held at the beginning of the year i.e. as on 01.04.2019		Cumulative Shareholding during the year	
		Date	Reason for increase/ decrease	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	**Ms. Vinita Gupta**	**At the beginning of the year**	**-**	**327424**	**0.07**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**327424**	**0.07**
5.	**Mr. Nilesh Deshbandhu Gupta**	**At the beginning of the year**	**-**	**901064**	**0.20**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**901064**	**0.20**
6.	**Mr. Ramesh Swaminathan**	**As at March 26, 2020**	**-**	**18732**	**0.00**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**18732**	**0.00**
7.	**Mr. R. A. Shah**	**At the beginning of the year**	**-**	**32000**	**0.01**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**32000**	**0.01**
8.	**Mr. Richard Zahn**	**At the beginning of the year**	**-**	**-**	**-**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**-**	**-**
9.	**Dr. K. U. Mada**	**At the beginning of the year**	**-**	**4000**	**0.00**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**4000**	**0.00**
10.	**Mr. Dileep C. Choksi**	**At the beginning of the year**	**-**	**-**	**-**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**-**	**-**
11.	**Mr. Jean-Luc Belingard**	**At the beginning of the year**	**-**	**-**	**-**		
		At the end of the year	**-**	**-**	**-**	**-**	**-**
12.	**Ms. Christine Mundkur**	**At the beginning of the year**	**-**	**-**	**-**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**-**	**-**
13.	**Mr. Sunil Makharia**	**As at June 10, 2019**	**-**	**12961**	**0.00**	**-**	**-**
		28.11.2019	Allotment under ESOP	3062	-	16023	0.00
		23.12.2019	Allotment under ESOP	2451	-	18474	0.00
		24.01.2020	Allotment under ESOP	1837	-	20311	0.00
		As at March 25, 2020	**-**	**-**	**-**	**20311**	**0.00**
14.	**Mr. R. V. Satam**	**At the beginning of the year**	**-**	**982**	**0.00**	**-**	**-**
		25.02.2020	Allotment under ESOP	1012	-	-	-
		At the end of the year	**-**	**-**	**-**	**1994**	**0.00**

V. INDEBTEDNESS

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

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	16.8	40.8	-	57.6
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	0.1	-	0.1
Total: (i) + (ii) + (iii)	**16.8**	**40.9**	**-**	**57.7**
Change in Indebtedness during the financial year				
• Addition, Net	36.1	-	-	36.1
• Reduction, Net	-	(35.5)	-	(35.5)
Net Change	**36.1**	**(35.5)**	**-**	**0.6**
Indebtedness at the end of the financial year				
(i) Principal Amount	52.9	5.4	-	58.3
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total: (i) + (ii) + (iii)	**52.9**	**5.4**	**-**	**58.3**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		*Ms. Vinita Gupta	Mr. Nilesh Deshbandhu Gupta	Mr. Ramesh Swaminathan (w.e.f. March 26, 2020)	
1)	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	92.99	43.87	0.79	**137.65**
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961.	-	1.98	-	**1.98**
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-	-	-	**-**
2)	Stock Options	-	-	-	**-**
3)	Sweat Equity	-	-	-	**-**
4)	Commission	-	-	-	**-**
	- as % of profit	-	-	-	**-**
	- others	-	-	-	**-**
5)	Others - Performance-linked Incentive	35.29	13.83	-	**49.12**
	Total (A)	**128.28**	**59.68**	**0.79**	**188.75**

*Ms. Vinita Gupta is an employee of Lupin Management, Inc., USA, wholly-owned subsidiary of the Company.

B. Remuneration to other directors:

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1)	**Independent Directors**	**Mr. R. A. Shah**	**Mr. Richard Zahn**	**Dr. K. U. Mada**	**Mr. Dileep C. Choksi**	**Mr. Jean-Luc Belingard**	**Ms. Christine Mundkur**	
	• Fee for attending Board/ Committee Meetings	0.26	0.26	0.46	0.32	0.14	0.18	1.62
	• Commission	3.50	7.56	3.00	3.00	7.57	7.57	32.20
	• Others	-	-	-	-	-	-	-
	Total (B)(1)	**3.76**	**7.82**	**3.46**	**3.32**	**7.71**	**7.75**	**33.82**
2)	**Other Non-Executive Directors**	**Mrs. Manju D. Gupta**			**Dr. Kamal K. Sharma***			
	• Fee for attending Board/ Committee Meetings	0.19			0.34			0.53
	• Commission	3.50			5.00			8.50
	• Others	-			27.09			27.09
	Total (B)(2)	**3.69**			**32.43**			**36.12**
	Total (B) = (B)(1) + (B)(2)							**69.94**
	Overall Ceiling as per the Act	₹ 97.34 million (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).						
	Total Managerial Remuneration (A) + (B)	**₹ 258.69 million**						

***** The Board appointed Dr. Kamal K. Sharma, Vice Chairman, as an Advisor to the Company, for a period of one-year, effective October 1, 2018 at fixed fee of ₹ 36.5 million per annum (payable quarterly) and an amount not exceeding 30% of the fixed fees as may be decided by the Management based on performance. Advisory Fees paid to Dr. Sharma up to September 30, 2019 have been mentioned under Others.

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

(₹ in million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Sunil Makharia, Interim CFO and President - Finance (from 10.06.2019 to 25.03.2020)	**Mr. R. V. Satam, Company Secretary**
1)	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	19.73	5.32
	(b) Value of prerequisites under Section 17(2) Income Tax Act, 1961.	1.35	1.20
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-	-
2)	Stock Options	4.94	0.82
3)	Sweat Equity	-	-
4)	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5)	Others (Performance-linked Incentive)	6.53	1.07
	Total (C)	**32.55**	**8.41**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Manju D. Gupta
Chairperson
(DIN: 00209461)

Mumbai, May 28, 2020

Corporate Governance Report

[1] Company's Philosophy on Corporate Governance:

The Company is of the firm belief that an effective framework of corporate governance is the foundation for sustainable growth. The Company's philosophy on corporate governance has been to adhere to the highest standards of ethical behaviour and fairness to stakeholders. Transparency, accountability, integrity and professionalism are deeply embedded in the Company's culture. Corporate Governance has been a continuous journey for the Company in its pursuit towards achieving the highest standards and in pursuance it has been striving assiduously to adopt the best global practices. Good governance practices combined with strong leadership has been the inherent strength of the Company.

The Board of Directors is a blend of highly experienced persons of immense repute. It has an optimum mix of executive, non-executive and independent directors who ensure that best standards of corporate governance are nurtured and put into practice. The Board has an ideal combination of entrepreneurship, leadership and professionalism. The three women directors on the Board have rich and wide experience of decades in diverse fields. Effective April 1, 2019, Ms. Christine Mundkur joined the Board as an Independent Woman Director. In addition to complying with requisite mandatory requirements, the Company has also complied with a few non-mandatory requirements, as stipulated under Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), such as unmodified audit opinions on financial statements and appointment of separate persons as Chairperson, Chief Executive Officer and Managing Director.

Codes of Conduct have been adopted for Directors, Senior Management Personnel and Independent Directors. The Codes have been hosted on the website of the Company (www.lupin.com). In compliance with Regulation 26(3) of the Listing Regulations, all Directors, Senior Management Personnel and Independent Directors have affirmed compliance with their respective Codes for the year ended March 31, 2020. Mr. Nilesh Deshbandhu Gupta, Managing Director, has given the requisite declaration to this effect.

The Company abides by well-accepted norms of ethical, moral and legal conduct in all its business operations. The Company encourages and promotes a culture of intensive deliberations, transparency and impartiality in its dealings with stakeholders and the public at large. It adheres to uncompromising integrity in the conduct of business and does not tolerate corrupt and immoral practices. As a testament of its robust corporate governance practices and ethical conduct of business, the Company instituted **P.L.E.D.G.E.** (**P**reparing **L**upin **E**mployees to **D**emonstrate **G**overnance and **E**thical Conduct). **P.L.E.D.G.E.** initiative encompasses three important policies viz. Code of Conduct, Whistleblower Policy and Prevention of Workplace Harassment, including sexual harassment at workplace. This initiative has empowered employees to report unethical practices, set up specified mechanisms to deal with workplace harassments and facilitates their swift redressal. Employees are at liberty to raise their concerns without any fear of retaliation or retribution and report to the Office of Ombudsperson any potential issues concerning fraudulent business practices, unethical behaviour, discriminating or gender-biased misconduct and violation of the Company's Policies or Codes of Conduct. Anonymous complaints are also investigated on the same lines.

During the year, the Ombudsperson received 20 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.

The Company has sound mechanism and systems of internal checks and balances which are evaluated and updated at regular intervals. The Company has put in dedicated efforts towards safeguarding its Information and has persistently maintained this mark with rollout of Information Security Management System framework. The said framework 'KAVACH' project launched pan-India, implements all the requisite information security controls and continuously helps in creation of awareness among the end-users. With technology orchestration, KAVACH protects information of the Company by adopting various policies, procedures and guidelines. Through KAVACH, security advisories are regularly issued to all end users to protect them from spam/ phishing mails or cyber frauds. The Company has been accredited ISO/IEC 27001:2013 certification for its Information Security Management Systems at select locations at Head Office, Pune Research Park, manufacturing facilities at Biotech, Mandideep and Indore. As part of continuous improvement, the Company intends to add two more locations viz.

Ankleshwar and Visakhapatnam to the certification list as part of improvement. The Company has extended its information security commitment to its global locations i.e. the USA, EMEA, APAC and LATAM regions under the brand name 'SHIELD' to provide assurance about information security.

In compliance with Regulation 24(10) of the Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for its 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 report forms part of this Annual Report.

[2] Board of Directors:

The strength of the Board as on March 31, 2020 was eleven, of which two are executive promoter-directors, one non-executive promoter-director, one professional non-executive director, one executive director and six independent directors which is in compliance with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013 (Act) and Rules made thereunder. In compliance with Schedule V(C)(10)(i) of the Listing Regulations, Ms. Neena Bhatia, Practising Company Secretary, certified that no Director of the Company have been disqualified by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any statutory authority from being appointed or continuing as director of the Company. The Company has three women directors of which one is an Independent Director, which is in compliance with Regulation 17 of the Listing Regulations. All Independent Directors have confirmed their Independence. 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, *Chairperson*	P. & N.E.D.	8	8	Yes	6	-	General Management
2.	Dr. Kamal K. Sharma, *Vice Chairman*	N.E.D.	8	8	Yes	6	-	Corporate Development and General Management
3.	Ms. Vinita Gupta, *Chief Executive Officer*	P. & E.D.	8	8	Yes	11	-	Marketing, Strategic Planning and Leadership
4.	Mr. Nilesh Deshbandhu Gupta, *Managing Director*	P. & E.D.	8	8	Yes	6	-	Operations, Pipeline Management and Strategy
5.	Mr. Ramesh Swaminathan, *Executive Director, Global CFO & Head Corporate Affairs* (w.e.f. March 26, 2020)	E.D.	N.A.	N.A.	N.A.	-	-	Finance, Mergers & Acquisitions and Corporate Affairs
6.	Mr. R. A. Shah*	I. N-E.D.	8	8	Yes	8	5/3	Solicitor specialising in broad spectrum of Corporate laws
7.	Mr. Richard Zahn	I. N-E.D.	8	8	Yes	-	-	Strong pharmaceutical background and General Management
8.	Dr. K. U. Mada	I. N-E.D.	8	7	Yes	-	-	Economist and Development Banker
9.	Mr. Dileep C. Choksi**	I. N-E.D.	8	7	Yes	11	8/3	Tax expert and Financial Advisor
10.	Mr. Jean-Luc Belingard	I. N-E.D.	8	7	No	6	-	Strong pharmaceutical background and General Management
11.	Ms. Christine Mundkur	I. N-E.D.	8	8	Yes	3	1/-	Strong pharmaceutical background and General Management

* Mr. R. A. Shah is Independent Director of Procter & Gamble Hygiene and Healthcare Limited, Pfizer Limited, BASF India Limited, Colgate-Palmolive (India) Limited and Non-Independent Director of Godfrey Philips India Limited and Atul Limited.

** Dileep C. Choksi is Independent Director of Deepak Nitrite Limited, AIA Engineering Limited, Arvind Limited, Swaraj Engines Limited and ICICI Prudential Life Insurance Company Limited.

Notes:

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

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

(c) No Director holds directorships in more than ten public companies/eight 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 companies in which they are directors. Membership/Chairmanship of Committees includes only Audit Committee and Stakeholders' Relationship Committee.

Core Skills/Expertise/Competencies identified by the Board

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

Global Business	Understanding the pharmaceutical business space across diverse geographies and regulatory jurisdictions with a view to enable the Company to retain its world-wide leadership position as a global pharma powerhouse.
Mergers & Acquisitions	Ability to tap organic and inorganic growth through acquisitions as also other business combinations with an eye on evaluating 'build or buy' decisions, value transactions and assess operational integration plans.
Strategic planning	Taking strategic decisions with a view to seize multiple business opportunities in Branded and Generic Formulations, Biotechnology/Specialty Products, Biosimilars, Active Pharmaceutical Ingredients. Steering in the fast-growing OTC segment and ramp-up the R&D pipeline.
Corporate Governance	Nurturing the best standards of Corporate Governance to maximize the long-term value of its stakeholders by adhering to the principles of transparency, integrity, professionalism, fairness and accountability.

Board Meetings

At its meetings, the Board sets corporate objectives of the Company, provides strategic directions and guidance to the senior management and monitors the effectiveness of approved policies. The Board through its various Committees, closely monitor several business and functional areas. Board meetings are held on dates which are finalised after seeking convenience of all Directors. Business/Departments Heads are advised to schedule their plans and inform the Secretarial team in respect of matters requiring Board approval. In compliance with the Secretarial Standards, agenda papers backed by comprehensive notes together with detailed material information are circulated well in advance to enable the Board and its Committees to take informed decisions. Board meeting minutes are circulated to all the Directors within the prescribed time. Actions taken/ Status report on decisions taken at Board meetings are placed at the subsequent meetings. While the Board is regularly apprised about important business developments, detailed presentations on important matters are made at its meetings by the Chief Executive Officer, Managing Director and business/ functional heads. Board Members freely express their opinions and bring up important matters for discussions at meetings. Copies of signed minutes of Board Committees, Board meetings of subsidiaries as also compliance reports/certificates confirming adherence to various applicable laws are regularly tabled at Board meetings. Directors promptly inform the Board about Board/Committee (including Chairmanships) positions held by them and their shareholdings in other companies and notify changes, if any. The Company facilitates video/audio conferencing in case any Director wishes to attend the Board meeting through such arrangement.

Details of Board Meetings

During the year, eight Board meetings were held on May 15, 2019, June 10, 2019, August 7, 2019, August 21, 2019, November 6, 2019, November 11, 2019, February 6, 2020 and March 25, 2020. The time-gap between two consecutive meetings was not more than 120 days, which was in compliance with provisions of Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations. Additionally, the Board considered and approved three matters by circulation, vide Circulars dated, April 1, 2019, September 26, 2019 and December 19, 2019.

Brief profiles, other directorships and committee memberships etc. of directors seeking appointment/ re-appointment at the 38th Annual General Meeting.

Ms. Vinita Gupta

Ms. Vinita Gupta (DIN: 00058631) is a pharmacy graduate from the University of Mumbai and an MBA from the Kellogg School of Management at Northwestern University. She has been instrumental in formulating and executing the strategy that helped the Company to emerge as a global pharmaceutical powerhouse. Through a combination of organic growth and strategic acquisitions, Ms. Vinita has led the Company's global expansion plans. She founded the Company's offices in the United States. Ms. Vinita has been regularly named by Forbes Asia in its Top 50 Power Business Women listings for Asia Pacific. She was also recognized by Business Today

Hall of Fame - Most Powerful Women in Business and was named Outstanding Business Woman Leader of the Year by CNBC India Business Leader Awards. Ms. Vinita was the winner of the inaugural EY, U.S. Family Business Award of Excellence and EY Entrepreneur of the Year award winner for Health Services and Technology in Maryland. Ms. Vinita is also a member of the Global Advisory Board at the Kellogg School of Management at Northwestern University.

List of other directorships	Chairman/ Member of the Committees of the Board of the companies on which she is a director
Lupin Inc., USA	-
Lupin Pharmaceuticals, Inc., USA	-
Lupin GmbH, Switzerland	-
Lupin Research Inc., USA	-
Novel Laboratories, Inc., USA	-
Intrexon Corporation, USA	-
Lupin Management, Inc., USA	-
Lupin Atlantis Holdings SA, Switzerland	-
Lupin Investments Private Limited	-
Zyma Properties Private Limited	-
Synchem Properties Private Limited	-

Mr. Nilesh Deshbandhu Gupta

Mr. Nilesh Deshbandhu Gupta (DIN: 01734642) is a Chemical Engineer from the University Department of Chemical Technology (UDCT), Mumbai and a graduate with honors from the Wharton School, University of Pennsylvania, USA, where he specialized in healthcare, strategic management and finance. Mr. Gupta led the Company's research, supply chain, manufacturing, quality and regulatory operations and took charge as its Managing Director in 2013. He has not only been responsible for transforming the Company's research program and expanding the Company's manufacturing operations but has also been instrumental in formulating and executing the core strategy that has helped it to emerge as a global specialty and complex generics pharmaceutical powerhouse.

List of other directorships	Chairman/ Member of the Committees of the Board of the companies on which he is a director
Lupin Healthcare Limited	-
Element119 Leasing and Finance Private Limited	-
Synchem Properties Private Limited	-
Zyma Properties Private Limited	-
Lupin Investments Private Limited	-
Polynova Industries Limited	-

Mr. Jean-Luc Belingard

Mr. Jean-Luc Belingard (DIN: 07325356), a French national, graduated from Ecole des Hautes Etudes Commerciales (HEC), France and completed Master of Business Administration from Cornell University, USA. Mr. Belingard started his career with Merck, Sharp and Dohme. He moved to F. Hoffman-La Roche, Basel, Switzerland. He was Member of the Executive Committee, F. Hoffman-La Roche Ltd. and Chief Executive Officer, Roche Diagnostics, Basel, Switzerland. He was Chief Executive Officer, bioMerieux-Pierre Fabre, France. Mr. Belingard was Chairman and Chief Executive Officer, Ipsen Group, France. In 2011, he joined bioMerieux S.A. as Chief Executive Officer and became its Chairman in April 2014. He is a Member of the Bill and Melinda Gates Foundation. Mr. Belingard is also Foreign Trade Advisor to the French Government. He has been conferred upon the prestigious National Awards, Chevalier de l'Ordre National du Merite and Chevalier de la Legion d'Honneur awards.

List of other directorships	Chairman/ Member of the Committees of the Board of the companies on which he is a director
bioMérieux S.A., France	-
Laboratory Corporation of America, USA	-
Laboratoire Pierre Fabre, France	-
Lupin Atlantis Holdings SA, Switzerland	-
Lupin Pharmaceuticals, Inc., USA	-
Lupin Inc., USA	-

Mr. Ramesh Swaminathan

Mr. Ramesh Swaminathan (DIN: 01833346) brings to the Company rich experience of over 30 years. In addition to having worked with the Company for more than a decade in his earlier stint, he has also worked with reputed organizations in diverse industry sectors such as VST Industries Ltd., SPIC Group, Standard Chartered Bank, Henkel and L&T. Mr. Ramesh has won several accolades including the 'Best CFO' by Finance Asia, 'Best CFO' in the pharmaceutical sector by CNBC-TV18 and Business Today India's Best CFO for 'best leverage management - Large Indian Companies' across sectors. A Lord Chevening Scholar at the UK for Management Studies, Mr. Ramesh is also a qualified Chartered Accountant, Cost Accountant and Company Secretary. He also holds an MBA from INSEAD, France.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
-	-

[3] Audit Committee:

The Audit Committee comprises of three non-executive directors, namely, Dr. K. U. Mada (Chairman) and Mr. Dileep C. Choksi, Independent Director and Dr. Kamal K. Sharma, Vice Chairman. Dr. Mada is an economist-cum-development banker, having wide experience of handling company managements and project development across diverse industries. Mr. Choksi is an eminent Chartered Accountant and has rich experience in consulting large and multinational companies on taxation, management and complex financial issues. Dr. Sharma has over four decades of rich and varied experience in senior management positions in the pharmaceutical and chemical industries in managing projects, operations, corporate development and general management. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. The composition of the Audit Committee is as prescribed by Section 177 of the Act and Regulation 18(1) of the Listing Regulations. All Members of the Audit Committee have the ability to read and understand the financial statements and have accounting or related financial management expertise as stipulated under Regulation 18(1)(c) of the Listing Regulations.

The Audit Committee acts as a vital link between the statutory, internal, cost auditors, Management and the Board of Directors. The Audit Committee is entrusted with the responsibility of supervising internal financial controls and financial reporting process, appropriateness of audit test checks, adequacy of provisions for liabilities and reviewing the governance systems. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. Dr. Mada, Chairman of the Audit Committee attended the 37th Annual General Meeting of the Company held on August 7, 2019. The meetings of the Audit Committee are attended by the Statutory Auditors, Internal Auditors and senior executives from the Finance Department. Internal Auditors make presentations on audit findings at the meetings of the Audit Committee. The Cost Auditor attends the Audit Committee meeting, at which the Cost Audit Report is tabled.

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 there for;
- **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 auditor's 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 Whistleblower 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

During the year, eight Audit Committee meetings were held and the time-gap between two consecutive meetings was not more than 120 days, which was in compliance with provisions of Regulation 18(2) (a) of the Listing Regulations. Meetings were held on May 14, 2019, August 6, 2019, September 20, 2019, October 18, 2019, November 5, 2019, November 11, 2019, February 5, 2020 and March 25, 2020, attendance at which was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman*	8	8
b.	Dr. Kamal K. Sharma	8	7
c.	Mr. Dileep C. Choksi	8	8

[4] Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises Mr. Dileep C. Choksi (Chairman) and Dr. K. U. Mada, Independent Directors and Mr. Nilesh Deshbandhu Gupta, Managing Director. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee.

The Stakeholders' Relationship Committee oversees resolution of redressal of investors' grievances and related aspects. The Committee reviews activities covering all facets of operations related to investors services including dematerialisation and transfer of shares in physical mode, activities related to the Investor Education & Protection Fund, dividend disbursement, management of employee stock options plans and compliances with various regulatory provisions. The Committee ensures that quality of services to the Investors are of the highest standards.

During the year, the Company received and resolved 19 complaints from shareholders regarding transfer of shares, non-receipt of annual report, non-receipt of dividend etc. As on March 31, 2020, no complaint remained pending/unattended and no share transfers/ complaints 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 October 24, 2019, whereat the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Mr. Dileep C. Choksi, *Chairman*	1	1
b.	Dr. K. U. Mada	1	1
c.	Mr. Nilesh Deshbandhu Gupta	1	1

Mr. Dileep C. Choksi, Chairman of the Stakeholders' Relationship Committee attended the 37th Annual General Meeting of the Company held on August 7, 2019.

[5] Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) comprises Dr. K. U. Mada (Chairman), Mr. R. A. Shah and Mr. Richard Zahn, all Independent Directors. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. The composition of the Committee is in compliance with the provisions of Section 178(1) of the Act and Regulation 19(1) of the Listing Regulations. The Committee is also in compliance with Regulation 19(2) of the Listing Regulations, which stipulates that an Independent Director shall be Chairman of the Committee. Dr. Mada attended the 37th Annual General Meeting of the Members held on August 7, 2019, which is in compliance with Regulation 19(3) of the Listing Regulations.

The NRC recommended to the Board the appointments of Ms. Christine Mundkur, Independent Director and Mr. Ramesh Swaminathan, Executive Director, Global CFO & Head Corporate Affairs.

Role of the NRC:

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

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

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

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

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

5) whether to extend or continue the term of appointment of the Independent Director, 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:

Remuneration of Executive Directors on their appointment/re-appointment is based on recommendations made by the Nomination and Remuneration Committee (NRC) to the Board. The recommendations are within the limits approved by the Members and in line with Company's annual increment cycle. The NRC approves annual revisions and performance-linked incentives. The Company follows a market-linked remuneration policy and regularly benchmarks remuneration/employee benefits in line with the industry trend with an aim to motivate, attract and retain talent. NRC approves remuneration after considering various factors, such as experience, expertise, leadership qualities, qualifications, volume of Company's business and profits earned by it, responsibilities shouldered by the person and position. The limits for payment of remuneration are as prescribed by Section 197, Schedule V, Part II, Section I of the Act and Rules made thereunder. 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*	92.99	-	-	35.29	**128.28**
Mr. Nilesh Deshbandhu Gupta, *Managing Director*	43.87	1.98	-	13.83	**59.68**
Mr. Ramesh Swaminathan, *Executive Director, Global CFO & Head Corporate Affairs* (w.e.f. March 26, 2020)	0.79	-	-	-	**0.79**

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 receive sitting fees for attending meetings of the Board and its Committees and they are within the limits prescribed by the Act and Rules made thereunder. In recognition of their valuable contributions to the Company's business, Independent Directors are paid Commission as approved by Members at the Annual General Meeting held on July 23, 2015. In terms of the said approval, they 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 Non-Executive Director. An amount of ₹ 40.70 million has been provided towards commission payable to non-executive directors for the year 2019-20 which would be paid after the audited accounts for the year ended March 31, 2020 are approved by the Board. In compliance with Regulation 17(6) of the Listing Regulations, 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.

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

Name of the director	No. of Equity Shares held as on March 31, 2020	Remuneration for 2019-20 (₹ in million)			
		Remuneration	Sitting Fees	Commission	Total
Mrs. Manju D. Gupta, *Chairperson*	3,871,162	-	0.19	3.50	**3.69**
Dr. Kamal K. Sharma *Vice Chairman*	169,900	27.09	0.34	5.00	**32.43**
Mr. R. A. Shah, *Independent Director*	32,000	-	0.26	3.50	**3.76**
Mr. Richard Zahn, *Independent Director*	-	-	0.26	7.56	**7.82**
Dr. K. U. Mada, *Independent Director*	4,000	-	0.46	3.00	**3.46**
Mr. Dileep C. Choksi, *Independent Director*	-	-	0.32	3.00	**3.32**
Mr. Jean-Luc Belingard, *Independent Director*	-	-	0.14	7.57	**7.71**
Ms. Christine Mundkur, *Independent Director*	-	-	0.18	7.57	**7.75**

Details of the Nomination and Remuneration Committee Meetings

During the year four meetings of the NRC were held on June 10, 2019, November 6, 2019, December 4, 2019 and March 25, 2020 which is in compliance with Regulation 19(3A) of the Listing Regulations attendance at which, was as under: -

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

The Committee passed eight Resolutions by circulation vide Circulars dated April 12, 2019, May 27, 2019, July 31, 2019, October 4, 2019 and February 3, 2020.

[6] Corporate Social Responsibility Committee:

The Corporate Social Responsibility (CSR) Committee comprises Mrs. Manju D. Gupta, Chairperson, Dr. Kamal K. Sharma, Ms. Vinita Gupta, Mr. Nilesh Deshbandhu Gupta and Mr. Dileep C. Choksi. Mrs. Manju D. Gupta and Dr. Kamal K. Sharma are Non-Executive Directors, Ms. Vinita Gupta and Mr. Nilesh Deshbandhu Gupta are Executive Directors and Mr. Dileep C. Choksi is Independent Director. The composition of the Committee is in compliance with the provisions of Section 135(1) of the Act. The terms of reference of the CSR 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; and
- Review the monitoring mechanism for ensuring implementation of projects/programs/activities proposed to be undertaken by the Company.

Details of the CSR Committee Meeting

Meeting of the CSR Committee was held on February 7, 2020, attendance at which was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Mrs. Manju D. Gupta, *Chairperson*	1	1
b.	Dr. Kamal K. Sharma	1	1
c.	Ms. Vinita Gupta	1	1
d.	Mr. Nilesh Deshbandhu Gupta	1	1
e.	Mr. Dileep C. Choksi	1	-

[7] Risk Management Committee:

As stipulated by Regulation 21 of the Listing Regulations, the Board constituted a Risk Management Committee comprising Dr. Kamal K. Sharma, Vice Chairman, Ms. Vinita Gupta, Chief Executive Officer, Mr. Nilesh Deshbandhu Gupta, Managing Director and Mr. Sunil Makharia, President - Finance. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. The Company has a structured approach for handling risks. It has in place a Risk Management framework which defines roles and responsibilities at different levels. Risk Management team reviews the overall risks and identifies the critical 'risks that matter'. The Committee reviews at regular intervals the overall risks at company level and ensures that it has a robust monitoring mechanism along with adequate mitigation plans for the critical 'risks that matter' based on their probability of occurrence, potential impact and volatility.

Details of the Risk Management Committee Meeting

Meeting of the Risk Management Committee was held on February 7, 2020, 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 Deshbandhu Gupta	1	1
d.	Mr. Sunil Makharia	1	1

[8] Independent Directors' Meeting:

In compliance with the provisions of Section 149(8) read with Clause VII of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors was convened on February 6, 2020. The meeting was attended by Mr. R. A. Shah, Mr. Richard Zahn, Dr. K. U. Mada and Ms. Christine Mundkur. Mr. Shah chaired the meeting, which was held without the presence of any non-independent director. The Independent Directors reviewed the performance of the Chairperson of the Company, non-independent directors and the Board as a whole. They appreciated the detailed presentations made by Ms. Vinita Gupta, Chief Executive Officer and Mr. Nilesh Deshbandhu Gupta, Managing Director at Board meetings, which inter alia covered business operations, growth plans, regulatory challenges, inorganic initiatives, budgets, R&D pipeline, etc. They also appreciated the detailed presentations on quarterly/yearly financial results. The Independent Directors expressed satisfaction about the Board creating an environment for the Independent Directors to participate effectively. They appreciated the overall functioning of the Board, adequacy of evaluation process, openness of the Board deliberations on business issues and the Agenda items. The Independent Directors expressed satisfaction about the quality, adequacy and timeliness of the flow of information from the Management. They noted the fact that the Board meeting dates were finalized in consultation with all Directors and requisite data/information formed part of Board agenda which facilitated meaningful discussions at meetings. The Independent Directors suggested that the management should focus on Global Quality operations and broaden the product basket in the US. The management took note of the valuable suggestions made by Independent Directors.

[9] Performance evaluation of Independent Directors:

As stipulated under 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 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 were no conflicts of interest of Independent Directors with the Company. Independent Directors include Mr. R. A. Shah, an eminent Solicitor with high legal acumen and valuable experience of dealing with large domestic and multinational companies; Dr. K. U. Mada, a reputed economist-cum-development banker, having wide experience of handling company managements and project development across diverse industries; and Mr. Dileep C. Choksi, an eminent Chartered Accountant with long experience in consulting/ advising large companies on taxation, management and complex financial issues. Mr. Richard Zahn, Mr. Jean-Luc Belingard and Ms. Christine Mundkur, having worked at the highest levels, with internationally-renowned pharmaceutical companies, provide strategic inputs on operational plans of the Company.

[10] Familiarisation Program for Independent Directors:

The Company regularly familiarizes its Independent Directors through different programs which provides them with an in-depth understanding of the Company and the pharma industry, which is in compliance with Regulation 25(7) of the Listing Regulations. An Independent Director is issued a formal letter of appointment which inter-alia covers terms and conditions of appointment, roles, functions, rights, duties and responsibilities. The Company firmly believes that knowledge about the latest developments in the pharma industry should be shared with the Directors to enable them to participate effectively. Presentations are made at meetings of Directors on Company's financial/ business unit-wise performance, environment, health and safety measures undertaken at various plant locations. Independent Directors are familarised with business strategies, operations, policies, procedures, functions, risk assessment/risk minimization procedures and business model of the Company and its subsidiaries. Press Releases are circulated to Independent Directors and they are regularly appraised about material information disseminated to the Stock Exchanges. Independent Directors have access to the Company information and freedom to

interact with the Senior Managerial personnel of the Company. Independent Directors are invited to attend Annual Investors Meets which provide them opportunities to interact with analysts, investors and financial advisors. As mandated by 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/pdf/corporate-policies/familiarisation-programme.pdf.

[11] General Body Meetings:

Details of the last three Annual General Meetings: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
2016 - 17	Wednesday, August 2, 2017, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.	One Special Resolution was passed for granting loans and/or providing guarantees/securities and/or making investments for amounts exceeding 60% of the paid-up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding ₹ 50000 million over and above the aggregate of free reserves and securities premium account.
2017-18	Wednesday, August 8, 2018, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.	One Special Resolution was passed for keeping the Register of Members and other registers/records of the Company maintained under Section 88 of the Act and copies of the Annual returns filed under Section 92 of the Act at Link Intime Pvt. Ltd., C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083, 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: - **1)** For 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)** For 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).

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

At the Extraordinary General Meeting (EGM) held on Monday, December 9, 2019, the Members, vide a Special Resolution passed with a majority of 99.96%, approved the divestment of entire interest of the Company in Kyowa Pharmaceutical Industry Co. Limited, Japan, a step-down material subsidiary of the Company. Ms. Neena Bhatia, Practising Company Secretary, acted as Scrutiniser for conducting the EGM in a fair and transparent manner. Procedures prescribed by Sections 101 and 108 of the Act read with Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended by the Companies (Management & Administration) Amendment Rules, 2015, were followed for conducting the EGM. The Company provided e-voting facility to Members through the e-voting platform of Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company. Results of the EGM together with the Scrutiniser's Report 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 by the Company were in the ordinary course of business and on arm's length pricing basis. As stipulated by Sections 177(4)(iv) and 188 of the Act and Regulation 23(2) of the Listing Regulations, statements of transactions with related parties were placed periodically before the Meetings of the Audit Committee and approved. The Company entered into material related party transactions only with its subsidiaries. No related party transactions conflicted with the interests of the Company.

In compliance with 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 requisite omnibus approvals to transactions which were likely to be entered into by the Company with related parties during the

financial year 2019-20. The Committee reviewed, on a quarterly basis, details of transactions entered by the Company pursuant to each of the omnibus approval given.

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

In compliance with Ind AS 24, details of transactions with related parties are disclosed in the notes that form part of the financial statements. Apart from sitting fees and commission, there is no pecuniary transaction with any Independent Director, which had potential conflicts of interest with the Company. In compliance with Regulation 23(9) of the Listing Regulations, the Company has electronically uploaded on BSE's online Portal - 'BSE Corporate Compliance & Listing Centre' (Listing Centre) and NSE's 'Electronic Application Processing System' (NEAPS), disclosures of related party transactions on a consolidated basis within 30 days from the date of publication of its standalone and consolidated financial results for the half-year and the same have also been hosted on the Company's website www.lupin.com .

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

[13] Credit Rating:

The Company has not issued any debt instrument which necessitated a long-term credit rating. ICRA Limited (ICRA) assigned the rating **'ICRA A1+'** (pronounced 'ICRA A one Plus') for the Company's short-term credit facilities of ₹ 15000 million, indicating very strong degree of safety regarding timely payment of financial obligations.

[14] Fees paid to Statutory Auditors:

Pursuant to Schedule V(C)(10)(k) of the Listing Regulations, during FY 2019-20, the Company and its subsidiaries paid a consolidated sum of ₹ 89.8 million to B S R & Co. LLP, Chartered Accountants (Firm Regn. No. 101248W/W-100022), Statutory Auditors and all entities in its network globally.

[15] Means of communication:

In terms of the Listing Regulations, companies are required to announce audited annual (consolidated and standalone) financial results within 60 days from the end of the year. However, due to the COVID-19 Pandemic, the Ministry of Corporate Affairs (MCA) relaxed the said period and permitted companies to finalise their audited annual financial results by June 30, 2020. Even though MCA extended the said date, the Company declared its audited financial results well within the 60-day period originally mandated by the Listing Regulations. Financial results are electronically uploaded on the Listing Centre (BSE) and NEAPS (NSE) within 30 minutes of their approval by the Board. The Company communicates with its investors and stakeholders through varied channels of communication like annual reports, press releases, hosting relevant information on its website and dissemination of information on online portals of BSE and NSE. Shareholding pattern and corporate governance reports are filed quarterly with the Listing Centre and NEAPS in XBRL mode. Financial results are published in the prescribed format in 'The Economic Times' (all editions) and Marathi translation thereof in 'The Maharashtra Times' (Mumbai edition) newspapers. The website of the Company displays official press releases and presentations made to investors and analysts. Unpublished price sensitive information is not disclosed at investors meets and presentations made to analysts.

Information pursuant to 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, is promptly disclosed to BSE and NSE. As a good corporate practice, black-out period is announced a week before the date of the Board meeting at which financial results are to be considered, during which, the Directors and Senior Management personnel are advised not to communicate with investors/analysts and the media. The policy for determining materiality of events for the purpose of making disclosures to the Exchanges as also such disclosures made to BSE and NSE are available on the website of the Company.

The Company has complied with all requirements of BSE, NSE, SEBI, RBI and other statutory authorities on matters relating to capital markets during the last three years and that no penalties have been imposed nor strictures passed against the Company. Pursuant to 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

Till recently, the in-house Investors' Services Department of the Company, managed all activities related to shares of the Company. In order to avail of advanced software systems in an efficient and cost-effective manner, Link Intime India Pvt. Ltd. ('Link Intime') was appointed as the 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 the best of facilities and infrastructure. They have a vast client-base and deploy the latest technology and employ well-trained and professional team of domain experts.

We are confident that Link Intime will continue to render prompt services to the esteemed shareholders of the Company. They 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

The 38th Annual General Meeting (AGM) will be held at 4.00 p.m. on Wednesday, August 12, 2020. The meeting will be conducted through Video Conferencing/other audio-visual means pursuant to MCA Circular No. 20/2020 dated May 5, 2020. Kindly refer to the Notice of AGM for more details.

FINANCIAL CALENDAR

First quarter results	:	July/August 2020
Second quarter results	:	October/November 2020
Third quarter results	:	January/February 2021
Annual results	:	April/May 2021
Annual General Meeting	:	July/August 2021

BOOK CLOSURE

The Register of Members and the Share Transfer Register will remain closed from Wednesday, August 5, 2020 to Wednesday, August 12, 2020, (both days inclusive).

Dividend for the year ended March 31, 2020, if declared, at the Annual General Meeting, shall be paid to: -

a) beneficial owners at the end of business day on Tuesday, August 4, 2020, as per lists furnished by NSDL and CDSL, in respect of shares held in electronic form; and

b) persons whose names appear on the Register of Members as at the end of the business day on Tuesday, August 4, 2020, in respect of shares held in physical form.

DIVIDEND PAYMENT DATE

Dividend, if declared, shall be paid within five working days from the date of the Annual General Meeting. Dividend shall be remitted electronically i.e. through NACH/NEFT etc., wherever bank details of shareholders are available with the Company 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 2020-21 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 allotted to dematerialised scrip must be quoted in each transaction relating to dematerialised shares of the Company. The ISIN of the equity shares of the Company is **INE 326A 01037.**

CORPORATE IDENTITY NUMBER (CIN)

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

EXCLUSIVE E-MAIL ID FOR COMMUNICATION OF INVESTORS' GRIEVANCES

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

MARKET PRICE DATA

The market price data covering the year April 2019 to March 2020 is given below: -

MONTH	BSE				NSE			
	(₹)		(₹)		(₹)		(₹)	
	High	Date	Low	Date	High	Date	Low	Date
Apr - 2019	880.75	26.04.19	740.00	01.04.19	881.35	26.04.19	740.00	01.04.19
May - 2019	882.15	02.05.19	721.50	27.05.19	884.00	02.05.19	720.00	27.05.19
Jun - 2019	789.90	28.06.19	697.30	19.06.19	790.00	28.06.19	697.20	19.06.19
Jul - 2019	795.00	30.07.19	724.40	08.07.19	795.00	30.07.19	725.00	08.07.19
Aug - 2019	791.40	08.08.19	711.60	30.08.19	791.40	08.08.19	711.55	23.08.19
Sep - 2019	780.00	16.09.19	702.05	30.09.19	780.00	16.09.19	702.05	30.09.19
Oct - 2019	748.05	23.10.19	646.20	07.10.19	749.50	23.10.19	646.30	07.10.19
Nov - 2019	814.95	29.11.19	715.90	08.11.19	815.00	29.11.19	715.25	08.11.19
Dec - 2019	803.65	02.12.19	738.00	11.12.19	803.45	02.12.19	737.25	11.12.19
Jan - 2020	786.25	03.01.20	716.20	31.01.20	786.50	03.01.20	716.00	31.01.20
Feb - 2020	738.40	06.02.20	635.30	28.02.20	738.75	06.02.20	635.20	28.02.20
Mar - 2020	685.65	05.03.20	505.00	13.03.20	686.65	05.03.20	504.75	13.03.20

DEMATERIALISATION OF SHARES AND LIQUIDITY

Trading in shares of the Company is permitted only in dematerialised form and are available for trading through both the depositories, CDSL and NSDL. Requests received for dematerialisation of shares are regularly monitored to expedite the demat process. Demat requests are confirmed to the depositories within five working days of receipt. The International Securities Identification Number (ISIN) assigned to the Company's shares by the depositories is **INE 326A 01037.**

Shareholders holding shares in physical form are requested to get them dematerialised. Shareholders are also requested to update their bank account details, 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 142540 equity shares. As on March 31, 2020, 99.76% of the equity share capital of the Company was held in dematerialised form.

Company's shares are fairly liquid on the bourses and are traded actively at BSE and NSE. Trading data of the same for the year April 2019 to March 2020 is as under: -

(Value in million ₹)

MONTH	BSE		NSE		Total	
	Shares	Value (₹)	Shares	Value (₹)	Shares	Value (₹)
Apr - 2019	2329737	1902.04	38898387	31889.73	41228124	33791.77
May - 2019	2570706	2005.67	45277849	35232.04	47848555	37237.71
Jun - 2019	1302747	957.33	29673652	21868.15	30976399	22825.48
Jul - 2019	1238576	942.02	28771917	21900.88	30010493	22842.90
Aug - 2019	1268470	950.28	27449841	20565.72	28718311	21516.00
Sep - 2019	1223770	914.13	25313528	18920.74	26537298	19834.87
Oct - 2019	1036149	730.54	25483646	18112.13	26519795	18842.67
Nov - 2019	1647235	1266.82	45071775	34542.19	46719010	35809.01
Dec - 2019	681518	523.50	20153508	15461.19	20835026	15984.69
Jan - 2020	1057089	793.24	27330412	20528.88	28387501	21322.12
Feb - 2020	1343006	944.38	43210167	30237.29	44553173	31181.67
Mar - 2020	2017959	1208.36	56347682	34510.90	58365641	35719.26
Total:	**17716962**	**13138.31**	**412982364**	**303769.84**	**430699326**	**316908.15**

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 2019 to March 2020: -

MONTH	BSE		NSE	
	Lupin share price (₹)	S&P BSE Sensex	Lupin share price (₹)	Nifty 50
Apr - 2019	870.70	39031.55	872.05	11748.15
May - 2019	745.30	39714.20	745.55	11922.80
Jun - 2019	755.10	39394.64	754.75	11788.85
Jul - 2019	764.70	37481.12	764.80	11118.00
Aug - 2019	740.25	37332.79	741.00	11023.25
Sep - 2019	715.35	38667.33	715.70	11474.45
Oct - 2019	745.65	40129.05	745.10	11877.45
Nov - 2019	800.35	40793.81	800.65	12056.05
Dec - 2019	764.90	41253.74	763.45	12168.45
Jan - 2020	717.90	40723.49	718.25	11962.10
Feb - 2020	639.70	38297.29	640.00	11201.75
Mar - 2020	589.70	29468.49	589.65	8597.75

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

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

SHARE TRANSFER SYSTEM

The Board has constituted a Share Transfer Committee comprising Mrs. Manju D. Gupta, Chairperson, Dr. Kamal K. Sharma, Vice Chairman, Mr. Nilesh Deshbandhu Gupta, Managing Director and Dr. K. U. Mada, Independent Director, to approve the transfer of shares. In the absence of Mrs. Manju D. Gupta, Mr. Nilesh Deshbandhu Gupta, acts as Chairman of the Committee.

Shares of the Company are traded compulsorily 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 said Committee met 24 times during the year wherein it approved transfers of 9300 shares in physical form.

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

SHARE ALLOTMENT COMMITTEE

The Board has constituted a Share Allotment Committee comprising Mrs. Manju D. Gupta, Chairperson, Dr. Kamal K. Sharma, Vice Chairman and Mr. Nilesh Deshbandhu Gupta, Managing Director, to approve the allotment of shares. In the absence of Mrs. Manju D. Gupta, Mr. Nilesh Deshbandhu Gupta, acts as Chairman of the Committee.

The Allotment Committee met 10 times during the year, wherein, it approved the allotment of shares aggregating 504424, to employees of the Company and those of 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, 2019, 128750 shares of 164 shareholders remained outstanding as unclaimed in the 'Lupin Limited - Unclaimed Suspense Account'.

During the year, three shareholders claimed 300 shares which were duly transferred by the Company in the name of the respective claimant shareholders after due verification of the claim documents submitted by them.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, 125350 shares of 147 shareholders were transferred to the IEPF authority.

As on March 31, 2020, 3100 shares of 14 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, 2020

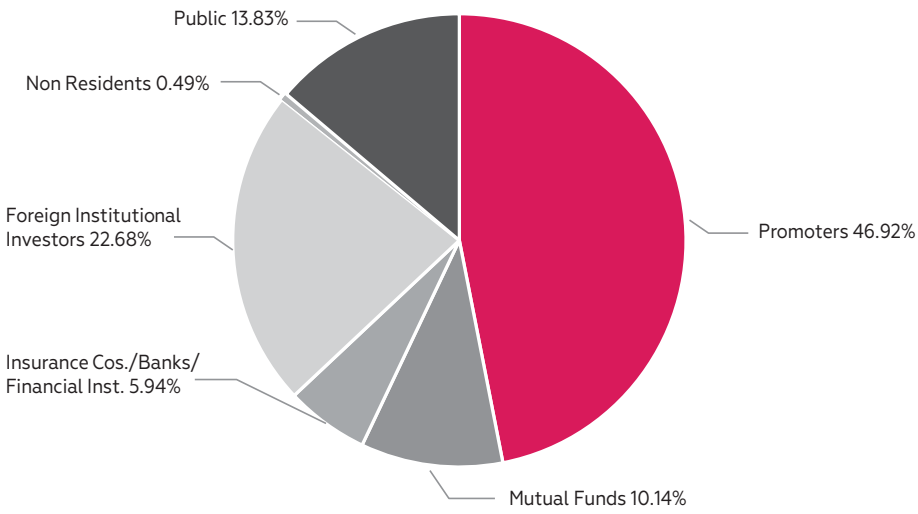
i. Distribution of Shareholding

Shareholding range (No. of shares)	Shareholders		Shareholding	
	Numbers	%	Numbers	%
1 - 500	286153	95.45	18167411	4.01
501 - 1000	6653	2.22	4955947	1.09
1001 - 2000	4288	1.43	5809770	1.28
2001 - 3000	858	0.29	2147054	0.47
3001 - 4000	337	0.11	1195548	0.26
4001 - 5000	230	0.08	1073712	0.24
5001 - 10000	432	0.14	3075275	0.68
10001 and above	841	0.28	416573404	91.97
Total:	**299792**	**100.00**	**452998121**	**100.00**

ii. Shareholding Pattern

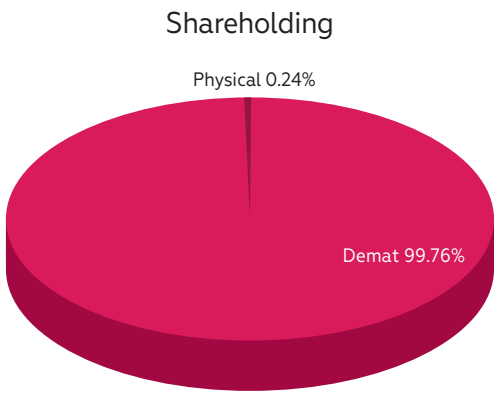
Category	As on 31.03.2020		As on 31.03.2019	
	No. of shares	%	No. of shares	%
Promoters	212566042	46.92	212545642	46.97
Mutual Funds	45914807	10.14	29020664	6.41
Insurance Cos./Banks/Financial Institutions	26923036	5.94	24390942	5.39
Foreign Institutional Investors (FIIs)	102749449	22.68	117062968	25.87
Foreign Bodies	5000	0.00	5000	0.00
Non Residents	2220986	0.49	2569030	0.57
Public	62618801	13.83	66899451	14.79
Total:	**452998121**	**100.00**	**452493697**	**100.00**

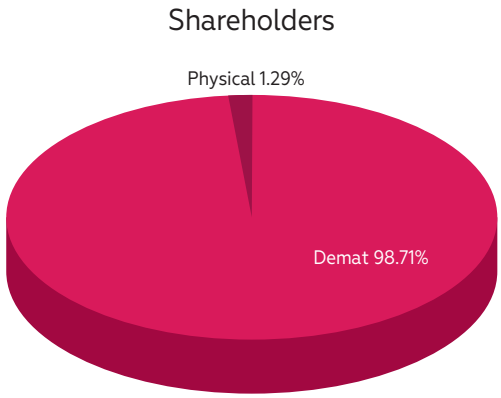
Shareholding Pattern as on March 31, 2020



iii. Shareholding Profile

	Demat		Physical		Total
	(Nos.)	%	(Nos.)	%	(Nos.)
Shareholding	451909513	99.76	1088608	0.24	452998121
Shareholders	295926	98.71	3866	1.29	299792





iv. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	15163	5.06	Madhya Pradesh	8016	2.67
Assam	1305	0.44	Maharashtra	100986	33.69
Bihar	2284	0.76	North Eastern States	286	0.10
Chhattisgarh	1203	0.40	Orissa	2608	0.87
Delhi	17418	5.81	Punjab	4846	1.62
Goa	601	0.20	Rajasthan	10116	3.37
Gujarat	36690	12.24	Tamil Nadu	17356	5.79
Haryana	6588	2.20	Telangana	343	0.11
Himachal Pradesh	635	0.21	Uttarakhand	4997	1.67
Jammu and Kashmir	601	0.20	Uttar Pradesh	13329	4.45
Jharkhand	4093	1.37	West Bengal	19394	6.47
Karnataka	20849	6.95	Others	3606	1.20
Kerala	6479	2.16	**Total:**	**299792**	**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
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 relatives, elaborately prescribes the procedures to be followed while dealing in shares of the Company.

The Code restricts the said persons in dealing with the shares of the Company while in the possession of any unpublished price sensitive information. They are also prohibited from dealing in shares of the Company during the trading window closure periods announced by the Company, from time to time. The Code has been disseminated through the Company's intranet for easy access and increased awareness.

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

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In terms of 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 submitted to BSE and NSE and is also placed at meetings of the Board of Directors and the Stakeholders' Relationship Committee.

UNCLAIMED DIVIDENDS

Dividends declared by the Company up to the financial year 2011-12 which remained unclaimed/ unpaid were transferred to the Investor Education and Protection Fund (IEPF), pursuant to the relevant provisions, as and when the same were due.

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

Unclaimed/unpaid dividends for the year 2012-13 onwards will be transferred to the IEPF, as under: -

Financial Year	Date of Declaration	Due date for transfer to IEPF
2012 - 13	07.08.2013	12.09.2020
2013 - 14 (Interim)	03.02.2014	11.03.2021
2013 - 14 (Final)	30.07.2014	04.09.2021
2014 - 15	23.07.2015	28.08.2022
2015 - 16	03.08.2016	08.09.2023
2016 - 17	02.08.2017	07.09.2024
2017 - 18	08.08.2018	13.09.2025
2018 - 19	07.08.2019	12.09.2026

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

OUTSTANDING GDRs/ADRs/WARRANTS/ CONVERTIBLE INSTRUMENTS

The Company has granted stock options to its employees and those of its subsidiaries under various 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 equity shares from time to time, upon the employees exercising the 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 Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 28, 2020

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

We, Mr. Nilesh Deshbandhu Gupta, Managing Director and Mr. Ramesh Swaminathan, Executive Director, Global CFO & Head 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, 2020 and that to the best of our knowledge and belief: -

(i) the said statements do not contain any materially untrue statements or omit any material fact, or contain statements that might be misleading; and

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

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

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

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

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

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

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

For LUPIN LIMITED

NILESH DESHBANDHU GUPTA
MANAGING DIRECTOR
(DIN: 01734642)

For LUPIN LIMITED

RAMESH SWAMINATHAN
EXECUTIVE DIRECTOR, GLOBAL CFO & HEAD CORPORATE AFFAIRS
(DIN: 01833346)

Mumbai, May 28, 2020

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, 2020.

For LUPIN LIMITED

NILESH DESHBANDHU GUPTA
MANAGING DIRECTOR
(DIN: 01734642)

Mumbai, May 28, 2020

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 2020 as stipulated in regulations 17 to 27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the 'Stock Exchanges').

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

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

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 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 the Listing Regulations for the year ended 31 March 2020.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by 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:20113156AAAACU2083

Mumbai, May 28, 2020

Business Responsibility Report

The Company firmly believes in giving back to the communities it serves. All the sections of the society should flourish has been the Company's mantra. Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has 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, 2020.
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 25 international subsidiaries located in 13 countries and a Joint Venture in Japan. The Company has Representative Offices in China, Myanmar and Vietnam. Offices in Russia, Ukraine and Kazakhstan are under process of liquidation. The Company has three 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 12 manufacturing plants situated at Aurangabad, Tarapur, Pune and Nagpur in Maharashtra, Ankleshwar and Dabhasa in Gujarat, Mandideep and Pithampur in Madhya Pradesh, Visakhapatnam in Andhra Pradesh, Sikkim, Goa and Jammu. The main R&D Centre is located at Pune. The Registered office is in Mumbai. The Company has 27 Carrying & Forwarding Agents, nine Central Warehouses and seven 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 72 countries worldwide.

Section B: Financial Details of the Company

1. **Paid up Share Capital** : ₹ 906 million
2. **Total Turnover** : ₹ 108058.3 million (Standalone)
3. **Total Profit after Taxes** : ₹ 7275.5 million (Standalone).
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%):**
   The total CSR spend for the year was ₹ 342 million which is 1.23% 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:**
   With a holistic approach, the Company's CSR arm Lupin Human Welfare and Research Foundation (LHWRF) focuses on thematic areas; Economic, Social, Natural Resource Management (NRM), Rural Infrastructure Development and Learn and Earn. Developing rural economy includes a family centered approach and initiating actions for upliftment of the poor. Other areas like disaster relief and mitigation were taken up with a view to attain sustainable development. In accordance with its CSR policy, various initiatives undertaken by the Company include the following: -

   a. **Economic Development**
      The Company was able to unleash the value in rural economy through various activities meant to enhance productivity, infuse technology and diversify in varied sectors viz: agriculture, animal husbandry, rural industries and skill enhancement. These sectoral programs led to a surge in the earnings of beneficiary households in the area under operation.

   b. **Social Development**
      With an objective to ensure progress in the sectors of health and education, social development is undertaken simultaneously with economic development. Over the years, LHWRF has continuously complimented the government health infrastructure and their efforts to achieve health-related outcomes such as reducing infant mortality rate and maternal mortality rate. LHWRF is implementing partner of Integrated Child Development Scheme and its performance has been validated by independent agencies. On the education front, LHWRF has over the years strengthened the infrastructure to provide quality education. The Company understands the limitation of a single corporate organization to overhaul the system. Hence, the focus is more on developing model schools/anganwadis that will inspire and bring about the change. The Self-Help Groups are efficiently managed and were instrumental in empowering women and uplifting their position in the household and in the communities they live.

   c. **Natural Resource Management**
      The management of natural resources is done through various measures such as construction of check dams, farm ponds, digging new wells, deepening/repairing existing wells.

   d. **Rural Infrastructure Development**
      Water, sanitation, housing, education and health are inter-related and adequate infrastructure is necessary to maintain it. The Company's intervention in this sector was to provide the best infrastructure.

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

Section C: Other Details

1. **Does the Company have Subsidiary Companies?**
   As on March 31, 2020, the Company had 26 subsidiaries.
2. **Do the Subsidiary Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary companies:**
   Of the 26 subsidiaries, 25 are incorporated outside India, which comply with the requirements of their respective countries and have independent business responsibility initiatives. Lupin Healthcare Limited, the only Indian subsidiary has not commenced commercial operations.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]:**
The Company's suppliers, distributors, etc. do not directly participate in the BR initiatives of the Company; however, they support the same.

Section D: BR Information

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

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

Sl. No.	Particulars	Details
1.	**DIN**	01734642
2.	**Name**	Mr. Nilesh Deshbandhu Gupta
3.	**Designation**	Managing Director
4.	**Telephone 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 Report forming part of Annual Report every year.

Section E: Principle-wise performance

Principle 1

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

   The philosophy of the Lupin group on corporate governance has been to adhere to the highest standards of ethical corporate behaviour and fairness to stakeholders. Codes of Conduct have been adopted for Directors, Independent Directors and Senior Management Personnel. The Company abides by well-accepted norms of ethical, moral and legal conduct in all its business operations and encourages and promotes a culture of intensive deliberations, transparency and impartiality in its dealings with stakeholders and the public at large. It adheres to uncompromising integrity in the conduct of business and does not tolerate corrupt and immoral practices. As a testament of its robust corporate governance practices and ethical conduct of business, the Company instituted an initiative that encompasses three important policies viz. Code of Conduct, Whistleblower Policy and Prevention of Workplace Harassment including sexual harassment at workplace. With a view to ensure implementation of best standards of Corporate Governance, the Company provides guidance to its joint venture partners/vendors/suppliers/contractors and continues to receive their unrelenting support.

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

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

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

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

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

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

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

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

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

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

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

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

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

Yes, the Company works on the philosophy of four R's i.e. reduce, recycle, recovery and reuse. With a proactive approach, the Company continues to strengthen its water conservation strategies. Other than recovering and reusing of wastewater, consumption of fresh water was also reduced by recovering steam condensate and its reuse as makeup in boilers. During the year, the Company has commissioned additional state-of-the-art wastewater recovery plant consisting of reverse osmosis, multiple effect evaporator and agitated thin film dryer plants at one more site to treat, recover and recycle wastewater. About 68% of the wastewater generated in plants was recovered, recycled and reused directly to utilities thereby reducing usage of fresh water. Besides, rainwater harvesting and other conservation measures have helped to collect water which was used in place of fresh water.

About 55% of high calorific value incinerable waste generated at plants was sent for co-processing in cement kilns and utilization in other industry. In cement plant high calorific incinerable hazardous wastes were used as a substitute for fossil fuels and thereby reduced the consumption of fossil fuel both at waste incineration facilities by elimination of waste for incineration. This also helped in indirectly reducing greenhouse gas emissions. Spent solvents generated in the API manufacturing process were also recovered in-house and reused or sent to the authorized recyclers. Used/spent oil generated from the plants was also sent to the authorized recyclers.

The Company being a brand owner has initiated collection, recycling, co-processing and reuse of post consumable plastic waste which is being used as a packaging material for the domestic market. This post consumable plastic waste is collected from diverse parts of India and are being channelized to generate products or as an alternate source of energy.

Principle 3

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

18,302 permanent employees in India as on March 31, 2020.

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

5,999 as on March 31, 2020.

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

915 as on March 31, 2020.

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

17 as on March 31, 2020.

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 6% of the permanent employees are members of recognised employee associations.

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

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

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

(a) **Permanent Employees: -** Safety training is an integral part of the induction training program and is imparted to 100% employees in the manufacturing plants at the time of joining the Company. It includes firefighting, first-aid, procedural and chemical safety, etc. While procedural safety trainings are regularly imparted depending on the function, firefighting and first-aid trainings are given at scheduled intervals as part of the retraining programs.

(b) **Permanent Women Employees: -** Women employees are provided safety training. Induction safety training is imparted to 100% of all the recruited women employees in manufacturing facilities and other trainings like first-aid etc. are also imparted periodically.

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

(d) **Employees with Disabilities: -** The Company makes no discrimination while imparting training to differently abled employees vis-a-vis their fellow employees.

Principle 4

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

   Yes, the Company has mapped its stakeholders.

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

   The Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.**

   The Company launched the 'Jan Kovid' Helpline under the tagline 'Mann Ka Swaasthya, Tann Ki Suraksha' for the residents of Mumbai, Bhopal and Indore, which facilitates medical outreach to citizens to resolve queries about COVID-19, its symptoms, details about nearest testing centers or government hospitals, and help for those suffering from stress, anxiety or mental health issues. The Company's ophthalmology division, 'Lupin Blue Eyes' is associated with Eye Bank Association of India in a unique co-campaign called 'Punarjyoti' ('Rebirth of Eyes'), which promotes the noble message of pledging donation of eyes after death. Asthma detection camps are organised pan India which facilitates free screening of patients where chest physicians are present to diagnose patients and provide appropriate treatment. About 800 camps were organised, at which, information on causes of COPD and symptoms were shared with patients who were offered free Spirometry diagnosis, doctor's consultations and advised lifestyle modifications. The Company organised programs in schools and residential societies to educate parents and teachers about pediatric asthma. A dedicated multilingual website Right2breathe to educate patients about Asthma and Allergies was developed. With an aim to answer patient queries related to ailments, a chatbot named ANYA, designed to provide medically verified information for health-related queries was launched. The Company developed the HUMRAHI app application which provides demonstration of Insulin administration techniques and is helpful to diabetic patients as well as doctors. The said app also provides information on diet for diabetic patients. In continuation of the Company's commitment towards TB eradication from the country, a unique mobile app named FIGHT TB, a one-stop solution for doctors treating Tuberculosis, was created. The said app promotes WHO recommended treatment guidelines for TB as also helps clinicians to notify TB patients.

Principle 5

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

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

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

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

Principle 6

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

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

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

   The Company always accords the topmost priority to conservation and optimum utilization of natural resources. The Environment, Health, Safety and Sustainability policy of the Company (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 a mechanism to recycle and recover wastewater in order to reduce fresh-water consumption. By using energy generated from non-conventional renewable sources a reduction in energy consumption was achieved. The Company plans to convert its existing furnace oil fired boilers to natural gas fired boilers next year at one of its manufacturing plants.

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

   Yes internal/external mechanisms are in place, whereby all new facilities and products are risk assessed including environmental impact assessment and development of environmental management plans. The said environmental management plans are reviewed during internal meetings. The Company received prestigious International Sustainability Rating System (ISRS) certification after audit by external independent party. 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 units. These sites are audited every year by the external independent party.

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, at one of its manufacturing sites, the Company plans to convert its existing furnace oil fired boilers 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 energy-efficient and clean technology initiatives carried out by the Company at different locations were as under: -

   - Installed Motion Sensors for Light Fixtures.
   - Installed guns for compressed air/portable and purified water.
   - Replaced CFL lights with LED ones.
   - Installed variable frequency drive on cooling water pumps.
   - Trimmed Pump impeller at utility.
   - Installed emulsification system for effective burning of furnace oil Boiler.
   - Replaced steam ejector with dry vacuum pump.
   - Implemented close loop system in chilled water.
   - Replaced screw air compressor with centrifugal air compressor.
   - Installed energy efficient gear boxes and motors.
   - Installed auto control valves for steam utilization at furnace oil storage tank.
   - Installed HVAC and process equipments with variable frequency drives.
   - Replaced conventional pumps with high efficiency ones.
   - Installed condensing economizer and pressurized economizers.

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

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

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

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

Principle 7

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

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

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

   (b) Confederation of Indian Industry (CII);

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

   (d) Indian Pharmaceutical Alliance (IPA);

   (e) Indian Drugs Manufacturers Association (IDMA);

   (f) Bulk Drugs Manufacturers Association (BDMA);

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

   (h) Bombay Chamber of Commerce and Industry; and

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

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

   Over the years, the Company has advocated at various forums about measures to be taken to address basic issues pertaining to improvement of public health and promote balanced as well as sustainable economic development. The Company supports the government in its efforts to harness the country's innovation capabilities and suggests measures to offer facilities and incentives viz. encourage investments in R&D. The Company makes continuous efforts to promote the use of generic medicines with a view to make available affordable medical treatment to the under-privileged sections of the society.

Principle 8

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

   The Company established LHWRF in 1988 to undertake rural development and implement the CSR program directly. LHWRF has a presence in 4546 villages located in 63 blocks of 23 districts spread across nine states in India. LHWRF operates through 20 centres. The portfolio of the CSR activities is given below:

   Economic Development Programme

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

   Social Development Programme

   - Women empowerment;
   - Health including Awareness and treatment programs 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 as 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 remarkable work for COVID relief and transiting migrant workers.

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

   As stated earlier, the entire CSR activities of the Company are implemented through LHWRF. It has exhaustive and appropriate systems in place to effectively execute CSR programs on the field directly. LHWRF mobilises additional resources from banks and government to achieve high impact within the areas of its operations. Most of the projects are implemented by LHWRF independently. However, it engages in knowledge and funding partnership with eminent academic and government bodies to develop designs, machines, technology to enhance productivity or make processes easier/safer for the target population.

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

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

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

   During the year, an amount of ₹ 342 million was spent on various community development projects for economic advancement through Education and Training viz. Agricultural development, Animal husbandry, Women empowerment, Community health management, Natural

resource management, Economic advancement through education and training, Promotion of rural industries, Learn and Earn and Disaster management activities.

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

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

Principle 9

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

   As on March 31, 2020, about 1% of customer complaints received during the year, were pending, which have since been resolved.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information).**
   The Company 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 Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 28, 2020

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, 2020, 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, 2020, of its consolidated loss 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 its 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 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 description	How the matter was addressed in audit
1. Revenue Recognition: Refer to note 1A(m) of accounting policy and note 40 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 with customers. The Group has many customers operating in various geographies and these sales contracts have distinct terms and conditions relating to the recognition of revenue, the right of return and price adjustments. Contractual arrangements and/or local regulations in various geographies result in adjustments to gross sales price. These adjustments arise from the group's obligations towards chargebacks, rebates, product recalls, medicaid, allowances, supply penalties and right of return (variable components). Accruals are made for unsettled obligations in respect of these variable compensations which requires significant judgement.	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 and accrual for deductions from gross sales with applicable accounting standards to ensure compliance; – Tested design and operating effectiveness of the Group's internal controls including general IT controls and key IT application controls over measurement of accrual for deductions from gross sales; – Assessing the adequacy of accruals for unsettled obligations in respect of variable components. Performing retrospective test to identify any bias with respect to these estimates;

The key audit matter description	How the matter was addressed in audit
The Group routinely enters into research, development and commercialization arrangements in respect of new products in the pharmaceutical sector including collaboration with other pharmaceutical companies. This includes in-licensing, out-licensing and other such type of arrangements. The nature of these arrangements is inherently complex requiring judgment to be applied in respect of revenue recognition. Considering the complexity of such transactions and extent of judgment involved, recognition of revenue from such contracts has also been considered as key audit matter.	– Testing controls over recognition of revenues with respect to research, development, commercialization, licensing and other such arrangements. Testing the recognition of revenue under the said arrangement with focus on the terms of such arrangements in respect to performance obligations. Testing the accuracy of the proportion of revenue in respect of ongoing performance obligations that is deferred;
2. Litigation, claims and related provisions: Refer to note 1A(r) of significant accounting policies and note 38 in consolidated financial statements. The Group operates in multiple jurisdictions in the pharmaceutical industry which is heavily regulated, resulting in increased exposure to litigation risk. The Group is involved in several litigations / legal actions. These provisions are based on judgements and estimates in determining the likelihood and magnitude of an unfavorable outcome of outstanding litigations and claims. Accordingly, unexpected adverse outcomes could significantly impact the Group's reported profit and balance sheet position.	To obtain sufficient and appropriate audit evidence, our principal audit procedures included, amongst others, the following: – Testing the design and operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims; – Examining the Group's assessment of adequacy of provisions • By making enquiries with the in-house legal counsel of the group; • Obtaining confirmations from external legal counsels where relevant; • Evaluating legal opinions obtained by the Group; • Verifying correspondence, orders and appeals in respect of open litigation; – Evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of bias; and – Evaluating adequacy of provisions in respect of matters under litigation.
3. Intangible Assets: Refer note no. 1A(d) of significant accounting policies. The carrying value of Intangible Assets including In Process Research and Development (IPR&D) aggregate to ₹ 37,540.2 million as at 31 March 2020. These assets are evaluated for any indicators of impairment annually. The Group assesses impairment triggers with respect to intangible assets and IP R&D 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 included, amongst others, 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;

The key audit matter description	How the matter was addressed in audit
4. 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. Judgement 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, valuation of UTPs and recognition of deferred assets/liabilities have been identified as a key audit matter due to the inherent complexity in the underlying tax laws and the extent of judgement involved in developing these estimates. These matters are disclosed in note 46 to the consolidated financial statements. Refer note 1A(k) in significant accounting policies.	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 and recognition of deferred taxes; – Challenging the adequacy of related provisions in conjunction with tax specialists by considering changes to business and tax legislation in key jurisdictions, making relevant enquires 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 judgements regarding the recoverability of temporary differences pertaining to deferred tax balances. Examining the forecasts and the expected utilization of key temporary differences; – 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.
5. Disposal of Subsidiaries and Discontinued Operation: Refer note 1A(p) in significant accounting policies. During the year, as part of its overall business strategy, the group disposed its subsidiaries in Japan for a total of consideration of ₹ 15,782.9 million, resulting in a profit on disposal of ₹ 12,164.3 million. We consider the accounting for this disposal, computation of profit on disposal and disclosure of discontinuing operations in the Group's Consolidation financial statements as a key audit matter due to the size and the complexity involved in accounting for the transaction . These matters are disclosed in note 55 to the consolidated financial statements.	To obtain sufficient and appropriate audit evidence, our principal audit procedures included, amongst others, the following: – Tested design as well as operating effectiveness of the controls in respect for accounting and disclosure of disposal of investments and subsidiaries; Examined the agreement to • compare the terms and conditions to those applied by the Group in accounting for the disposal; • Identifying the net consideration and any contingent consideration; • to determine the effective date of disposal; — Obtained and relied on the audited financial statements of these subsidiaries audited by another auditor for determining the asset and liability position on the date of disposal; — Verified the accounting for disposal including the resultant profit on disposal; — Tested the accuracy of disclosure of discontinued operations as determined by the Group and compliance with the requirements of Ind AS 105 Non-current assets held for sale and discontinued operations.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information.
The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed 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 loss 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 ventures 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 ventures 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 'Other Matters' paragraph 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 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of 27 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 2,18,842.6 million as at 31 March 2020, total revenues of ₹ 1,20,299.5 million and net cash (inflows) amounting to (₹ 5,935.7) 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 ₹ 53.2 million for the year ended 31 March 2020, 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.

The financial statements/financial information of a subsidiary (disposed off during the year), whose financial statements/financial information reflect total assets of ₹ nil as at 31 March 2020, total revenues of ₹ 1,688.7 million and net cash out flows amounting to ₹ 322.1 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 have been subjected to limited review by another auditor and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, 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.

Certain of these subsidiaries and a 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.

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, 2020, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020, 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, 2020, on the consolidated financial position of the Group and its joint venture. Refer Note 38 to the consolidated financial statements.

ii. The Group and its joint venture have made provisions, 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 to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended March 31, 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
UDIN: 20113156AAAACT8908

Place: Mumbai
Date: May 28, 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Lupin Limited for the period ended March 31, 2020

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, 2020, we have audited the internal financial controls with reference to the consolidated financial statements of Lupin Limited (hereinafter referred to as "the Holding Company") and one subsidiary, incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, the Holding Company and the company incorporated in India which is its subsidiary, 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, 2020, 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").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their report 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 incorporated in India, is based on the corresponding report of the auditors of the said subsidiary incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
UDIN: 20113156AAAACT8908

Place: Mumbai
Date: May 28, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in million)

	Note	As at 31.03.2020	As at 31.03.2019
Assets			
Non-Current Assets			
a. Property, Plant and Equipment	2	43,655.5	49,115.3
b. Capital Work-in-Progress		7,581.6	10,185.9
c. Goodwill on Consolidation	49	18,514.8	23,803.2
d. Other Intangible Assets	3	17,210.8	37,948.6
e. Intangible Assets Under Development	54b	1,814.6	6,211.2
f. Investments accounted for using equity method	4	305.0	251.8
g. Financial Assets			
(i) Non-Current Investments	5	55.7	1,604.5
(ii) Non-Current Loans	6	476.3	814.6
(iii) Other Non-Current Financial Assets	7	705.1	433.5
h. Deferred Tax Assets (Net)	46	1,743.1	7,340.0
i. Non-Current Tax Assets (Net)		1,185.6	1,424.1
j. Other Non-Current Assets	8	2,458.3	1,825.2
		95,706.4	140,957.9
Current Assets			
a. Inventories	9	34,568.7	38,367.7
b. Financial Assets			
(i) Current Investments	10	23,382.5	21,098.6
(ii) Trade Receivables	11	54,459.3	51,498.0
(iii) Cash and Cash Equivalents	12	22,148.5	5,722.1
(iv) Other Bank Balances	13	2,394.5	4,149.9
(v) Current Loans	14	370.1	248.4
(vi) Other Current Financial Assets	15	3,895.5	6,393.4
c. Current Tax Assets (Net)		306.1	296.8
d. Other Current Assets	16	12,606.9	10,760.9
		154,132.1	138,535.8
Total		**249,838.5**	**279,493.7**
Equity and Liabilities			
Equity			
a. Equity Share Capital	17	906.0	905.0
b. Other Equity	18	124,461.0	136,517.3
Equity attributable to Owners of the Company		125,367.0	137,422.3
c. Non-Controlling Interest	51	444.6	468.6
		125,811.6	137,890.9
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	19	17,932.8	66,417.2
(ii) Trade Payables	20		
- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
- Total outstanding dues of other than Micro Enterprises and Small Enterprises		-	22.8
(iii) Other Non-Current Financial Liabilities	21	7,247.3	4,128.6
b. Non-Current Provisions	22	2,962.9	3,707.9
c. Deferred Tax Liabilities (Net)	46	1,995.4	2,882.8
d. Other Non-Current Liabilities	23	1,636.5	3,144.8
		31,774.9	80,304.1
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	24	24,927.5	15,802.1
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	25	989.4	1,046.1
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	25	23,133.6	23,935.7
(iii) Other Current Financial Liabilities	26	28,759.8	10,885.3
b. Other Current Liabilities	27	2,482.5	1,912.9
c. Current Provisions	28	9,077.1	7,274.5
d. Current Tax Liabilities (Net)		2,882.1	442.1
		92,252.0	61,298.7
Total		**249,838.5**	**279,493.7**

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: Mumbai
Date: May 28, 2020

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

Manju D. Gupta
Chairperson
DIN: 00209461

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

Vinita Gupta
Chief Executive Officer
DIN: 00058631

R. V. Satam
Company Secretary
ACS - 11973

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in million)

	Note	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Continuing Operations			
Income			
Revenue from Operations	29	153,747.6	146,645.6
Other Income	30	4,837.6	3,330.1
Total Income		**158,585.2**	**149,975.7**
Expenses			
Cost of Materials Consumed	31	31,638.2	31,459.6
Purchases of Stock-in-Trade		22,582.3	20,045.8
Changes in Inventories of Finished Goods	32	85.5	(2,044.5)
Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]			
Employee Benefits Expense	33	29,868.4	27,701.7
Finance Costs	34	3,629.8	3,024.9
Depreciation and Amortisation Expense	2&3	9,702.2	8,460.5
Other Expenses	35	46,025.2	43,875.8
Total Expenses		**143,531.6**	**132,523.8**
Profit before Share of Profit of Jointly Controlled Entity and Exceptional items		**15,053.6**	**17,451.9**
Share of Profit from Jointly Controlled Entity (net of tax)		39.4	37.5
Profit before Exceptional items and Tax		**15,093.0**	**17,489.4**
Exceptional items	54	7,520.7	3,399.8
Profit before Tax		**7,572.3**	**14,089.6**
Tax Expense:	46		
- Current Tax (net)		6,869.7	8,496.8
- Deferred Tax (net)		4,701.4	382.6
Total Tax Expense		**11,571.1**	**8,879.4**
Profit / (Loss) for the year from continuing operations		**(3,998.8)**	**5,210.2**
Discontinued Operations	55		
Profit / (Loss) before tax from discontinued operations		1,195.5	1,082.1
Tax expense of discontinued operations		(105.5)	137.5
Profit / (Loss) for the year from discontinued operations		**1,301.0**	**944.6**
Profit / (Loss) for the year		**(2,697.8)**	**6,154.8**
Share of profit / (loss) attributable to Non-Controlling Interest		(3.9)	89.3
Profit / (Loss) for the year attributable to Owners of the Company		**(2,693.9)**	**6,065.5**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be re-classified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(425.9)	(24.0)
(ii) Income tax relating to items that will not be re-classified to profit or loss:	46	148.1	1.9
(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		(479.7)	(372.6)
(b) Exchange differences in translating the financial statements of foreign operations		(5,449.2)	(2,079.6)
(ii) Income tax relating to items that will be re-classified to profit or loss:	46	128.9	137.4
Other Comprehensive Income / (Loss) for the year, net of tax		**(6,077.8)**	**(2,336.9)**
Less : Share of Other Comprehensive Income/(Loss) attributable to Non-Controlling Interest		27.5	6.9
Other Comprehensive Income / (Loss) for the year attributable to Owners of the Company		**(6,105.3)**	**(2,343.8)**
Total Comprehensive Income / (Loss) attributable to:			
Owners of the Company		(8,799.2)	3,721.7
Non-Controlling Interest		23.6	96.2
Total Comprehensive / (Loss) Income for the year		**(8,775.6)**	**3,817.9**
Earnings per equity share for continuing operations (of ₹ 2/- each)	42		
Basic		**(8.83)**	**11.52**
Diluted		**(8.83)**	**11.47**
Earnings per equity share for continuing operations (of ₹ 2/- each)	42		
Basic		**2.87**	**2.09**
Diluted		**2.86**	**2.08**
Earnings per equity share for continuing operations (of ₹ 2/- each)	42		
Basic		**(5.95)**	**13.41**
Diluted		**(5.95)**	**13.36**
Face value of Equity Share (in ₹)		2.00	2.00
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 28, 2020

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

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Chairperson
DIN: 00209461

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DIN: 01833346

Vinita Gupta
Chief Executive Officer
DIN: 00058631

R. V. Satam
Company Secretary
ACS - 11973

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity Share Capital [Refer note 17]

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	452,493,697	905.0	452,082,850	904.2
Changes in equity share capital during the year	504,424	1.0	410,847	0.8
Balance at the end of the reporting year	452,998,121	906.0	452,493,697	905.0

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 31.03.2018	**263.9**	**126.5**	**0.3**	**8,129.4**	**2,113.8**	**16,600.5**	**105,502.1**	**317.9**	**-**	**1,778.8**	**339.4**	**(306.2)**	**400.8**	**135,267.2**
Profit for the year	-	-	-	-	-	-	6,065.5	-	-	-	-	-	89.3	6,154.8
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(2,085.3)	(234.0)	(23.2)	6.9	(2,335.6)
Final dividend on Equity Shares	-	-	-	-	-	-	(2,260.8)	-	-	-	-	-	-	(2,260.8)
Corporate Tax on Dividend	-	-	-	-	-	-	(464.7)	-	-	-	-	-	-	(464.7)
Addition on allotment of shares	-	-	-	514.8	-	-	-	-	-	-	-	-	-	514.8
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(28.4)	(28.4)
Share based payment to employees	-	-	-	-	70.4	68.2	-	-	-	-	-	-	-	138.6
Balance as at 31.03.2019	**263.9**	**126.5**	**0.3**	**8,644.2**	**2,184.2**	**16,668.7**	**108,842.1**	**317.9**	**-**	**(306.5)**	**105.4**	**(329.4)**	**468.6**	**136,985.9**
Profit for the year	-	-	-	-	-	-	(2,693.9)	-	-	-	-	-	(3.9)	(2,697.8)
Adjustment for transition to Ind AS 116 - "Leases" [Refer note 43]	-	-	-	-	-	-	(319.3)	-	-	-	-	-	-	(319.3)
Adjustment for transition to Appendex C of Ind AS 12 - "Income Taxes" [Refer note 46(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)
Addition on allotment of shares	-	-	-	531.2	-	-	-	-	-	-	-	-	-	531.2
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(25.6)	(25.6)
Share based payment to employees	-	-	-	-	(38.0)	98.4	-	-	-	-	-	-	-	60.4
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**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

Nature of Reserves

a) **Capital Reserve**
The Capital reserve is created on receipts of government grants for setting up the factories in backward areas for performing research on critical medicines for the betterment of the society and on restructuring of the Capital of the Company under various schemes of Amalgamation.

b) **Capital Redemption Reserve**
This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) **Securities Premium**
Securities premium account comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

d) **General Reserve**
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

e) **Amalgamation Reserve**
This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

f) **Cash Flow Hedge Reserve**
The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for Cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged items affect the profit or loss.

g) **Legal Reserve**
This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of few subsidiaries.

h) **Foreign Currency Translation Reserve**
This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

i) **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.

j) **Share Application money Pending allotment**
Share Application money represents amount received towards share application money which were pending for allotment as on reporting date.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 28, 2020

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

Manju D. Gupta
Chairperson
DIN: 00209461

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

Vinita Gupta
Chief Executive Officer
DIN: 00058631

R. V. Satam
Company Secretary
ACS - 11973

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in million)

		For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
A.	**Cash Flow from Operating Activities**		
	Profit before Tax		
	Continuing Operations	7,572.3	14,089.6
	Discontinued Operations	1,195.5	1,082.1
	Adjustments for:		
	Depreciation and Amortisation Expense	11,595.8	10,850.1
	Loss / (Profit) on sale / write-off of Property, Plant and Equipment / Intangible Assets (Net)	(1.9)	0.2
	Finance Costs	3,629.8	3,078.3
	Net Gain on Sale of Mutual Fund Investments	(1,063.1)	(123.9)
	Interest on Deposits with Banks and Others	(1,290.5)	(620.7)
	Dividend on Mutual Fund Investments	(145.6)	(420.9)
	Doubtful Trade Receivables / Advances / Deposits written off and provided	299.4	212.4
	Unrealised Loss/ (Gain) on Mutual Fund Investments (net)	(4.8)	(121.2)
	Provisions / Credit balances no longer required written back	0.7	(165.0)
	Share Based Payment Expense	532.8	617.2
	Loss / (Profit) on Divestment of subsidiaries	(12,164.3)	-
	Impairment of Intangible Assets / Intangible Assets Under Development	15,900.0	7.7
	Impairment in value of Non-Current investments	-	30.1
	Share of Profit from Jointly Controlled Entities	(39.4)	(37.5)
	Provision for fine (European Commission)	-	3,399.8
	Unrealised Exchange loss / (gain) on revaluation (net)	(1,506.0)	(822.5)
	Operating Cash flows before Working Capital Changes	**24,510.7**	**31,055.8**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Non-Current Loans	176.2	(11.0)
	Other Non-Current Financial Assets	(271.6)	(391.6)
	Other Non-Current Assets	(77.5)	29.1
	Inventories	(4,795.9)	(2,948.0)
	Trade Receivables	(10,435.2)	(556.1)
	Current Loans	(137.8)	107.8
	Other Current Financial Assets	2,115.3	(2,012.6)
	Other Current Assets	(2,548.9)	1,481.2
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-Current Trade Payables	(22.8)	(14.3)
	Other Non-Current Financial liabilities	1,210.9	303.9
	Non-Current Provisions	424.9	279.1
	Other Non-Current liabilities	(462.4)	1,499.3
	Trade Payables	5,639.4	(1,627.9)
	Other Current Financial liabilities	493.8	(221.1)
	Other Current liabilities	1,706.2	(435.3)
	Current Provisions	2,275.1	(484.4)
	Cash Generated from Operations	**19,800.5**	**26,053.9**
	Net Income tax paid	(5,112.1)	(9,394.2)
	Net Cash Flow generated / (used in) from Operating Activities	**14,688.4**	**16,659.7**
B.	**Cash Flow from Investing Activities**		
	Capital expenditure on Property, Plant and Equipment, including capital advances	(6,731.3)	(9,853.5)
	Proceeds from sale of Property, Plant and Equipment / Intangible Assets	18.5	254.8
	Proceeds from Sale of Non-Current Investments	1,038.6	(1,619.3)
	Purchase of Current Investments	(141,257.2)	(89,966.9)
	Proceeds from sale of Current Investments	139,026.9	71,340.8
	Proceeds from Divestment of subsidiary	15,782.9	-
	Bank balances not considered as Cash and Cash Equivalents (net)	1,755.4	(4,022.2)
	Interest on Deposits with Banks and Others	1,290.5	620.7
	Dividend on Mutual Fund Investments	145.6	420.9
	Net Cash Flow generated / (used in) from Investing Activities	**11,069.9**	**(32,824.7)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
C. Cash Flow from Financing Activities		
Proceeds from / (Repayment of) Non-Current Borrowings (net)	(9,892.3)	1,579.2
Proceeds from / (Repayment of) Current Borrowings (net)	8,388.2	11,342.4
Proceeds from issue of equity shares (ESOPs)	1.0	0.8
Securities Premium Received (ESOPs)	58.7	36.2
Payment of Lease liabilities	(1,169.9)	-
Finance Costs	(3,561.7)	(2,804.2)
Dividend paid	(2,264.6)	(2,248.4)
Corporate Tax on Dividend	(465.2)	(464.7)
Net Cash Flow generated / (used in) from Financing Activities	**(8,905.8)**	**7,441.3**
Net increase / (decrease) in Cash and Cash Equivalents	**16,852.5**	**(8,723.7)**
Cash and Cash Equivalents as at the beginning of the year	5,440.6	14,164.3
Cash and Cash Equivalents as at the end of the year	**22,293.1**	**5,440.6**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet [Refer note 12]	22,148.5	5,722.1
Unrealised loss / (gain) on foreign currency Cash and Cash Equivalents	144.6	(281.5)
Cash and Cash Equivalents as restated as at the end of the year	**22,293.1**	**5,440.6**

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: Mumbai
Date: May 28, 2020

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

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R. V. Satam
Company Secretary
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Notes

Forming part of the Consolidated Financial Statements

1A. Significant Accounting Policies:

a) Basis of accounting and preparation of Consolidated Financial Statements:

Basis of preparation

i) These consolidated financial statements (hereinafter referred to as 'consolidated financial statements') of Lupin Limited ('the Company') and its subsidiaries and its Jointly controlled entity (hereinafter referred to as 'the Group'), have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These consolidated financial statements were authorized for issue by the Company's Board of Directors on May 28, 2020.

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)
- 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 and its subsidiaries and a jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Notes

Forming part of the Consolidated Financial Statements

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 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
Plant and Equipment	10 to 15 years
Office Equipment (Desktop)	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[1]	5 to 50 years
Improvements on Leased Premises	Over the period of lease
Plant and Equipment[2,3]	3 to 20 years
Furniture and Fixtures[2]	2 to 20 years
Vehicles[2,3]	3 to 7 years
Office Equipment[2]	2 to 21 years

1. In respect of subsidiaries in Japan, assets acquired from April 1, 1998 onwards, were depreciated based on straight line method.
2. In respect of subsidiaries in Japan, assets acquired from April 1, 2016 onwards, were depreciated based on straight line method.
3. Assets acquired on lease are depreciated based on straight line method over their respective lease periods.

Depreciation method, useful live and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d) Intangible assets:

I. **Recognition and Measurement**

Intangible assets are carried at cost less accumulated 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 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.

Notes

Forming part of the Consolidated Financial Statements

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.

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 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 amortized over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in foreign operations, where such amortization is taken to Foreign Currency Translation Reserve (FCTR) until disposal/recovery of the net investment. The unamortized exchange difference is carried under Reserves and Surplus as Foreign Currency Monetary Item Translation Difference Account (FCMITDA) net of the tax effect thereon, where applicable.

v) In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Consolidated Statement of Profit and Loss as a part of gain or loss on disposal.

i) Financial Instruments:

I. Financial Assets

Classification

On initial recognition the Group classifies financial assets as subsequently measured at amortized 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

Notes

Forming part of the Consolidated Financial Statements

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, 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.

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.

Notes

Forming part of the Consolidated Financial Statements

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 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 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

Notes

Forming part of the Consolidated Financial Statements

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.

l) Inventories:

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

m) Revenue Recognition:

Sale of Goods

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled

to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts, allowances and chargeback. Revenue includes shipping and handling costs billed to the customer.

Income from research services
Income from research services including sale of technology/know-how (rights, licenses and other intangibles) is 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.

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

Notes

Forming part of the Consolidated Financial Statements

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.

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. This policy is applied to contracts entered into, on or after 1st April 2019.

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 stand-alone 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.

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, has notified Ind AS 116 Leases which replaces the existing 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 introduces a single, on-balance sheet lease accounting model for lessees.

The Group has 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 has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Refer note 1A (p) – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

Group as a lessee

Operating Lease:

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments, but discounted at the Group's incremental borrowing rate as at 1st April 2019. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease. Accordingly, a right-of-use asset of ₹ 3098.9 million and a

Notes

Forming part of the Consolidated Financial Statements

corresponding lease liability of ₹ 3579.5 million has been recognized. The cumulative effect on transition in retained earnings net off taxes and lease equalisation liability is ₹ 319.3 million (including a deferred tax of ₹ 125.6 million and lease equalization liability of ₹ 35.7 million). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 7.04 % has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

Finance Lease

The Group has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹ 1070.9 million has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹ 7.8 million has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹ 103.5 million has been reclassified from borrowings – non- current to lease liability – non-current.

Impact of COVID-19

The Group does not foresee any large-scale contraction in demand which could result in significant down- sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

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) 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.

t) 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.

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

u) 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.

v) Insurance claims:

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

w) Goods and Services tax input credit:

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

x) Segment reporting:

The Group operates in one reportable business segment i.e. "Pharmaceuticals".

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.

1B. Recent Accounting Pronouncements:

Other Amendments:

The MCA has not notified any amendments which are effective from 1st April 2020

2. Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block						Accumulated Depreciation and Impairment Loss							Net Block
	As at 01.04.2019	Additions	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2020	As at 01.04.2019	For the period	Impairment Loss	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2020	As at 31.03.2020
Freehold Land	**3,463.2**	**108.8**	**(2.4)**	**-**	**1,664.9**	**1,904.7**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,904.7**
	3,454.1	*4.4*	*4.7*	-	-	*3,463.2*	-	-	-	-	-	-	-	*3,463.2*
Buildings	**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**
	16,466.8	*815.9*	*79.4*	*5.9*	-	*17,356.2*	*1,479.1*	*669.4*	-	*(1.1)*	*1.1*	-	*2,146.3*	*15,209.9*
Improvements on Leased Premises	**1,744.3**	**242.8**	**137.4**	**-**	**-**	**2,124.5**	**733.4**	**313.2**	**-**	**66.0**	**-**	**-**	**1,112.6**	**1,011.9**
	1,384.0	*301.5*	*58.8*	-	-	*1,744.3*	*469.9*	*245.6*	-	*17.9*	-	-	*733.4*	*1,010.9*
Plant and Equipment	**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**
	36,576.3	*4,249.1*	*165.3*	*275.0*	-	*40,715.7*	*10,615.6*	*4,413.6*	-	*15.5*	*179.7*	-	*14,865.0*	*25,850.7*
Furniture and Fixtures	**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**
	2,280.8	*387.2*	*15.2*	*132.7*	-	*2,550.5*	*812.0*	*383.7*	-	*3.1*	*27.2*	-	*1,171.6*	*1,378.9*
Vehicles	**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**
	338.4	*76.8*	*3.4*	*60.0*	-	*358.6*	*137.5*	*72.4*	-	*3.0*	*49.9*	-	*163.0*	*195.6*
Office Equipment	**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**
	2,186.3	*285.5*	*19.7*	*73.5*	-	*2,418.0*	*1,073.1*	*448.3*	-	*11.2*	*49.8*	-	*1,482.8*	*935.2*
Right of use Assets:														
Leasehold Land	**1,104.6**	**-**	**-**	**-**	**-**	**1,104.6**	**35.5**	**11.1**	**-**	**-**	**-**	**-**	**46.6**	**1,058.0**
	997.1	*107.5*	-	-	-	*1,104.6*	*24.6*	*10.9*	-	-	-	-	*35.5*	*1,069.1*
Leasehold Buildings	**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	**76.0**	**367.1**	**-**	**-**	**-**	**443.1**	**-**	**105.5**	**-**	**-**	**-**	**-**	**105.5**	**337.6**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Vehicles	**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**
	3.2	-	*(0.5)*	-	-	*2.7*	*1.0*	*0.7*	-	*(0.8)*	-	-	*0.9*	*1.8*
Leasehold Office Equipments	**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**	**-**	**-**	**-**	**-**	**4.4**	**22.0**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**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**
	63,687.0	*6,227.9*	*346.0*	*547.1*	-	*69,713.8*	*14,612.8*	*6,244.6*	-	*48.8*	*307.7*	-	*20,598.5*	*49,115.3*

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 43]

c) For details on disposals of subsidiaries [Refer note 55]

d) Depreciation for the period includes ₹ 1,079.5 million (previous year ₹ 1,271.6 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 01.04.2019	Additions	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2020	As at 01.04.2019	For the period	Impairment Loss	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2020	As at 31.03.2020
Computer Software	**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**
	831.3	*150.3*	*16.3*	*3.2*	-	*994.7*	*434.7*	*147.4*	-	*6.7*	*2.8*	-	*586.0*	*408.7*
Trademarks and Licences	**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**
	928.3	*3.5*	*(40.2)*	*48.0*	-	*843.6*	*301.5*	*104.4*	-	*(10.8)*	*40.9*	-	*354.2*	*489.4*
Dossiers/Marketing rights	**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**
	48,667.1	*10,880.9*	*2,427.5*	*12.0*	-	*61,963.5*	*19,629.7*	*4,353.7*	-	*933.5*	*3.9*	-	*24,913.0*	*37,050.5*
Total	**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**
	50,426.7	*11,034.7*	*2,403.6*	*63.2*	-	*63,801.8*	*20,365.9*	*4,605.5*	-	*929.4*	*47.6*	-	*25,853.2*	*37,948.6*

a) For details on disposals of subsidiaries [Refer note 55]

b) For details of Impairment Loss [Refer note 54(b)]

c) Accumulated Amortization and Impairment Loss includes impairment loss in opening balance of ₹ 11,138.1 million (previous year ₹ 10,497.1 million) and in closing balance of ₹ 22,796.2 million (previous year ₹ 11,138.1 million).

d) Amortisation for the period includes ₹ 814.0 million (previous year ₹ 1,118.0 million) related to discontinued operations.

e) Previous year figures are given in italics below current year figures in each class of assets.

4. Investment Accounted For Using Equity Method

(₹ in million)

	Number	Face Value	As at 31.03.2020	As at 31.03.2019
Unquoted				
In Jointly Controlled Entity:				
- YL Biologics Ltd., Japan	450	JPY	305.0	251.8
	(450)	*		
Total			**305.0**	**251.8**

* Shares do not have face value

i) Investment in shares are fully paid up

ii)	Aggregate amount of unquoted investments	305.0	251.8
iii)	Aggregate amount for impairment in value of investments	-	-

iv) Previous year numbers are within brackets below current year numbers

5. Non-Current Investments

[Refer note 48(i)]

(₹ in million)

	Number	Face Value	As at 31.03.2020	As at 31.03.2019
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	₹		
[31.03.2020 - ₹ 44,100/-, 31.03.2019 - ₹ 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		
- Japan Medical Products Exporter's Association, Japan	-	JPY	-	
[31.03.2020 - ₹ Nil, 31.03.2019 - ₹ 31,210/-]	(10)	5,000		
- The Pharmaceuticals and Medical Devices Agency, Japan	-	JPY	-	0.2
	(30)	10,000		
- Osaka Fire Mutual Aid Association, Japan	-	JPY	-	
[31.03.2020 - ₹ Nil, 31.03.2019 - ₹ 624/-]	(10)	100		
- Frankfurter Volksbank eG Bank, Germany	-	Eur	-	
[31.03.2020 - ₹ Nil, 31.03.2019 - ₹ 38,837/-]	(10)	50		
- Atsugi Gas Corporation, Japan	-	JPY	-	0.2
	(600)	*		
- nReach One (Pty) Ltd, South Africa	8,500,000	ZAR	36.0	40.5
	(8,500,000)	1		

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

	Number	Face Value	As at 31.03.2020	As at 31.03.2019
b) In Bonds/Debentures/Securities (at Amortised Cost)				
- Government Bonds				
Unquoted				
- National Highways Authority of India, India	- (500)	₹ 10,000	-	5.3
- Non Convertible Debentures				
Quoted				
- 8.83% Tata Capital Financial Services Ltd., India	- (500)	₹ 1,000,000	-	508.0
- 9.39% Aditya Birla Housing Finance Ltd., India	- (500)	₹ 1,000,000	-	521.5
- 7.50% Kotak Mahindra Prime Ltd., India	- (500)	₹ 1,000,000	-	509.1
- Government Securities				
Unquoted				
- National Saving Certificates [Deposited with Government Authority]				
[31.03.2020 - ₹ 5,500/-, 31.03.2019 - ₹ 5,500/-]				
Total			**55.7**	**1,604.5**

* Shares do not have face value

i) All investments in shares are fully paid up

ii) Aggregate amount of quoted investments and market value thereof

Book value	-	1,538.6
Market value	-	1,538.6
iii) Aggregate amount of unquoted investments	55.7	65.9

iv) Previous year numbers are within brackets below current year numbers

6. Non-Current Loans

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
Security Deposits		
- with Related Parties [Refer note 64(C)]	43.4	43.4
- with Others	418.3	719.3
Loans to Employees	2.0	14.9
Advance to Vendors	12.6	37.0
Total	**476.3**	**814.6**

[There are no other non-current loans which have significant increase in credit risk.]

7. Other Non-Current Financial Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Earmarked Bank Deposits against guarantees & other commitments	9.7	14.3
Other Non-Current Financial Assets (includes miscellaneous receivables, etc.)	695.4	419.2
Total	**705.1**	**433.5**

Notes

Forming part of the Consolidated Financial Statements

8. Other Non-Current Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Capital Advances	1,557.2	896.8
Advances other than Capital Advances		
- With Government Authorities (Drawback / Customs and Excise duties receivable)	423.7	556.6
- Advance against investments	219.6	334.0
Prepaid Expenses	24.4	37.8
Other Advances	233.4	-
Total	**2,458.3**	**1,825.2**

9. Inventories

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Raw Materials	8,051.4	8,129.1
Packing Materials	1,653.1	1,867.8
Work-in-Progress	6,111.2	6,441.5
Finished Goods	6,727.7	8,870.0
Stock-in-Trade	7,084.1	8,367.1
Consumable Stores and Spares	1,739.9	1,485.7
Goods-in-Transit		
- Raw Materials	902.2	435.5
- Packing Materials	32.5	18.3
- Stock-in-Trade	2,245.6	2,742.4
- Consumable Stores and Spares	21.0	10.3
Total	**34,568.7**	**38,367.7**

During the year, the Group recorded inventory write-downs of ₹ 2,485.0 million (previous year ₹ 2,512.6 million). These adjustments were included in cost of material consumed and changes in inventories.

10. Current Investments

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	7,568.1	2,047.0
In Commercial Papers	2,724.3	-
Unquoted		
In Commercial Papers	-	2,284.9
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	13,090.1	16,766.7
Total	**23,382.5**	**21,098.6**

a)	Aggregate amount of quoted investments and market value thereof		
	Book value	10,292.4	2,047.0
	Market value	10,322.0	2,054.9
b)	Aggregate amount of Unquoted Investments	13,090.1	19,051.6
c)	Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-

Notes

Forming part of the Consolidated Financial Statements

11. Trade Receivables

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Unsecured		
- Considered Good	54,466.3	51,504.6
- Credit Impaired	525.0	391.9
	54,991.3	51,896.5
Less : Impairment Allowances for credit losses	532.0	398.5
Total	**54,459.3**	**51,498.0**

[There are no other trade receivables which have significant increase in credit risk. Refer note 59(C) for information about credit risk and market risk for trade receivables.]

12. Cash and Cash Equivalents

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Cash and Cash Equivalents (as per Ind AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	6,605.6	5,070.8
- In EEFC Account	46.9	39.5
- In Deposit Accounts	15,295.2	600.5
Cheques on hand	186.9	-
Cash on hand	13.9	11.3
Total	**22,148.5**	**5,722.1**

13. Other Bank Balances

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Earmarked Balances with Banks		
- Unpaid dividend accounts	53.0	54.6
- Deposits against guarantees and other commitments	26.7	17.0
Bank Deposits with original maturity of more than 3 months but less than 12 months from the balance sheet date	2,314.8	4,078.3
Total	**2,394.5**	**4,149.9**

14. Current Loans

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
(Financial assets stated at cost)		
Unsecured, considered good		
Security Deposits	344.3	217.3
Other Loans and Advances (includes Loans to employees, etc.)	25.8	31.1
Total	**370.1**	**248.4**

[There are no other current loans which have significant increase in credit risk.]

Notes

Forming part of the Consolidated Financial Statements

15. Other Current Financial Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Mark to Market Derivative Assets	132.0	101.7
Export Benefits receivable	2,211.0	5,514.2
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	508.8	370.7
Other Current Financial Assets (includes Interest receivables, etc.)	1,043.7	406.8
Total	**3,895.5**	**6,393.4**

16. Other Current Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Advances other than Capital Advances		
Prepaid Expenses	936.7	810.1
Advance to Employees	101.9	149.7
Advance to Vendors		
- Considered Good	2,232.7	1,055.7
- Credit Impaired	76.4	44.1
	2,309.1	1,099.8
Less: Impairment Allowances for Credit Impaired	76.4	44.1
	2,232.7	1,055.7
Advance against investments	3,662.2	3,347.1
Export Benefits receivable	994.3	887.6
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	4,623.5	4,456.4
Assets Recoverable From Customers	55.6	52.4
Other Current Assets (Includes miscellaneous receivables, etc.)	-	1.9
Total	**12,606.9**	**10,760.9**

17. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	452,998,121	906.0	452,493,697	905.0
Total	**452,998,121**	**906.0**	**452,493,697**	**905.0**

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	452,493,697	905.0	452,082,850	904.2
Equity Shares issued during the year pursuant to exercise of ESOPs	504,424	1.0	410,847	0.8
Equity Shares outstanding at the end of the year	452,998,121	906.0	452,493,697	905.0

Notes

Forming part of the Consolidated 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, 2020, the amount of dividend per equity share distributed to equity shareholders is ₹ 5.0. (previous year ended March 31, 2019, ₹ 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 31.03.2020**		As at 31.03.2019	
	No. of Shares	**Percentage of Holding**	No. of Shares	Percentage of Holding
Lupin Investments Pvt. Limited	205,608,135	45.39	205,608,135	45.44

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

Particulars	**As at 31.03.2020**		As at 31.03.2019	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	106,030	0.2	126,850	0.3
Plan 2005	33,045	0.1	35,795	0.1
Plan 2011	1,316,500	2.6	1,367,241	2.7
Plan 2014	2,333,133	4.7	2,656,712	5.3
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2005	-	-	100,568	0.2
Plan 2011	707,302	1.4	708,527	1.4
Plan 2014	1,106,476	2.2	1,125,000	2.3

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

Particulars	**As at 31.03.2019 Aggregate No. of Shares**	As at 31.03.2018 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	3,509,786	4,117,893

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

Notes

Forming part of the Consolidated Financial Statements

18. Other Equity

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Legal Reserve		
Opening and Closing Balance as per last Balance Sheet	0.3	0.3
Securities Premium		
Opening Balance as per last Balance Sheet	8,644.2	8,129.4
Add : Additions during the year*	531.2	514.8
Balance as at the year end	9,175.4	8,644.2
Employees Stock Options Outstanding [Refer note 44]		
Opening Balance as per last Balance Sheet	2,184.2	2,113.8
Add : Amortisation during the year	532.9	617.2
Less : Exercised during the year	472.5	478.6
Less : Transfer to General Reserve	98.4	68.2
Balance as at the year end	2,146.2	2,184.2
General Reserve		
Opening Balance as per last Balance Sheet	16,668.7	16,600.5
Add : Transfer from share based payments	98.4	68.2
Balance as at the year end	16,767.1	16,668.7
Retained Earnings		
Opening Balance as per last Balance Sheet	108,842.1	105,502.1
Less: Adjustment for transition to Ind AS 116 - "Leases" (net off deferred tax) [Refer note 43]	319.3	-
Less : Adjustment for transition to Appendex C of Ind AS 12 - "Income Taxes" [Refer note 46(f)]	804.5	-
Add : Profit / (Loss) for the year	(2,693.9)	6,065.5
Less : Final Dividend on Equity Shares [Refer note 17(c)]	2,263.0	2,260.8
Less : Corporate Tax on Dividend**	465.2	464.7
Balance as at the year end	102,296.2	108,842.1
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Share Application money Pending allotment	0.8	-
Other Comprehensive Income		
Foreign Currency Translation Reserve [Refer note 53]		
Opening Balance as per last Balance Sheet	(306.5)	1,778.8
Add / (Less) : Additions during the year	(2,612.8)	(2,085.3)
Add / (Less) : Reclassification to Profit or Loss on disposal of subsidiaires	(2,863.9)	-
Balance as at the year end	(5,783.2)	(306.5)
Cash Flow Hedge Reserve [Refer note 61(C)]		
Opening Balance as per last Balance Sheet	105.4	339.4
Add/(Less) : Effect of foreign exchange rate variations on hedging instruments outstanding [net of deferred tax of ₹ (128.9) million (previous year - ₹ (137.4) million)]	(350.8)	(235.2)
Add/(Less) : Hedge Ineffectiveness recognised in Statement of Profit and Loss	2.5	1.2
Balance as at the year end	(242.9)	105.4
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(329.4)	(306.2)
Add / (Less) : Additions during the year	(277.8)	(23.2)
Balance as at the year end	(607.2)	(329.4)
Total	**124,461.0**	**136,517.3**

*Represents amount received on allotment of 504,424 (previous year 410,847) 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 ₹ 465.1 million (previous year ₹ 464.6 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.1 million (previous year ₹ 0.1 million).

Notes

Forming part of the Consolidated Financial Statements

Nature of Reserves

a) **Capital Reserve**
The Capital reserve is created on receipts of government grants for setting up the factories in backward areas for performing research on critical medicines for the betterment of the society and on restructuring of the Capital of the Company under various schemes of Amalgamation.

b) **Capital Redemption Reserve**
This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) **Securities Premium**
Securities premium account comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

d) **General Reserve**
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

e) **Amalgamation Reserve**
This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

f) **Cash Flow Hedge Reserve**
The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for Cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged items affect the profit or loss.

g) **Legal Reserve**
This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of few subsidiaries.

h) **Foreign Currency Translation Reserve**
This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

i) **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.

j) **Share Application money Pending allotment**
Share Application money represents amount receivedtowardsshareapplicationmoneywhichwere pending for allotment as on reporting date.

19. Non-Current Borrowings

[Refer note 26]

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Secured		
Term Loans from Banks	7.0	3,587.7
Long Term Maturities of Finance Lease Obligations [Refer note 43]	-	0.5
	7.0	3,588.2
Unsecured		
Term Loans from Banks	17,922.7	62,823.7
Deferred Sales Tax Loan from Government of Maharashtra	3.1	5.3
	17,925.8	62,829.0
Total	**17,932.8**	**66,417.2**

a) Secured Term Loan of ₹ 7.0 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 of ₹ 341.1 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 ₹ 70.0 million is payable till February 24, 2021 and balance ₹ 272.1 million is repayable till May 23, 2023.

c) Unsecured Loans of ₹ 37,771.2 million of subsidiary company located in USA carries interest rate of 0.95% plus LIBOR and guaranteed by the Company. Of this, loan of ₹ 20,120.6 million is payable on May 02, 2020 and balance ₹ 17,650.6 million is repayable on May 02, 2021.

d) 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.

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

20. Trade Payables

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
- Total outstanding dues of Micro and Small Enterprises [Refer note 58]	-	-
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	-	22.8
Total	**-**	**22.8**

21. Other Non-Current Financial Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Mark to Market Derivative Liabilities	301.3	-
Payable for Capital Expenditure	3,350.0	2,873.0
Payable for Purchase of Non-Current Investment	1,233.1	1,071.3
Employee Benefits Payables	35.5	44.1
Lease Liability - Non Current [Refer note 43]	2,225.9	-
Other Payables	101.5	140.2
Total	**7,247.3**	**4,128.6**

Notes

Forming part of the Consolidated Financial Statements

22. Non-Current Provisions

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Provisions for Employee Benefits [Refer note 28]		
Gratuity [Refer note 45]	1,713.1	1,315.5
Retirement Benefits	222.9	840.3
Compensated Absences	951.4	790.3
Provident Fund	66.8	-
Other Provisions		
Asset Retirement Obligation	5.1	70.2
Others	3.6	691.6
Total	**2,962.9**	**3,707.9**

23. Other Non-Current Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Deferred Revenue [Refer note 40]	1,562.7	3,144.8
Deferred Government Grant	73.8	-
Total	**1,636.5**	**3,144.8**

24. Current Borrowings

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Secured		
Loans from Banks	1,749.1	873.6
	1,749.1	873.6
Unsecured		
Loans from Banks	23,178.4	14,928.5
	23,178.4	14,928.5
Total	**24,927.5**	**15,802.1**

a) Secured loans of ₹ 53.0 million comprise of Cash Credit and Working Capital Demand Loan and are secured by hypothecation of inventories and book debts and carry interest rate at MCLR plus market driven margins.

b) Secured Loans of ₹ 57.6 million being loans availed by a subsidiary company located in Australia and carries interest rate 1.41% p.a. and is secured by fixed and floating charge over all assets of the said subsidiary and are guaranteed by the Company.

c) Secured Loans of ₹ 1,484.3 million availed by a subsidiary company located in Brazil and carries fixed interest rate in the range of 7.30 % to 17.46% and variable interest rate of TJLP + 6.60% pa.

d) Secured Loans of ₹ 154.2 million being loans availed by a subsidiary company located in South Africa are secured by fixed deposits in bank of said subsidiary and carries interest rate in the range of 7.0% to 10% p.a.

e) Unsecured Loans of ₹ 478.9 million availed by a subsidiary company located in Brazil and carries fixed interest rate in the range of 7.30 % to 17.46% and variable interest rate of TJLP + 6.60% pa.

f) Unsecured Loans of ₹ 22,699.5 million availed by a subsidiary company located in USA and carries interest rate at LIBOR plus market driven margin and of this loan of ₹ 15,133.0 is guaranteed by the Company.

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

25. Trade Payables

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Acceptances	865.4	3,745.1
Other than Acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises [Refer note 58]	989.4	1,046.1
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	22,268.2	20,190.6
Total	**24,123.0**	**24,981.8**

26. Other Current Financial Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Current Maturities of Non-Current Borrowings [Refer note 19]		
- Term Loans from Banks	20,190.6	2,705.9
- Deferred Sales Tax Loan from Government of Maharashtra	2.3	4.6
- Term Loans from Council of Scientific and Industrial Research (CSIR)	-	30.9
Interest Accrued but not due on Borrowings	160.2	309.6
Unpaid Dividend *	53.0	54.6
Mark to Market Derivative Liabilities	159.3	25.3
Payable for Capital Expenditure	624.9	712.9
Payable for Purchase of Non-Current Investment	3,662.2	3,535.5
Trade Deposits received	109.2	508.4
Employee Benefits Payables	2,817.1	2,608.0
Lease Liability - Current [Refer note 43]	972.1	0.8
Other Payables (Includes retention money, etc.)	8.9	388.8
Total	**28,759.8**	**10,885.3**

* During the period ₹ 3.8 million has been credited to Investor Education and Protection Fund relating to FY 2011-12.

27. Other Current Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	1,376.5	1,154.7
Deferred Revenue [Refer note 40]	177.8	298.4
Deferred Government Grant	54.7	-
Advances from customers	818.5	420.3
Other Payables	55.0	39.5
Total	**2,482.5**	**1,912.9**

Notes

Forming part of the Consolidated Financial Statements

28. Current Provisions

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Provisions for Employee Benefits [Refer note 22]		
Gratuity [Refer note 45]	278.0	206.3
Retirement Benefits	155.5	103.1
Compensated Absences	492.1	496.8
Other Provisions		
For Sales Returns [Refer note 56(a)]	4,542.0	3,132.4
For European Commission Fine [Refer note 54 (d) and 56(b)]	3,609.5	3,335.9
Total	**9,077.1**	**7,274.5**

29. Revenue from Operations

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Sale [Refer note 40]		
Goods	149,891.8	140,252.8
Research Services	1,536.2	2,927.7
	151,428.0	143,180.5
Other Operating Revenue		
Export Benefits and Other Incentives	2,086.2	2,506.6
Service Charges	29.5	-
Insurance Claims	42.3	43.4
Business Compensation and Settlement Income	77.6	866.6
Miscellaneous Income	84.0	48.5
	2,319.6	3,465.1
Total	**153,747.6**	**146,645.6**

30. Other Income

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	399.0	289.8
Other Interest	891.5	374.4
Income on Financial Assets carried at fair value through Profit or loss		
Dividend on Mutual Fund Investments	145.6	420.9
Net gain on Sale of Mutual Fund Investments	1,063.1	123.9
Unrealised Gain on Mutual Fund Investments (net)	4.8	121.2
Net gain on Foreign Currency Transactions	1,921.3	1,489.8
Exchange Rate Difference (net)	-	174.7
Provisions / Credit balances no longer required written back	-	165.0
Profit on Sale of Property, Plant & Equipment / Intangible Assets (net)	1.9	21.8
Other Non-Operating Income (including interest on income tax refund)	410.4	148.6
Total	**4,837.6**	**3,330.1**

Notes

Forming part of the Consolidated Financial Statements

31. Cost of Materials Consumed

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Raw Materials Consumed	26,959.4	26,365.4
Packing Materials Consumed	4,678.8	5,094.2
Total	**31,638.2**	**31,459.6**

32. Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade [(Increase)/Decrease]

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Opening Stock:		
Finished Goods	6,656.7	5,637.0
Stock-in-Trade	9,718.0	9,339.2
Work-in-Progress	5,655.1	4,946.2
	22,029.8	19,922.4
Less:		
Closing 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
Changes In Inventories:		
Finished Goods	(71.0)	(1,019.7)
Stock-in-Trade	388.3	(378.8)
Work-in-Progress	(456.1)	(708.9)
Foreign Currency Translation Difference	224.3	62.9
Total	**85.5**	**(2,044.5)**

33. Employee Benefits Expense

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Salaries and Wages	25,822.2	23,667.8
Contribution to Provident and Other Funds	2,009.0	1,945.2
Retirement Benefits Expense	98.0	160.1
Share based payment expense [Refer note 44]	530.9	599.8
Staff Welfare Expenses	1,408.3	1,328.8
Total	**29,868.4**	**27,701.7**

Notes

Forming part of the Consolidated Financial Statements

34. Finance Costs

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Interest on Financial Liabilities - borrowings carried at amortised cost	2,632.5	2,428.0
Net Interest on net defined benefit liability	188.6	196.8
Interest on Income Tax	359.2	1.2
Interest cost on finance lease obligation	217.5	8.6
Other Borrowing Costs (includes bank charges, etc.)	232.0	390.3
Total	**3,629.8**	**3,024.9**

35. Other Expenses

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Processing Charges	1,328.2	1,635.4
Stores and Spares Consumed	5,415.5	4,440.5
Repairs and Maintenance:		
- Buildings	338.0	299.2
- Plant and Machinery	1,449.3	1,407.7
- Others	1,685.9	1,485.3
Rent and Other Hire Charges [Refer note 43]	686.8	1,759.9
Rates and Taxes	1,695.8	1,672.1
Insurance	821.4	561.5
Power and Fuel	4,431.7	4,422.8
Contract Labour Charges	1,468.3	1,280.3
Selling and Promotion Expenses	7,494.1	8,944.3
Commission and Brokerage	1,164.5	1,160.6
Freight and Forwarding	2,145.9	1,961.1
Postage and Telephone Expenses	445.5	457.3
Travelling and Conveyance	2,690.0	2,994.2
Legal and Professional Charges	8,114.8	5,618.3
[Net of recoveries of ₹ nil (previous year ₹ 461.7 million)]		
Donations	63.6	74.8
Clinical and Analytical Charges	2,158.1	1,673.1
Bad Trade Receivables / Advances written off	1.3	4.5
[Net of provision of earlier years adjusted ₹ 260.9 million (previous year ₹ 141.9 million)]		
Impairment Allowances for Doubtful Trade Receivables / Advances (net)	298.1	208.5
Provision for Impairment of Intangible Assets/ Intangible Assets Under Development	6.8	7.7
Impairment in value of Non-Current investments	-	30.1
Corporate Social Responsibility Expenses [Refer note 57]	342.0	379.5
Directors Sitting Fees	2.1	1.4
Exchange Rate Difference (net)	41.4	-
Business Compensation and Settlement Expenses	108.2	175.3
Miscellaneous Expenses	1,627.9	1,220.4
Total	**46,025.2**	**43,875.8**

Notes

Forming part of the Consolidated Financial Statements

36. The Consolidated Financial Statements present the consolidated accounts of Lupin Limited ("the Company") and its following subsidiaries and its jointly controlled entity ("the Group"):

Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2020	As at 31.03.2019
Lupin Pharmaceuticals, Inc.	USA	100%[1]	100%[1]
Kyowa Pharmaceutical Industry Co., Limited (upto December 17, 2019)	Japan	-	99.82%[2]
Kyowa CritiCare Co., Limited (upto September 30, 2019)	Japan	-	99.82%[3]
Hormosan Pharma GmbH	Germany	100%[2]	100%[2]
Pharma Dynamics (Proprietary) Limited	South Africa	100%[2]	100%[2]
Lupin Australia Pty Limited	Australia	100%	100%
Nanomi B.V. (formerly known as Lupin Holdings B.V.) #	Netherlands	100%	100%
Lupin Atlantis Holdings SA	Switzerland	100%	100%
Multicare Pharmaceuticals Philippines Inc.	Philippines	51%[2]	51%[2]
Generic Health Pty Limited	Australia	100%[2]	100%[2]
Bellwether Pharma Pty Limited	Australia	100%[4]	100%[4]
Lupin Healthcare (UK) Limited	UK	100%[5]	100%[5]
Lupin Pharma Canada Limited	Canada	100%[5]	100%[5]
Lupin Healthcare Limited	India	100%	100%
Lupin Mexico S.A. de C.V.	Mexico	100%[2]	100%[2]
Lupin Philippines Inc.	Philippines	100%[2]	100%[2]
Generic Health SDN. BHD.	Malaysia	100%[2]	100%[2]
Lupin Middle East FZ-LLC (under liquidation)	UAE	100%[5]	100%[5]
Lupin GmbH	Switzerland	100%[5]	100%[5]
Lupin Inc.	USA	100%[2]	100%[5]
Laboratorios Grin S.A. de C.V.	Mexico	100%[9]	100%[5]
Medquímica Indústria Farmacêutica LTDA	Brazil	100%[6]	100%[6]
Lupin Pharma LLC (upto April 9, 2019)	Russia	-	100%[6]
Gavis Pharmaceuticals, LLC (upto March 26, 2019)	USA	-	100%[7]
Novel Laboratories, Inc.	USA	100%[7]	100%[7]
Lupin Research Inc.	USA	100%[7]	100%[7]
YL Biologics Limited	Japan	45%[8]	45%[8]
Lupin Ukraine LLC (upto February 7, 2019)	Ukraine	-	100%[6]
Lupin Latam, Inc.	USA	100%[5]	100%[5]
Lupin Japan & Asia Pacific K.K.	Japan	100%[5]	100%[5]
Lupin Europe GmbH	Germany	100%[5]	100%[5]
Symbiomix Therapeutics, LLC (upto December 30, 2019)	USA	-	100%[10]
Lupin Management Inc. (formerly known as Lupin IP Ventures Inc.)	USA	100%[7]	100%[7]

[1] 97% Ownership interest held through Lupin Inc., USA.

[2] Ownership interest held through Nanomi B.V., Netherlands#.

[3] Ownership interest held through Kyowa Pharmaceutical Industry Co., Limited, Japan.

[4] Wholly owned subsidiary of Generic Health Pty Limited, Australia.

[5] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland.

[6] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Nanomi B.V., Netherlands.

[7] Wholly owned subsidiaries of Lupin Inc., USA.

[8] Jointly Controlled Entity of Lupin Atlantis Holdings SA, Switzerland (with Yoshindo Inc., Japan having 55% share of interest).

[9] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Lupin Mexico S.A.de.C.V., Netherlands.

[10] Wholly owned subsidiary of Lupin Management Inc., USA.

Nanomi B.V.,(Netherlands) which was wholly owned subsidiary of Lupin Atlantis Holdings SA, (Switzerland) got merged with Lupin Holdings B.V. (Netherlands) and its name changed to Nanomi B.V., (Netherlands) on October 2, 2019 with effective from April 01, 2019.

Notes

Forming part of the Consolidated Financial Statements

37. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Tangible assets ₹ 3272.9 million (previous year ₹ 3344.3 million) and Intangible assets ₹ 141.5 million (previous year ₹ 100.5 million).
b) Other commitments – Non-cancellable leases (Refer note 43).
c) There are no capital commitments at the jointly controlled entity of the Group as at 31.03.2020.
d) Dividends proposed of ₹ 6/- (previous year ₹ 5/-) per equity share before the financial statements were approved for issue, but not recognised as a liability in the financial statements is ₹ 2718.4 million (previous year ₹ 2262.7 million).
e) There are product supply commitments pursuant to contracts with customers under dossier agreements.
f) Financial and corporate guarantees issued by the Company on behalf of subsidiaries are disclosed in note 38.

38. Contingent Liabilities:

(₹ in million)

		As at 31.03.2020	As at 31.03.2019
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 [₹ 16.3 million (previous year ₹ 38.6 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)" ₹ 839.8 million (previous year ₹ 631.2 million)	2028.4	1818.5
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" ₹ 24.2 million (previous year ₹ 40.3 million)	122.2	191.2
c)	Claims against the Company not acknowledged as debts (excluding interest where the amount is unascertainable) for transfer charges of land, octroi duty, employee claims, power*, 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" ₹ 206.5 million (previous year ₹ 115.1 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.	1103.3	5949.8
d)	Financial guarantee aggregating to ₹ 9382.4 million (previous year ₹ 8575.2 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-
e)	The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed which is now dismissed. In view of the management, the liability for the period from date of the SC order to March 31, 2020 is not significant.		
f)	Lupin Pharmaceuticals, Inc. (LPI) a step-down wholly owned subsidiary of the Company, is involved in government investigations and litigation arising from the marketing and promotion of its pharmaceutical products in the United States. In January 2017, LPI and one of its employees 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.		

g)	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 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 behaviors. LI recorded an accrued legal settlement and indemnification asset of USD 8.8 million. During the third quarter of fiscal year 2020, LI settled the case with AMRI for USD 8.8 million. LI is currently seeking recovery of the settlement, along with other damage claims in a lawsuit in New York against the Novel sellers. No trial date has been set by the court. LI's management and legal team believe the settlement amount would be found "reasonable" by the court. As of March 31, 2020, LI had paid off the legal settlement amount and the indemnification asset of USD 8.8 million was included in Other non-current financial assets in the consolidated Balance Sheet.
h)	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. These class action cases seek various forms of injunctive and monetary relief, including damages based on the difference between the brand price and what the generic price allegedly would have been and disgorgement of profits. The alleged damages can be substantial - potentially measured in multiples of the annual product sales. LI believes that its settlement agreement is lawful and served to increase competition, and has defended them vigorously. In Group's experience to date, these cases have typically settled for a fraction of the high end of the damages sought, although there can be no assurance that such outcomes will continue. As the cases are still in the early stage, an estimate of the possible loss or range of loss, if any, cannot be made.

** 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 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 year.

There are no contingent liabilities at the jointly controlled entity of the Group as at 31.03.2020.

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.

Notes

Forming part of the Consolidated Financial Statements

39. 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	**2019-2020**	2018-2019
Opening balance	407.5	427.4
Incurred during the year:		
Salaries, allowances and contribution to funds	109.5	97.1
Legal and Professional Charges	0.5	0.1
Travelling and Conveyance	8.9	10.2
Power and fuel	0.6	34.7
Others	11.8	28.2
Total incurred during the year	131.3	170.3
Less: Capitalised during the year	146.0	190.2
Closing balance	392.8	407.5

40. 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 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 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.

B. Disaggregation of revenue:

(₹ in million)

Nature of segment	**2019-2020**	2018-2019
A. Major Product/Service line:		
- Sale of pharmaceutical goods	149891.8	140252.8
- Income from research services and sale of IPs	1536.2	2927.7
- Business Compensation & Settlement income	77.6	866.6
Total revenue from contracts with customers	151505.6	144047.1
B. Primary geographical market:		
- India	56454.1	52501.7
- USA	56433.8	57596.8
- Japan	1090.1	158.8
- Others	37527.6	33789.8
Total revenue from contracts with customers	151505.6	144047.1
C. Timing of the revenue recognition:		
- Goods / Services transferred at a point in time	151432.6	143232.6
- Services transferred over time	73.0	814.5
Total revenue from contracts with customers	151505.6	144047.1

C. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	**2019-2020**	2018-2019
Revenue as per contracted price	300316.2	262026.3
Adjusted for:		
- Sales Return	5482.5	5766.0
- Discounts / Chargebacks / Rebates	139982.8	108609.7
- Others	3345.3	3603.5
Total revenue from contracts with customers	**151505.6**	**144047.1**

D. Reconciliation of revenue recognised from Contract liability

(₹ in million)

Particulars	**2019-2020**	2018-2019
Balance in contract liability at the beginning of the year that was not recognized as revenue	2068.3	956.2
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	22.9	1407.4
Less: Revenue recognized that was included in the contract liability balance at the beginning of the year	350.7	295.3
Balance in contract liability at the end of the year that is not recognized as revenue	1740.5	2068.3

41. Operating Segments:

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Company.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from operations

(₹ in million)

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
India	58647.5	55070.2
USA	56431.5	57577.9
Japan	1090.1	158.8
Others	37578.5	33838.7
	153747.6	**146645.6**

Notes

Forming part of the Consolidated Financial Statements

b) Non-current assets (other than financial instruments and deferred tax assets)

(₹ in million)

Particulars	**As at 31.03.2020**	As at 31.03.2019
India	45889.2	46697.3
USA	29040.4	41197.7
Japan	-	23968.1
Others	18023.6	21069.5
	92953.2	**132932.6**

C. Major customer

Revenue from the largest customer based in USA represented ₹ 11450.6 million (previous year ₹ 12854.1 million) out of the Group's total revenues.

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

a) For continuing operations:

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Net Profit before non-controlling interest attributable to equity shareholders (₹ in million)	(3998.8)	5210.2
Weighted average number of Equity Shares:		
- Basic	452713439	452244908
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	2357930	1871725
- Diluted	455071369	454116633
Earnings per Share (in ₹)		
- Basic	(8.83)	11.52
- Diluted	(8.83)	11.47

b) For discontinued operations:

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Net Profit before non-controlling interest attributable to equity shareholders (₹ in million)	1301.0	944.6
Weighted average number of Equity Shares:		
- Basic	452713439	452244908
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	2357930	1871725
- Diluted	455071369	454116633
Earnings per Share (in ₹)		
- Basic	2.87	2.09
- Diluted	2.86	2.08

c) For Continuing and discontinued operations

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Net Profit after non-controlling interest attributable to equity shareholders (₹ in million)	(2693.9)	6065.5
Weighted average number of Equity Shares:		
- Basic	452713439	452244908
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	2357930	1871725
- Diluted	455071369	454116633
Earnings per Share (in ₹)		
- Basic	(5.95)	13.41
- Diluted	(5.95)	13.36

43. 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. Previously, these leases were classified as operating leases under Ind AS 17.

A Subsidiary located in South Africa procured Vehicles which was classified as finance lease under Ind AS 17. (Refer note i)

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 01.04.2019
Carrying amount of:	
Right-of-Use: Land	1069.1
Right-of-Use: Buildings	2510.0
Right-of-Use: Plant & Equipment	-
Right-of-Use: Furniture & Fixtures	76.0
Right-of-Use: Vehicles	440.4
Right-of-Use: Office Equipment	74.4
Total	**4169.9**

(₹ 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**
Balance at March 31, 2020	**1058.0**	**1940.6**	**22.0**	**337.6**	**334.9**	**62.1**	**3755.2**
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, 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 34)	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 26)	**5.3**	**634.7**	**8.4**	**104.8**	**183.3**	**35.6**	**972.1**
Non-current (refer note 21)	**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 Refer Note No.ii - Financial risk management objectives and policies under maturities of financial liabilities.

Notes

Forming part of the Consolidated Financial Statements

Amounts recognised in Statement of Profit and Loss

(₹ in million)

Particulars	As at 31.3.2020
Depreciation expense of right-of-use assets (Refer Note No. 2)	1250.2
Interest expense on lease liabilities (Refer Note No. 34)	217.5
Expense relating to short-term leases (Refer Note No. 35)	17.0
Expense relating to low value assets (Refer Note No. 35)	166.4
Total	**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, 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, 2020.

Commitment in respect of Non-cancellable short term leases is ₹ 1.7 million.

Commitment in respect of low value leases is ₹ 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 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 Group is the lessor.

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 leaze 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
Assets	
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%.

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

Notes

Forming part of the Consolidated Financial Statements

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	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

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	3046524	114.6-2037.5	1119.1	6.4
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	234756	280.8-1521.7	1337.3	NA
Less: Options exercised during the year	92114	114.6-923.9	395.2	NA
Options outstanding at the year end	2719654	217.8-2037.5	1124.7	5.5
Exercisable at the end of the year	2311113	217.8-2037.5	1060.2	5.1

The weighted average grant date fair value of the options granted under Category A during the years ended March 31, 2020 and 2019 was ₹ 157.7 and ₹ nil 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	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

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	1318808	2.0	2.0	8.7
Add: Options granted during the year	876156	2.0	2.0	9.5
Less: Options lapsed during the year	113307	2.0	2.0	NA
Less: Options exercised during the year	318733	2.0	2.0	NA
Options outstanding at the year end	1762924	2.0	2.0	8.6
Exercisable at the end of the year	236423	2.0	2.0	7.3

The weighted average grant date fair value of the options granted under Category B during the years ended March 31, 2020 and 2019 was ₹ 756.4 and ₹ 828.8 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	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

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	8.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	7.1
Exercisable at the end of the year	200000	415.7-891.5	688.1	7.1

The weighted average grant date fair value of options granted under Category C during the years ended March 31, 2020 and 2019 was ₹ nil and ₹ nil per option, respectively.

The weighted average share price during the year ended March 31, 2020 and 2019 was ₹ 739.8 and ₹ 837.0 per share respectively.

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share Price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially

Notes

Forming part of the Consolidated Financial Statements

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 – 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

Weighted average information – 2018-2019

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
B	April 2, 2018	2.0	7.0	3.5	28.9	0.5	777.1	764.6
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	September 3, 2018	2.0	7.8	3.5	28.9	0.5	936.1	918.7
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	November 28, 2018	2.0	7.3	2.7	29.9	0.5	866.6	853.7
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	828.8	843.6

45. Post-Employment Benefits:

(i) Defined Contribution Plans:

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

The Group recognised ₹ 1065.1 million (previous year ₹ 1089.4 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 ₹ 266.5 million (previous year ₹ 253.2 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, 2020. 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 31.03.2020	As at 31.03.2019	**As at 31.03.2020**	As at 31.03.2019
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	185.3	160.5	101.8	85.4
	Past service cost	-	-	-	-
	Interest cost	136.6	123.2	88.1	81.6
	Actuarial loss / (gain)				
	- Due to demographic assumption	(0.5)	-	0.9	-
	- Due to finance assumption	202.9	85.2	122.7	68.6
	- Due to experience assumption	34.3	20.7	18.4	(141.4)
	Benefits paid	(139.9)	(198.2)	(77.2)	-
	PVO at the beginning of the year	1771.7	1580.3	1141.3	1047.1
	PVO at the end of the year	2190.4	1771.7	1396.0	1141.3
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	2.4	16.4	-	-
	Interest Income	107.4	79.8	-	-
	Contributions by the employer	234.3	468.8	-	-
	Benefits paid	(139.9)	(198.2)	-	-
	Fair value of plan assets at the beginning of the year	1391.2	1024.4	-	-
	Fair value of plan assets at the end of the year	1595.3	1391.2	-	-

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2020	As at 31.03.2019	**As at 31.03.2020**	As at 31.03.2019
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	2190.4	1771.7	1396.0	1141.3
	Fair Value of plan assets at the end of the year	1595.3	1391.2	-	-
	Funded status	(595.1)	(380.5)	(1396.0)	(1141.3)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(595.1)	(380.5)	(1396.0)	(1141.3)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	185.3	160.5	101.8	85.4
	Past service cost	-	-	-	-
	Interest cost	29.2	43.4	88.1	81.6
	Total expense recognised in the Statement of Profit and Loss	214.7*	203.9*	189.9*	167.0*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	(0.5)	-	0.9	-
	- Due to finance assumption	202.8	85.2	122.7	68.6
	- Due to experience assumption	34.3	20.7	18.4	(141.4)
	Return on plan assets excluding net interest	(2.5)	(16.3)	-	-
	Total amount recognised in OCI	234.1	89.6	142.0	(72.8)
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)	1595.3	1391.2	-	NA
VII)	**Actual return on the plan assets:**	109.7	96.2	-	NA
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 (%)	6.8	7.7	6.8	7.7
	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)	11.3	11.6	11.3	11.6
	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**	333.3	267.4	NA	NA

*₹ 1.8 million (previous year ₹ 1.9 million) capitalised as pre-operative expenses, out of above amount.

X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2020
1 year	514.1
2 to 5 years	1209.7
6 to 10 years	1396.5
More than 10 years	4247.3

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)	2019-2020		2018-2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(282.4)	327.6	(221.4)	255.4
Future salary growth (1% movement)	324.2	(284.6)	255.0	(224.8)

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, 2020 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 31.03.2020	As at 31.03.2019
I)	**PVO and fair value of plan assets:**		
	Fair Value of plan assets	9492.4	8332.4
	Present Value of defined benefit obligations	9559.1	8332.2
	Net excess/(Shortfall)	(66.8)	0.2
II)	**Changes in defined benefit obligation:**		
	Liability at the beginning of the year	8332.2	7153.9
	Interest cost	706.9	643.0
	Current service cost	475.7	433.4
	Employee contribution	836.3	755.0
	Liability Transferred in	(105.4)	84.9

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

Sr. No.	Particulars	**As at 31.03.2020**	As at 31.03.2019
	Benefits paid	(717.6)	(757.9)
	Actuarial gain/(loss) on experience variance	31.0	19.9
	Liability at the end of the year	9559.1	8332.2
III)	**Changes in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	8332.4	7258.8
	Investment income	720.8	551.7
	Employer's contributions	475.7	433.4
	Employee's contribution	836.3	755.0
	Transfers in	(117.9)	-
	Benefits paid	(717.6)	(757.9)
	Return on plan assets, excluding amount recognised in net interest expense	(37.3)	91.4
	Fair value of plan assets at the end of the year	9492.4	8332.4
IV)	**Expenses recognized in Statement of Profit and Loss:**		
	Current service cost	475.7	433.4
	Interest cost	706.9	643.0
	Expected return on plan assets	(720.8)	(551.7)
	(Income)/ Expense recognised in the Statement of Profit and Loss	461.8	524.7
V)	**Major categories of Plan Assets (As per percentage of Total Plan Assets):**		
	Government of India securities/State Government securities	49.9%	48.7%
	High quality corporate bonds	39.6%	42.7%
	Equity shares of listed companies	1.1%	0.9%
	Debt Mutual Fund	2.1%	1.7%
	Equity Mutual Fund	2.9%	2.8%
	Special Deposit Scheme	2.2%	2.6%
	Bank balance	2.2%	0.6%
	Total	100%	100%
VI)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	6.8	7.8
	Average remaining tenure of investment portfolio (years)	7.2	7.2
	Guaranteed rate of return (%)	8.5	8.7
	Attrition rate - upto 5 years	15.0%	15.0%
	Above 5 years	5.0%	5.0%

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, 2020. 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:

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (funded)	
		As at 31.03.2020	As at 31.03.2019
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	15.8	16.3
	Past service cost	-	-
	Interest cost	6.9	6.5
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	(1.3)	(7.1)
	- Due to Finance Assumption	0.6	22.2
	- Due to Experience	(19.6)	(19.8)
	Benefits paid	(4.6)	(0.9)
	Foreign exchange translation difference	12.1	5.0
	PVO at the beginning of the year	107.4	85.2
	PVO at the end of the year	117.3	107.4
II)	**Change in fair value of plan assets:**		
	Return on Plan Assets excluding interest income	(6.3)	(1.5)
	Interest income	2.1	2.2
	Contributions by the employer	6.9	-
	Contributions by the employee	-	-
	Benefits paid	(4.6)	(0.9)
	Foreign exchange translation difference	3.4	1.8
	Fair value of plan assets at the beginning of the year	31.1	29.5
	Fair value of plan assets at the end of the year	32.6	31.1
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	117.3	107.4
	Fair Value of plan assets at the end of the year	32.6	31.1
	Funded status	(84.7)	(76.3)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(84.7)	(76.3)
IV)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	15.8	16.3
	Past service cost	-	-
	Net interest	4.8	4.3
	Return on Plan Assets excluding interest income	6.3	1.5
	Total expense recognised in the Consolidated Statement of Profit and Loss	26.9	22.1
V)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the period		
	- Due to Demographic Assumption	(1.3)	(7.1)
	- Due to Finance Assumption	0.6	22.2
	- Due to Experience	(19.6)	(19.8)
	Return on plan assets excluding net interest	6.3	1.5
	Total amount recognised in OCI	(14.0)	(3.2)
VI)	**Category of assets as at the end of the year:**		
	Cash & Cash Equivalents	0.0%	7.4%
	Equity Instruments	1.4%	3.9%
	Debt Instruments - Government Bonds	25.4%	27.3%
	Debt Instruments - Other Bonds	22.4%	23.3%
	Unit Investment Trust Funds	72.3%	38.1%
VII)	**Actual return on the plan assets**	2.1	2.4

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (funded)	
		As at 31.03.2020	As at 31.03.2019
VIII)	**Assumptions used in accounting for the Retirement Benefit plan:**		
	Mortality (%)	Rates stipulated in 2001 CSO Table	
	Discount rate (%)	5.1	6.1
	Salary escalation rate (%)	7.0	8.0
	Average Remaining Service (years)	24.8	25.6
	Employee attrition rate (%)	18.2	14.7

IX) Expected future benefit payments (₹ in million)

Particulars	**As at 31.03.2019**
First year	4.4
Second year	6.1
Third year	8.4
Fourth year	11.0
Fifth year	6.6
Beyond five years	69.1

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)

	2019-2020		2018-2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	14.1	(12.0)	(11.7)	13.7
Future salary growth (1% movement)	13.7	(11.9)	13.3	(11.6)

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, 2020. 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 31.03.2020	As at 31.03.2019
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	15.5	23.7
	Past service cost	-	-
	Interest cost	3.7	1.9
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	13.2	21.3
	Benefits paid	(21.7)	(26.8)
	Foreign exchange translation difference	(6.9)	(0.1)
	PVO at the beginning of the year	45.8	25.8
	PVO at the end of the year	49.5	45.8
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	49.5	45.8
	Fair Value of plan assets at the end of the year	-	-
	Funded status	-	-
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(49.5)	(45.8)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	15.5	23.7
	Past service cost	-	-
	Net interest	3.7	1.9
	Total expense recognised in the Consolidated Statement of Profit and Loss	19.0	25.6
IV)	**Other Comprehensive Income:**		
	Actuarial gain/(loss) recognised for the period		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	13.2	21.3
	Total amount recognised in OCI	13.2	21.3
V)	**Assumptions used in accounting for the plan:**		
	Mortality (%)	Experience Social insurance by gender	
	Discount rate (%)	6.6	8.9
	Salary escalation rate (%)	5.0	5.6
	Average Remaining Service (years)	13.2	9.4
	Employee attrition rate (%)	22.0	30.5

VI)	**Expected future benefit payments**	(₹ in million)
	Particulars	**As at 31.03.2020**
	First year	8.2
	Second year	7.3
	Third year	6.4
	Fourth year	6.1
	Fifth year	5.9
	Beyond five years	63.5

Notes

Forming part of the Consolidated Financial Statements

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)

	2019-2020		2018-2019	
	Increase	**Decrease**	Increase	Decrease
Discount Rate (1% movement)	(1.9)	2.1	(2.3)	2.6
Future salary growth (1% movement)	1.0	(1.0)	2.0	(1.8)

46. Income taxes:

a) Tax expense recognised in statement profit and loss:

(₹ in million)

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Current Tax Expense for the year	6934.0	8728.8
Tax expense w/back of prior years	(64.3)	(231.0)
Net Current Tax Expense	6869.7	8496.8
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	4701.4	382.6
Tax expense for the year	**11571.1**	**8879.4**

b) Tax expense recognised in other comprehensive income:

(₹ in million)

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	148.1	1.9
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	128.9	137.4
Total	**277.0**	**139.3**

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets. During the year, the company has recognized deferred tax asset of ₹ 5.2 million (previous year ₹ 13.0 million) on unused tax loss. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the company will realize the benefits of those recognized deductible differences and tax loss carry forwards.

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

As on March 31, 2020, 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 ₹ 465.1 million).

c) Reconciliation of Consolidated tax expense and the Consolidated accounting profit multiplied by India's domestic tax rate:

(₹ in million)

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Profit before tax before jointly controlled entity but including exceptional item	7532.9	14052.1
Tax using the Company's domestic tax rate (March 31, 2020: 34.94 %, March 31, 2019: 34.94%)	2632.3	4910.4
Tax effect of:		
Differences in tax rates of foreign jurisdictions	213.6	1319.5
Current year losses/deductible expenditure for which no deferred tax asset was recognised	5525.3	2674.3
Change in tax base due to intra-group asset purchase arrangement	3283.4	378.6
Non-deductible expenses	3733.7	2854.8
Incremental deduction on account of Research and Development costs	(1133.7)	(1054.5)
Exemption of profit link incentives	(1927.4)	(1510.1)
Other exempt income	(129.9)	(147.3)
Foreign exchange differences	(324.1)	(212.1)
Others	(237.8)	(103.2)
Current and Deferred Tax expense (excluding prior year taxes) as per note 46(a)	**11635.4**	**9110.4**

d) Movement in deferred tax balances:

(₹ 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)**

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

Particulars	As at 01.04.2018	Recognised in/under				As at 31.03.2019
Deferred Tax Assets/(Liabilities)	Net balance	Profit or Loss	OCI	Discontinued operations	FCTR	Net balance
Property, plant and equipment	(4516.0)	(83.6)	-	-	(257.1)	(4856.7)
Intangibles assets/Intangibles assets under development	2939.8	(298.1)	-	-	161.6	2803.3
Cash Flow Hedge Reserve	69.5	(134.8)	137.4	-	-	72.1
Operating Tax loss and interest loss carry forward	803.2	151.7	-	-	20.1	975.0
Government Grants	104.0	28.6	-	-	6.2	138.8
Provision for Obsolete inventory	143.5	(39.1)	-	-	9.2	113.6
Litigation Reserve	160.3	(0.6)	-	-	9.7	169.4
Provision for Expenses	271.4	6.2	-	-	(50.5)	227.1
Deferred Income	343.7	11.2	-	-	(1.7)	353.2
Provision for Employee Benefit	973.1	59.5	1.9	-	263.4	1297.9
Impairment Allowances for Trade Receivable/Bad Debts	803.9	(256.7)	-	-	43.6	590.8
Unrealised Profits on Unsold inventories	1562.9	298.9	-	-	-	1861.7
Others	651.1	(33.1)	-	-	93.0	711.0
Net Deferred tax assets/(liabilities)	**4310.3**	**(289.9)**	**139.3**	**-**	**297.5**	**4457.2**

Reflected in the balance sheet as follows:

(₹ in million)

Particulars	**As at 31.03.2020**	As at 31.03.2019
Deferred Tax Asset	1743.1	7340.0
Deferred Tax Liability	(1995.4)	(2882.8)
Deferred Tax Asset/(Liabilities)(net)	**(252.3)**	**4457.2**

e) Operating loss carry forward consists of business losses, capital losses, unabsorbed depreciation and unabsorbed interest carry-forwards. Deferred tax assets have not been recognized on operating losses of ₹ 17787.3 million (previous year ₹ 21218.5 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 2021 through 2038 (previous year from 2021 through 2029) and some of this loss can be carry back till 2014. Also, deferred tax assets to the extent of ₹ nil (previous year ₹ 2211.1 million) on difference between tax and book value of certain intangible assets/intangible assets under development of Gavis has not been recognised as there is no reasonable certainty of realisation (refer note 54).

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 opted the transition provision provided in this Appendix C. the company has 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.

47. The aggregate amount of revenue expenditure incurred by the Group during the year on Research and Development and shown in the respective heads of account is ₹ 15537.9 million (previous year ₹ 15012.6 million).

48. 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 Inc., USA at a total cost of ₹ nil (previous year ₹4843.8 million) as additional paid-in capital – securities premium.

ii) Additional investment in Lupin Europe GmbH at a total cost of ₹ 39.0 million as capital contribution (previous year ₹ nil).

b) During the year, Lupin Atlantis Holdings SA, Switzerland (LAHSA) acquired/subscribed to the non-qualified preference shares in Lupin Inc., USA at a total cost of ₹ 21,186 million (previous year ₹ nil).

c) During the year, LAHSA has sold investment of ₹ 16086.6 million in Lupin Inc., USA. to Nanomi B.V. (Formerly known as Lupin Holdings B.V.) for a nominal value.

d) During the year, Nanomi B.V. (Formerly known as Lupin Holdings B.V.) acquired/subscribed to the equity stake of the following subsidiaries:

i) 100% equity stake in Nanomi B.V. at total cost of ₹ 2070.6 million (previous year ₹ nil) from LAHSA.

ii) Equity stake in Medquimica Industria Farmaceutica LTDA, Brazil at a total cost of ₹ 1061.2 million (previous year ₹ nil)

iii) Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 1.2 million (previous year ₹ 1.1 million).

iv) Additional investment in Lupin Inc., USA at a total cost of ₹ 22699.5 million (previous year ₹ nil).

e) Nanomi B.V., (Netherlands) is merged with Lupin Holdings B.V. (Netherlands) and the resulting entity is renamed as Nanomi B.V., (Netherlands) on October 2, 2019 with effect from April 1, 2019.

f) Lupin Pharma LLC, Russia (Lupin Russia) step-down subsidiary of the Company had filed for dissolution on March 18, 2019 and got dissolved on April 9, 2019. Investment of ₹ 33.8 million in Lupin Russia has been written-off during previous year.

g) Lupin Ukraine LLC, Ukraine (Lupin Ukraine), step-down subsidiary of the Company got dissolved on February 7, 2019. Investment of ₹ 0.3 million in Lupin Ukraine has been written-off during previous year.

h) Gavis Pharmaceuticals, LLC, USA (Gavis), wholly owned subsidiary of Lupin Inc., USA (LINC) got dissolved on March 26, 2019.

i) The Company holds 3007237 equity shares (unquoted) of Sai Wardha Power Ltd., India at a cost of ₹ 30.1 million which was fully impaired by the Company during the previous year.

j) During the year, Symbiomix Therapeutics, LLC, USA wholly owned subsidiary of Lupin Management Inc. (formerly known as Lupin IP Ventures 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.

49. Goodwill on consolidation:

Impairment testing of Goodwill

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGU's) as follows:

(₹ in million)

Particulars	As at 31.03.2020	As at 31.03.2019
South Africa	5110.8	5759.1
Germany	314.5	295.2
Philippines	290.0	259.9
Australia	354.3	376.9
Netherlands	783.6	735.3
Brazil	906.4	1114.1
Mexico	3560.3	4046.9
United States of America	7194.9	6575.9
Japan*	-	4639.9
Total	**18514.8**	**23803.2**

* Divested during the year (refer note 55).

Movement in Goodwill is on account of exchange difference on consolidation amounting to ₹ 648.5 million (excluding the divested operations).

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

Notes

Forming part of the Consolidated Financial Statements

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 5.6% for the year ended March 31, 2020 and from -5% to 4% for the year ended March 31, 2019.

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, 2020 and from 3% to 15% for the year ended March 31, 2019.

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.

50. a) Lupin Atlantis Holdings SA, Switzerland (LAHSA) holds 100% equity stake at a cost of ₹ 279.7 million (previous year ₹ 279.7 million) in Lupin Healthcare UK Ltd, UK (LHL). The said subsidiary has incurred losses during the year and has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and LHL's projections/plans for introducing new products (including products from the Company) in the UK Market in the near future, growth in the turnover and profitability is expected, which would result in improvement in net worth, over a period of time.

b) LAHSA holds 100% equity stake at a cost of ₹ 32.2 million (previous year ₹ 32.2 million) in Lupin Middle East FZ-LLC (LME). The said subsidiary has incurred losses during the year and has negative net worth as at the end of the year. The subsidiary has filed for voluntary liquidation in March 2020.

c) LAHSA holds 100% equity stake at a cost of ₹ 2.9 million (previous year ₹ 2.9 million) in Lupin Japan & Asia Pacific K.K. (APAC). The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and APAC's projections/plans the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

d) Nanomi B.V. holds 100% equity stake at a cost of ₹ 22699.5 million (previous year ₹ nil) 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.

e) Further, net worth of Hormosan Pharma GmbH, Pharma Dynamics (Proprietary) Limited, Lupin Australia Pty Limited, Generic Health Pty Limited, Lupin Pharma Canada Limited, Lupin Mexico S.A. de C.V., Generic Health SDN. BHD., Laboratorios Grin S.A. de C.V., Medquímica Indústria 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.

51. a) Non-controlling Interest represents the non-controlling's share in equity of the subsidiaries as below:

(₹ in million)

Particulars	As at 31.03.2020	As at 31.03.2019
Multicare Pharmaceuticals Philippines Inc., Philippines		
- Share in Equity Capital	13.2	13.2
- Share in Reserves and Surplus	387.7	416.7
- Share in Other Comprehensive Income	43.7	16.7
	444.6	446.6
Kyowa Pharmaceutical Industry Co., Limited, Japan (Consolidated)*		
- Share in Equity Capital	-	0.1
- Share in Reserves and Surplus	-	20.6
- Share in Other Comprehensive Income	-	1.3
	-	22.0
Total	**444.6**	**468.6**

* Divested during the year (refer note 55)

b) Interest in Joint Venture:

Name of Joint Venture	Country of Incorporation	% Shareholding	
		March 31, 2020	March 31, 2019
YL Biologics Limited	Japan	45%	45%
Carrying amount of investment (₹ in million)		305.0	251.8

Summarised Balance Sheet as at March 31, 2020

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current assets	666.1	842.6
Non-current assets	162.3	171.5
Current liabilities	150.6	454.5
Non-current liabilities	-	-
Equity	**677.8**	**559.6**

Summarised Statement of Profit and Loss for the year March 31, 2020

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	1395.4	1497.8
Expenses	1272.1	1369.7
Tax	35.8	44.7
Profit after tax	**87.5**	**83.4**

52. Auditors' Remuneration:

(₹ in million)

Particulars	2019-2020	2018-2019
Payment to Auditors of the Company and its subsidiaries:		
a) As Auditors	131.7	119.1
b) for other services including Taxation matters and certifications	16.9	23.3
c) Reimbursement of out-of-pocket expenses	2.1	3.0
Total	**150.7**	**145.4**

Notes

Forming part of the Consolidated Financial Statements

53. 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 ₹ 5476.7 million (previous year ₹ 2085.3 million) is debited during the year to such reserve.

54. Exceptional Items:

During the 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 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 year.

b) Impairment of IPs:

Following our annual impairment review, the impairment charges recognized 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 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 ₹ 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 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% (previous year 6% to 15%). The terminal growth rate is considered at -5% (previous year -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.

c) Divestment of Subsidiaries in Japan:

During the Current year, the Group sold its stake in its Japanese Subsidiaries resulting in pre-tax gain of ₹ 12164.3 million. (for additional details refer note 55)

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 Holdings B.V. Netherlands) sold its stake in Kyowa Pharmaceutical Co Ltd. This transaction resulted into gain of ₹ 14121.0 million.

d) Fine to European Commission:

Last year, the General Court of the European Union delivered its judgement concerning Lupin's appeal against the European Commission's (EC) 2014 decision in case of alleged breach of the EU Antitrust Rules in respect of IPs for product Perindopril. In this respect, the Group, has made a provision of EUR 43.7 million (₹ 3399.8 million) including interest and withholding tax thereon of EUR 3.7 million (₹ 292.9 million) which was disclosed as an exceptional item. The Group has filed appeal against this judgement in the Court of Justice of the European Union.

55. Discontinued operations:

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 Holdings 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

Notes

Forming part of the Consolidated Financial Statements

exceptional items profit / (loss) on divestment respectively for the year ended March 2020. The profit or loss for the comparative period have also been disclosed as profit from discontinued operations.

a) Results of discontinued operations

(₹ in million)

Particulars	**2019-2020**	2018-2019
Revenue	14618.0	20868.1
Expenses	13422.5	19786.0
Profit / (loss) before tax from discontinued operations	1195.5	1082.1
Income Tax of discontinued operations	(105.5)	137.5
Profit / (loss) after tax from discontinued operations	1301.0	944.6
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	944.6
Basic EPS	2.87	2.09
Diluted EPS	2.86	2.08

b) Cash flows from/(used) from discontinued operations

(₹ in million)

Particulars	**2019-2020**	2018-2019
Cash flows from/(used) from operating activities	2727.7	4236.4
Cash flows from/(used) from investing activities	632.8	(540.8)
Cash flows from/(used) from financing activities	(3297.0)	(3478.4)
Net cash flows/(used) for the year	63.5	217.2

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**

Notes

Forming part of the Consolidated Financial Statements

56. As per best estimates of the management, provision has been made as under:

(a) Probable return of goods from customers:

(₹ in million)

Particulars	**2019-2020**	2018-2019
Carrying amount at the beginning of the year	3132.4	3785.9
Add : Additional Provisions made during the year	6147.7	6522.1
Less : Amounts used / utilised during the year	4958.5	7346.2
Add : Exchange Difference during the year	243.1	170.6
Less : Reduction on account of disposal of subsidiaries	22.7	-
Carrying amount at the end of the year	**4542.0**	**3132.4**

(b) European Commission fine

(₹ in million)

Particulars	**2019-2020**	2018-2019
Carrying amount at the beginning of the year	3335.8	-
Add : Additional Provisions (including interest) made during the year	54.8	3335.9
Less : Amounts used / utilised during the year	-	-
Add : Exchange Difference during the year	218.9	-
Carrying amount at the end of the year	**3609.5**	**3335.9**

57. The aggregate amount of cash expenditure incurred during the year by the Company on Corporate Social Responsibility (CSR) is ₹ 342.0 million (previous year ₹ 379.5 million) and is shown separately under note 35 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

(₹ in million)

Particulars	**2019-2020**	2018-2019
Donations	307.3	342.4
Employee Benefits Expense	15.3	18.1
Others – Patient Awareness, etc.	19.4	19.0
Total	**342.0**	**379.5**

The amount required to be spent by the company during the year is ₹ 555.0 million (previous year ₹ 656.7 million). No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure and there are no outstanding amounts payable towards any other purposes.

58. 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 31.03.2020**	As at 31.03.2019
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	989.4 (interest ₹ nil)	1046.1 (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	-	-

Notes

Forming part of the Consolidated Financial Statements

59. 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 31.03.2020	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	-	-	-	-
Trade Payables	-	-	24123.0	24123.0	-	-	-	-
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**

(₹ in million)

As at 31.03.2019	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Convertible Debentures	-	-	1538.6	1538.6	-	-	-	-
Non-Current Investments – others	60.6	-	5.3	65.9	-	-	60.6*	60.6
Non-Current Loans								
- Security Deposit	-	-	762.7	762.7	-	-	-	-
- Others	-	-	51.9	51.9	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	433.5	433.5	-	-	-	-
Current Investments	16766.7	-	4331.9	21098.6	16766.7	-	-	16766.7
Trade Receivables	-	-	51498.0	51498.0	-	-	-	-
Cash and Cash Equivalents	-	-	5722.1	5722.1	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	4149.9	4149.9	-	-	-	-
Current Loans	-	-	248.4	248.4	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	1.2	100.5	-	101.7	-	101.7	-	101.7
- Others	-	-	6291.7	6291.7	-	-	-	-
	16828.5	**100.5**	**75034.0**	**91963.0**	**16766.7**	**101.7**	**60.6**	**16929.0**
Financial liabilities								
Non-Current Borrowings	-	-	66417.2	66417.2	-	-	-	-
Trade Payables	-	-	22.8	22.8	-	-	-	-
Other Non-Current Financial Liabilities	-	-	4128.6	4128.6	-	-	-	-
Current Borrowings	-	-	15802.1	15802.1	-	-	-	-
Trade Payables	-	-	24981.8	24981.8	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	25.3	-	-	25.3	-	25.3	-	25.3
- Others	-	-	10860.0	10860.0	-	-	-	-
	25.3	**-**	**122212.4**	**122237.8**	**-**	**25.3**	**-**	**25.3**

* These are for operation purposes and the Group expects its refund on exit. The Group estimates that the fair value of these investments are not materially different as compared to its cost.

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Non-current financial assets and liabilities	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

Notes

Forming part of the Consolidated Financial Statements

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 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, 2020, the carrying amount of the Group's largest customer (a wholesaler based in North America) was ₹ 22249.4 million (previous year ₹ 17900.1 million)

(₹ in million)

Particulars	**As at 31.03.2020**	As at 31.03.2019
Not past due but impaired	1.5	2.9
Neither past due not impaired	51432.1	44989.1
Past due not impaired		
- 1-180 days	2865.1	6078.9
- 181- 365 days	79.1	430.1
- more than 365 days	83.0	-
Past due impaired		
- 1-180 days	245.9	56.9
- 181- 365 days	29.7	245.0
- more than 365 days	254.9	93.6
Total	**54991.3**	**51896.5**

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 and other receivables during the year was as follows:

(₹ in million)

Particulars	2019-2020	2018-2019
Balance as at the beginning of the year	398.5	306.9
Impairment loss recognised (net)	281.6	240.7
Amounts written off	(146.5)	(141.9)
Exchange differences	4.0	(7.2)
Reduction on account of disposal of subsidiaries	(5.6)	-
Balance as at the year end	532.0	398.5

The impairment loss at March 31, 2020 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 ₹ 22148.5 million (previous year ₹ 5722.1 million). The cash and cash equivalents are held with banks.

Other Bank Balances
Other bank balances are held with banks.

Derivatives
The derivatives are entered into with banks.

Investment in mutual funds, Non-Convertible debentures and Commercial papers
The Group limits its exposure to credit risk by generally investing in liquid securities, Non-Convertible debentures and Commercial papers only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties.

Other financial assets
Other financial assets are neither past due nor impaired.

ii. Liquidity risk:
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, non-convertible debentures, commercial papers which carry no/low mark to market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements..

Notes

Forming part of the Consolidated Financial Statements

(₹ 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
Trade Payables Non-Current	-	-	-	-	-	-
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**

(₹ in million)

As at 31.03.2019	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	69159.4	69517.8	2858.0	21270.6	43839.2	1550.0
Interest Payables	309.6	10504.7	2358.7	2064.3	6080.1	1.6
Trade Payables Non-Current	22.8	22.8	-	13.8	9.0	-
Other Non-Current Financial Liabilities	4128.6	5102.8	8.3	954.1	2495.3	1645.1
Current Borrowings	15802.1	15802.1	15802.1	-	-	-
Trade Payables Current	24981.7	24981.7	24981.7	-	-	-
Other Current Financial Liabilities	7833.5	7833.5	7833.5	-	-	-
Total	**122237.7**	**133765.4**	**53842.3**	**24302.8**	**52423.6**	**3196.7**

iii. Market Risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Group uses derivatives to manage market risk. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate in the future. Consequently, the Group uses both derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

The Group also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivatives contracts are entered into by the Group for hedging purposes only, and are accordingly classified as cash flow hedge.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2020**	As at 31.03.2019	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 163.0	USD 149.0	Sell
Hedges of existing payable	Forward contract	USD	BRL	-	USD 10.0	Buy
Hedges of existing payable	Forward contract	EUR	BRL	-	-	Buy
Hedges of existing payable	Forward contract	EUR	ZAR	-	EURO 0.3	Buy

The Group has not entered into foreign currency forward contract for purposes other than hedging.

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities:

(₹ in million)

Particulars	As at 31.03.2020				
	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**

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

Particulars	As at 31.03.2019				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	30464.6	1311.5	251.3	238.6	1829.3
Non-current Loan	-	3926.3	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	5.6	-	-	-
Current Loans	2.6	-	-	-	-
Current Financial Assets	21.5	458.8	-	-	-
Other current assets	-	91.0	-	36.6	10.8
Cash and cash equivalents	35.6	269.9	-	68.8	73.5
Other current financial assets	104.8	4.2	1.5	29.4	1.9
	30629.1	6067.3	252.8	373.4	1915.5
Financial liabilities					
Trade Payables	3556.7	1126.6	117.8	76.1	214.5
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	-	-	-	-	-
Current Financial Liabilities	-	-	-	-	-
Current Liabilities	179.5	37.0	-	-	140.9
Current Tax Liabilities	-	105.2	-	-	-
Cash and cash equivalents	-	-	-	-	-
Long Term Borrowings	1059.2	-	-	-	-
Other financial Liabilities	63.3	3352.8	25.5	0.3	6.4
Current Borrowings	-	77.7	-	-	-
	4858.7	4699.3	143.3	76.4	361.8
Net statement of financial position exposure	**25770.4**	**1368.0**	**109.5**	**297.0**	**1553.7**

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, 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**

(₹ in million)

March 31, 2019	Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(257.7)	257.7	(238.1)	238.1
EUR	(13.7)	13.7	(9.0)	9.0
GBP	(1.1)	1.1	(0.7)	0.7
JPY	(3.0)	3.0	(2.0)	2.0
Others	(15.5)	15.5	(10.3)	10.3
	(291.0)	**291.0**	**(260.1)**	**260.1**

* 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

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 31.03.2020**	As at 31.03.2019
Non-Current Borrowings		
Fixed rate borrowings	347.5	2198.5
Variable rate borrowings	37778.2	66960.9
	38125.7	69159.4
Current Borrowings		
Fixed rate borrowings	2116.2	2603.7
Variable rate borrowings	22811.3	13198.4
	24927.5	15802.1
Total	**63053.2**	**84961.5**

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, 2020		
Variable-rate borrowings	(605.9)	605.9
March 31, 2019		
Variable-rate borrowings	(801.6)	801.6

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Commodity rate risk

The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As of March 31, 2020 and March 31, 2019 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes

Forming part of the Consolidated Financial Statements

60. 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, 2020 was as follows:

(₹ in million)

Particulars	**As at 31.03.2020**	As at 31.03.2019
Total borrowings	63053.2	84961.5
Less : Cash and cash equivalent	22148.5	5722.1
Less : Other Bank Balances*	2404.2	4164.2
Less : Current Investments	23382.5	21098.6
Adjusted net debt	15118.0	53976.6
Total equity	125367.0	137422.3
Adjusted net debt to total equity ratio	0.12	0.39

* includes earmarked bank deposits against guarantees & other commitments of ₹ 9.7 million (previous year ₹ 14.3 million) classified as Other Non-Current Financial Assets.

61. 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.

a. Disclosure of effects of hedge accounting on financial position

(₹ 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 non-current financial liabilities	July 2020 – March 2022	1:1	76.59	510.3	507.2

(₹ in million)

As at 31.03.2019

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge Forward exchange forward contracts	149.0	101.5	-	Other current financial assets	April 2019 – March 2020	1:1	71.25	106.9	(107.2)
Fair Value Hedge Forward exchange forward contracts	0.3 EURO	0.2	-	Other current financial assets	April 2019	1:1	77.92	(0.2)	0.2
Forward exchange forward contracts	10.0	25.3	-	Other current financial assets	April 2019 – March 2020	1:1	69.00	25.3	(25.3)

b. Disclosure of effects of hedge accounting on financial performance

(₹ 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

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

As at 31.03.2019	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(283.2)	(1.2)	Other Expenses – Net loss on Foreign Currency Transactions	(298.4)	Revenue from operations - Sale of goods

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 2018	**339.4**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(283.2)
Less : Amounts re-classified to profit or loss	88.2
Less: Deferred tax	(137.4)
As at March 31, 2019	**105.4**
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)**

62. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet:

(₹ 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	-	-	-

(₹ in million)

As at 31.03.2019	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	101.7	-	101.7	-	101.7
Trade and other receivables	44100.6	(12492.7)	31607.9	-	-
Financial liabilities					
Derivative instruments	25.3	-	25.3	-	25.3
Trade and other payables	(12492.7)	12492.7	-	-	-

Offsetting arrangements

(i) Trade receivables and payables

The Company has certain customers which are also supplying materials. The Group also gives rebates and discount to customers. Under the terms of agreement, there are no amounts payable by the Company that are required to be offset against receivables.

(ii) Derivatives

The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

* During the previous year, the Company has entered into foreign currency forward contracts (buy) for purposes other than hedging.

63. Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Parent								
Lupin Ltd	138.9	174732.0	(270.1)	7275.5	11.3	(692.5)	(74.8)	6583.0
Indian Subsidiaries								
Lupin Healthcare Limited, India	0.1	84.9	(0.1)	1.6	-	-	-	1.6
Foreign Subsidiaries								
Lupin Pharmaceuticals, Inc., USA	3.7	4707.5	(52.7)	1419.3	7.2	(441.4)	(11.1)	977.9
Kyowa Pharmaceutical Industry Co., Limited, Japan	-	-	(1.6)	42.8	(3.9)	238.7	3.2	281.5
Kyowa CritiCare Co., Limited, Japan	-	-	(0.4)	11.8	(1.3)	77.3	(1.0)	89.1
Hormosan Pharma GmbH, Germany	0.8	1010.1	(17.8)	478.2	0.1	(4.5)	(5.4)	473.7
Pharma Dynamics (Proprietary) Limited, South Africa	1.6	1987.9	(35.0)	942.0	2.0	(122.1)	(9.3)	819.9
Lupin Australia Pty Limited, Australia	-	3.9	0.1	(1.9)	-	-	-	(1.9)
Nanomi B.V. (Formerly known as Lupin Holdings B.V., Netherlands)	30.8	38758.0	(845.9)	22787.5	(33.3)	2032.8	(282.1)	24820.3
Lupin Atlantis Holdings SA, Switzerland	34.3	43113.2	(317.9)	8563.7	(37.7)	2300.9	(123.5)	10864.6
Multicare Pharmaceuticals Philippines Inc., Philippines	0.7	892.7	0.3	(7.0)	(0.9)	55.3	(0.5)	48.3
Lupin Healthcare (UK) Limited, UK	(0.6)	(768.1)	14.3	(385.4)	(0.3)	19.3	4.2	(366.1)
Lupin Pharma Canada Limited, Canada	0.1	157.6	(3.5)	93.1	0.5	(30.1)	(0.7)	63.0
Generic Health Pty Limited, Australia	0.6	800.5	(6.1)	164.5	0.2	(13.4)	(1.7)	151.1
Lupin Mexico S.A. de C.V., Mexico	-	6.2	-	(1.0)	-	-	-	(1.0)
Lupin Philippines Inc., Philippines	0.1	105.8	(1.1)	28.4	(0.2)	10.0	(0.4)	38.4
Generic Health SDN. BHD., Malaysia	-	1.2	-	(0.8)	-	-	-	(0.8)
Lupin Middle East FZ-LLC, UAE	(0.2)	(237.0)	1.7	(46.0)	0.3	(19.3)	0.7	(65.3)
Lupin GmbH, Switzerland	0.2	201.6	(1.5)	40.5	-	-	(0.5)	40.5
Lupin Inc., USA	(39.8)	(50099.0)	1072.8	(28899.3)	79.5	(4852.1)	383.6	(33751.4)
Laboratorios Grin S.A. de C.V., Mexico	1.2	1453.0	3.3	(89.8)	2.5	(151.8)	2.7	(241.6)
Lupin Pharma LLC, Russia (upto April 9,2019)	-	-	-	-	-	-	-	-
Medquimica Industria Farmaceutica LTDA, Brazil	1.1	1404.2	40.5	(1089.9)	4.6	(282.5)	15.6	(1372.3)
Lupin Research Inc., USA	0.9	1134.1	(4.9)	130.7	(0.9)	55.0	(2.1)	185.6
Lupin Europe GmbH, Germany	-	30.6	0.4	(10.3)	-	-	0.1	(10.3)
Novel Laboratories, Inc., USA	4.6	5765.3	22.0	(593.8)	(6.5)	398.3	2.2	(195.5)
Lupin Latam, Inc., USA	-	21.4	(0.3)	8.5	-	-	(0.1)	8.5
Lupin Japan & Asia Pacific K.K., Japan	-	(14.3)	0.4	(10.1)	-	-	0.1	(10.1)
Symbiomix Therapeutics LLC, USA (up to December 30, 2019)	-	-	-	-	-	-	-	-

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 IP Ventures Inc.,USA (name changed to Lupin Management, Inc. w.e.f. March 10, 2020)	-	-	-	-	-	-	-	-
Non-Controlling Interests in the Subsidiaries								
Multicare Pharmaceuticals Philippines Inc., Philippines	(0.4)	(444.6)	(0.1)	3.5	0.5	(27.1)	0.3	(23.6)
Kyowa Pharmaceutical Industry Co., Limited, Japan (consolidated)	-	-	-	0.4	-	(0.4)	-	-
Foreign Jointly Controlled Entity (to the extent of shareholding)								
YL Biologics Ltd., Japan	-	-	(1.5)	39.8	-	-	(0.5)	39.8
Total Eliminations/Consolidation Adjustments	(78.7)	(98997.1)	504.5	(13590.4)	76.3	(4655.6)	207.4	(18246.1)
Total	**100.0**	**125811.6**	**100.0**	**(2693.9)**	**100.0**	**(6105.3)**	**100.0**	**(8799.2)**

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.

64. 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)

Dr. Kamal K. Sharma (upto September 28, 2018)	Vice Chairman & Executive Director
Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta	Managing Director
Mr. Ramesh Swaminathan (upto December 11, 2018 & 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	Chairperson
Dr. Kamal K. Sharma (w.e.f. September 29, 2018)	Vice Chairman
Dr. Vijay Kelkar (upto March 28, 2019)	
Mr. R. A. Shah	
Mr. Richard Zahn	
Dr. K. U. Mada	
Mr. Dileep C. Choksi	
Mr. Jean-Luc Belingard	
Ms. Christine Ann Mundkur (w.e.f. April 1, 2019)	

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 Chairperson)
Dr. Anuja Gupta (Daughter of Chairperson)
Dr. Richa Gupta (Daughter of Chairperson)
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
Lupin Foundation
Matashree Gomati Devi Jana 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 31.03.2020**	For the year ended 31.03.2019
1.	Rent Expenses		
	Others	66.2	75.8
2.	Expenses Recovered/Rent Received		
	Others	1.6	1.9
3.	Remuneration Paid		
	Key Management Personnel	229.7	264.4
4.	Purchases of Goods/Materials		
	Jointly Controlled Entity	16.5	-
	Others	170.7	150.7
5.	Sale of Goods		
	Jointly Controlled Entity	-	67.0
6.	License Fees Received		
	Jointly Controlled Entity	-	212.4
7.	Commission, Advisory Fees & Sitting Fees to Non Executive Directors		
	Key Management Personnel	69.9	53.2
8.	Donations Paid		
	Others	289.2	262.1
9.	Dividend Paid		
	Entity having significant influence over the Company	1028.0	1028.0
	Key Management Personnel	26.6	26.6
	Others	9.2	9.1
10.	Services Received (Expense)		
	Jointly Controlled Entity	155.0	271.0
	Others	85.6	112.6
11.	Expenses Reimbursed		
	Jointly Controlled Entity	-	95.6
	Others	3.0	3.1
12.	Sale of Equipment		
	Others	-	0.2

Related party transactions above 1% of revenue from operations are disclosed separately

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

Compensation paid to Key Management Personnel	**For the year ended 31.03.2020**	For the year ended 31.03.2019
Short-term employee benefits	208.3	161.4
Post-employment benefits	15.6	93.8
Share based payments	5.8	9.2
Total	**229.7**	**264.4**

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 31.03.2020**	As at 31.03.2019
1.	Deposits paid under Leave and License arrangement for premises		
	Others	43.4	43.4
2.	Trade Receivables		
	Jointly Controlled Entity	40.7	109.9
3.	Trade Payables		
	Jointly Controlled Entity	8.1	-
	Others	13.0	29.2
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.

65. 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, 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	17484.7	-	-	-	20190.6
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**	**(15920.4)**	**3629.8**	**2473.5**	**-**	**63211.1**

(₹ in million)

Particulars	April 1, 2018	Cash Flows	Non-Cash Changes			March 31, 2019
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	4478.8	(891.1)	-	-	-	3587.7
Long Term Maturities of Finance Lease Obligations	1.5	(1.0)	-	-	-	0.5
Unsecured						
Term Loans from Banks	59723.9	2430.0	-	669.8	-	62823.7
Deferred Sales Tax Loan from Government of Maharashtra	9.9	(4.6)	-	-	-	5.3
Term Loans from Council for Scientific and Industrial Research (CSIR)	30.9	(30.9)	-	-	-	-
Current maturities of Non-Current Borrowings	2665.4	76.8	-	-	-	2742.2
Current Borrowings						
Secured						
Loans from banks	2484.6	(1611.0)	-	-	-	873.6
Unsecured						
Loans from banks	2033.0	12953.4	-	(57.9)	-	14928.5
Interest accrued but not due on Borrowings	35.5	(2804.2)	3078.3	-	-	309.6
Total Liabilities from financing activities	**71463.5**	**10117.4**	**3078.3**	**611.9**	**-**	**85271.1**

66. 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 28, 2020 that require adjustment to or disclosure in the consolidated financial statements.

67. 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. 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.

Notes

Forming part of the Consolidated Financial Statements

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

Signature to Note 1 to 68

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: May 28, 2020

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

Manju D. Gupta
Chairperson
DIN: 00209461

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

Vinita Gupta
Chief Executive Officer
DIN: 00058631

R. V. Satam
Company Secretary
ACS - 11973

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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, 2020, 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, 2020, 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 description	How the matter was addressed in audit
1. Revenue Recognition: Refer note 1B(k) of accounting policy and note 39 in standalone financial statements. 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. • Revenue is recognised net of accrual for sales returns. Estimation is required for establishing an accrual based on various factors. These factors include past trend, market conditions and introduction of new products.	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 and accrual for deductions from gross sales 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 and measurement of sales returns; - Assessing adequacy of accrual for returns. Performing retrospective testing to identify any bias with respect to these estimates; - 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 controls over recognition of revenues with respect to research, development, commercialization, licensing and other such arrangements. Testing the recognition of revenue under the said arrangement with focus on the terms of such arrangements in respect to performance obligations. Testing the accuracy of the proportion of revenue in respect of ongoing performance obligations that is deferred;

The key audit matter description	How the matter was addressed in audit
The Company routinely enters into research, development and commercialization arrangements in respect of new products in the pharmaceutical sector including collaboration with other pharmaceutical companies. This includes in-licensing, out-licensing and other such type of arrangements. The nature of these arrangements are inherently complex requiring judgment to be applied in respect of revenue recognition. Considering the complexity of such transactions and extent of judgment involved, recognition of revenue from such contracts has also been considered as key audit matter.	- Assessing appropriateness of non-standard manual journal entries that affect reported revenue of the Company;
2. Investment in Subsidiaries: The carrying value of investment in subsidiaries as at 31 March 2020 is ₹ 51,247.3 million. These investments are evaluated at the end of each reporting period to determine any indicators of impairment. If such evidence exists, impairment loss is determined and recognised in accordance with note 1B(h) of accounting policies to the standalone financial statements. We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment in subsidiaries as a key audit matter considering: • The significance of the value of these investments in the Standalone Balance Sheet. • Performance and net worth of these entities and • The degree of judgement involved in determining the recoverable amount of these investments including: - Valuation assumptions, such as discount rates. - Business assumptions such as sales growth, related costs and the resultant cash flows projected to be generated from these investments. - Uncertainty in businesses across geographies arising from the impact of the Covid-19 pandemic.	To obtain sufficient and appropriate audit evidence our principal audit procedures included, amongst others, the following: - Testing the design and operating effectiveness of internal controls over impairment assessment including approval of forecasts and valuation methodology; - Assessing the Valuation methodology used and testing the mathematical accuracy of the impairment models; - Evaluating the assumptions used including discount rates and terminal growth rates; - Challenging business assumptions used such as sales growth, costs, success of new products and impact of the potential economic slowdown caused by Covid-19 on these assumptions; - Performing sensitivity; analysis of key assumptions. This includes revenue growth rates, costs and the discount rates applied in the valuation models. - Evaluating past performances where relevant and assessing historical accuracy of the forecasts made; - Considering the impact of adjusting events that occurred after the balance sheet date but before the reporting date on the conclusions reached;
3. Intangible Assets: The carrying value of Intangible Assets including In Process Research and Development (IPR&D) aggregate to ₹ 1,950.6 million as at 31 March 2020. These assets are evaluated for any indicators of impairment annually. Refer note no. 1B(f) of accounting policies in respect of impairment. Impairment triggers with respect to intangible assets and IP R&D are assessed, 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 of the Covid-19 pandemic on these cash also increases 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 included, amongst others, the following: - Testing the design, implementation and operating effectiveness of key 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. Evaluating the potential impact of economic slowdown caused by Covid-19 pandemic on these assumptions; - Performing sensitivity analysis of key assumptions. This includes 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;

The key audit matter description	How the matter was addressed in audit
4. Uncertain tax positions (UTPs) and deferred taxes: 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. Judgement is required to estimate the tax exposures and contingencies. Provision for current tax, valuation of UTPs and recognition of deferred assets / liabilities have been identified as a key audit matter due to the inherent complexity in the underlying tax laws and the extent of judgement involved in developing these estimates. These matters are disclosed in note 46 to the standalone financial statements. Refer note 1B(i) in significant accounting policies.	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 recognition of deferred taxes; - Challenging the adequacy of related provisions in conjunction with tax specialists by considering changes to business and tax legislation, making relevant enquires 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 judgements regarding the recoverability of temporary differences pertaining to deferred tax balances. This includes examining the forecasts and the expected utilization of key temporary differences ; - 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 judgements 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 annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's 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 Judgements 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 judgement 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 (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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2020, 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 31 March 2020.

(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
UDIN: 20113156AAAACS48843

Place: Mumbai
Date: 28 May 2020

Annexure A to the Independent Auditor's Report - 31 March 2020

(Referred to our report of even date)

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

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / share certificate / other documents evidencing title, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in Note 2 to the standalone financial statements, are held in the name of the Company, except for the following:

(₹ in million)

Particulars of the land and building	Gross Block (As at 31.03.2020)	Net Block (As at 31.03.2020)	Remarks
Freehold land located in Maharashtra admeasuring 7 Hectare and 70.91 Acre	29.6	29.6	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court
Freehold building located in Maharashtra admeasuring 8038 sqft	133.9	89.1	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 31.03.2020)	Net Block (As at 31.03.2020)	Remarks
Leasehold building located in Delhi admeasuring 1628 sqft	2.8	2.3	The title deeds are in the name of erstwhile Company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court

In respect of immovable properties of land and buildings which are disclosed as fixed asset in the standalone Ind AS financial statements, the original documents for the following assets are not available for verification.

(₹ in million)

Particulars of the land and building	Gross Block (As at 31.03.2020)	Net Block (As at 31.03.2020)
Building located in Maharashtra	7.5	5.0
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 and other material statutory dues were in arrears as at 31 March 2020 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 taken any loans or borrowings from financial institutions and 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
Firm Registration No. 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
UDIN: 20113156AAAACS48843

Place: Mumbai
Date: 28 May 2020

Annexure – I to the Independent Auditor's Report – 31 March 2020

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)	2005-2015	1779.9	940.1
		High Court	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	371.1	-
	Service Tax Matters	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2005-08	55.1	55.1
	Service Tax Matters	High Court	2005-06	22.2	22.2
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	26.9
			2003 -06		
			2009-10		
			2010-11		
		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	2.1	2.0
			2004-05		
			2005 -09		
			2014-15		
		Joint Commissioner	2001-2004	12.0	4.5
			2005-06		
			2013-14		
		Deputy Commissioner	1994-95	11.5	11.5
			2015-16		
		Additional Commissioner	1994-95	14.5	11.0
			2010-11		
			2015-16		
			2016-17		
			2017-18		
		Assistant Commissioner	2003-04	0.3	-
The Customs Act 1962	Customs duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2010-2011	0.8	0.8

Annexure B to the Independent Auditor's Report on the standalone financial statements of Lupin Limited for the period ended March 31, 2020.

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, 2020, 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, 2020, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248 W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
UDIN: 20113156AAAACS48843

Place: Mumbai
Date: 28 May 2020

Balance Sheet

as at March 31, 2020

(₹ in million)

	Note	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	34,461.9	30,672.0
b. Capital Work-in-Progress		6,946.3	9,038.2
c. Intangible Assets	3	676.9	3,057.5
d. Intangible Assets Under Development	50	1,273.7	2,952.7
e. Financial Assets			
(i) Non-Current Investments			
- In Subsidiaries	4	51,247.3	51,247.3
- In Others	4	19.7	1,563.6
(ii) Non-Current Loans	5	447.2	627.4
(iii) Other Non-Current Financial Assets	6	9.7	14.3
f. Non-Current Tax Assets (Net)		1,178.3	1,424.1
g. Other Non-Current Assets	7	2,158.9	1,459.9
		98,419.9	102,057.0
Current Assets			
a. Inventories	8	24,846.1	23,059.8
b. Financial Assets			
(i) Current Investments	9	23,297.3	21,073.8
(ii) Trade Receivables	10	36,163.3	37,243.2
(iii) Cash and Cash Equivalents	11	11,680.2	559.4
(iv) Other Bank Balances	12	1,379.1	55.0
(v) Current Loans	13	348.9	229.1
(vi) Other Current Financial Assets	14	3,245.8	6,304.8
c. Current Tax Assets (Net)		2.0	2.0
d. Other Current Assets	15	7,422.4	6,318.0
		108,385.1	94,845.1
TOTAL		**206,805.0**	**196,902.1**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	16	906.0	905.0
b. Other Equity	17	173,826.0	170,267.7
		174,732.0	171,172.7
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	18	3.1	5.3
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	19	-	-
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	19	-	16.1
(iii) Other Non-Current Financial Liabilities	20	1,195.9	149.6
b. Non-Current Provisions	21	2,726.3	2,094.6
c. Deferred Tax Liabilities (Net)	46	1,929.4	2,662.2
d. Other Non-Current Liabilities	22	660.4	827.7
		6,515.1	5,755.5
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	23	52.9	16.8
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	24	989.4	1,046.1
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	24	14,671.9	11,494.1
(iii) Other Current Financial Liabilities	25	2,747.1	1,577.2
b. Other Current Liabilities	26	1,194.9	869.8
c. Current Provisions	27	5,515.6	4,903.8
d. Current Tax Liabilities (Net)		386.1	66.1
		25,557.9	19,973.9
TOTAL		**206,805.0**	**196,902.1**

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 : Mumbai
Dated : May 28, 2020

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

Manju D. Gupta
Chairperson
DIN: 00209461

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

Vinita Gupta
Chief Executive Officer
DIN: 00058631

R. V. Satam
Company Secretary
ACS - 11973

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in million)

	Note	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
INCOME:			
Revenue from Operations	28	110,256.6	113,563.2
Other Income	29	4,751.9	2,913.4
Total Income		**115,008.5**	**116,476.6**
EXPENSES:			
Cost of Materials Consumed	30	27,532.2	26,930.8
Purchases of Stock-in-Trade		14,827.7	13,470.5
Changes in Inventories of Finished Goods,	31	(287.2)	(1,472.3)
Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]			
Employee Benefits Expense	32	17,032.2	15,154.2
Finance Costs	33	525.9	354.7
Depreciation and Amortisation Expense	2&3	5,187.5	4,263.0
Other Expenses	34	32,075.6	30,952.2
Total Expenses		**96,893.9**	**89,653.1**
Profit before Exceptional items and Tax		**18,114.6**	**26,823.5**
Exceptional items	50	7,592.1	3,399.8
Profit before Tax		**10,522.5**	**23,423.7**
Tax Expense	46		
- Current Tax (Net)		3,620.5	7,950.0
- Deferred Tax (Net)		(373.5)	85.4
Total Tax Expense		**3,247.0**	**8,035.4**
Profit for the year		**7,275.5**	**15,388.3**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(442.9)	(16.8)
(ii) Income tax relating to items that will not be reclassified to profit or loss:	46	154.8	6.0
(B) (i) Items that will be reclassified subsequently to profit or loss:			
(a) The effective portion of gain & losses on hedging instruments in a cash flow hedge		(562.1)	15.2
(ii) Income tax relating to items that will be reclassified to profit or loss:	46	157.7	0.5
Other Comprehensive Income / (Loss) for the year, net of tax		**(692.5)**	**4.9**
Total Comprehensive Income for the year		**6,583.0**	**15,393.2**
Earnings per equity share (in ₹)	43		
Basic		**16.07**	**34.03**
Diluted		**15.99**	**33.89**
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 : Mumbai
Dated : May 28, 2020

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

Manju D. Gupta
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Company Secretary
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Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity Share Capital [Refer note 16]

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	452,493,697	905.0	452,082,850	904.2
Changes in equity share capital during the year	504,424	1.0	410,847	0.8
Balance at the end of the reporting year	**452,998,121**	**906.0**	452,493,697	905.0

B. Other Equity [Refer note 17]

(₹ in million)

Particulars	Reserves and Surplus								Other items of Other Comprehensive Income		Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employees Stock Options Outstanding	General Reserve	Retained Earnings	Amalgamation Reserve	Share Application Money Pending Allotment	Effective portion of Cash Flow Hedges	Remeasurement of the net Defined Benefit Plans	
Balance as at 31.03.2018	263.9	126.5	8,129.5	2,113.8	16,600.5	129,610.6	317.9	-	60.6	(277.9)	156,945.4
Profit for the year	-	-	-	-	-	15,388.3	-	-	-	-	15,388.3
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	16.9	(10.8)	6.1
Final dividend on Equity Shares	-	-	-	-	-	(2,260.8)	-	-	-	-	(2,260.8)
Corporate Tax on Dividend	-	-	-	-	-	(464.7)	-	-	-	-	(464.7)
Addition on allotment of shares	-	-	514.8	-	-	-	-	-	-	-	514.8
Share based payment to employees	-	-	-	70.4	68.2	-	-	-	-	-	138.6
Balance as at 31.03.2019	**263.9**	**126.5**	**8,644.3**	**2,184.2**	**16,668.7**	**142,273.4**	**317.9**	**-**	**77.5**	**(288.7)**	**170,267.7**
Profit for the year	-	-	-	-	-	7,275.5	-	-	-	-	7,275.5
Adjustment for transition to Ind AS 116 - "Leases" [Refer note 42(iv)]	-	-	-	-	-	(86.9)	-	-	-	-	(86.9)
Adjustment for transition to Appendex 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)
Addition on allotment of shares	-	-	531.2	-	-	-	-	-	-	-	531.2
Share based payment to employees	-	-	-	(38.0)	98.4	-	-	-	-	-	60.4
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**

Nature of Reserves

a) Capital Reserve
The Capital reserve is created on receipts of government grants for setting up the factories in backward areas, for performing research on critical medicines for the betterment of the society and on restructuring of the Capital of the Company under various schemes of Amalgmation.

b) Capital Redemption Reserve
This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) Securities Premium
Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

d) General Reserve
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

e) Amalgamation Reserve
This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

f) Cash Flow Hedge Reserve
The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for Cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassfied to statement of profit and loss only when the hedged items affect the profit or loss.

g) 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.

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.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place : Mumbai
Dated : May 28, 2020

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

Manju D. Gupta
Chairperson
DIN: 00209461

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Vice Chairman
DIN: 00209430

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Chief Executive Officer
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Managing Director
DIN: 01734642

Ramesh Swaminathan
Executive Director, Global CFO & Head Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Statement of Cash Flows

for the year ended March 31, 2020

(₹ in million)

		For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	10,522.5	23,423.7
	Adjustments for:		
	Depreciation and Amortisation Expense	5,187.5	4,263.0
	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)	17.6	(17.7)
	Net Gain on sale of Mutual Fund Investments	(1,062.8)	(122.4)
	Finance Costs	525.9	354.7
	Interest on Deposits with Banks and Others	(80.2)	(383.9)
	Dividend on Mutual Fund Investments	(145.6)	(420.9)
	Unrealised Loss / (Gain) on Mutual Fund Investments (net)	(2.4)	(120.5)
	Doubtful Trade Receivables / Advances provided (net)	16.8	(63.3)
	Bad Trade Receivables / Advances written off	3.2	-
	Share Based Payments Expense	415.3	477.0
	Impairment in value of Non-Current investments	-	30.1
	Provision for fine (European Commission)	-	3,399.8
	Unrealised Exchange loss / (gain) on revaluation (net)	(1,490.2)	(822.8)
	Operating Cash Flows before Working Capital Changes	**17,707.9**	**29,996.8**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(1,786.3)	(1,259.6)
	Trade Receivables	2,757.4	13,161.6
	Current Loans	(119.8)	(52.8)
	Non-Current Loans	180.2	(10.5)
	Other Current Financial Assets	3,075.1	(2,104.1)
	Other Current Assets	(1,104.4)	1,850.3
	Other Non-Current Assets	(105.6)	60.2
	Other Non-Current Financial Assets	4.6	(11.1)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade Payables	2,933.9	(1,809.5)
	Non-Current Trade Payables	(16.1)	(15.5)
	Other Current Financial liabilities	1,015.3	(193.4)
	Other Current liabilities	325.1	(426.0)
	Other Non-Current liabilities	134.0	(3.7)
	Other Non-Current Financial liabilities	(5.8)	99.1
	Current Provisions	611.8	97.5
	Non-Current Provisions	446.8	(159.0)
	Cash Generated from Operations	**26,054.1**	**39,220.3**
	Net Income tax paid	(3,859.2)	(8,113.1)
	Net Cash Flow generated / (used in) from Operating Activities	**22,194.9**	**31,107.2**
B.	**Cash Flow from Investing Activities**		
	Capital expenditure on Property, Plant and Equipment, including capital advances	(5,181.1)	(9,709.4)
	Proceeds from sale of Property, Plant and Equipments / Intangible Assets	20.3	300.1
	Proceeds from sale of Non-Current Investments	1,033.7	(1,539.4)
	Purchase of Current Investments	(141,138.8)	(89,820.9)
	Proceeds from sale of Current Investments	138,968.6	71,316.2
	Bank balances not considered as Cash and Cash Equivalents (net)	(1,324.1)	(2.1)
	Dividend on Mutual Fund Investments	145.6	420.9
	Interest on Deposits with Banks and others	80.2	383.9
	Net Cash Flow generated / (used in) from Investing Activities	**(7,395.6)**	**(28,650.7)**

Statement of Cash Flows

for the year ended March 31, 2020

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
C. Cash Flow from Financing Activities		
Proceeds from / (Repayment of) Non Current Borrowings (net)	(35.4)	(48.1)
Proceeds from / (Repayment of) Current Borrowings (net)	36.1	(65.3)
Proceeds from issue of equity shares (ESOPs)	1.0	0.8
Securities Premium Received (ESOPs)	58.7	36.2
Payment of Lease liabilities	(798.2)	-
Finance Costs	(210.9)	(164.3)
Dividend paid	(2,264.6)	(2,248.4)
Corporate Tax on Dividend	(465.2)	(464.7)
Net Cash Flow generated / (used in) from Financing Activities	**(3,678.5)**	**(2,953.8)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**11,120.8**	**(497.3)**
Cash and Cash Equivalents as at the beginning of the year	559.4	1,056.7
Cash and Cash Equivalents as at end of the reporting year (Refer note 11)	**11,680.2**	**559.4**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".

2. Cash comprises cash on hand and current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place : Mumbai
Dated : May 28, 2020

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

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R. V. Satam
Company Secretary
ACS - 11973

Notes

Forming part of the Standalone Financial Statements

1A. OVERVIEW:

Lupin Limited, ('the Company') incorporated in 1983, is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded and generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) globally. The Company has significant presence in the Cardiovascular, Diabetology, Asthama, Pediatrics, Central Nervous System, Gastro-Intestinal, Anti-Infectives and Nonsteroidal Anti Inflammatory Drug therapy segments and is a global leader in the Anti-TB and Cephalosporins segments. The Company along with its subsidiaries has manufacturing locations spread across India, 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 28, 2020.

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)

b) Property, Plant and Equipment & Depreciation:

I. **Recognition and Measurement:**
Items of property, plant and equipment are measured at cost less accumulated

Notes

Forming part of the Standalone Financial Statements

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
Plant and Equipment	10 to 15 years
Office Equipment (Desktop)	4 years
Certain assets provided to employees	3 years

Depreciation method, useful live and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c) Intangible assets:

I. Recognition and Measurement:

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

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

III. **Amortisation**
Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated Useful Life
Computer Software	5 to 6 years
Trademark and Licenses	4 to 5 years
Dossiers/Marketing Rights	10 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

d) Non-current assets held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

e) Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The amount 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.

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

Notes

Forming part of the Standalone Financial Statements

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.

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.

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.

Notes

Forming part of the Standalone Financial Statements

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 recognised 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 embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments
The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

III. Measurement
The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

(a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

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.

j) Inventories:

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

k) Revenue Recognition:

Sale of Goods

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Income from research services

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

The Company enters into certain dossier sales, licensing and supply arrangements that, in

certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Interest income
Interest income is recognised with reference to the Effective Interest Rate method.

Dividend income
Dividend from investment is recognised as revenue when right to receive is established.

Income from Export Benefits and Other Incentives
Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

l) Employee Benefits:

Short term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans
The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits
The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

m) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"):
The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in 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.

Notes

Forming part of the Standalone Financial Statements

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. This policy is applied to contracts entered into, on or after 1st April 2019.

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 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, has notified Ind AS 116 Leases which replaces the existing 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 introduces a single, on-balance sheet lease accounting model for lessees.

The Company has 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 has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Refer note 1B(n) – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

Company as a lessee

Operating Lease:

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by- lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments, but discounted at the Company's incremental borrowing rate as at 1st April 2019.
The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease. Accordingly, a right-of-use asset of ₹ 915.8 million and a corresponding lease liability of ₹ 1,085.1 million has been recognized. The cumulative effect on transition in retained earnings net off taxes and lease equalization liability is ₹ 86.9 million (including a deferred tax of ₹ 46.7 million and lease equalization liability of ₹ 35.7 million).
The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.
The weighted average incremental borrowing rate of 8.58% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Finance lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS

Notes

Forming part of the Standalone Financial Statements

17. Accordingly, an amount of ₹ 1069.3 million has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹ 5.7 million has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹ 103.0 million has been reclassified from borrowings – non- current to lease liability – non-current.

Impact of COVID-19
The Company does not foresee any large-scale contraction in demand which could result in significant down- sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

o) Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

p) Borrowing costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

q) Government Grants:

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

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

r) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which

could have been issued on conversion of all dilutive potential equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

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

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

u) Segment reporting:
The Company operates in one reportable business segment i.e. "Pharmaceuticals".

v) Operating cycle:
Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

1C. RECENT ACCOUNTING PRONOUNCEMENTS:

The MCA has not notified any amendments which are effective from 1st April 2020.

2. Property, Plant And Equipment

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation					Net Block
	As at 01.04.2019	Additions	Disposals	As at 31.03.2020	As at 01.04.2019	For the period	Impairment Loss	Disposals	As at 31.03.2020	As at 31.03.2020
Freehold Land	**865.9**	**108.8**	**-**	**974.7**	**-**	**-**	**-**	**-**	**-**	**974.7**
	861.5	*4.4*	-	*865.9*	-	-	-	-	-	*865.9*
Buildings	**12,237.5**	**1,939.7**	**26.1**	**14,151.1**	**1,602.1**	**552.2**	**-**	**4.8**	**2,149.5**	**12,001.6**
	11,572.3	*666.7*	*1.5*	*12,237.5*	*1,119.0*	*483.8*	-	*0.7*	*1,602.1*	*10,635.4*
Improvements on Leased Premises	**425.1**	**15.4**	**-**	**440.5**	**166.9**	**117.8**	**-**	**-**	**284.7**	**155.8**
	266.7	*158.4*	-	*425.1*	*99.2*	*67.7*	-	-	*166.9*	*258.2*
Plant and Equipment	**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**
	23,913.8	*3,118.2*	*201.6*	*26,830.4*	*7,726.5*	*2,861.0*	-	*139.5*	*10,448.0*	*16,382.4*
Furniture and Fixtures	**1,088.7**	**167.8**	**22.9**	**1,233.6**	**415.2**	**138.0**	**-**	**22.3**	**530.9**	**702.7**
	1,020.4	*186.4*	*118.1*	*1,088.7*	*300.1*	*129.3*	-	*14.2*	*415.2*	*673.5*
Vehicles	**76.0**	**11.5**	**3.1**	**84.4**	**31.8**	**10.1**	**-**	**3.1**	**38.8**	**45.6**
	71.4	*5.6*	*1.0*	*76.0*	*23.0*	*9.8*	-	*1.0*	*31.8*	*44.2*
Office Equipment	**1,776.2**	**105.2**	**23.0**	**1,858.4**	**1,033.1**	**296.3**	**-**	**23.0**	**1,306.4**	**552.0**
	1,630.5	*212.7*	*67.0*	*1,776.2*	*769.1*	*308.5*	-	*44.5*	*1,033.1*	*743.1*
Right of use Assets										
Leasehold Land	**1,104.5**	**-**	**-**	**1,104.5**	**35.2**	**11.1**	**-**	**-**	**46.3**	**1,058.2**
	997.0	*107.5*	-	*1,104.5*	*24.4*	*10.8*	-	-	*35.2*	*1,069.3*
Leasehold Buildings	**706.1**	**398.5**	**-**	**1,104.6**	**-**	**419.3**	**-**	**-**	**419.3**	**685.3**
	-	-	-	-	-	-	-	-	-	-
Leasehold Plant and Equipment	**-**	**26.4**	**-**	**26.4**	**-**	**4.4**	**-**	**-**	**4.4**	**22.0**
	-	-	-	-	-	-	-	-	-	-
Leasehold Furniture & Fixtures	**76.0**	**367.1**	**-**	**443.1**	**-**	**105.5**	**-**	**-**	**105.5**	**337.6**
	-	-	-	-	-	-	-	-	-	-
Leasehold Vehicles	**89.1**	**99.5**	**1.5**	**187.1**	**-**	**68.7**	**-**	**0.8**	**67.9**	**119.2**
	-	-	-	-	-	-	-	-	-	-
Leasehold Office Equipments	**44.6**	**8.2**	**-**	**52.8**	**-**	**24.4**	**-**	**-**	**24.4**	**28.4**
	-	-	-	-	-	-	-	-	-	-
Total	**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**
	40,333.6	*4,459.9*	*389.2*	*44,404.3*	*10,061.3*	*3,870.9*	-	*199.9*	*13,732.3*	*30,672.0*

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 ₹ 480.6 million (previous year ₹ 1,094.9 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

Particulars	Gross Block				Accumulated Depreciation					Net Block
	As at 01.04.2019	Additions	Disposals	As at 31.03.2020	As at 01.04.2019	For the period	Impairment Loss	Disposals	As at 31.03.2020	As at 31.03.2020
Computer Software	**237.8**	**26.4**	**1.0**	**263.2**	**128.9**	**34.0**	**-**	**1.0**	**161.9**	**101.3**
	174.7	*63.1*	-	*237.8*	*98.4*	*30.5*	-	-	*128.9*	*108.9*
Trademarks and Licences	**185.3**	**53.4**	**-**	**238.7**	**100.5**	**44.5**	**-**	**-**	**145.0**	**93.7**
	233.3	-	*48.0*	*185.3*	*96.9*	*44.5*	-	*40.9*	*100.5*	*84.8*
Dossiers / Marketing rights	**3,248.2**	**-**	**-**	**3,248.2**	**384.4**	**259.1**	**2,122.8**	**-**	**2,766.3**	**481.9**
	2,988.9	*259.3*	-	*3,248.2*	*67.3*	*317.1*	-	-	*384.4*	*2,863.8*
Total	**3,671.3**	**79.8**	**1.0**	**3,750.1**	**613.8**	**337.6**	**2,122.8**	**1.0**	**3,073.2**	**676.9**
	3,396.9	*322.4*	*48.0*	*3,671.3*	*262.6*	*392.1*	-	*40.9*	*613.8*	*3,057.5*

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.

Notes

Forming part of the Standalone Financial Statements

4. Non-Current Investments

[Refer note 37]

(₹ in million)

		Number	Face Value	As at 31.03.2020	As at 31.03.2019
a.	**In Subsidiary Companies (at Cost)**				
	Unquoted				
	i) Equity Instruments				
	- Nanomi B.V., Netherlands	105,829	Euro	6,720.3	6,720.3
	(formerly known as Lupin Holdings B.V.)	(105,829)	1,000		
	- Lupin Pharmaceuticals, Inc., USA	30	USD	13.8	13.8
		(30)	0.001		
	- Lupin Australia Pty Ltd., Australia	800,000	AUD	33.3	33.3
		(800,000)	*		
	- Lupin Healthcare Ltd., India	2,616,677	₹	81.7	81.7
	(Including 6 shares held by nominees)	(2,616,677)	10		
	- Lupin Atlantis Holdings SA, Switzerland	2,486	CHF	2,993.7	2,993.7
		(2,486)	1,000		
	ii) Capital Contributions:				
	- Nanomi B.V., Netherlands			6,385.5	6,385.5
	(formerly known as Lupin Holdings B.V.)				
	- Lupin Atlantis Holdings SA, Switzerland			35,019.0	35,019.0
				51,247.3	51,247.3
b.	**In Others**				
	i) In Equity Instruments (at Fair Value through Profit or Loss)				
	Unquoted				
	- Biotech Consortium India Ltd., India	50,000	₹	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	₹		
	[31.03.2020 - ₹ 44,100; 31.03.2019 - ₹ 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		
				19.7	19.7
	ii) In Bonds/ Debentures /Securities (at Amortised Cost)				
	- Government Bonds				
	Unquoted				
	- National Highways Authority of India, India	-	₹	-	5.3
		(500)	10,000		
	- Non Convertible Debentures				
	Quoted				
	- 8.83% Tata Capital Financial Services Ltd., India	-	₹	-	508.0
		(500)	1,000,000		
	- 9.39% Aditya Birla Housing Finance Ltd., India	-	₹	-	521.5
		(500)	1,000,000		
	- 7.50% Kotak Mahindra Prime Ltd., India	-	₹	-	509.1
		(500)	1,000,000		

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

	Number	Face Value	As at 31.03.2020	As at 31.03.2019
- Government Securities				
Unquoted				
- National Saving Certificates				
[Deposited with Government Authority]				
[31.03.2020- ₹ 5,500; 31.03.2019 - ₹ 5,500]				
			-	1,543.9
			19.7	1,563.6
Total			**51,267.0**	**52,810.9**

* Shares do not have face value

i) All investments in shares are fully paid up

ii) All the above subsidiaries are directly or indirectly, wholly owned by the Company

iii) Aggregate amount of quoted investments and market value thereof

Book value	-	1538.6
Market value	-	1538.6

iv) Aggregate amount of unquoted investments — 51,267.0 — 51272.3

v) Previous year numbers are within brackets below current year numbers

5. Non-Current Loans

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
Security Deposits		
With Related Parties [Refer note 56 (C)]	43.4	43.4
Others	401.8	569.1
Loans to Employees	2.0	14.9
Total	**447.2**	**627.4**

[There are no other non-current loans which have significant increase in credit risk.]

6. Other Non-Current Financial Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Earmarked Bank Deposits against guarantees and other commitments	9.7	14.3
Total	**9.7**	**14.3**

7. Other Non-Current Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Capital Advances	1,488.9	895.5
Advances other than Capital Advances		
- With Government Authorities (Drawback/Customs & Excise duties receivable)	416.0	539.8
- Prepaid Expenses	20.6	24.6
Other Advances	233.4	-
Total	**2,158.9**	**1,459.9**

8. Inventories

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Raw Materials	6,791.0	6,041.6
Packing Materials	1,179.3	1,132.9
Work-in-progress	5,109.9	5,127.4
Finished Goods	5,722.0	5,718.4
Stock-in-Trade	3,576.9	3,299.3
Consumable Stores and Spares	1,631.2	1,346.5
Goods-in-Transit		
- Raw Materials	758.9	367.0
- Packing Materials	32.5	16.4
- Stock-in-Trade	23.4	-
- Consumable Stores and Spares	21.0	10.3
Total	**24,846.1**	**23,059.8**

During the year, the Company recorded inventory write-downs of ₹ 1,909.2 million (previous year ₹ 1,439.8 million).These adjustments were included in cost of material consumed and changes in inventories.

9. Current Investments

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	7,568.1	2,047.0
In Commercial Papers	2,724.3	-
Unquoted		
In Commercial Papers	-	2,284.9
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	13,004.9	16,741.9
Total	**23,297.3**	**21,073.8**

a)	Aggregate amount of quoted investments and market value thereof		
	Book value	10,292.4	2,047.0
	Market value	10,322.0	2,054.9
b)	Aggregate amount of Unquoted Investments	13,004.9	19,026.8
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 31.03.2020	As at 31.03.2019
Unsecured	36,164.8	37,246.1
- Considered Good	134.1	115.9
- Credit Impaired	36,298.9	37,362.0
Less : Allowances for credit losses	135.6	118.8
Total	**36,163.3**	**37,243.2**

[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 ₹ 27,081.9 million (31.03.2019 ₹ 29,281.6 million) [Refer note 56 (C)]

11. Cash and Cash Equivalents

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Cash and Cash Equivalents (as per Ind AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	1,512.1	462.2
- In EEFC Account	46.9	35.2
In Deposit Accounts	10,005.9	-
Cheques on hand	106.0	55.4
Cash on hand	9.3	6.6
Total	**11,680.2**	**559.4**

12. Other Bank Balances

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Earmarked Balances with Banks		
- Unpaid dividend accounts	53.0	54.6
- Deposits against guarantees and other commitments	11.9	0.4
Bank Deposits with original maturity of more than 3 months but less than 12 months from the balance sheet date	1,314.2	-
Total	**1,379.1**	**55.0**

13. Current Loans

(Financial assets stated at cost)

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
Security Deposits	323.5	198.7
Other Loans (includes Loans to employees, etc.)	25.4	30.4
Total	**348.9**	**229.1**

[There are no other current loans which have significant increase in credit risk.]

Notes

Forming part of the Standalone Financial Statements

14. Other Current Financial Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Receivables from Related Parties [Refer note 56 (C)]	150.8	141.8
Mark to Market Derivative Assets	-	101.5
Export Benefits receivable	2,211.0	5,514.2
With Government Authorities (VAT/Cenvat/Service tax /GST credit/refund receivable)	508.8	370.7
Other Current Financial Assets (includes Interest receivables, etc.)	375.2	176.6
Total	**3,245.8**	**6,304.8**

15. Other Current Assets

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Advances other than Capital Advances		
Prepaid Expenses	258.7	280.3
Advances to Employees	62.8	96.8
Advances to Vendors		
- Considered Good	1,781.9	747.6
- Credit Impaired	76.4	44.1
	1,858.3	791.7
Less : Impairment Allowances for Credit Impaired	76.4	44.1
	1,781.9	747.6
Export Benefits receivable	994.3	887.6
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	4,269.1	4,253.3
Assets Recoverable From Customers	55.6	52.4
Total	**7,422.4**	**6,318.0**

16. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	452,998,121	906.0	452,493,697	905.0
Total	**452,998,121**	**906.0**	**452,493,697**	**905.0**

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	452,493,697	905.0	452,082,850	904.2
Equity Shares issued during the year pursuant to exercise of ESOPs	504,424	1.0	410,847	0.8
Equity Shares outstanding at the end of the year	452,998,121	906.0	452,493,697	905.0

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, 2020, the amount of dividend per equity share distributed to equity shareholders is ₹ 5.0. (previous year ended March 31, 2019, ₹ 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 31.03.2020**		As at 31.03.2019	
	No. of Shares	%of Holding	No. of Shares	%of Holding
Lupin Investments Pvt. Limited	205,608,135	45.39	205,608,135	45.44

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

Particulars	**As at 31.03.2020**		As at 31.03.2019	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	106,030	0.2	126,850	0.3
Plan 2005	33,045	0.1	35,795	0.1
Plan 2011	1,316,500	2.6	1,367,241	2.7
Plan 2014	2,333,133	4.7	2,656,712	5.3
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2005	-	-	100,568	0.2
Plan 2011	707,302	1.4	708,527	1.4
Plan 2014	1,106,476	2.2	1,125,000	2.3

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

Particulars	**As at 31.03.2020 Aggregate No. of Shares**	As at 31.03.2019 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	3,509,786	4,117,893

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

Notes

Forming part of the Standalone Financial Statements

17. Other Equity

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Securities Premium		
Opening Balance as per last Balance Sheet	8,644.3	8,129.5
Add : Additions during the year*	531.2	514.8
Balance as at the year end	9,175.5	8,644.3
Employees Stock Options Outstanding [Refer note 44]		
Opening Balance as per last Balance Sheet	2,184.2	2,113.8
Add : Amortisation during the year	532.9	617.2
Less : Exercised during the year	472.5	478.6
Less : Transfer to General Reserve	98.4	68.2
Balance as at the year end	2,146.2	2,184.2
General Reserve		
Opening Balance as per last Balance Sheet	16,668.7	16,600.5
Add : Transfer from share based payments	98.4	68.2
Balance as at the year end	16,767.1	16,668.7
Retained Earnings		
Opening Balance as per last Balance Sheet	142,273.4	129,610.6
Less : Adjustment for transition to Ind AS 116 - "Leases" (net off deferred tax) [Refer note 42(iv)]	86.9	-
Less : Adjustment for transition to Appendex C of Ind AS 12 - "Income Taxes" [Refer note 46(d)]	804.5	-
Add : Profit for the year	7,275.5	15,388.3
Less : Final Dividend on Equity Shares [Refer note 16 (c)]	2,263.0	2,260.8
Less : Corporate Tax on Dividend**	465.2	464.7
Balance as at the year end	145,929.3	142,273.4
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Share Application money Pending allotment	0.8	-
Other Comprehensive Income		
Cash Flow Hedge Reserve [Refer note 54 (c)]		
Opening Balance as per last Balance Sheet	77.5	60.6
Add / (Less) : Effect of foreign exchange rate variations on hedging	(404.4)	15.7
instruments outstanding [net of deferred tax of ₹ (157.7) million		
(31.03.2019 ₹ (0.5) million)]		
(Less)/ Add : Hedge Ineffectiveness recognised in Statement of Profit & Loss	2.5	1.2
Balance as at the year end	(324.4)	77.5
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(288.7)	(277.9)
Add / (Less) : Additions during the year	(288.1)	(10.8)
Balance as at the year end	(576.8)	(288.7)
Total	**173,826.0**	**170,267.7**

*Represents amount received on allotment of 504,424 (previous year 410,847) 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 ₹ 465.1 million (previous year ₹ 464.6 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.1 million (previous year ₹ 0.1 million).

Notes

Forming part of the Standalone Financial Statements

Nature of Reserves

a) **Capital Reserve**
The Capital reserve is created on receipts of government grants for setting up the factories in backward areas, for performing research on critical medicines for the betterment of the society and on restructuring of the Capital of the Company under various schemes of Amalgmation.

b) **Capital Redemption Reserve**
This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) **Securities Premium**
Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

d) **General Reserve**
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

e) **Amalgamation Reserve**
This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

f) **Cash Flow Hedge Reserve**
The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for Cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassfied to statement of profit and loss only when the hedged items affect the profit or loss.

g) **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.

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.

18. Non- Current Borrowings

[Refer note 25]

(₹ in million)

		As at 31.03.2020	As at 31.03.2019
Term Loans - from other parties			
Unsecured			
Deferred Sales Tax Loan from Government of Maharashtra		3.1	5.3
Total		**3.1**	**5.3**

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. Trade Payables

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
- Total outstanding dues of Micro and Small Enterprises [Refer note 49]	-	-
- Total outstanding dues of Others	-	16.1
Total	**-**	**16.1**

Notes

Forming part of the Standalone Financial Statements

20. Other Non-Current Financial Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Mark to Market Derivative Liabilities	301.3	-
Payable for Capital Expenditure	-	3.7
Employee Benefits Payables	35.5	42.9
Lease Liability [Refer note 42]	859.1	-
Other Payables	-	103.0
Total	**1,195.9**	**149.6**

21. Non- Current Provisions

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Provisions for Employee Benefits [Refer note 27]		
Gratuity [Refer note 45 (ii) A]	1,713.1	1,315.5
Compensated Absences	946.4	779.1
Provident Fund	66.8	-
Total	**2,726.3**	**2,094.6**

22. Other Non-Current Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Deferred Revenue [Refer note 39]	586.6	827.7
Deferred Government Grant	73.8	-
Total	**660.4**	**827.7**

23. Current Borrowings

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Secured		
Loans from Banks	52.9	16.8
Total	**52.9**	**16.8**

a) Loans comprise of Cash Credit and Working Capital Demand Loan and are secured by hypothecation of inventories and book debts carrying interest rate at MCLR plus market driven margins.

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

24. Trade Payables

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Acceptances	827.4	1,035.3
Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises [Refer note 49]	989.4	1,046.1
- Total outstanding dues of Others	13,844.5	10,458.8
Total	**15,661.3**	**12,540.2**

Notes

Forming part of the Standalone Financial Statements

25. Other Current Financial Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Current Maturities of Non-Current Borrowings [Refer note 18]		
- Deferred Sales Tax Loan from Government of Maharashtra	2.3	4.6
- Term Loans from Council of Scientific and Industrial Research (CSIR)	-	30.9
Interest Accrued but not due on Borrowings	-	0.1
Unpaid Dividend *	53.0	54.6
Mark to Market Derivative Liabilities	159.3	-
Payable for Capital Expenditure	610.3	344.2
Trade Deposits received	106.8	126.1
Employee Benefits Payables	1,247.2	1,009.7
Lease Liability [Refer note 42]	567.5	-
Other Payables (Includes retention money, etc.)	0.7	7.0
Total	**2,747.1**	**1,577.2**

* During the year ₹ 3.8 million has been credited to Investor Education and Protection Fund relating to FY 11-12.

26. Other Current Liabilities

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	886.3	636.4
Deferred Revenue [Refer note 39]	123.1	128.1
Deferred Government Grant	54.7	-
Advances from customers	130.8	105.3
Total	**1,194.9**	**869.8**

27. Current Provisions

(₹ in million)

	As at 31.03.2020	As at 31.03.2019
Provisions for Employee Benefits [Refer note 21]		
Gratuity [Refer note 45 (ii) A]	278.0	206.3
Compensated Absences	207.3	166.0
Other Provisions		
For Sales Returns [Refer note 51(a)]	1,420.8	1,195.6
For European Commission fine [Refer note 51 (b)]	3,609.5	3,335.9
Total	**5,515.6**	**4,903.8**

Notes

Forming part of the Standalone Financial Statements

28. Revenue from Operations

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Sale [Refer note 39]		
Goods	106,290.6	106,573.2
Research Services	1,767.7	3,742.4
	108,058.3	110,315.6
Other Operating Revenue		
Export Benefits and Other Incentives	2,086.2	2,506.6
Insurance Claims	39.7	17.4
Business Compensation and Settlement Income	4.0	677.8
Miscellaneous Income	68.4	45.8
	2,198.3	3,247.6
Total	**110,256.6**	**113,563.2**

29. Other Income

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	80.2	53.0
Other Interest	874.1	358.7
Income on Financial Assets carried at fair value through profit or loss		
Dividend on Mutual Fund Investments	145.6	420.9
Net gain on Sale of Mutual Fund Investments	1,062.8	122.4
Unrealised Gain on Mutual Fund Investments (net)	2.4	120.5
Net gain on Foreign Currency Transactions	2,189.5	1,583.0
Profit on Sale of Property, Plant and Equipment/Intangible Assets (net)	-	17.7
Other Non-Operating Income (including interest on income tax refund)	397.3	237.2
Total	**4,751.9**	**2,913.4**

30. Cost of Materials Consumed

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Raw Materials Consumed	23,683.3	23,176.0
Packing Materials Consumed	3,848.9	3,754.8
Total	**27,532.2**	**26,930.8**

Notes

Forming part of the Standalone Financial Statements

31. Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade [(Increase)/Decrease]

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Opening Stock:		
Finished Goods	5,718.4	5,104.9
Stock-in-Trade	3,299.3	3,048.2
Work-in-Progress	5,127.4	4,519.7
	14,145.1	12,672.8
Less:		
Closing 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
Changes In Inventories:		
Finished Goods	(3.6)	(613.5)
Stock-in-Trade	(301.1)	(251.1)
Work-in-Process	17.5	(607.7)
Total	**(287.2)**	**(1,472.3)**

32. Employee Benefits Expense

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Salaries and Wages	14,604.3	12,672.4
Contribution to Provident and Other Funds	1,121.9	1,044.3
Retirement Benefits Expense	44.7	115.9
Share Based Payments Expense [Refer note 44]	415.3	477.0
Staff Welfare Expenses	846.0	844.6
Total	**17,032.2**	**15,154.2**

33. Finance Costs

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Interest on Financial Liabilities - borrowing carried at amortised cost	77.9	89.5
Net Interest on net defined benefit liability	184.9	190.7
Interest cost on Finance lease obligation	138.7	8.5
Other Borrowing Costs (includes bank charges, etc.)	65.1	66.0
Interest on Income Tax	59.3	-
Total	**525.9**	**354.7**

34. Other Expenses

(₹ in million)

	For the Current Year ended 31.03.2020	For the Previous Year ended 31.03.2019
Processing Charges	936.0	1,129.7
Stores and Spares Consumed	4,391.2	3,904.3
Repairs and Maintenance:		
- Buildings	285.5	246.1
- Plant and Machinery	1,092.9	1,110.3
- Others	1,355.4	1,169.5
Rent and Other Hire Charges [Refer note 42]	514.2	1,119.2
Rates and Taxes	1,095.5	1,112.1
Insurance	565.7	361.0
Power and Fuel	4,162.6	4,163.0
Contract Labour Charges	1,124.7	1,103.0
Selling and Promotion Expenses	3,886.7	4,682.3
Commission and Brokerage	911.8	854.0
Freight and Forwarding	557.4	495.7
Postage and Telephone Expenses	257.1	268.2
Travelling and Conveyance	1,940.5	2,161.4
Legal and Professional Charges	5,819.7	3,830.5
[Net of recoveries of ₹ nil (previous year ₹ 296.8 million)]		
Donations	45.6	41.7
Clinical and Analytical Charges	1,901.3	1,845.8
Loss on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	17.6	-
Bad Trade Receivables / Advances written off	3.2	-
[Net of provision of earlier years adjusted ₹ 20.6 million (previous year ₹ 134.0 million)]		
Impairment Allowances for Doubtful Trade Receivables / Advances (net)	69.4	69.5
Impairment in value of Non-Current investments	-	30.1
Corporate Social Responsibility Expenses [Refer note 48]	342.0	379.5
Directors Sitting Fees	2.1	1.4
Business Compensation and Settlement Expenses	80.9	160.7
Miscellaneous Expenses	716.6	713.2
Total	**32,075.6**	**30,952.2**

35. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 3036.1 million (previous year ₹ 2825.7 million).

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

c) Other commitments – Non-cancellable leases (Refer note 42).

d) Dividends proposed of ₹ 6/- (previous year ₹ 5/-) per equity share before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 2718.4 million (previous year ₹ 2262.7 million).

e) There are product supply commitments pursuant to contracts with customers under dossier agreements.

f) Financial and corporate guarantees issued by the company on behalf of subsidiaries are disclosed in note 36.

Notes

Forming part of the Standalone Financial Statements

36. Contingent Liabilities:

(₹ in million)

Particulars		As at 31.03.2020	As at 31.03.2019
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 [₹ 16.3 million (previous year ₹ 38.6 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 "Current Tax Assets (Net)" ₹ Nil (previous year ₹ Nil million) and "Non-Current Tax Assets (Net)" ₹ 839.8 million (previous year ₹ 631.2 million)	2028.4	1818.5
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" ₹ 24.2 million (previous year ₹ 40.3 million).	122.2	191.2
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" ₹ 206.5 million (previous year in Current Loans ₹ 115.1 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.	1103.3	1039.8
d)	Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of subsidiary companies aggregating ₹ 7566.5 million (previous year ₹ 5186.6 million).	7566.5	5186.6
e)	Outstanding credit facilities against corporate guarantees given in respect of credit facilities sanctioned by bankers of subsidiary companies for the purpose of acquisitions, working capital and other business requirements aggregating ₹ 60993.6 million (previous year ₹ 84728.2 million).	54777.1	76124.3
f)	Financial guarantee aggregating to ₹ 9382.4 million (previous year ₹ 8575.2 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed which is now dismissed. In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant.

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

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

The Company is involved in various legal proceedings, including product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims and the Company believes that the probability of outflow is low to moderate considering the merits of the case, 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 during the previous year.

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	**2019-2020**	2018-2019
Opening balance	407.5	427.4
Incurred during the year:		
Salaries, allowances and contribution to funds	109.5	97.1
Legal and Professional Charges	0.5	0.1
Travelling and Conveyance	8.9	10.2
Power and fuel	0.6	34.7
Others	11.8	28.2
Total incurred during the year	131.3	170.3
Less: Capitalised during the year	146.0	190.2
Closing balance	**392.8**	**407.5**

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.

Notes

Forming part of the Standalone Financial Statements

b) Disaggregation of revenue:

(₹ in million)

Nature of segment	2019-2020	2018-2019
A. Major Product/Service line:		
- Sale of pharmaceutical goods	106290.6	106573.2
- Income from research services and sale of IPs	1767.7	3742.4
- Business Compensation & Settlement income	4.0	677.8
Total revenue from contracts with customers	108062.3	110993.4
B. Primary geographical market:		
- India	56454.1	51675.8
- USA	31208.3	41370.5
- Japan	950.1	921.3
- Others	19449.8	17025.8
Total revenue from contracts with customers	108062.3	110993.4
C. Timing of the revenue recognition:		
- Goods/Services transferred at a point in time	107735.6	109354.0
- Services transferred over time	326.7	1639.4
Total revenue from contracts with customers	108062.3	110993.4

c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	2019-2020	2018-2019
Revenue as per contracted price	116572.1	118487.1
Adjusted for:		
- Sales returns	2100.2	2132.8
- Discounts / Chargebacks/ Rebates	5979.8	4933.8
- Others	429.0	427.1
Total revenue from contracts with customers	**108062.3**	**110993.4**

d) Reconciliation of revenue recognised from Contract liability:

(₹ in million)

Particulars	2019-2020	2018-2019
Balance in contract liability at the beginning of the period that was not recognized as revenue	955.8	956.2
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	22.8	294.8
Less: Revenue recognized that was included in the contract liability balance at the beginning of the period	268.9	295.3
Balance in contract liability at the end of the period that is not recognized as revenue	709.7	955.8

40. Segment Reporting:

The Company has presented data relating to its segments based on its consolidated financial statements which are presented in the same Annual Report. Accordingly in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments" no disclosures related to segments are presented in these standalone financial statements.

41. Auditors' Remuneration:

(₹ in million)

Particulars	2019-2020	2018-2019
Payment to Auditors*:		
a) As Auditors	14.6	14.5
b) For other services including Certification	10.5	5.0
c) Reimbursement of out-of-pocket expenses	1.2	1.3
Total	**26.3**	**20.8**

* Excluding GST and Swachh Bharat Cess

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. Previously these leases were classified as operating leases under Ind AS 17.

The Company had Leasehold land which was classified as finance lease under Ind AS 17.

Information about leases for which the Company is lessee is presented below:

i) Right of use assets

(₹ in million)

Particulars	As at 01.04.2019
Carrying amount of:	
Right-of-Use: Land	1069.3
Right-of-Use: Buildings	706.1
Right-of-Use: Plant & Equipment	-
Right-of-Use: Furniture & Fixtures	76.0
Right-of-Use: Vehicles	89.1
Right-of-Use: Office Equipment	44.6
Total	**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, 2019	1104.5	706.1	-	76.0	89.1	44.6	**2020.3**
Additions	-	398.5	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**
Balance at March 31, 2020	1058.2	685.3	22.0	337.6	119.2	28.4	**2250.7**
Balance at April 1, 2019	1069.3	706.1	-	76.0	89.1	44.6	**1985.1**

Notes

Forming part of the Standalone Financial Statements

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, 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)	(556.1)	(5.0)	(130.5)	(78.5)	(27.6)	**(805.0)**
Adjustments for Disposals	-	-	-	-	(0.6)	-	**(0.6)**
Balance at March 31, 2020	110.0	786.3	22.5	357.9	122.2	27.7	**1426.6**
Current	5.3	372.7	8.4	104.8	58.3	18.0	**567.5**
Non-current	104.7	413.6	14.1	253.1	63.9	9.7	**859.1**

The maturity analysis of the lease liability is included in the Refer 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	As at 31.3.2020
Depreciation expense of right-of-use assets (Refer Note No. 2)	633.4
Interest expense on lease liabilities (Refer Note No. 33)	138.7
Expense relating to short-term leases (Refer Note No. 34)	1.3
Expense relating to low value assets (Refer Note No. 34)	146.3
Total	**919.7**

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, 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, 2020.
Commitment in respect of Non-cancellable short term leases is ₹ 1.7 million.
Commitment in respect of low value leases is ₹ 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 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**

As at the date of intial application of Ind AS 116 i.e. April 1, 2019 Right of Use assets and lease liabilities were measured at INR 915.8 million and INR 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 INR 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:

	(₹ in million)
Particulars	As at 01.04.2019
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%.

Notes

Forming part of the Standalone Financial Statements

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

(₹ in million)

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Profit attributable to Equity Shareholders (₹ in million)	7275.5	15388.3
Weighted average number of Equity Shares:		
- Basic	452713439	452244908
Add: Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	2357930	1871725
- Diluted	455071369	454116633
Earnings per Share (in ₹)		
- Basic	16.07	34.03
- Diluted	15.99	33.89

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.

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	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

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	3046524	114.6-2037.5	1119.1	6.4
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	234756	280.8-1521.7	1337.3	NA
Less: Options exercised during the year	92114	114.6-923.6	395.2	NA
Options outstanding at the year end	2719654	217.8-2037.5	1124.7	5.5
Exercisable at the end of the period	2311113	217.8-2037.5	1060.2	5.1

The weighted average grant date fair value of the options granted under Category A during the years ended March 31, 2020 and 2019 was ₹ 157.7 and ₹ nil 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	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

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	1318808	2.0	2.0	8.7
Add: Options granted during the year	876156	2.0	2.0	9.5
Less: Options lapsed during the year	113307	2.0	2.0	NA
Less: Options exercised during the year	318733	2.0	2.0	NA
Options outstanding at the year end	1762924	2.0	2.0	8.6
Exercisable at the end of the period	236423	2.0	2.0	7.3

The weighted average grant date fair value of the options granted under Category B during the years ended March 31, 2020 and 2019 was ₹ 756.4 and ₹ 828.8 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	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

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	8.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	7.1
Exercisable at the end of the period	200000	415.7-891.5	688.1	7.1

The weighted average grant date fair value of options granted under Category C during the years ended March 31, 2020 and 2019 was ₹ nil and ₹ nil per option, respectively.

Notes

Forming part of the Standalone Financial Statements

The weighted average share price during the years ended March 31, 2020 and 2019 was ₹739.8 and ₹837.0 per share respectively.

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The weighted average inputs used in computing the fair value of options granted were as follows:

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

Weighted average information – 2018-2019

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
B	April 2, 2018	2.0	7.0	3.5	28.9	0.5	777.1	764.6
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	April 30, 2018	2.0	7.5	3.5	46.6	0.5	811.6	796.2
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	August 23, 2018	2.0	7.7	3.5	29.0	0.5	903.3	886.4
B	September 3, 2018	2.0	7.8	3.5	28.9	0.5	936.1	918.7
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	September 26, 2018	2.0	8.0	3.5	29.1	0.5	891.8	875.1
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	November 28, 2018	2.0	7.3	2.7	29.9	0.5	866.6	853.7
B	November 28, 2018	2.0	7.4	3.5	29.2	0.5	866.6	856.5
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.0	2.7	29.5	0.5	832.8	820.3
B	January 2, 2019	2.0	7.1	3.5	29.3	0.5	832.8	818.7
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9
B	February 26, 2019	2.0	7.0	3.5	29.1	0.5	776.1	762.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	828.8	843.6

Notes

Forming part of the Standalone Financial Statements

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 ₹ 186.9 million (previous year ₹ 194.8 million) for superannuation contribution and ₹ 266.5 million (previous year ₹ 253.2 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, 2020. 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 31.03.2020	As at 31.03.2019	**As at 31.03.2020**	As at 31.03.2019
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	185.3	160.5	101.8	85.4
	Past service cost	-	-	-	-
	Interest cost	136.6	123.2	88.1	81.6
	Actuarial loss / (gain)				
	- Due to demographic assumption	(0.5)	-	0.9	-
	- Due to finance assumption	202.9	85.2	122.7	68.6
	- Due to experience assumption	34.3	20.7	18.4	(141.4)
	Benefits paid	(139.9)	(198.2)	(77.2)	-
	PVO at the beginning of the year	1771.7	1580.3	1141.3	1047.1
	PVO at the end of the year	2190.4	1771.7	1396.0	1141.3
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	2.5	16.3	-	-
	Interest Income	107.2	79.9	-	-
	Contributions by the employer	234.3	468.8	-	-
	Benefits paid	(139.9)	(198.2)	-	-

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2020	As at 31.03.2019	**As at 31.03.2020**	As at 31.03.2019
	Fair value of plan assets at the beginning of the year	1391.2	1024.4	-	-
	Fair value of plan assets at the end of the year	1595.3	1391.2	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	2190.4	1771.7	1396.0	1141.3
	Fair Value of plan assets at the end of the year	1595.3	1391.2	-	-
	Funded status	(595.1)	(380.5)	(1396.0)	(1141.3)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(595.1)	(380.5)	(1396.0)	(1141.3)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	185.3	160.5	101.8	85.4
	Past service cost	-	-	-	-
	Interest cost	29.4	43.4	88.1	81.6
	Total expense recognised in the Statement of Profit and Loss	214.7*	203.9	189.9*	167.0
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	(0.5)	-	0.9	-
	- Due to finance assumption	202.8	85.2	122.7	68.6
	- Due to experience assumption	34.3	20.7	18.4	(141.4)
	Return on plan assets excluding net interest	(2.5)	(16.3)		-
	Total amount recognised in OCI	234.1	89.6	142.0	(72.8)
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)	1595.3	1391.2	-	NA
VII)	**Actual return on the plan assets:**	109.7	96.2	-	NA
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 (%)	6.8	7.7	6.8	7.7
	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)	11.3	11.6	11.3	11.6
	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**	333.3	267.4	NA	NA

* ₹ 1.8 million (previous year ₹ 1.9 million) capitalised as pre-operative expenses out of above amount.

Notes

Forming part of the Standalone Financial Statements

X) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2020**
1 year	514.1
2 to 5 years	1209.7
6 to 10 years	1396.5
More than 10 years	4247.3

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)	2019-2020		2018-2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(282.4)	327.6	(221.4)	255.4
Future salary growth (1% movement)	324.2	(284.6)	255.0	(224.8)

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, 2020 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 31.03.2020**	As at 31.03.2019
I)	**PVO and fair value of plan assets:**		
	Fair Value of plan assets	9492.4	8332.4
	Present Value of defined benefit obligations	9559.1	8332.2
	Net excess /(Shortfall)	(66.8)	0.2
II)	**Changes in defined benefit obligation:**		
	Liability at the beginning of the year	8332.2	7153.9
	Interest cost	706.9	643.0
	Current service cost	475.7	433.4
	Employee contribution	836.3	755.0
	Liability Transferred in	(105.4)	84.9
	Benefits paid	(717.6)	(757.9)
	Actuarial gain/(loss) on experience variance	31.0	19.9
	Liability at the end of the year	9559.1	8332.2

(₹ in million)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
III)	**Changes in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	8332.4	7258.8
	Investment income	720.8	551.7
	Employer's contributions	475.7	433.4
	Employee's contribution	836.3	755.0
	Transfers in	(117.9)	-
	Benefits paid	(717.6)	(757.9)
	Return on plan assets, excluding amount recognised in net interest expense	(37.3)	91.4
	Fair value of plan assets at the end of the year	9492.4	8332.4
IV)	**Expenses recognized in Statement of Profit and Loss:**		
	Current service cost	475.7	433.4
	Interest cost	706.9	643.0
	Expected return on plan assets	(720.8)	(551.7)
	(Income) / Expense recognised in the Statement of Profit and Loss	461.8	524.7
V)	**Major categories of Plan Assets (As per percentage of Total Plan Assets):**		
	Government of India securities / State Government securities	49.9%	48.7%
	High quality corporate bonds	39.6%	42.7%
	Equity shares of listed companies	1.1%	0.9%
	Debt Mutual Fund	2.1%	1.7%
	Equity Mutual Fund	2.9%	2.8%
	Special Deposit Scheme	2.2%	2.6%
	Bank balance	2.2%	0.6%
	Total	100%	100%
VI)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	6.8	7.8
	Average remaining tenure of investment portfolio (years)	7.2	7.2
	Guaranteed rate of return (%)	8.5	8.7
	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 31.03.2020	Year ended 31.03.2019
Current Tax Expense for the year	3679.0	8031.0
Tax expense w/back of prior years	(58.5)	(81.0)
Net Current Tax Expense	3620.5	7950.0
Deferred income tax liability/(asset) net		
Origination and reversal of temporary differences	(373.5)	85.4
Tax expense for the year	**3247.0**	**8035.4**

Notes

Forming part of the Standalone Financial Statements

b. Tax expense/(benefit) recognised in other comprehensive income:

(₹ in million)

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	154.8	6.0
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	157.7	0.5
Total	**312.5**	**6.5**

c. Reconciliation of tax expense/(benefit) and accounting profit multiplied by India's domestic tax rate:

(₹ in million)

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Profit before tax including exceptional item	10522.5	23423.7
Tax using the Company's domestic tax rate (March 31, 2020: 34.94% March 31 2019: 34.94%)	3677.0	8185.2
Tax effect of:		
Expenses not deductible for tax purposes	2774.1	2601.9
Impact of change in tax rates	(11.8)	(0.1)
Incremental deduction allowed for Research and Development costs	(949.3)	(982.2)
Exemption of profit link incentives	(1927.4)	(1510.1)
Other Exemption Income	(51.6)	(147.1)
Tax Incentive on additional employment	(31.7)	(18.9)
Other	(173.8)	(12.3)
Current and Deferred Tax expense (excluding prior year taxes) as per note 46(a)	**3305.5**	**8116.4**

d. Movement in deferred tax balances:

(Current Year ₹ in million)

Particulars	Net balance April 1, 2019	Recognised in profit or loss	Recognisedin Retained Earnings / 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)

(Previous Year ₹ in million)

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property plant and equipment	(4027.6)	(17.1)	-	(4044.7)	-	(4044.7)
Cash Flow Hedge Reserve	(25.2)	-	0.5	(24.7)	-	(24.7)
Trade Receivables	78.6	(21.4)	-	57.2	57.2	-
Deferred Income	343.7	(9.5)	-	334.2	334.2	-
VRS Compensation	32.8	(3.2)	-	29.6	29.6	-
Employee benefits	753.0	49.2	6.0	808.2	808.2	-
Other items	261.4	(83.4)	-	178.0	178.0	-
Net Deferred tax assets / (liabilities)	(2583.3)	(85.4)	6.5	(2662.2)	1407.2	(4069.4)

Significant management judgement is required in determining provision for income tax deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

As on March 31, 2020 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 ₹ 465.1 million).

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 opted the transition provision provided in this Appendix C. The company has 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 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 ₹ 11700.7 million (previous year ₹ 11496.7 million).

48. The aggregate amount of cash expenditure incurred during the year on Corporate Social Responsibility (CSR) is ₹ 342.0 million (previous year ₹ 379.5 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	**2019-2020**	2018-2019
Donations	307.3	342.4
Employee Benefits Expense	15.3	18.1
Others – Patient Awareness, etc.	19.4	19.0
Total	**342.0**	**379.5**

The amount required to be spent by the Company during the year is ₹ 555.0 million (previous year ₹ 656.7 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.

Notes

Forming part of the Standalone Financial Statements

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 31.03.2020	As at 31.03.2019
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	989.4 (interest ₹ nil)	1046.1 (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 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 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 year.

b) Impairment of IPs:

Following our annual impairment review the impairment charges recognized 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:

- 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.

c) Fine to European Commission

Last year the General Court of the European Union delivered its judgement concerning Lupin's appeal against the European Commission's (EC) 2014 decision in case of alleged breach of the EU Antitrust Rules in the Perindopril. In this respect the Company has made a provision of EUR 43.7 million (₹ 3399.8 million) including interest and withholding tax thereon of EUR 3.7 million (₹ 292.9 million) which was disclosed as an exceptional item. The Company has filed appeal against this judgement in the Court of Justice of the European Union.

Notes

Forming part of the Standalone Financial Statements

51. As per best estimates of the management, provision has been made as under:

a) Probable return of goods from customers:

(₹ in million)

Particulars	**2019-2020**	2018-2019
Carrying amount at the beginning of the year	1195.6	1007.4
Add : Additional Provisions made during the year	1957.8	1801.7
Less : Amounts used / utilised during the year	1732.6	1613.5
Carrying amount at the end of the year	1420.8	1195.6

b) European Commission fine:

(₹ in million)

Particulars	**2019-2020**	2018-2019
Carrying amount at the beginning of the year	3335.8	-
Add : Additional Provisions (including interest) made during the year	54.8	3335.9
Less : Amounts used / utilised during the year	-	-
Add : Exchange Difference during the year	218.9	-
Carrying amount at the end of the year	3609.5	3335.9

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 31.03.2020	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	-	-	-	-

Notes

Forming part of the Standalone Financial Statements

(₹ 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
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	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Non-Current Financial Liabilities								
- 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**	**-**	**-**	**-**	**-**

(₹ in million)

As at 31.03.2019	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments								
- In NCD's	-	-	1538.6	1538.6	-	-	-	-
- Others	19.7	-	5.3	25.0	-	-	19.7*	19.7
Non-Current Loans								
- Security Deposit	-	-	612.5	612.5	-	-	-	-
- Others	-	-	14.9	14.9	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	14.3	14.3	-	-	-	-
Current Investments	16741.9	-	4331.9	21073.8	16741.9	-	-	16741.9
Trade Receivables	-	-	37243.2	37243.2	-	-	-	-
Cash and Cash Equivalents	-	-	559.4	559.4	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	55.0	55.0	-	-	-	-
Current Loans	-	-	229.1	229.1	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	1.2	100.3	-	101.5	-	101.5	-	101.5

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

As at 31.03.2019	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
- Others	-	-	6203.3	6203.3	-	-	-	-
	16762.8	**100.3**	**50807.5**	**67670.6**	**16741.9**	**101.5**	**19.7**	**16863.1**
Financial liabilities								
Non-Current Borrowings	-	-	5.3	5.3	-	-	-	-
Trade Payables	-	-	16.1	16.1	-	-	-	-
Other Non-Current Financial Liabilities	-	-	149.6	149.6	-	-	-	-
Current Borrowings	-	-	16.8	16.8	-	-	-	-
Trade Payables	-	-	12540.2	12540.2	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	1577.2	1577.2	-	-	-	-
	-	**-**	**14305.2**	**14305.2**	**-**	**-**	**-**	**-**

* 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 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 ₹ 24424.23 million (previous year ₹ 27498.3 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 31.03.2020**	As at 31.03.2019
Not past due but impaired	1.5	2.9
Neither past due not impaired	21981.8	27679.1
Past due not impaired		
- 1-180 days	13531.5	9310.5
- 181-365 days	611.5	245.8
- more than 365 days	38.5	7.8
Past due impaired		
- 1-180 days	9.1	12.4
- 181-365 days	28.0	26.7
- more than 365 days	97.0	76.8
Total	**36298.9**	**37362.0**

Notes

Forming part of the Standalone Financial Statements

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	**2019-2020**	2018-2019
Balance as at the beginning of the year	118.8	182.1
Impairment loss recognised (net)	37.0	68.2
Amounts written off	(20.4)	(134.0)
Exchange differences	0.2	2.5
Balance as at the year end	135.6	118.8

The impairment loss at March 31 2020 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 ₹ 11680.2 million (previous year ₹ 559.4 million). The cash and cash equivalents are held with banks.

Other Bank Balances
Other bank balances are held with banks.

Derivatives
The derivatives are entered into with banks.

Investment in mutual funds non-convertible debentures and commercial papers
The Company limits its exposure to credit risk by generally investing in liquid securities non convertible debentures commercial papers and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties

Other financial assets
Other financial assets are neither past due nor impaired.

ii. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds non-convertible debentures commercial papers which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ 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
Trade Payables Non-Current	-	-	-	-	-	-
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**

(₹ in million)

As at 31.03.2019	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	40.8	40.8	35.5	2.3	3.0	-
Interest Payables	0.1	56.1	10.9	9.6	23.7	11.9
Trade Payables Non-Current	16.1	16.1	-	7.1	9.0	
Other Non-Current Financial Liabilities	149.6	149.6	7.3	18.4	32.1	91.8
Current Borrowings	16.8	16.8	16.8	-	-	-
Trade Payables Current	12540.2	12540.2	12540.2	-	-	-
Other Current Financial Liabilities	1541.6	1541.6	1541.6	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	-	-	-	-	-	-
- Inflow		-	-	-	-	-
Total	**14305.2**	**14361.2**	**14152.3**	**37.4**	**67.8**	**103.7**

* 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.

Notes

Forming part of the Standalone Financial Statements

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.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2020**	As at 31.03.2019	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 163.0	USD 149.0	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 31.03.2020**				
	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**

(₹ in million)

Particulars	As at 31.03.2019				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	22.3	-	-	68.8	5.6
Trade Receivables	30421.3	456.3	213.9	106.3	821.2
Other current financial assets	104.8	4.2	1.5	29.4	1.9
	30548.4	460.5	215.4	204.5	828.7
Financial liabilities					
Trade Payables	2781.5	183.7	53.8	33.0	20.8
Other current financial liabilities	62.8	3352.7	25.5	0.3	6.4
	2844.3	3536.4	79.3	33.3	27.2
Net statement of financial position exposure	**27704.1**	**(3075.9)**	**136.1**	**171.2**	**801.5**

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, 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**

(₹ in million)

March 31, 2019	Profit or (loss)		Equity net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(277.0)	277.0	(250.8)	250.8
EUR	30.8	(30.8)	20.3	(20.3)
GBP	(1.4)	1.4	(0.9)	0.9
JPY	(1.7)	1.7	(1.1)	1.1
Others	(8.0)	8.0	(5.3)	5.3
	(257.3)	**257.3**	**(237.8)**	**237.8**

* 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 31.03.2020**	As at 31.03.2019
Non-Current Borrowings		
Fixed rate borrowings	5.4	40.8
Variable rate borrowings	-	-
	5.4	40.8
Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	52.9	16.8
	52.9	16.8
Total	**58.3**	**57.6**

Notes

Forming part of the Standalone Financial Statements

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.

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, 2020		
Variable-rate borrowings	(0.5)	0.5
March 31, 2019		
Variable-rate borrowings	(0.2)	0.2

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, 2020 and March 31 2019 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 2020 was as follows:

(₹ in million)

Particulars	**As at 31.03.2020**	As at 31.03.2019
Total borrowings	58.3	57.6
Less : Cash and cash equivalent	11680.2	559.4
Less : Other Bank Balances*	1388.8	69.3
Less : Current Investments	23297.3	21073.8
Adjusted net debt	(36308.0)	(21644.9)
Total equity	174732.0	171172.7
Adjusted net debt to total equity ratio	(0.21)	(0.13)

* includes earmarked bank deposits against guarantees & other commitments of ₹ 9.7 million (previous year ₹ 14.3 million) classified as Other Non-Current Financial Assets.

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 31.03.2020

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	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 non-current financial liabilities					

(₹ in million)

As at 31.03.2019

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	149.0	101.5	-	Other current financial assets	April 2019 – March 2020	1:1	71.25	106.9	(107.2)
Forward exchange forward contracts	-	-	-	Other non-current financial assets					

Notes

Forming part of the Standalone Financial Statements

b. Disclosure of effects of hedge accounting on financial performance

(₹ 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

(₹ in million)

As at 31.03.2019					
	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(283.2)	(1.2)	Other Expenses - Net loss on Foreign Currency Transactions	(298.4)	Revenue from operations - Sale of goods

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Movements in cash flow hedging reserve	
Balance at April 1, 2018	**60.6**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(283.2)
Less : Amounts re-classified to profit or loss	299.6
Less: Deferred tax	0.5
As at March 31, 2019	**77.5**
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)**

55. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet as at March 31, 2020:

(₹ 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	-	-	-	-	-

The recognised financial instruments that are offset in balance sheet as at March 31, 2019:

(₹ in million)

As at 31.03.2019	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	101.5	-	101.5	-	101.5
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	-	-	-	-	-

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.

Notes

Forming part of the Standalone Financial Statements

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. (formerly known as Lupin Holdings B.V.)
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
Lupin GmbH Switzerland
Lupin Inc. USA
Medquimica Industria Farmaceutica LTDA Brazil
Nanomi B.V. Netherlands (merged with Lupin Holdings B.V. Netherlands on October 2, 2019)
Laboratorios Grin S.A. de C.V. Mexico
Lupin Pharma LLC Russia (up to April 9, 2019)
Novel Laboratories Inc. USA
Gavis Pharmaceuticals LLC. USA (upto March 26, 2019)
Lupin Research Inc. USA
Lupin Ukraine LLC Ukraine (upto February 7, 2019)
Lupin Latam Inc. USA
Lupin Japan & Asia Pacific K.K. Japan
Symbiomix Therapeutics LLC USA (up to December 30, 2019)
Lupin Management Inc., USA (formerly known as Lupin IP Ventures Inc.)
Lupin Europe GmbH Germany

Category III: Jointly Controlled Entity:

YL Biologics Ltd. Japan

Category IV: Key Management Personnel (KMP)

Dr. Kamal K. Sharma (upto September 28, 2018)	Vice Chairman & Executive Director
Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta	Managing Director
Mr. Ramesh Swaminathan (upto December 11, 2018 & 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	Chairperson
Dr. Kamal K. Sharma (w.e.f. September 29, 2018)	Vice Chairman
Dr. Vijay Kelkar (upto March 28, 2019)	
Mr. R. A. Shah	
Mr. Richard Zahn	
Dr. K. U. Mada	
Mr. Dileep C. Choksi	
Mr. Jean-Luc Belingard	
Ms. Christine Ann Mundkur (w.e.f. April 1, 2019)	

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 Chairperson)
Dr. Anuja Gupta (Daughter of Chairperson)
Dr. Richa Gupta (Daughter of Chairperson)
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
Lupin Foundation
Matashree Gomati Devi Jana Seva Nidhi
Polynova Industries Limited
Zyma Properties Pvt. Limited
Shuban Prints
S. N. Pharma
Team Lease Services Limited

Notes

Forming part of the Standalone Financial Statements

B. Transactions with the related parties:

(₹ in million)

Sr. No.	Transactions	**For the year ended 31.03.2020**	For the year ended 31.03.2019
1.	Sale of Goods		
	Lupin Pharmaceuticals Inc.	30756.4	38377.2
	Other Subsidiaries	5397.5	3906.6
2.	Sale–Research Services-Others		
	Subsidiaries	231.5	940.0
3.	Sale of Equipment		
	Others	-	0.2
4.	Fees Received against guarantees provided on their behalf		
	Subsidiaries	221.7	223.8
5.	Services Rendered (Income)		
	Subsidiaries	31.1	2.1
6.	Rent Paid		
	Subsidiaries	-	-
	Others	66.2	75.8
7.	Research and Development Expenses		
	Lupin Research Inc.	1334.0	1118.1
	Other Subsidiaries	1.2	40.2
8.	Expenses incurred on their behalf Recovered/Rent Received		
	Subsidiaries	398.7	308.8
	Others	1.6	1.9
9.	Remuneration Paid		
	Key Management Personnel	101.4	249.3
10.	Purchases of Goods/Materials		
	Subsidiaries	19.0	52.2
	Jointly Controlled Entity	16.5	-
	Others	170.7	150.7
11.	Commission, Advisory Fees & Sitting Fees to Non-Executive Directors		
	Key Management Personnel	69.9	53.2
12.	Donations Paid		
	Others	289.2	262.1
13.	Dividend Paid		
	Entity having significant influence over the Company	1028.0	1028.0
	Key Management Personnel	26.6	26.6
	Others	9.2	9.1
14.	Services Received (Expense)		
	Lupin Pharmaceuticals Inc.	103.1	100.9
	Other Subsidiaries	1045.2	851.7
	Others	85.6	112.6
15.	Expenses incurred on our behalf & Others Reimbursements		
	Subsidiaries	905.7	1111.5
	Others	3.0	3.1
16.	Balances written off		
	Subsidiaries	-	27.7
17.	Balances written back		
	Subsidiaries	-	1.8
18.	Letter of Comfort issued by the Company to the bankers of a Subsidiary		
	Lupin Pharmaceuticals Inc.	1891.6	5186.6

(₹ in million)

Sr. No.	Transactions	For the year ended 31.03.2020	For the year ended 31.03.2019
19.	Corporate guarantees issued by the Company to the bankers of subsidiary companies		
	Lupin Pharmaceuticals Inc.	8550.1	7607.1
	Other Subsidiaries	-	1694.2
20.	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	77.7	-
	Kyowa Criticare Co. Ltd Japan	374.5	-
	Lupin Inc. USA	21991.3	-

Related party transactions above 1% of revenue from operations are disclosed separately.

(₹ in million)

Compensation Paid to Key Management Personnel	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Short-term employee benefits	83.5	146.5
Post-employment benefits	12.1	93.6
Share based payments	5.8	9.2
Total	**101.4**	**249.3**

Terms and conditions of transactions with related parties:
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	As at 31.03.2020	As at 31.03.2019
1.	Investments		
	Subsidiaries	51247.3	51247.3
2.	Deposits paid under Leave and License arrangement for premises		
	Others	43.4	43.4
3.	Trade Receivables		
	Subsidiaries	27081.9	29281.6
4.	Trade Payables		
	Subsidiaries	1666.0	678.9
	Jointly Controlled Entity	8.1	-
	Others	13.0	29.2
5.	Expenses Payable		
	Subsidiaries	123.0	82.6
6.	Expenses Receivable		
	Subsidiaries	78.7	94.3
7.	Income Receivable		
	Subsidiaries	72.1	47.5
8.	Payable for Purchase of Property plant and equipment/Intangible asset		
	Subsidiary	-	58.6
9.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

Sr. No.	Balances	**As at 31.03.2020**	As at 31.03.2019
10.	Letter of Comfort issued by the Company to the bankers of subsidiary companies	7566.5	5186.6
11.	Corporate guarantees issued by the Company to the bankers of subsidiary companies	60993.6	84728.2
12.	Guarantees issued by the Company on behalf of subsidiary companies for contractual obligations	9382.4	8575.2

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, 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
Term Loans from Council for Scientific and Industrial Research (CSIR)	-	-	-	-	-	
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**

(₹ in million)

Particulars	April 1, 2018	Cash Flows	Non-Cash Changes			March 31, 2019
			Acquisition	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	9.9	(4.6)	-	-	-	5.3
Term Loans from Council for Scientific and Industrial Research (CSIR)	30.9	(30.9)	-	-	-	-
Term Loans from Department of Science and Technology (DST)	-	-	-	-	-	-
Current maturities of Non-Current Borrowings	48.1	(12.6)	-	-	-	35.5
Current Borrowings						
Secured						
Loans from banks	82.1	(65.3)	-	-	-	16.8
Unsecured						
Loans from Banks	-	-	-	-	-	-
Interest accrued but not due on Borrowings	0.4	(0.3)	-	-	-	0.1
Total Liabilities from financing activities	**171.4**	**(113.7)**	**-**	**-**	**-**	**57.7**

Notes

Forming part of the Standalone Financial Statements

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 the 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. Since the Company manufactures and supplies pharmaceutical products which are categorized under essential goods, the manufacturing and supplies of the products have been functioning with minimal disruptions. The situation is likely to further improve with an 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, financial 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.

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

Signature to note 1 to 59

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place : Mumbai
Dated : May 28, 2020

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

Manju D. Gupta
Chairperson
DIN: 00209461

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Ramesh Swaminathan
Executive Director, Global CFO &
Head Corporate Affairs
DIN: 01833346

Vinita Gupta
Chief Executive Officer
DIN: 00058631

R. V. Satam
Company Secretary
ACS - 11973

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