Consolidated Financial Statements

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Independent Auditor's Report

To the Members of Lupin Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Lupin Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at March 31,2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at March 31, 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and the joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
1. Revenue Recognition:	
Refer to note 1B(m) of accounting policy and note 39 in consolidated financial statements. Revenue from the sale of pharmaceutical products is recognized when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Company has a large number of customers operating in various geographies and sales contracts with customers have distinct terms relating to the recognition of revenue, the right of return and price adjustments. We identified the recognition of revenue from sale of products as a key audit matter considering: • Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors / other stakeholders and / or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors amongst others included the following: – Comparing the accounting policies in respect of revenue recognition with applicable accounting standards to ensure compliance; – Testing design, implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue; – Performing substantive testing of selected samples of revenue transactions recorded during the year-end. For a sample of year-end sales, we verified contractual terms of sales invoices / contracts, shipping documents and acknowledged delivery receipts for those transactions; – Testing of any unusual non-standard manual journal entries that impacted revenue recognised.

The key audit matter	How the matter was addressed in our audit
2. Intangible Assets: Refer note 1B(d)&(g) of significant accounting policies. The carrying value of Intangible Assets including In Process Research and Development (IPR&D) aggregate to ₹ 17,501.6 million as at 31 March 2021. IPR&D are tested for impairment annually and other intangible assets are evaluated for any indicators of impairment annually. The group assesses impairment triggers with respect to intangible assets and tests IP R&D for impairment annually, at each cash generating unit (CGU) level. The recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, is compared with the carrying value to identify any impairment. Value in use is usually derived from discounted future cash flows. The discounted cash flow model uses several assumptions. These include estimates of future sales volumes, prices, operational and selling costs, terminal value growth rates, potential product obsolescence, new product launches and the weighted average cost of capital. The likely impact the Covid 19 pandemic on these can also increase the uncertainty involved in these estimates. Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the assets, impairment assessment of intangible assets has been considered as a key audit matter.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors amongst others included the following: – Testing the design and operating effectiveness of controls over impairment assessment including approval of forecasts and valuation models used; – Assessing the valuation methodology used and testing the mathematical accuracy of the impairment models; – Assessing identification of CGUs with reference to the guidance in the applicable accounting standards; – Evaluating the valuation assumptions, such as discount rates, growth in sales, probability of success of new products, operating and selling costs used. Consideration of the impact of economic slowdown caused by Covid 19 pandemic on these assumptions; – Performing sensitivity analysis of key assumptions. These include future revenue growth rates, related costs and the discount rate applied in the valuation models. – Evaluating past performances where relevant and historical accuracy of the forecasts made; – Considering the impact of any adjusting events after the balance sheet date but before the reporting on the carrying values of the assets.
3. Uncertain tax positions (UTPs): The Group is subject to complexities arising from various tax positions on deductibility of expenses as well as allowability of tax incentives / exemptions. These are subject to periodic challenges by local tax authorities leading to protracted litigations. There are a number of open tax matters under litigation with tax authorities over a number of years. The range of possible outcomes for provisions and contingencies can be wide. Judgment to make certain judgements in respect of estimates of tax exposures and contingencies is required in order to assess the adequacy of tax provision. Provision for current tax and valuation of UTPs have been identified as a key audit matter due to the inherent complexity in the underlying tax laws and the extent of judgment involved in developing these estimates. These matters are disclosed in note 45 to the consolidated financial statements. Refer note 1B(k) in significant accounting policies.	To obtain sufficient and appropriate audit evidence, our principal audit procedures included, amongst others, the following: – Testing the design and operating effectiveness of the controls over ascertaining completeness of UTPs, provisions for current tax and uncertain tax positions; – Challenging the adequacy of related provisions in conjunction with tax specialists by considering changes to business and tax legislation in key jurisdictions, making relevant enquiries and reading of correspondence with authorities where relevant; – Verifying the calculation for current tax provision. Analyse movements for any release, increase or continued provision during the year; – Challenging judgments with respect to probability of outflow arising from outstanding litigations after considering the status of recent tax assessments, audits and enquiries, recent judicial pronouncements and judgments in similar matters. Also consider developments in the tax environment and outcome of past litigations. We focused our work on the jurisdictions with greatest potential exposure involving higher level of judgements.

The key audit matter	How the matter was addressed in our audit
4. Goodwill: Refer note no. 1B(g) of significant accounting policies. The carrying value of goodwill aggregate to ₹ 19,624.2 million as at 31 March 2021. The goodwill is evaluated for any indicators of impairment annually as required under Ind AS 38. The group assesses impairment triggers with respect to goodwill annually, at each cash generating unit (CGU) level. The recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, is compared with the carrying value to identify any impairment. Value in use is usually derived from discounted future cash flows. The discounted cash flow model uses several assumptions. These include estimates of future sales volumes, prices, operational and selling costs, terminal value growth rates, potential product obsolescence, new product launches and the weighted average cost of capital. The likely impact the Covid 19 pandemic on these can also increase the uncertainty involved in these estimates. Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the goodwill, impairment assessment of goodwill has been considered as a key audit matter.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors amongst others included the following: - Testing the design and operating effectiveness of controls over impairment assessment including approval of forecasts and valuation models used; - Assessing the valuation methodology used and testing the mathematical accuracy of the impairment models; - Assessing identification of CGUs with reference to the guidance in the applicable accounting standards; - Evaluating the valuation assumptions, such as discount rates, growth in sales, probability of success of new products, operating and selling costs used. Consideration of the impact of economic slowdown caused by Covid 19 pandemic on these assumptions; - Performing sensitivity analysis of key assumptions. These include future revenue growth rates, related costs and the discount rate applied in the valuation models. - Evaluating past performances where relevant and historical accuracy of the forecasts made; - Considering the impact of any adjusting events after the balance sheet date but before the reporting on the carrying values of the assets.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of 26 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 222,525.5 million as at 31 March 2021, total revenues of ₹ 116,511.0 million and net out cash flows amounting to ₹ 3,128.9 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 14.1 million for the year ended 31 March, 2021, in respect of one joint venture, whose financial statements/financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

Certain of these subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.
Our opinion, in so far as it relates to the balances and affairs of such subsidiaries and joint venture located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of ₹ nil as at 31 March 2021, total revenues of ₹ 89.0 million and net cash out flows amounting to ₹ 21.5 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its two subsidiaries company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021, on the consolidated financial position of the Group and its joint venture. Refer Note 37 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2021.

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

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

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

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 21113156AAAACH3260

Place: Bengaluru
Date: May 12, 2021

Annexure A to the Independent Auditor's report on the consolidated financial statements of Lupin Limited for the period ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Lupin Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

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

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 21113156AAAACH3260

Place: Bengaluru
Date: May 12, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in million)

	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	43,829.0	43,655.5
b. Capital Work-in-Progress		8,515.4	7,581.6
c. Goodwill	48	19,624.2	18,514.8
d. Other Intangible Assets	3	15,354.4	17,210.8
e. Intangible Assets Under Development	53(b)	2,147.2	1,814.6
f. Investments accounted for using equity method	4	319.1	305.0
g. Financial Assets			
(i) Non-Current Investments	5	461.6	55.7
(ii) Non-Current Loans	6	668.6	476.3
(iii) Other Non-Current Financial Assets	7	34.9	705.1
h. Deferred Tax Assets (Net)	45(d)	1,802.1	1,743.1
i. Non-Current Tax Assets (Net)		2,691.3	1,185.6
j. Other Non-Current Assets	8	792.9	2,458.3
		96,240.7	95,706.4
Current Assets			
a. Inventories	9	40,920.1	34,568.7
b. Financial Assets			
(i) Current Investments	10	23,768.1	23,382.5
(ii) Trade Receivables	11	44,743.2	54,459.3
(iii) Cash and Cash Equivalents	12	9,206.3	22,148.5
(iv) Other Bank Balances	13	8,218.3	2,394.5
(v) Current Loans	14	153.0	370.1
(vi) Other Current Financial Assets	15	4,379.5	3,895.5
c. Current Tax Assets (Net)		56.9	306.1
d. Other Current Assets	16	8,418.3	12,606.9
		139,863.7	154,132.1
TOTAL		**236,104.4**	**249,838.5**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	17	907.4	906.0
b. Other Equity	18	137,124.0	124,461.0
Equity attributable to Owners of the Company		138,031.4	125,367.0
c. Non-Controlling Interest	50(a)	549.7	444.6
		138,581.1	125,811.6
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	19	161.2	17,932.8
(ii) Other Non-Current Financial Liabilities	20	5,971.7	7,247.3
b. Non-Current Provisions	21	3,294.9	2,962.9
c. Deferred Tax Liabilities (Net)	45	2,297.7	1,995.4
d. Other Non-Current Liabilities	22	1,436.9	1,636.5
		13,162.4	31,774.9
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	23	30,494.4	24,927.5
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	24	912.3	989.4
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	24	19,232.1	23,133.6
(iii) Other Current Financial Liabilities	25	22,673.2	28,759.8
b. Other Current Liabilities	26	1,836.9	2,482.5
c. Current Provisions	27	7,843.8	9,077.1
d. Current Tax Liabilities (Net)		1,368.2	2,882.1
		84,360.9	92,252.0
TOTAL		**236,104.4**	**249,838.5**

See accompanying notes forming part of the consolidated financial statements

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in million)

	Note	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Continuing Operations			
INCOME:			
Revenue from Operations	28	151,629.6	153,747.6
Other Income	29	1,362.9	4,837.6
Total Income		**152,992.5**	**158,585.2**
EXPENSES:			
Cost of Materials Consumed	30	31,697.9	31,638.2
Purchases of Stock-in-Trade		26,773.1	22,582.3
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]	31	(4,848.6)	85.5
Employee Benefits Expense	32	28,259.0	29,868.4
Finance Costs	33	1,406.4	3,629.8
Depreciation, Amortisation and Impairment Expense	2&3	8,874.1	9,702.2
Other Expenses	34	44,079.4	46,025.2
Total Expenses		**136,241.3**	**143,531.6**
Profit before Share of Profit of Jointly Controlled Entity and Exceptional items		**16,751.2**	**15,053.6**
Share of Profit from Jointly Controlled Entity (net of tax)		13.3	39.4
Profit before Exceptional items and Tax		**16,764.5**	**15,093.0**
Exceptional items	53	-	7,520.7
Profit before Tax		**16,764.5**	**7,572.3**
Tax Expense:	45		
- Current Tax (net)		4,384.7	6,869.7
- Deferred Tax (net)		100.5	4,701.4
Total Tax Expense		**4,485.2**	**11,571.1**
Profit / (Loss) for the year from continuing operations		**12,279.3**	**(3,998.8)**
Discontinued Operations	54		
Profit / (Loss) before tax from discontinued operations		-	1,195.5
Tax expense of discontinued operations		-	(105.5)
Profit / (Loss) for the year from discontinued operations		**-**	**1,301.0**
Profit / (Loss) for the year		**12,279.3**	**(2,697.8)**
Share of profit / (loss) attributable to Non-Controlling Interest		114.0	(3.9)
Profit / (Loss) for the year attributable to Owners of the Company		**12,165.3**	**(2,693.9)**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be re-classified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(92.9)	(425.9)
(ii) Income tax relating to items that will not be re-classified to profit or loss:	45	40.6	148.1
(B) (i) Items that will be re-classified subsequently to profit or loss:			
(a) The effective portion of gain & losses on hedging instruments in a cash flow hedge		834.6	(479.7)
(b) Exchange differences in translating the financial statements of foreign operations		2,078.4	(5,449.2)
(ii) Income tax relating to items that will be re-classified to profit or loss:	45	(240.6)	128.9
Other Comprehensive Income / (Loss) for the year, net of tax		**2,620.1**	**(6,077.8)**
Less : Share of Other Comprehensive Income / (Loss) attributable to Non-Controlling Interest		11.7	27.5
Other Comprehensive Income / (Loss) for the year attributable to Owners of the Company		**2,608.4**	**(6,105.3)**
Total Comprehensive Income / (Loss) attributable to:			
Owners of the Company		14,773.7	(8,799.2)
Non-Controlling Interest		125.7	23.6
Total Comprehensive Income / (Loss) for the year		**14,899.4**	**(8,775.6)**
Earnings per equity share for continuing operations (of ₹ 2/- each)	41		
Basic		27.09	(8.83)
Diluted		26.97	(8.83)
Earnings per equity share for discontinued operations (of ₹ 2/- each)	41		
Basic		-	2.87
Diluted		-	2.86
Earnings per equity share for continuing and discontinued operations after share of Profit / (Loss) attributable to non-controlling interest (of ₹ 2/- each)	41		
Basic		26.84	(5.95)
Diluted		26.72	(5.95)
Face value of Equity Share (in ₹)		2.00	2.00
See accompanying notes forming part of the consolidated financial statements			

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity Share Capital [Refer note 17]

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	452,998,121	906.0	452,493,697	905.0
Changes in equity share capital during the year	682,012	1.4	504,424	1.0
Balance at the end of the reporting year	**453,680,133**	**907.4**	**452,998,121**	**906.0**

B. Other Equity [Refer note 18]

(₹ in million)

Particulars	Reserves and Surplus							Amalgamation Reserve	Share Application Money Pending Allotment	Other items of Other Comprehensive Income			Non-Controlling Interest	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Legal Reserve	Securities Premium	Employees Stock Options Outstanding	General Reserve	Retained Earnings			Foreign Currency Translation Reserve	Effective portion of Cash Flow Hedges	Remeasurements of the net Defined Benefit Plans		
Balance as at 31.03.2019	**263.9**	**126.5**	**0.3**	**8,644.2**	**2,184.2**	**16,668.7**	**108,842.1**	**317.9**	**-**	**(306.5)**	**105.4**	**(329.4)**	**468.6**	**136,985.9**
Profit for the year	-	-	-	-	-	-	(2,693.9)	-	-	-	-	-	(3.9)	(2,697.8)
Adjustment for transition to Ind AS 116 - "Leases" [Refer note 42]	-	-	-	-	-	-	(319.3)	-	-	-	-	-	-	(319.3)
Adjustment for transition to Appendix C of Ind AS 12 - "Income Taxes" [Refer note 45(f)]	-	-	-	-	-	-	(804.5)	-	-	-	-	-	-	(804.5)
Disposal of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(22.0)	(22.0)
Received during the year	-	-	-	-	-	-	-	-	0.8	-	-	-	-	0.8
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(2,612.8)	(348.3)	(277.8)	27.5	(3,211.4)
Reclassification to Profit or Loss on disposal of subsidiaires	-	-	-	-	-	-	-	-	-	(2,863.9)	-	-	-	(2,863.9)
Final dividend on Equity Shares	-	-	-	-	-	-	(2,263.0)	-	-	-	-	-	-	(2,263.0)
Corporate Tax on Dividend	-	-	-	-	-	-	(465.2)	-	-	-	-	-	-	(465.2)
Issue of equity shares on exercise of employee stock options	-	-	-	531.2	-	-	-	-	-	-	-	-	-	531.2
Amortised / Exercised during the year	-	-	-	-	60.4	-	-	-	-	-	-	-	-	60.4
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(25.6)	(25.6)
Transfer from share based payments	-	-	-	-	(98.4)	98.4	-	-	-	-	-	-	-	-
Balance as at 31.03.2020	**263.9**	**126.5**	**0.3**	**9,175.4**	**2,146.2**	**16,767.1**	**102,296.2**	**317.9**	**0.8**	**(5,783.2)**	**(242.9)**	**(607.2)**	**444.6**	**124,905.6**
Profit for the year	-	-	-	-	-	-	12,165.3	-	-	-	-	-	114.0	12,279.3
Received during the year	-	-	-	-	-	-	-	-	0.5	-	-	-	-	0.5
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	-	2,076.2	592.4	(52.3)	11.7	2,628.0
Reclassification to Profit or Loss on winding up of subsidiaires	-	-	-	-	-	-	-	-	-	(9.5)	-	-	-	(9.5)
Final dividend on Equity Shares	-	-	-	-	-	-	(2,718.8)	-	-	-	-	-	-	(2,718.8)
Issue of equity shares on exercise of employee stock options	-	-	-	711.7	-	-	-	-	-	-	-	-	-	711.7
Amortised / Exercised during the year	-	-	-	-	(101.7)	-	-	-	-	-	-	-	-	(101.7)
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(20.6)	(20.6)
Reduction on allotment of shares	-	-	-	-	-	-	-	-	(0.8)	-	-	-	-	(0.8)
Transfer from share based payments	-	-	-	-	(149.7)	149.7	-	-	-	-	-	-	-	-
Balance as at 31.03.2021	**263.9**	**126.5**	**0.3**	**9,887.1**	**1,894.8**	**16,916.8**	**111,742.7**	**317.9**	**0.5**	**(3,716.5)**	**349.5**	**(659.5)**	**549.7**	**137,673.7**

Consolidated Statement of Changes in Equity
for the year ended March 31, 2021

Nature of Reserves

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

b) **Capital Redemption Reserve**
This reserve represents amounts transferred on redemption of redeemable cumulative preference shares in earlier years. The reserve can be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

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

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

e) **Employees Stock Options Outstanding**
The Company has employee stock option schemes under which the option to subscribe for the Company's shares have been granted to certain employees and directors. This is used to recognize the value of equity-settled share-based payments provided to the employees as part of their remuneration.

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

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

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

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

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

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in million)

		For the Current Year Ended 31.03.2021	For the Previous Year Ended 31.03.2020
A.	**Cash Flow from Operating Activities**		
	Profit before Tax		
	Continuing Operations	16,764.5	7,572.3
	Discontinued Operations	-	1,195.5
	Adjustments for:		
	Depreciation, Amortisation and Impairment Expense	8,874.1	11,595.8
	Profit on sale / write-off of Property, Plant and Equipment / Intangible Assets (net)	(9.3)	(1.9)
	Finance Costs	1,406.4	3,629.8
	Net Gain on Sale of Mutual Fund Investments	(245.8)	(1,063.1)
	Interest on Deposits with Banks and Others	(396.9)	(1,290.5)
	Dividend on Mutual Fund Investments	-	(145.6)
	Doubtful Trade Receivables / Advances / Deposits written off and provided	615.0	299.4
	Unrealised Gain on Mutual Fund Investments (net)	(284.9)	(4.8)
	Provisions / Credit balances no longer required written back	(8.7)	0.7
	Share Based Payment Expense	504.3	532.8
	Profit on Divestment of subsidiaries (net)	-	(12,164.3)
	Impairment of Intangible Assets / Intangible Assets Under Development	-	15,900.0
	Net Loss on Financial Assets Measured at Fair Value Through Profit and Loss	131.1	-
	Share of Profit from Jointly Controlled Entities	(13.3)	(39.4)
	Unrealised Exchange Gain on Revaluation (net)	(38.9)	(1,506.0)
	Operating Cash flows before Working Capital Changes	**27,297.6**	**24,510.7**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Non-Current Loans	(195.9)	176.2
	Other Non-Current Financial Assets	670.2	(271.6)
	Other Non-Current Assets	454.4	(77.5)
	Inventories	(6,574.2)	(4,795.9)
	Trade Receivables	8,950.1	(10,435.2)
	Current Loans	216.3	(137.8)
	Other Current Financial Assets	(343.6)	2,115.3
	Other Current Assets	3,954.7	(2,548.9)
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-Current Trade Payables	-	(22.8)
	Other Non-Current Financial liabilities	(144.6)	1,210.9
	Non-Current Provisions	297.6	424.9
	Other Non-Current liabilities	(191.8)	(462.4)
	Trade Payables	(3,734.5)	5,639.4
	Other Current Financial liabilities	(3,466.1)	493.8
	Other Current liabilities	(626.9)	1,706.2
	Current Provisions	(1,190.6)	2,275.1
	Cash Generated from Operations	**25,372.7**	**19,800.5**
	Net Income tax paid	(7,155.1)	(5,112.1)
	Net Cash Flow generated / (used in) from Operating Activities	**18,217.6**	**14,688.4**
B.	**Cash Flow from Investing Activities**		
	Capital expenditure on Property, Plant and Equipment, including capital advances	(6,776.2)	(6,731.3)
	Proceeds from sale of Property, Plant and Equipment / Intangible Assets	62.2	18.5
	Proceeds from / (Purchase of) Non-Current Investments	(400.0)	1,038.6
	Purchase of Current Investments	(123,775.2)	(141,257.2)
	Proceeds from sale of Current Investments	123,920.3	139,026.9
	Proceeds from Divestment of Subsidiaries	-	15,782.9
	Bank balances not considered as Cash and Cash Equivalents (net)	(5,823.8)	1,755.4
	Interest on Deposits with Banks and Others	396.9	1,290.5
	Dividend on Mutual Fund Investments	-	145.6
	Net Cash Flow generated / (used in) from Investing Activities	**(12,395.8)**	**11,069.9**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in million)

	For the Current Year Ended 31.03.2021	For the Previous Year Ended 31.03.2020
C. Cash Flow from Financing Activities		
Proceeds from / (Repayment of) Non-Current Borrowings (net)	(20,226.4)	(9,892.3)
Proceeds from / (Repayment of) Current Borrowings (net)	6,549.3	8,388.2
Proceeds from issue of equity shares (ESOPs) and Share application money	1.9	1.0
Securities Premium Received (ESOPs)	105.7	58.7
Payment of Lease liabilities	(1,241.8)	(1,169.9)
Finance Costs	(1,318.2)	(3,561.7)
Dividend paid	(2,723.2)	(2,264.6)
Corporate Tax on Dividend	-	(465.2)
Net Cash Flow generated / (used in) from Financing Activities	**(18,852.7)**	**(8,905.8)**
Net increase / (decrease) in Cash and Cash Equivalents	**(13,030.9)**	**16,852.5**
Cash and Cash Equivalents as at the beginning of the year	22,293.1	5,440.6
Cash and Cash Equivalents as at the end of the year	**9,262.2**	**22,293.1**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet [Refer note 12]	9,206.3	22,148.5
Unrealised loss / (gain) on foreign currency Cash and Cash Equivalents	55.9	144.6
Cash and Cash Equivalents as restated as at the end of the year	**9,262.2**	**22,293.1**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flows".

2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Dated: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021

Notes

Forming part of the Consolidated Financial Statements

1A. OVERVIEW:

Lupin Limited, ('the Company') incorporated in 1983, is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded and generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) globally. The Company has significant presence in the Cardiovascular, Diabetology, Asthama, Pediatrics, Central Nervous System, Gastro-Intestinal, Anti-Infectives and Nonsteroidal Anti Inflammatory Drug therapy segments and is a global leader in the Anti-TB and Cephalosporins segments. The Company along with its subsidiaries has manufacturing locations spread across India, USA, Mexico and Brazil with trading and other incidental and related activities extending to the global markets.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is Kalpataru Inspire, 3rd floor, Western Express Highway, Santacruz (East), Mumbai 400055.

1B. SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of preparation

i) These consolidated financial statements (hereinafter referred to as 'consolidated financial statements') of Lupin Limited ('the Company') and its subsidiaries and its Jointly controlled entity (hereinafter referred to as 'the Group'), have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These consolidated financial statements were authorized for issue by the Company's Board of Directors on May 12, 2021.

Functional and Presentation Currency

ii) These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent Company. All financial information presented in Indian rupees has been rounded to the nearest million, except otherwise indicated.

Basis of measurement

iii) These consolidated financial statements are prepared under the historical cost convention unless otherwise indicated.

Use of Estimates and Judgements

iv) The preparation of the consolidated financial statements in conformity with Ind AS requires Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialized. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Measurement of defined benefit obligations (Refer note n)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note r)
- Recognition of deferred tax assets (Refer note k)
- Measurement of consideration and assets acquired as part of business combination (Refer note j)
- Useful lives of property, plant and equipment and Intangibles (Refer note c & d)
- Impairment of assets (Refer note g)
- Goodwill impairment (Refer note g)
- Provision for Income Taxes and uncertain tax Positions (Refer note k)

Notes

Forming part of the Consolidated Financial Statements

- Accrual of sales returns and applicable trade discounts, allowances and chargeback (Refer note m)
- Impairment of financial assets (Refer note i)
- Share-based payment transactions (Refer note o)

b) Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company, its subsidiaries and a jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

Joint ventures (equity accounted investees)

A joint venture is an arrangement in which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Property, Plant and Equipment & Depreciation:

I. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for

Notes

Forming part of the Consolidated Financial Statements

which the Group incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

- income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in Consolidated Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in Consolidated Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

III. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment of the Company and its subsidiaries incorporated in India has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on independent technical evaluation and management's assessment thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Useful Life
Leasehold Land	Over the period of lease
Improvements on Leased Premises	Over the period of lease
Building	5 to 80 years
Plant and Equipment	10 to 15 years
Office Equipment (Desktop and Laptop)	4 years
Certain assets provided to employees	3 years

Depreciation on property, plant and equipment of the Company's foreign subsidiaries and a jointly controlled entity has been provided on straight-line method as per the estimated useful life of such assets as follows:

Particulars	Estimated Useful Life
Buildings	5 to 50 years
Improvements on Leased Premises	Over the period of lease
Plant and Equipment[1]	3 to 20 years
Furniture and Fixtures	2 to 20 years
Vehicles[1]	3 to 7 years
Office Equipment	2 to 21 years

1. Assets acquired on lease are depreciated based on straight line method over their respective lease periods.

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

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

d) Intangible assets:

I. Recognition and Measurement

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits

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associated with the expenditure will flow to the Group.

III. **Amortisation**

Intangible assets are amortized over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated Useful Life
Computer Software	2 to 6 years
Trademark and Licenses	3 to 13 years
Dossiers/Marketing Rights	5 to 20 years

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

e) Non-current assets held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as “Assets Classified as Held for Sale”. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

f) Research and Development:

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product’s technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred.
The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

g) Impairment of assets:

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

i) an intangible asset that is not yet available for use; and
ii) an intangible asset that is having indefinite useful life.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.
The impairment loss is recognized as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount rate.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

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Goodwill impairment

Goodwill is tested for impairment annually. If events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (CGUs) (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the Group using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgment involves, but is not limited to, industry trends including pricing, estimating long-term revenues, revenue growth and operating expenses.

Impairment of CMPs/ANDA filings/Acquired In-Process Research & Development

Intangible assets with definite useful lives are subject to amortization. Intangibles Assets are reviewed at the end of each reporting period to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the intangible assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognized in the Consolidated Statement of Profit and Loss.

Intangible Assets under development are reviewed at the end of each reporting period to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss.

Management judgement is required in the area of intangible asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the Group.

h) Foreign Currency Transactions/ Translations:

i) Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate of the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items (except for long term monetary items outstanding as at March 31, 2016) at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

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

i) Financial Instruments:

I. Financial Assets

Classification

On initial recognition the Group classifies financial assets as subsequently measured at amortized cost, fair value through other

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comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets at amortized cost

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's financial statements) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

    i) the Group has transferred substantially all the risks and rewards of the asset, or

    ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement,

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it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities measured at fair value, through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognized in the Consolidated Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortized cost (loans, borrowings and payables) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Consolidated Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Consolidated Statement of Profit and Loss.

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Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Consolidated Statement of Profit and Loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in Consolidated Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognized directly in Other Comprehensive Income ('OCI') and accumulated in "Cash Flow Hedge Reserve Account" under Other Equity, net of applicable deferred income taxes and the ineffective portion is recognized immediately in the Consolidated Statement of Profit and Loss. Amounts accumulated in the "Cash Flow Hedge Reserve Account" are reclassified to the Consolidated Statement of Profit and Loss in the same period during which the forecasted transaction affects Consolidated Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative

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gain or loss on the hedging instrument recognized in "Cash Flow Hedge Reserve Account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in "Cash Flow Hedge Reserve Account" is immediately transferred to the Consolidated Statement of Profit and Loss.

III. Measurement

The Group determines the fair value of its financial instruments on the basis of the following hierarchy:

(a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

j) Business combinations:

i) The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably). When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss.

vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

viii) Any goodwill that arises on account of such business combination is tested annually for impairment.

ix) Acquisitions of non-controlling interests are accounted for as transactions with equity

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holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

k) Income tax:

Income tax expense consists of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

i) has a legally enforceable right to set off the recognized amounts; and

ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealised profit on inventory etc.).

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

i) When the Group is able to control the timing of the reversal of the temporary difference; and

ii) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

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l) Inventories:

Inventories of all procured materials, Stock-in-Trade, finished goods and work-in-progress are valued at the lower of cost (on moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw material, packing materials and Stock-in-Trade includes all charges in bringing the goods to their present location and condition, including non-creditable taxes and other levies, transit insurance and receiving charges. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, non-creditable duties and taxes as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

m) Revenue Recognition:

Sale of Goods

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts, allowances and chargeback. Revenue includes shipping and handling costs billed to the customer.

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

Income from research services

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

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Interest income

Interest income is recognized with reference to the Effective Interest Rate method.

Dividend income

Dividend from investment is recognized as revenue when right to receive is established.

Income from Export Benefits and Other Incentives

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

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n) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Group will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognized in Consolidated Statement of Profit and Loss in the period in which they arise.

o) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in Other Equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

p) Discontinued Operations:

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

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When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

q) Leases:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the Group uses incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

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Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 Leases which replaced the erstwhile lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduced a single, on-balance sheet lease accounting model for lessees.

The Group had adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group had not restated comparative information, instead, the cumulative effect of initially applying this standard had been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

r) Provisions and Contingent Liabilities:

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for asset retirement obligations is measured at the present value of the best estimate of the cost of restoration at the time of asset retirement.

Contingent liabilities are disclosed in the Notes to the consolidated financial statements. Contingent liabilities are disclosed for:

i) possible obligations which will be confirmed only by future events not wholly within the control of the Group; or

ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

s) Cash and Cash equivalents:

Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

t) Borrowing costs:

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognized as an expense in the period which they are incurred.

u) Government Grants:

Government grants are initially recognized at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognized in Consolidated Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

- In case of grants that compensate the Group for expenses incurred are recognized in Consolidated Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

Notes

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Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

v) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

w) Insurance claims:

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

x) Goods and Services tax input credit:

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

y) Operating cycle:

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

1C. Recent Accounting Pronouncements:

Other Amendments:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.
The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.
Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes

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2. Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block						Accumulated Depreciation and Impairment Loss							Net Block
	As at 01.04.2020	Additions	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 01.04.2020	For the period	Impairment Loss	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 31.03.2021
Freehold Land	1,904.7	-	17.0	-	-	1,921.7	-	-	-	-	-	-	-	1,921.7
	3,463.2	108.8	(2.4)	-	1,664.9	1,904.7	-	-	-	-	-	-	-	1,904.7
Buildings	16,996.8	1,071.7	(33.1)	1.1	-	18,034.3	2,466.4	655.3	-	2.9	0.4	-	3,124.2	14,910.1
	17,356.2	2,261.5	119.1	76.3	2,663.7	16,996.8	2,146.3	715.0	-	15.2	18.0	392.1	2,466.4	14,530.4
Improvements on Leased Premises	2,124.5	120.6	(52.0)	3.4	-	2,189.7	1,112.6	301.9	-	(26.7)	2.3	-	1,385.5	804.2
	1,744.3	242.8	137.4	-	-	2,124.5	733.4	313.2	-	66.0	-	-	1,112.6	1,011.9
Plant and Equipment	36,495.1	3,871.9	(118.4)	80.3	-	40,168.3	15,743.2	3,792.0	-	(69.9)	63.6	-	19,401.7	20,766.6
	40,715.7	5,906.1	628.9	112.3	10,643.3	36,495.1	14,865.0	4,423.0	-	263.0	97.5	3,710.3	15,743.2	20,751.9
Furniture and Fixtures	1,576.3	62.2	(1.7)	62.5	-	1,574.3	766.7	175.3	-	(5.7)	41.1	-	895.2	679.1
	2,550.5	285.6	68.9	23.6	1,305.1	1,576.3	1,171.6	325.1	-	32.4	22.4	740.0	766.7	809.6
Vehicles	364.5	47.4	15.8	65.8	-	361.9	168.1	72.4	-	8.6	55.1	-	194.0	167.9
	358.6	83.5	(0.8)	75.2	1.6	364.5	163.0	72.8	-	(0.3)	66.3	1.1	168.1	196.4
Office Equipment	2,487.3	168.7	(9.1)	104.3	-	2,542.6	1,791.9	349.5	-	(8.9)	98.3	-	2,034.2	508.4
	2,418.0	165.0	58.5	109.0	45.2	2,487.3	1,482.8	410.3	-	44.1	109.0	36.3	1,791.9	695.4
Right of use Assets:														
Leasehold Land	1,104.6	27.5	-	-	-	1,132.1	46.6	13.0	-	-	-	-	59.6	1,072.5
	1,104.6	-	-	-	-	1,104.6	35.5	11.1	-	-	-	-	46.6	1,058.0
Leasehold Buildings	2,666.4	1,266.5	(9.4)	535.7	-	3,387.8	725.8	684.4	-	(1.6)	461.6	-	947.0	2,440.8
	2,510.0	831.6	135.0	1.9	808.3	2,666.4	-	858.3	-	12.8	1.8	143.5	725.8	1,940.6
Leasehold Furniture & Fixtures	443.1	-	-	-	-	443.1	105.5	106.0	-	-	-	-	211.5	231.6
	76.0	367.1	-	-	-	443.1	-	105.5	-	-	-	-	105.5	337.6
Leasehold Vehicles	469.0	235.6	(5.3)	248.1	-	451.2	134.1	189.3	-	(2.3)	153.5	-	167.6	283.6
	441.3	204.3	17.9	97.4	97.1	469.0	0.9	232.5	-	(0.4)	71.7	27.2	134.1	334.9
Leasehold Office Equipments	100.6	-	0.2	13.7	-	87.1	38.5	33.0	-	-	13.7	-	57.8	29.3
	74.4	24.5	2.1	0.4	-	100.6	-	38.4	-	0.5	0.4	-	38.5	62.1
Leasehold Plant & Equipment	26.4	-	-	-	-	26.4	4.4	8.8	-	-	-	-	13.2	13.2
	-	26.4	-	-	-	26.4	-	4.4	-	-	-	-	4.4	22.0
Total	66,759.3	6,872.1	(196.0)	1,114.9	-	72,320.5	23,103.8	6,380.9	-	(103.6)	889.6	-	28,491.5	43,829.0
	72,812.8	10,507.2	1,164.6	496.1	17,229.2	66,759.3	20,598.5	7,509.6	-	433.3	387.1	5,050.5	23,103.8	43,655.5

a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).
b) For details of Right of use asset [Refer note 42].
c) For details on disposals of subsidiaries [Refer note 54].
d) Depreciation for the period includes ₹ Nil (previous year ₹ 1,079.5 million) related to discontinued operations.
e) Previous year figures are given in italics below current year figures in each class of assets.

3. Other Intangibles Assets - Acquired

(₹ in million)

Particulars	Gross Block						Accumulated Amortisation and Impairment Loss							Net Block
	As at 01.04.2020	Additions	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 01.04.2020	For the period	Impairment Loss	Translation Adjustments	Deductions	Disposals of Subsidiaries	As at 31.03.2021	As at 31.03.2021
Computer Software	558.3	264.1	(9.3)	21.4	-	791.7	350.4	95.8	-	(3.4)	17.3	-	425.5	366.2
	994.7	85.3	29.9	89.6	462.0	558.3	586.0	128.7	-	28.7	88.5	304.5	350.4	207.9
Trademarks and Licences	1,094.3	242.2	76.1	24.3	-	1,388.3	416.1	128.8	-	52.1	21.7	-	575.3	813.0
	843.6	213.9	133.9	8.4	88.7	1,094.3	354.2	121.8	-	(25.2)	4.9	29.8	416.1	678.2
Dossiers/Marketing rights	54,678.3	238.9	(1,752.9)	21.5	-	53,142.8	38,353.6	1,928.6	42.5	(1,335.6)	21.5	-	38,967.6	14,175.2
	61,963.5	160.9	3,349.4	13.2	10,782.3	54,678.3	24,913.0	3,835.7	10,611.0	2,216.8	5.1	3,217.8	38,353.6	16,324.7
Total	56,330.9	745.2	(1,686.1)	67.2	-	55,322.8	39,120.1	2,153.2	42.5	(1,286.9)	60.5	-	39,968.4	15,354.4
	63,801.8	460.1	3,513.2	111.2	11,333.0	56,330.9	25,853.2	4,086.2	10,611.0	2,220.3	98.5	3,552.1	39,120.1	17,210.8

a) For details on disposals of subsidiaries [Refer note 54].
b) For details of Impairment Loss [Refer note 53(b)].
c) Accumulated Amortization and Impairment Loss includes impairment loss in opening balance of ₹ 22,796.2 million (previous year ₹ 11,138.1 million) and in closing balance of ₹ 22,130.5 million (previous year ₹ 22,796.2 million).
d) Amortisation for the period includes ₹ Nil (previous year ₹ 814.0 million) related to discontinued operations.
e) Previous year figures are given in italics below current year figures in each class of assets.

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4. Investment Accounted For Using Equity Method

[Refer note 50(b)]

(₹ in million)

	Number	Face Value	As at 31.03.2021	As at 31.03.2020
Unquoted				
In Jointly Controlled Entity:				
- YL Biologics Ltd., Japan	450	JPY	319.1	305.0
	(450)	*		
Total			**319.1**	**305.0**

* Shares do not have face value

i)	Investment in shares are fully paid up		
ii)	Aggregate amount of unquoted investments	319.1	305.0
iii)	Aggregate amount for impairment in value of investments	-	-
iv)	Previous year numbers are within brackets below current year numbers		

5. Non-Current Investments

(₹ in million)

	Number	Face Value	As at 31.03.2021	As at 31.03.2020
a) In Equity Instruments (at Fair value through Profit or Loss): Unquoted				
- Biotech Consortium India Ltd., India	50,000	₹	0.5	0.5
	(50,000)	10		
- Enviro Infrastructure Co. Ltd., India	100,000	₹	1.0	1.0
	(100,000)	10		
- Bharuch Enviro Infrastructure Ltd., India	4,410	₹		
[31.03.2021 - ₹ 44,100/-, 31.03.2020 - ₹ 44,100/-]	(4,410)	10		
- Narmada Clean Tech Ltd., India	1,100,388	₹	11.0	11.0
	(1,100,388)	10		
- Tarapur Environment Protection Society, India	72,358	₹	7.2	7.2
	(72,358)	100		
- nReach One (Pty) Ltd, South Africa	8,500,000	ZAR	41.9	36.0
	(8,500,000)	1		
			61.6	55.7
b) In Bonds/Debentures/Securities (at Amortised Cost)				
- Government securities				
Unquoted				
- National Saving Certificates [Deposited with Government Authority] [31.03.2021 - ₹ 5,500/-, 31.03.2020 - ₹ 5,500/-]				
c) In Membership Share in LLP (at Fair Value through Profit or Loss) Unquoted				
- ABCD Technologies LLP, India			400.0	-
[the investment is locked upto April 24, 2024]				
Total			**461.6**	**55.7**

* Shares do not have face value

i)	All investments in shares are fully paid up		
ii)	Aggregate amount of quoted investments and market value thereof		
	Book value	-	-
	Market value	-	-
iii)	Aggregate amount of unquoted investments	461.6	55.7
iv)	Previous year numbers are within brackets below current year numbers		

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6. Non-Current Loans

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
Security Deposits		
- with Related Parties [Refer note 63(C)]	29.0	43.4
- with Others	638.7	418.3
Loans to Employees	0.9	2.0
Advance to Vendors	-	12.6
Total	**668.6**	**476.3**

[There are no other non-current loans which have significant increase in credit risk.]

7. Other Non-Current Financial Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Earmarked Bank Deposits against guarantees & other commitments	10.5	9.7
Other Non-Current Financial Assets (includes miscellaneous receivables, etc.)	24.4	695.4
Total	**34.9**	**705.1**

8. Other Non-Current Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Capital Advances	350.5	1,557.2
Advances other than Capital Advances		
- With Government Authorities (Drawback / Customs and Excise duties receivable)	83.2	423.7
- Advance against investments	31.1	219.6
Prepaid Expenses	94.9	24.4
Other Advances	233.2	233.4
Total	**792.9**	**2,458.3**

9. Inventories

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Raw Materials	9,003.9	8,051.4
Packing Materials	1,967.3	1,653.1
Work-in-Progress	5,945.1	6,111.2
Finished Goods	7,455.9	6,727.7
Stock-in-Trade	10,255.5	7,084.1
Consumable Stores and Spares	2,034.2	1,739.9
Goods-in-Transit		
- Raw Materials	685.7	902.2
- Packing Materials	65.7	32.5
- Stock-in-Trade	3,474.2	2,245.6
- Consumable Stores and Spares	32.6	21.0
Total	**40,920.1**	**34,568.7**

During the year, the Group recorded inventory write-downs of ₹ 2,281.5 million (previous year ₹ 2,485.0 million). These adjustments were included in cost of material consumed and changes in inventories.

Notes

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10. Current Investments

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	-	7,568.1
In Commercial Papers	957.8	2,724.3
Unquoted		
In Deposits with financial institutions	1,022.5	-
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	21,787.8	13,090.1
Total	**23,768.1**	**23,382.5**

a) Aggregate amount of quoted investments and market value thereof		
Book value	957.8	10,292.4
Market value	958.9	10,322.0
b) Aggregate amount of Unquoted Investments	22,810.3	13,090.1
c) Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-

11. Trade Receivables

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Unsecured		
- Considered Good	44,800.4	54,466.3
- Credit Impaired	583.6	525.0
	45,384.0	54,991.3
Less : Allowances for credit losses	640.8	532.0
Total	**44,743.2**	**54,459.3**

[There are no other trade receivables which have significant increase in credit risk. Refer note 58(C) for information about credit risk and market risk of trade receivables.]

12. Cash and Cash Equivalents

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Cash and Cash Equivalents (as per Ind AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	6,799.5	6,605.6
- In EEFC Account	360.8	46.9
- In Deposit Accounts	2,008.9	15,295.2
Cheques on hand	25.5	186.9
Cash on hand	11.6	13.9
Total	**9,206.3**	**22,148.5**

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13. Other Bank Balances

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Earmarked Balances with Banks		
- Unpaid dividend accounts	48.6	53.0
- Deposits against guarantees and other commitments	29.9	26.7
Bank Deposits with original maturity of more than 3 months but less than 12 months from the balance sheet date	8,139.8	2,314.8
Total	**8,218.3**	**2,394.5**

14. Current Loans

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
(Financial assets stated at cost)		
Unsecured, considered good		
Security Deposits	137.9	344.3
Other Loans and Advances (includes Loans to employees, etc.)	15.1	25.8
Total	**153.0**	**370.1**

[There are no other current loans which have significant increase in credit risk.]

15. Other Current Financial Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Mark to Market Derivative Assets	272.4	132.0
Export Benefits receivable	2,573.1	2,211.0
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	707.6	508.8
Other Current Financial Assets (includes Interest receivables, etc.)	826.4	1,043.7
Total	**4,379.5**	**3,895.5**

16. Other Current Assets

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Advances other than Capital Advances		
Prepaid Expenses	950.7	936.7
Advance to Employees	109.6	101.9
Advance to Vendors		
- Considered Good	1,867.0	2,232.7
- Credit Impaired	133.7	76.4
	2,000.7	2,309.1
Less: Impairment Allowances for Credit Impaired	133.7	76.4
	1,867.0	2,232.7
Advance against investments	-	3,662.2
Export Benefits receivable	893.2	994.3
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	4,544.7	4,623.5
Assets Recoverable From Customers	53.1	55.6
Total	**8,418.3**	**12,606.9**

Notes

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17. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	453,680,133	907.4	452,998,121	906.0
Total	**453,680,133**	**907.4**	**452,998,121**	**906.0**

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	452,998,121	906.0	452,493,697	905.0
Equity Shares issued during the year pursuant to exercise of ESOPs	682,012	1.4	504,424	1.0
Equity Shares outstanding at the end of the year	453,680,133	907.4	452,998,121	906.0

c) Rights attached to Equity Shares

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

During the year ended March 31, 2021, the amount of dividend per equity share distributed to equity shareholders is ₹ 6.0. (Previous year ended March 31, 2020, ₹ 5.0)

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Percentage of Holding	No. of Shares	Percentage of Holding
Lupin Investments Pvt. Limited	205,608,135	45.32	205,608,135	45.39

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	100,030	0.2	106,030	0.2
Plan 2005	29,045	0.1	33,045	0.1
Plan 2011	1,162,443	2.3	1,316,500	2.6
Plan 2014	1,512,269	3.0	2,333,133	4.7
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2011	672,750	1.3	707,302	1.4
Plan 2014	1,441,937	2.9	1,106,476	2.2

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

Particulars	**As at 31.03.2021 Aggregate No. of Shares**	As at 31.03.2020 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	3,097,164	3,509,786

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

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18. Other Equity

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Legal Reserve		
Opening and Closing Balance as per last Balance Sheet	0.3	0.3
Securities Premium		
Opening Balance as per last Balance Sheet	9,175.4	8,644.2
Add : Additions during the year*	711.7	531.2
Balance as at the year end	9,887.1	9,175.4
Employees Stock Options Outstanding [Refer note 43]		
Opening Balance as per last Balance Sheet	2,146.2	2,184.2
Add : Amortisation during the year	504.3	532.9
Less : Exercised during the year	606.0	472.5
Less : Transfer to General Reserve	149.7	98.4
Balance as at the year end	1,894.8	2,146.2
General Reserve		
Opening Balance as per last Balance Sheet	16,767.1	16,668.7
Add : Transfer from share based payments	149.7	98.4
Balance as at the year end	16,916.8	16,767.1
Retained Earnings		
Opening Balance as per last Balance Sheet	102,296.2	108,842.1
Less : Adjustment for transition to Ind AS 116 - "Leases" (net off deferred tax) [Refer note 42]	-	319.3
Less : Adjustment for transition to Appendix C of Ind AS 12 - "Income Taxes" [Refer note 45(f)]	-	804.5
Add : Profit / (Loss) for the year	12,165.3	(2,693.9)
Less : Final Dividend on Equity Shares [Refer note 17(c)]	2,718.8	2,263.0
Less : Corporate Tax on Dividend**	-	465.2
Balance as at the year end	111,742.7	102,296.2
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Share Application Money Pending Allotment	0.5	0.8
Other Comprehensive Income		
Foreign Currency Translation Reserve [Refer note 52]		
Opening Balance as per last Balance Sheet	(5,783.2)	(306.5)
Add / (Less) : Additions during the year	2,076.2	(2,612.8)
Add / (Less) : Reclassification to Profit or Loss on disposal of subsidiaires	(9.5)	(2,863.9)
Balance as at the year end	(3,716.5)	(5,783.2)
Cash Flow Hedge Reserve [Refer note 60(C)]		
Opening Balance as per last Balance Sheet	(242.9)	105.4
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding [net of deferred tax of ₹ 240.6 million (previous year - ₹ (128.9) million)]	594.0	(350.8)
Add / (Less) : Hedge Ineffectiveness recognised in Statement of Profit and Loss	(1.6)	2.5
Balance as at the year end	349.5	(242.9)
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(607.2)	(329.4)
Add / (Less) : Additions during the year	(52.3)	(277.8)
Balance as at the year end	(659.5)	(607.2)
Total	**137,124.0**	**124,461.0**

*Represents amount received on allotment of 682,012 (previous year 504,424) Equity Shares of the face value of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans".[Refer note 43]

**Represents Corporate Tax on Final Dividend ₹ nil (previous year ₹ 465.1 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ nil (previous year ₹ 0.1 million).

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19. Non-Current Borrowings
[Refer note 25]

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Secured		
Term Loans from Banks	3.3	7.0
	3.3	7.0
Unsecured		
Term Loans from Banks	156.4	17,922.7
Deferred Sales Tax Loan from Government of Maharashtra	1.5	3.1
	157.9	17,925.8
Total	**161.2**	**17,932.8**

a) Secured Term Loan of ₹ 3.3 million of a subsidiary located in Brazil carries fixed interest rate of 12.82% p.a. and floating interest rate of TJLP plus 6.60% p.a. Loan is secured against mortgage of immovable property of that subsidiary company. This loan is repayable till May 15, 2022.

b) Unsecured Loans ₹ 272.5 million of subsidiary company located in Mexico carries fixed interest rate in the range of 10.35% to 10.50% p.a. and guaranteed by the Company. Of this, loan of ₹ 116.1 million is payable till February 24, 2022 and balance ₹ 156.4 million is repayable till May 23, 2023.

c) Unsecured Loans ₹ 17,056.5 million of subsidiary company located in USA carries interest rate of 0.95% plus LIBOR and guaranteed by the Company. This loan is repayable till May 02, 2021.

d) Deferred Sales Tax Loan availed by Parent company is interest free and payable in 5 annual installments after expiry of initial 10 years moratorium period from each such year of deferral period beginning from 1998-99 to 2009-10 and ending from 2013-14 to 2024-25.

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

20. Other Non-Current Financial Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Mark to Market Derivative Liabilities	-	301.3
Payable for Capital Expenditure	2,159.3	3,350.0
Payable for Purchase of Non-Current Investment	1,098.6	1,233.1
Employee Benefits Payables	40.7	35.5
Lease Liability - Non Current [Refer note 42]	2,586.9	2,225.9
Other Payables	86.2	101.5
Total	**5,971.7**	**7,247.3**

21. Non-Current Provisions

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Provisions for Employee Benefits [Refer note 27]		
Gratuity [Refer note 44(ii)]	1,814.5	1,713.1
Retirement Benefits	214.7	222.9
Compensated Absences	1,073.3	951.4
Provident Fund	192.4	66.8
Other Provisions		
Asset Retirement Obligation	-	5.1
Others	-	3.6
Total	**3,294.9**	**2,962.9**

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22. Other Non-Current Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Deferred Revenue [Refer note 39(d)]	1,436.9	1,562.7
Deferred Government Grant	-	73.8
Total	**1,436.9**	**1,636.5**

23. Current Borrowings

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Secured		
Loans from Banks	2,425.9	1,749.1
	2,425.9	1,749.1
Unsecured		
Loans from Banks	28,068.5	23,178.4
	28,068.5	23,178.4
Total	**30,494.4**	**24,927.5**

a) Secured loans of ₹ 507.9 million availed by Parent company comprise of Working Capital Demand Loan and are secured by hypothecation of Inventories and book debts carrying market driven interest rates.

b) Secured Loans of ₹ 1,918.0 million availed by a subsidiary company located in Brazil and carries fixed interest rate in the range of 5.07% to 6.60%.

c) Unsecured Loans of ₹ 2,480.0 million availed by Parent company comprise of Working Capital Demand Loan carrying market driven interest rates.

d) Unsecured Loans of ₹ 25,588.5 million availed by a subsidiary company located in USA and carries interest rate at LIBOR plus market driven margin and this loan is guaranteed by the Company.

e) The Group has not defaulted on repayment of loan and interest during the year.

24. Trade Payables

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Acceptances	397.1	865.4
Other than Acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises [Refer note 57]	912.3	989.4
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	18,835.0	22,268.2
Total	**20,144.4**	**24,123.0**

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25. Other Current Financial Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Current Maturities of Non-Current Borrowings [Refer note 19]		
- Term Loans from Banks	17,172.6	20,190.6
- Deferred Sales Tax Loan from Government of Maharashtra	1.6	2.3
Interest Accrued but not due on Borrowings	48.6	160.2
Unpaid Dividend *	48.6	53.0
Mark to Market Derivative Liabilities	2.4	159.3
Payable for Capital Expenditure	1,516.9	624.9
Payable for Purchase of Non-Current Investment	-	3,662.2
Trade Deposits received	98.6	109.2
Employee Benefits Payables	2,711.8	2,817.1
Lease Liability - Current [Refer note 42]	874.1	972.1
Other Payables	198.0	8.9
Total	**22,673.2**	**28,759.8**

* During the year ₹ 3.2 million has been credited to Investor Education and Protection Fund relating to FY 12-13 & FY 13-14

26. Other Current Liabilities

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	1,128.9	1,376.5
Deferred Revenue [Refer note 39(d)]	323.1	177.8
Deferred Government Grant	62.2	54.7
Advances from customers	260.7	818.5
Other Payables	62.0	55.0
Total	**1,836.9**	**2,482.5**

27. Current Provisions

(₹ in million)

	As at 31.03.2021	As at 31.03.2020
Provisions for Employee Benefits [Refer note 21]		
Gratuity [Refer note 44(ii)]	344.0	278.0
Retirement Benefits	49.4	155.5
Compensated Absences	497.7	492.1
Other Provisions		
For Sales Returns [Refer note 55(a)]	3,156.6	4,542.0
For European Commission Fine [Refer note 55(b)]	3,796.1	3,609.5
Total	**7,843.8**	**9,077.1**

Notes

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28. Revenue from Operations

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Sale [Refer note 39]		
Goods	149,139.0	149,891.8
Research Services	130.9	1,536.2
	149,269.9	151,428.0
Other Operating Revenue		
Export Benefits and Other Incentives	1,173.5	2,086.2
Service Charges	25.0	29.5
Insurance Claims	206.6	42.3
Business Compensation and Settlement Income [Refer note 37(f)]	827.2	77.6
Miscellaneous Income	127.4	84.0
	2,359.7	2,319.6
Total	**151,629.6**	**153,747.6**

29. Other Income

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	200.2	399.0
Other Interest	196.7	891.5
Income on Financial Assets carried at fair value through Profit or loss		
Dividend on Mutual Fund Investments	-	145.6
Net gain on Sale of Mutual Fund Investments	245.8	1,063.1
Unrealised Gain on Mutual Fund Investments (net)	284.9	4.8
Net gain on Foreign Currency Transactions	-	1,921.3
Provisions no longer required written back	8.7	-
Profit on Sale of Property, Plant & Equipment / Intangible Assets (net)	9.3	1.9
Miscellaneous Income (including interest on income tax refund)	417.3	410.4
Total	**1,362.9**	**4,837.6**

30. Cost of Materials Consumed

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Raw Materials Consumed	26,618.3	26,959.4
Packing Materials Consumed	5,079.6	4,678.8
Total	**31,697.9**	**31,638.2**

Notes

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31. Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade [(Increase)/Decrease]

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Opening Stock:		
Finished Goods	6,727.7	6,656.7
Stock-in-Trade	9,329.7	9,718.0
Work-in-Progress	6,111.2	5,655.1
	22,168.6	22,029.8
Less:		
Closing Stock:		
Finished Goods	7,455.9	6,727.7
Stock-in-Trade	13,729.7	9,329.7
Work-in-Progress	5,945.1	6,111.2
	27,130.7	22,168.6
Changes In Inventories:		
Finished Goods	(728.2)	(71.0)
Stock-in-Trade	(4,400.0)	388.3
Work-in-Progress	166.1	(456.1)
Foreign Currency Translation Difference	113.5	224.3
Total	**(4,848.6)**	**85.5**

32. Employee Benefits Expense

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Salaries and Wages	24,439.8	25,822.2
Contribution to Provident and Other Funds	2,009.8	2,009.0
Retirement Benefits Expense	172.7	98.0
Share based payment expense [Refer note 43]	508.1	530.9
Staff Welfare Expenses	1,128.6	1,408.3
Total	**28,259.0**	**29,868.4**

33. Finance Costs

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Interest on Financial Liabilities - borrowings carried at amortised cost	759.7	2,632.5
Net Interest on net defined benefit liability	215.3	188.6
Interest on Income Tax	-	359.2
Interest cost on finance lease obligation	199.8	217.5
Other Borrowing Costs (includes bank charges, etc.)	231.6	232.0
Total	**1,406.4**	**3,629.8**

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34. Other Expenses

(₹ in million)

	For the Current Year ended 31.03.2021	For the Previous Year ended 31.03.2020
Processing Charges	1,350.9	1,328.2
Stores and Spares Consumed	5,543.1	5,415.5
Repairs and Maintenance:		
- Buildings	416.9	338.0
- Plant and Machinery	1,515.8	1,449.3
- Others	1,889.9	1,685.9
Rent and Other Hire Charges [Refer note 42]	671.7	686.8
Rates and Taxes	1,318.4	1,695.8
Insurance	932.8	821.4
Power and Fuel	4,144.8	4,431.7
Contract Labour Charges	1,633.5	1,468.3
Selling and Promotion Expenses	6,671.4	7,494.1
Commission and Brokerage	1,172.9	1,164.5
Freight and Forwarding	2,419.7	2,145.9
Postage and Telephone Expenses	435.9	445.5
Travelling and Conveyance	1,271.6	2,690.0
Legal and Professional Charges [Net of recoveries of ₹ 593.5 million (previous year ₹ nil)]	7,265.3	8,114.8
Donations	113.2	63.6
Clinical and Analytical Charges	2,027.0	2,158.1
Bad Trade Receivables / Advances written off [Net of provision of earlier years adjusted ₹ 5.7 million (previous year ₹ 260.9 million)]	426.9	1.3
Impairment Allowances for Doubtful Trade Receivables / Advances (net)	188.1	298.1
Provision for Impairment of Intangible Assets / Intangible Assets Under Development	-	6.8
Corporate Social Responsibility Expenses [Refer note 56]	243.6	342.0
Directors Sitting Fees	1.8	2.1
Net loss on Foreign Currency Transactions and Translations	909.3	-
Exchange Rate Difference (net)	-	41.4
Business Compensation and Settlement Expenses	286.7	108.2
Miscellaneous Expenses	1,228.2	1,627.9
Total	**44,079.4**	**46,025.2**

35. The Consolidated Financial Statements present the consolidated accounts of Lupin Limited ("the Company") and its following subsidiaries and its jointly controlled entity ("the Group"):

Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Lupin Pharmaceuticals, Inc.	USA	100%[1]	100%[1]
Hormosan Pharma GmbH	Germany	100%[2]	100%[2]
Pharma Dynamics (Proprietary) Limited	South Africa	100%[2]	100%[2]
Lupin Australia Pty Limited	Australia	100%	100%
Nanomi B.V.	Netherlands	100%	100%
Lupin Atlantis Holdings SA	Switzerland	100%	100%
Multicare Pharmaceuticals Philippines Inc.	Philippines	51%[2]	51%[2]
Generic Health Pty Limited	Australia	100%[2]	100%[2]

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Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Bellwether Pharma Pty Limited	Australia	100%[3]	100%[3]
Lupin Healthcare (UK) Limited	UK	100%[4]	100%[4]
Lupin Pharma Canada Limited	Canada	100%[4]	100%[4]
Lupin Healthcare Limited	India	100%	100%
Lupin Mexico S.A. de C.V.	Mexico	100%[2]	100%[2]
Lupin Philippines Inc.	Philippines	100%[2]	100%[2]
Generic Health SDN. BHD.	Malaysia	100%[2]	100%[2]
Lupin Middle East FZ-LLC (upto July 2, 2020)	UAE	-	100%[4]
Lupin GmbH #	Switzerland	-	100%[4]
Lupin Inc.	USA	100%[2]	100%[4]
Laboratorios Grin S.A. de C.V.	Mexico	100%[8]	100%[4]
Medquímica Indústria Farmacêutica LTDA	Brazil	100%[5]	100%[5]
Novel Laboratories, Inc.	USA	100%[6]	100%[6]
Lupin Research Inc.	USA	100%[6]	100%[6]
YL Biologics Limited (under liquidation)	Japan	45%[7]	45%[7]
Lupin Latam, Inc.	USA	100%[4]	100%[4]
Lupin Japan & Asia Pacific K.K. (upto December 17,2020)	Japan	-	100%[4]
Lupin Europe GmbH	Germany	100%[4]	100%[4]
Lupin Management Inc.	USA	100%[6]	100%[6]
Lupin Biologics Limited	India	100%	-
Lupin Oncology Inc.	USA	100%	-
Lupin Foundation	India	100%	-

[1] 97% Ownership interest held through Lupin Inc., USA.

[2] Ownership interest held through Nanomi B.V., Netherlands#.

[3] Wholly owned subsidiary of Generic Health Pty Limited, Australia.

[4] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland.

[5] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Nanomi B.V., Netherlands.

[6] Wholly owned subsidiaries of Lupin Inc., USA.

[7] Jointly Controlled Entity of Lupin Atlantis Holdings SA, Switzerland (with Yoshindo Inc., Japan having 55% share of interest).

[8] Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Lupin Mexico S.A.de.C.V., Mexico.

Lupin GmbH,(Switzerland) which was wholly owned subsidiary of Lupin Atlantis Holdings SA, (Switzerland) got merged with Lupin Atlantis Holdings SA, (Switzerland) on September 21, 2020.

36. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Tangible assets ₹ 1897.6 million (previous year ₹ 3272.9 million) and Intangible assets ₹ 19.0 million (previous year ₹ 141.5 million).

b) Other commitments – Non-cancellable short term leases is ₹ 53.2 million (previous year ₹ 1.7 million) and low value leases is ₹ 290.2 million (previous year ₹ 212.5 million).

c) There are no capital commitments at the jointly controlled entity as at 31.03.2021.

d) Dividends proposed of ₹ 6.50 (previous year ₹ 6/-) per equity share before the financial statements were approved for issue, but not recognised as a liability in the financial statements is ₹ 2949.2 million (previous year ₹ 2718.4 million).

e) There are product supply commitments pursuant to contracts with customers under dossier agreements.

f) There are product procurement commitments pursuant to contracts with suppliers under supply agreements.

g) Financial and corporate guarantees issued by the Company on behalf of subsidiaries are disclosed in note 37.

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37. Contingent Liabilities:

(₹ in million)

	Particulars	**As at 31.03.2021**	As at 31.03.2020
a)	Income tax demands/matters on account of deductions / allowances in earlier years, pending in appeals and potential tax demands in future years in respect of some uncertain tax issues [₹ 439.4 million (previous year ₹ 16.3 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the company]. Amount paid there against and included under "Non-Current Tax Assets (Net)" ₹ 1239.9 million (previous year ₹ 839.8 million)	2258.7	2028.4
b)	Customs Duty, Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid there against and included under note 8 "Other Non-Current Assets" ₹ 23.9 million (previous year ₹ 24.2 million)	122.6	122.2
c)	Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, local body tax, employee claims, power*, trademarks, pricing and stamp duty and price reported under Medicaid** for one subsidiary. Amount paid there against without admitting liability and included under note 8 "Other Non-Current Assets" ₹ 206.8 million (previous year ₹ 206.5 million). *Demand raised by Maharashtra State Electricity Development Corporation Limited (MSEDCL) challenging Group Captive Generating Plant (GCGP) status of power supplier's plant at Tarapur and Pune location.	1814.9	1103.3
d)	Financial guarantee aggregating to ₹ 3399.6 million (previous year ₹ 9382.4 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-

e) Lupin Pharmaceuticals, Inc. (LPI) a step-down wholly owned subsidiary of the Company, is involved in government investigations and litigation arising from the marketing and promotion of its pharmaceutical products in the United States.

In January 2017, LPI and one of its employees were issued subpoenas by Department of Justice (DOJ) requesting documents as part of DOJ's investigation into possible antitrust violations within the generic drug industry. LPI has been cooperating in the ongoing investigation.

In April 2018, LPI was named in both class action and individual cases based on allegations of anticompetitive behavior related to certain products. LPI and one of its employees received a non-party subpoena from the state of Connecticut Attorney General (CAG) related to an civil antitrust case they filed in 2016, requesting documents and other information. In May 2019, 43 state attorneys general, led by the CAG, filed a second lawsuit against 19 companies (including Lupin Pharmaceuticals, Inc.) and 15 individuals with allegations of violations of federal and state antitrust laws. The states claim to have been injured by paying supra-competitive prices for the products they purchased or reimbursed. These civil lawsuits were combined into the collection of similar cases referred to as In Re Generic Pharmaceuticals Antitrust Litigation, located in Philadelphia, Pennsylvania. As the case is still in the early stage, an estimate of the possible loss or range of loss, if any, cannot be made.

f) In March 2016, Lupin Inc. (LI), a step down subsidiary of the Company, acquired 100% of the equity interest in Gavis and Novel Laboratories, Inc. ("Novel") under a Share Purchase Agreement (SPA). As part of the SPA, LI placed USD 48.4 million in an indemnity escrow account in case the sellers of Novel (Sellers) breach certain representations and warranties. Under the terms of the SPA, LI is indemnified for the damages from such breaches under certain conditions.

In March 2017, AMRI Global, Inc., ("AMRI"), a pharmaceutical research and manufacturing organization filed a lawsuit against Novel for pre-acquisition behaviours. LI recorded an accrued legal settlement and indemnification asset of USD 8.75 million. During the third quarter of fiscal year 2020, LI settled the case with AMRI for USD 8.75 million. In addition to the AMRI case, LI believes that there have been several other breaches of the SPA. As a result, LI did not consent to release the funds from the indemnity escrow account. In November 2020, LI entered into a Settlement Agreement with the Sellers to resolve the disputes between the parties. Pursuant to the Settlement Agreement, LI received USD 25.0 million dispersed from the indemnity escrow account, with the remaining balance dispersed to the Sellers. Upon receipts of the funds, LI and the Sellers withdrew and dismissed the disputes between the parties. LI recorded USD 16.25 million gain, net of the indemnification asset of USD 8.75 million, related to the case, of which USD 10.25 million (₹ 760.6 million) was accounted as Business Compensation and Settlement Income and USD 6.0 million (₹ 445.3 million) netted-off in legal and professional charges as pertains to reimbursement of legal expenses.

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g) From time to time, Lupin Inc. (LI) and its subsidiaries are involved in various intellectual property claims and legal proceedings, which are considered normal to its business. Some of this litigation has been resolved through settlement agreements with the plaintiffs. In September 2019, several antitrust class actions were filed in the Northern District of California against the manufacturers (including LPI and LL) of diabetes treatment Glumetza. The lawsuits allege that a 2012 settlement of a patent litigation regarding Glumetza® delayed the availability of generic alternatives to Glumetza, which caused consumers to pay supracompetitive prices for the drug. The Company disputes the claims and intends to vigorously defend these matters. An estimate of the possible loss or range of loss, if any, cannot be made at this stage of the litigation.

** The Texas Attorney General's office served Lupin Pharmaceuticals Inc. (LPI), with several Civil Investigative Demands from May 29, 2012 and continuing through 2016. The State of Texas (the "State") filed a lawsuit against LPI, Lupin Ltd (LL), Lupin Inc. (LI) and certain executives on June 14, 2016 (the Original Lawsuit) alleging violations of the Texas Medicaid Fraud Prevention Act (TMFPA). During last year, the State offered a settlement of $ 63.5 million to Lupin Group, of which $ 10.0 million was already accrued by LPI in earlier years. Under the settlement agreement, the State and Lupin Group had agreed on all of the terms of the settlement and the State agreed to dismiss the individual defendants, immediately. Final payment of USD 53.5 million (₹ 3791.8 million) by LL and USD 10 million by LPI made during the previous year.

There are no contingent liabilities at the jointly controlled entity as at 31.03.2021.

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

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

The Group is involved in various legal proceedings, including claims against the Group pertaining to Income tax, Excise, Customs, Sales/VAT tax, product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability where applicable, in the Consolidated Financial Statements. The Group carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Group believes that the probability of outflow is low to moderate considering the merits of the case and the ultimate disposition of these matters may not have material adverse effect on its Consolidated Financial Statements.

38. Expenditure incurred prior to commencement of commercial production included in Capital Work-In-Progress represent direct attributable expenditure for setting up of plants. The same will be capitalised on completion of projects and commencement of commercial operations. The details of the pre-operative expenses are:

(₹ in million)

Particulars	**2020-2021**	2019-2020
Opening balance	392.8	407.5
Incurred during the year:		
Salaries, allowances and contribution to funds	87.7	109.5
Legal and Professional Charges	-	0.5
Travelling and Conveyance	6.2	8.9
Power and fuel	1.6	0.6
Others	9.4	11.8
Total incurred during the year	104.9	131.3
Less: Capitalised during the year	119.7	146.0
Closing balance	**378.0**	**392.8**

39. Revenue (Ind AS 115)

A. The operations of the Group are limited to one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation

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policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

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

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognises or defers the upfront payments received under these arrangements.

Variable components such as discounts, chargebacks, rebates, sales returns etc. continues to be recognised as deductions from revenue in compliance with Ind AS 115.

B. Disaggregation of revenue:

(₹ in million)

Nature of segment	**2020-2021**	2019-2020
A. Major Product/Service line:		
- Sale of pharmaceutical goods	149139.0	149891.8
- Income from research services and sale of IPs	130.9	1536.2
Total revenue from contracts with customers	**149269.9**	**151428.0**
B. Primary geographical market:		
- India	57833.1	56454.1
- USA	53222.2	56433.8
- Japan	2274.6	1090.1
- Others	35940.0	37450.0
Total revenue from contracts with customers	**149269.9**	**151428.0**
C. Timing of the revenue recognition:		
- Goods / Services transferred at a point in time	149172.0	151355.0
- Services transferred over time	97.9	73.0
Total revenue from contracts with customers	**149269.9**	**151428.0**

C. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	**2020-2021**	2019-2020
Revenue as per contracted price	283017.2	300238.6
Adjusted for:		
- Sales Return	5277.2	5482.5
- Discounts / Chargebacks / Rebates	125718.2	139982.8
- Others	2751.9	3345.3
Total revenue from contracts with customers	**149269.9**	**151428.0**

D. Reconciliation of revenue recognised from Contract liability

(₹ in million)

Particulars	**2020-2021**	2019-2020
Balance in contract liability at the beginning of the year that was not recognized as revenue	1740.5	2068.3
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	463.5	22.9
Less: Revenue recognized that was included in the contract liability balance at the beginning of the year	444.0	350.7
Balance in contract liability at the end of the year that is not recognized as revenue	1760.0	1740.5

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40. Operating Segments:

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Company.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from operations

(₹ in million)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
India	59316.9	58647.5
USA	54023.1	56431.5
Japan	2274.6	1090.1
Others	36015.0	37578.5
	151629.6	**153747.6**

b) Non-current assets (other than financial instruments and deferred tax assets)

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
India	48854.9	45889.2
USA	26420.5	29040.4
Others	18809.2	18023.6
	94084.6	**92953.2**

C. Major customer

Revenue from the largest customer based in USA represented ₹ 9551.0 million (previous year ₹ 11450.6 million) out of the Group's total revenues.

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

a) For continuing operations:

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Net Profit before non-controlling interest attributable to equity shareholders (₹ in million)	12279.3	(3998.8)
Weighted average number of Equity Shares:		
- Basic	453280606	452713439
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1956031	2357930
- Diluted	455236627	455071369
Earnings per Share (in ₹)		
- Basic	27.09	(8.83)
- Diluted	26.97	(8.83)

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b) For discontinued operations:

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Net Profit attributable to equity shareholders (₹ in million)	-	1301.0
Weighted average number of Equity Shares:		
- Basic	-	452713439
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	-	2357930
- Diluted	-	455071369
Earnings per Share (in ₹)		
- Basic	-	2.87
- Diluted	-	2.86

c) For Continuing and discontinued operations

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Net Profit after non-controlling interest attributable to equity shareholders (₹ in million)	12165.3	(2693.9)
Weighted average number of Equity Shares:		
- Basic	453280606	452713439
Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1956031	2357930
- Diluted	455236627	455071369
Earnings per Share (in ₹)		
- Basic	26.84	(5.95)
- Diluted	26.72	(5.95)

42. Leases

The Group leases office equipments, vehicles, furniture & fixtures, plant & equipments and office premises. The leases typically run for the period between 12 months to 60 months with an option to renew the lease after that date.

Information about leases for which the Group is lessee is presented below:

i) Right of use assets

(Refer note 2)

(₹ in million)

Particulars	**As at 01.04.2020**	**As at 01.04.2019**
Carrying amount of:		
Right-of-Use: Land	1058.0	1069.1
Right-of-Use: Buildings	1940.6	2510.0
Right-of-Use: Plant & Equipment	22.0	-
Right-of-Use: Furniture & Fixtures	337.6	76.0
Right-of-Use: Vehicles	334.9	440.4
Right-of-Use: Office Equipment	62.1	74.4
Total	**3755.2**	**4169.9**

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(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Cost							
Balance at April 1, 2020	1104.6	2666.4	26.4	443.1	469.0	100.6	**4810.1**
Additions	27.5	1266.4	-	-	235.6	-	**1529.6**
Disposal / Derecognized during the year	-	535.7	-	-	248.1	13.7	**797.5**
Translation adjustments	-	(9.4)	-	-	(5.3)	0.2	**(14.5)**
Balance at March 31, 2021	1132.1	3387.8	26.4	443.1	451.2	87.1	**5527.7**
Accumulated depreciation							
Balance at April 1, 2020	46.6	725.8	4.4	105.5	134.1	38.5	**1054.9**
Depreciation expense	13.0	684.4	8.8	106.0	189.3	33.0	**1034.5**
Disposal / Derecognized during the year	-	461.6	-	-	153.5	13.7	**628.8**
Translation adjustments	-	(1.6)	-	-	(2.3)	-	**(3.9)**
Balance at March 31, 2021	59.6	947.0	13.2	211.5	167.6	57.8	**1456.7**
Net Balance at March 31, 2021	**1072.5**	**2440.8**	**13.2**	**231.6**	**283.6**	**29.3**	**4071.0**
Net Balance at April 1, 2020	**1058.0**	**1940.6**	**22.0**	**337.6**	**334.9**	**62.1**	**3755.2**

(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Cost							
Balance at April 1, 2019	1104.6	2510.0	-	76.0	441.3	74.4	**4206.3**
Additions	-	831.6	26.4	367.1	204.3	24.5	**1453.9**
Disposal / Derecognized during the year	-	810.2	-	-	194.5	0.4	**1005.1**
Translation adjustments	-	135.0	-	-	17.9	2.1	**155.0**
Balance at March 31, 2020	1104.6	2666.4	26.4	443.1	469.0	100.6	**4810.1**
Accumulated depreciation							
Balance at April 1, 2019	35.5	-	-	-	0.9	-	**36.4**
Depreciation expense	11.1	858.3	4.4	105.5	232.5	38.4	**1250.2**
Disposal / Derecognized during the year	-	145.3	-	-	98.9	0.4	**244.6**
Translation adjustments	-	12.8	-	-	(0.4)	0.5	**12.9**
Balance at March 31, 2020	46.6	725.8	4.4	105.5	134.1	38.5	**1054.9**
Net Balance at March 31, 2020	**1058.0**	**1940.6**	**22.0**	**337.6**	**334.9**	**62.1**	**3755.2**
Net Balance at April 1, 2019	**1069.1**	**2510.0**	**-**	**76.0**	**440.4**	**74.4**	**4169.9**

Lease liabilities

(₹ in million)

Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Balance at April 1, 2020	**110.0**	**2301.4**	**22.5**	**357.9**	**338.8**	**67.4**	**3198.0**
Addition	-	1266.5	-	-	235.6	-	**1502.1**
Accretion of interest (refer note 33)	8.7	142.4	1.6	26.3	17.9	2.9	**199.8**
Payments	(7.3)	(851.3)	(10.0)	(131.1)	(203.6)	(38.5)	**(1241.8)**
Adjustments for Disposals	-	(61.0)	-	-	(86.2)	-	**(147.2)**
Translation adjustment	-	(40.8)	-	-	(9.1)	-	**(49.9)**
Balance at March 31, 2021	**111.4**	**2757.2**	**14.1**	**253.1**	**293.4**	**31.8**	**3461.0**
Current (refer note 25)	**4.9**	**609.2**	**9.2**	**86.2**	**134.6**	**25.3**	**869.4**
Non-current (refer note 20)	**106.5**	**2148.0**	**4.9**	**166.9**	**158.8**	**6.5**	**2591.6**

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Particulars	Right-of-Use: Land	Right-of-Use: Buildings	Right-of-Use: Plant & Equipment	Right-of-Use: Furniture & Fixtures	Right-of-Use: Vehicles	Right-of-Use: Office Equipment	Total
Balance at April 1, 2019	108.7	2969.6	-	86.3	442.2	80.5	**3687.3**
Addition	-	831.6	26.4	367.1	204.3	24.5	**1453.9**
Accretion of interest (refer note 33)	8.6	148.9	1.1	35.0	18.7	5.2	**217.5**
Payments	(7.3)	(1079.5)	(5.0)	(130.5)	(250.2)	(45.0)	**(1517.5)**
Adjustments for Disposals	-	(684.3)	-	-	(90.3)	-	**(774.6)**
Translation adjustment	-	115.1	-	-	14.1	2.2	**131.4**
Balance at March 31, 2020	**110.0**	**2301.4**	**22.5**	**357.9**	**338.8**	**67.4**	**3198.0**
Current (refer note 25)	**5.3**	**634.7**	**8.4**	**104.8**	**183.3**	**35.6**	**972.1**
Non-current (refer note 20)	**104.7**	**1666.7**	**14.1**	**253.1**	**155.5**	**31.8**	**2225.9**

The maturity analysis of the lease liability is included in the Note No.ii - Financial risk management objectives and policies under maturities of financial liabilities.

Amounts recognised in Statement of Profit and Loss

(₹ in million)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation expense of right-of-use assets (Refer Note No. 2)	1034.5	1250.2
Interest expense on lease liabilities (Refer Note No. 33)	199.8	217.5
Expense relating to short-term leases (Refer Note No. 34)	25.4	17.0
Expense relating to low value assets (Refer Note No. 34)	126.0	166.4
Total	**1385.7**	**1651.1**

ii) Financial risk management

(A) Maturities of financial liabilities

The table below analyze the Group's financial liabilities into relevant maturity analysis based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in million)

Contractual maturities of financial liabilities	Less than 1 Year	More than 1 Year	Total
As at March 31, 2021			
Lease liabilities	1047.9	4312.2	5360.1
As at March 31, 2020			
Lease liabilities	1118.2	3954.7	5072.9

iii) Commitments and contingencies

The Group has not entered into lease contract that have not yet commenced as at March 31, 2021. Commitment in respect of Non-cancellable short term leases is ₹ 53.2 million (previous year ₹ 1.7 million). Commitment in respect of low value leases is ₹ 290.2 million (previous year ₹ 212.5 million).

iv) Changes in accounting policies and disclosures New and amended standards and interpretations

Ind AS 116 was notified with effect from April 1, 2019 which replaced Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

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The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application

The effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is as follows:

Assets	Amount ₹ in million
Right-of-use assets	3098.9
Deferred Tax Assets	125.6
Total assets	**3224.5**

Liabilities	Amount ₹ in million
Financial liabilities - Lease liabilities	3577.3
Lease Equalization Liability	(35.7)
Deferred tax liabilities	-
Long Term Provisions	2.2
Total liabilities	**3543.8**

Total adjustment on equity	Amount ₹ in million
Retained earnings (Refer note 18)	319.3
Total	**319.3**

As at the date of initial application of Ind AS 116 i.e. April 1, 2019, Right of Use assets and lease liabilities were measured at ₹ 3098.9 million and ₹ 3577.3 million respectively.

The difference between Right of use assets along with lease equalization liability and lease liabilities including long term provisions was recognised in Retained earnings. Deferred Tax Asset of ₹ 125.6 million was recognized on Retained earnings.

v) The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019 is as follows:

Particulars	Amount ₹ in million
Liabilities	
Operating lease commitments as at March 31, 2019	4483.5
Discounted operating lease commitments as at April 1, 2019	3577.3
Finance lease liabilities recognised as at March 31, 2019	110.0
Less:	
Commitments relating to short-term leases	-
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	-
Lease liabilities as at April 1, 2019	**3687.3**

Weighted average incremental borrowing rate as at April 1, 2019 is 5.94%.

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43. Share-based payment arrangements:

Employee stock options – equity settled

The Company implemented "Lupin Employees Stock Option Plan 2003" (ESOP 2003), "Lupin Employees Stock Option Plan 2005" (ESOP 2005), "Lupin Subsidiary Companies Employees Stock Option Plan 2005" (SESOP 2005), "Lupin Employees Stock Option Plan 2011" (ESOP 2011), "Lupin Subsidiary Companies Employees Stock Option Plan 2011" (SESOP 2011), "Lupin Employees Stock Option Plan 2014" (ESOP 2014) and "Lupin Subsidiary Companies Employees Stock Option Plan 2014" (SESOP 2014) in earlier years, as approved by the Shareholders of the Company and the Remuneration / Compensation / Nomination and Remuneration Committee of the Board of Directors (the Committee).

The Committee determines which eligible employees will receive options, the number of options to be granted, the vesting period and the exercise period. The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The options issued under the above schemes vest in a phased manner after completion of the minimum period of one year with an exercise period of ten years from the respective grant dates.

Category A - Fair Market Value of Options (comprising of options granted under ESOP 2003, ESOP 2005, SESOP 2005, ESOP 2011, SESOP 2011, ESOP 2014 and SESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	2368280	455.7-2037.5	1155.1	4.7
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	298941	455.7-1563.0	1290.6	NA
Less: Options exercised during the year	115919	455.7-864.8	462.4	NA
Options outstanding at the year end	1953420	455.7-2037.5	1167.0	3.7
Exercisable at the end of the year	1955056	455.7-2037.5	1165.3	3.7

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	2719654	217.8-2037.5	1124.7	5.5
Add: Options granted during the year	40000	701.2-809.4	755.3	9.3
Less: Options lapsed during the year	241928	217.8-1521.7	1218.0	NA
Less: Options exercised during the year	149446	217.8-556.0	394.4	NA
Options outstanding at the year end	2368280	455.7-2037.5	1155.1	4.7
Exercisable at the end of the year	2193814	455.7-2037.5	1139.3	4.5

The weighted average grant date fair value of the options granted under Category A during the years ended March 31, 2021 and 2020 was ₹ nil and ₹ 157.7 per option, respectively.

Category B - Par Value Options (comprising of options granted under ESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	2054151	2.0	2.0	7.8
Add: Options granted during the year	804627	2.0	2.0	9.7
Less: Options lapsed during the year	175708	2.0	2.0	NA
Less: Options exercised during the year	516093	2.0	2.0	NA
Options outstanding at the year end	2166977	2.0	2.0	8.4
Exercisable at the end of the year	446642	2.0	2.0	6.9

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Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1762924	2.0	2.0	8.6
Add: Options granted during the year	759636	2.0	2.0	9.6
Less: Options lapsed during the year	113431	2.0	2.0	NA
Less: Options exercised during the year	354978	2.0	2.0	NA
Options outstanding at the year end	2054151	2.0	2.0	7.8
Exercisable at the end of the year	396098	2.0	2.0	7.2

The weighted average grant date fair value of the options granted under Category B during the years ended March 31, 2021 and 2020 was ₹ 1006.8 and ₹ 756.4 per option, respectively.

Category C - Discounted Fair Market Value Options (comprising of options granted under ESOP 2003, ESOP 2005 and ESOP 2011)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	200000	415.7-891.5	688.1	6.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	50000	724.7-724.7	724.7	NA
Options outstanding at the year end	150000	724.7-724.7	675.9	5.6
Exercisable at the end of the year	150000	720.5-891.5	675.9	5.6

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	200000	415.7-891.5	688.1	7.1
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	6.1
Exercisable at the end of the year	200000	415.7-891.5	688.1	6.1

The weighted average grant date fair value of options granted under Category C during the years ended March 31, 2021 and 2020 was ₹ nil and ₹ nil per option, respectively.

The weighted average share price during the year ended March 31, 2021 and 2020 was ₹ 943.8 and ₹ 739.8 per share respectively.

<u>Valuation of stock options</u>

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share Price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

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Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The weighted average inputs used in computing the fair value of options granted were as follows:

Weighted average information – 2020-2021

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
B	April 20, 2020	2.0	5.3%	3.5	31.0%	0.6%	809.8	790.7
B	April 20, 2020	2.0	5.3%	3.5	31.0%	0.6%	809.8	790.7
B	August 10, 2020	2.0	4.9%	3.5	31.3%	0.6%	958.0	935.7
B	August 10, 2020	2.0	4.9%	3.5	31.3%	0.6%	958.0	935.7
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	January 5, 2021	2.0	4.6%	3.5	32.3%	0.6%	1,039.6	1,016.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0
B	February 24, 2021	2.0	5.1%	3.5	32.6%	0.6%	1,008.3	985.0

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	1006.8	1030.2

Weighted average information – 2019-2020

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 12, 2019	809.4	6.7%	2.0	29.0%	0.5%	832.8	131.5
B	May 27, 2019	2.0	6.6%	2.7	30.5%	0.5%	743.3	733.1
B	July 31, 2019	2.0	6.1%	3.5	29.1%	0.5%	764.8	749.4
B	July 31, 2019	2.0	6.1%	3.5	29.1%	0.5%	764.8	749.4
A	October 4, 2019	701.2	5.8%	3.0	28.2%	0.5%	686.5	169.9
B	November 6, 2019	2.0	5.9%	3.5	28.9%	0.5%	771.5	755.9
B	December 4, 2019	2.0	5.8%	3.5	28.3%	0.5%	791.9	776.0
B	December 4, 2019	2.0	5.8%	3.5	28.3%	0.5%	791.9	776.0
B	December 4, 2019	2.0	5.6%	2.7	28.2%	0.5%	791.9	779.3
B	February 3, 2020	2.0	6.0%	3.5	28.3%	0.5%	708.7	694.3
B	February 3, 2020	2.0	6.0%	3.5	28.3%	0.5%	708.7	694.3
B	February 3, 2020	2.0	5.8%	2.7	27.4%	0.5%	708.7	697.2

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	157.7	759.6
B	756.4	771.4

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44. Post-Employment Benefits:

(i) Defined Contribution Plans:

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

The Group recognised ₹ 947.3 million (previous year ₹ 1065.1 million) for superannuation contribution and other retirement benefit contribution in the Consolidated Statement of Profit and Loss.

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

The Group recognised ₹ 274.3 million (previous year ₹ 266.5 million) for provident and pension fund contributions in the Consolidated Statement of Profit and Loss.

(ii) Defined Benefit Plan:

a) The Company

A) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date.

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	223.9	185.3	115.4	101.8
	Past service cost	-	-	-	-
	Interest cost	148.7	136.6	94.8	88.1
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	(0.5)	-	0.9
	- Due to finance assumption	68.4	202.9	47.7	122.7
	- Due to experience assumption	(5.5)	34.3	(95.9)	18.4
	Benefits paid	(225.4)	(139.9)	(77.0)	(77.2)
	PVO at the beginning of the year	2190.4	1771.7	1396.0	1141.3
	PVO at the end of the year	2400.5	2190.4	1481.0	1396.0

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(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	19.0	2.4	-	-
	Interest Income	108.3	107.4	-	-
	Contributions by the employer	225.9	234.3	-	-
	Benefits paid	(225.4)	(139.9)	-	-
	Fair value of plan assets at the beginning of the year	1595.3	1391.2	-	-
	Fair value of plan assets at the end of the year	1723.1	1595.3	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	2400.5	2190.4	1481.0	1396.0
	Fair Value of plan assets at the end of the year	1723.1	1595.3	-	-
	Funded status	(677.4)	(595.1)	(1481.0)	(1396.0)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(677.4)	(595.1)	(1481.0)	(1396.0)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	223.9	185.3	115.4	101.8
	Past service cost	-	-	-	-
	Interest cost	40.4	29.4	94.8	88.1
	Total expense recognised in the Statement of Profit and Loss	264.3*	214.7*	210.2*	189.9*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	(0.5)	-	0.9
	- Due to finance assumption	68.4	202.8	47.7	122.7
	- Due to experience assumption	(5.5)	34.3	(95.9)	18.4
	Return on plan assets excluding net interest	(19.0)	(2.5)	-	-
	Total amount recognised in OCI	43.9	234.1	(48.2)	142.0
VI)	**Category of assets as at the end of the year:**				
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	1723.1	1595.3	-	-
VII)	**Actual return on the plan assets:**	127.3	109.7	-	-
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08 upto 31.03.2019 Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards			
	Discount rate (%)	6.7	6.8	6.7	6.8
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 there-after
	Average Remaining Service (years)	10.9	11.3	10.9	11.3
	Employee Attrition Rate (%)				
	up to 5 years	15.0	15.0	15.0	15.0
	above 5 years	5.0	5.0	5.0	5.0
iX)	**Estimate of amount of contribution in immediate next year**	357.6	333.3	NA	NA

*₹ 1.9 million (previous year ₹ 1.8 million) capitalised as pre-operative expenses, out of above amount.

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X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2021
1 year	583.9
2 to 5 years	1216.1
6 to 10 years	1494.2
More than 10 years	4643.5

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

Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Gratuity (Funded)	2020-2021		2019-2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(310.1)	(360.0)	(282.4)	327.6
Future salary growth (1% movement)	356.0	(312.3)	324.2	(284.6)

B) The provident fund plan of the Company, except at one plant, is operated by “Lupin Limited Employees Provident Fund Trust” (“Trust”), a separate legal entity. Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee’s salary.

The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Board of Trustees administer the contributions made by the Company to the schemes and also defines the investment strategy to act in the best interest of the plan participants.

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 “Employee Benefits”. As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund as at March 31, 2021 and based on the same, there is no shortfall towards interest rate obligation.

Based on the actuarial valuation obtained, the following is the details of fund and plan assets.

(₹ in million)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
I)	**PVO and fair value of plan assets:**		
	Fair Value of plan assets	10332.3	9492.4
	Present Value of defined benefit obligations	10524.7	9559.1
	Net excess/(Shortfall)	(192.4)	(66.8)

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(₹ in million)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
II)	**Changes in defined benefit obligation:**		
	Liability at the beginning of the year	9559.1	8332.2
	Interest cost	801.4	706.9
	Current service cost	521.2	475.7
	Employee contribution	915.0	836.3
	Liability Transferred in	(248.3)	(105.4)
	Benefits paid	(1092.2)	(717.6)
	Actuarial gain/(loss) on experience variance	68.5	31.0
	Liability at the end of the year	10524.7	9559.1
III)	**Changes in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	9492.4	8332.4
	Investment income	808.5	720.8
	Employer's contributions	521.2	475.7
	Employee's contribution	915.0	836.3
	Transfers in	(237.5)	(117.9)
	Benefits paid	(1092.2)	(717.6)
	Return on plan assets, excluding amount recognised in net interest expense	(75.1)	(37.3)
	Fair value of plan assets at the end of the year	10332.3	9492.4
IV)	**Expenses recognized in Statement of Profit and Loss:**		
	Current service cost	521.2	475.7
	Interest cost	801.4	706.9
	Expected return on plan assets	(808.5)	(720.8)
	(Income)/ Expense recognised in the Statement of Profit and Loss	514.1	461.8
V)	**Major categories of Plan Assets (As per percentage of Total Plan Assets):**		
	Government of India securities/State Government securities	52.1%	49.9%
	High quality corporate bonds	10.9%	39.6%
	Equity shares of listed companies	3.3%	1.1%
	Debt Mutual Fund	28.6%	2.1%
	Equity Mutual Fund	1.2%	2.9%
	Special Deposit Scheme	2.1%	2.2%
	Bank balance	1.8%	2.2%
	Total	100%	100%
VI)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	6.7	6.8
	Average remaining tenure of investment portfolio (years)	7.5	7.2
	Guaranteed rate of return (%)	8.5	8.5
	Attrition rate - upto 5 years	15.0%	15.0%
	Above 5 years	5.0%	5.0%

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b) Multicare Pharmaceuticals Philippines Inc., Philippines

The subsidiary at Philippines makes annual contributions to a private bank to fund defined benefit plan for qualifying employees. The Retirement Plan is a non-contributory and of the defined benefit type which provides a retirement benefit equal to 200% of Plan Salary for every year of Credited Service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for retirement benefit were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the retirement plan and the amounts recognised in the Group's financial statements as at balance sheet date:

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (funded)	
		As at 31.03.2021	As at 31.03.2020
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	18.6	15.8
	Past service cost	-	-
	Interest cost	6.1	6.9
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	(1.3)
	- Due to Finance Assumption	(13.7)	0.6
	- Due to Experience	4.1	(19.6)
	Benefits paid	(0.9)	(4.6)
	Foreign exchange translation difference	3.1	12.1
	PVO at the beginning of the year	117.3	107.4
	PVO at the end of the year	134.6	117.3
II)	**Change in fair value of plan assets:**		
	Return on Plan Assets excluding interest income	1.6	(6.3)
	Interest income	1.7	2.1
	Contributions by the employer	-	6.9
	Contributions by the employee	-	-
	Benefits paid	(0.6)	(4.6)
	Foreign exchange translation difference	0.9	3.4
	Fair value of plan assets at the beginning of the year	32.6	31.1
	Fair value of plan assets at the end of the year	36.2	32.6
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	134.6	117.3
	Fair Value of plan assets at the end of the year	36.2	32.6
	Funded status	(98.4)	(84.7)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(98.4)	(84.7)
IV)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	18.6	15.8
	Past service cost	-	-
	Net interest	4.4	4.8
	Return on Plan Assets excluding interest income	(1.7)	6.3
	Total expense recognised in the Consolidated Statement of Profit and Loss	21.3	26.9

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(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (funded)	
		As at 31.03.2021	As at 31.03.2020
V)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the year		
	- Due to Demographic Assumption	-	(1.3)
	- Due to Finance Assumption	(13.7)	0.6
	- Due to Experience	4.1	(19.6)
	Return on plan assets excluding net interest	(1.6)	6.3
	Total amount recognised in OCI	(11.2)	(14.0)
VI)	**Category of assets as at the end of the year:**		
	Cash & Cash Equivalents	0.0%	0.0%
	Equity Instruments	1.3%	1.4%
	Debt Instruments - Government Bonds	25.7%	25.4%
	Debt Instruments - Other Bonds	12.4%	22.4%
	Unit Investment Trust Funds	73.7%	72.3%
	Others	(13.1%)	(21.5%)
VII)	**Actual return on the plan assets**	3.3	2.1
VIII)	**Assumptions used in accounting for the Retirement Benefit plan:**		
	Mortality (%)	Rates stipulated in 2001 CSO Table	
	Discount rate (%)	4.9	5.1
	Salary escalation rate (%)	6.0	7.0
	Average Remaining Service (years)	23.8	24.8
	Employee attrition rate (%)	18.2	18.2

IX) Expected future benefit payments (₹ in million)

	Particulars	**As at 31.03.2021**
	First year	6.6
	Second year	9.1
	Third year	7.0
	Fourth year	7.0
	Fifth year	9.1
	Beyond five years	97.2

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

Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

	2020-2021		2019-2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	16.4	(14.1)	14.1	(12.0)
Future salary growth (1% movement)	16.1	(14.0)	13.7	(11.9)

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c) Laboratorios Grin S.A. de C.V., Mexico

The subsidiary at Mexico has retirement plan to cover its employees which are required by law.

Under the plan, employees are entitled to benefits based on level of salaries, length of service and certain other factors at the time of retirement or termination.

The most recent actuarial valuation of the present value of the defined benefit obligation for retirement benefits were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the retirement plan and the amounts recognised in the Group's financial statements as at balance sheet date:

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As at 31.03.2021	As at 31.03.2020
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	9.5	15.5
	Past service cost	-	-
	Interest cost	3.3	3.7
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	(16.1)	13.2
	Benefits paid	(0.9)	(21.7)
	Foreign exchange translation difference	6.6	(6.9)
	PVO at the beginning of the year	49.5	45.8
	PVO at the end of the year	51.8	49.5
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	51.8	49.5
	Fair Value of plan assets at the end of the year	-	-
	Funded status	-	-
	Unrecognised actuarial (gain)/loss	-	-
	Net liability recognised in the Consolidated Balance Sheet	(51.8)	(49.5)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	9.5	15.5
	Past service cost	-	-
	Net interest	3.3	3.7
	Total expense recognised in the Consolidated Statement of Profit and Loss	12.8	19.2
IV)	**Other Comprehensive Income:**		
	Actuarial (gain)/loss recognised for the period		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	(16.1)	13.2
	Total amount recognised in OCI	(16.1)	13.2
V)	**Assumptions used in accounting for the plan:**		
	Mortality (%)	Experience Social insurance by gender	
	Discount rate (%)	6.0	6.6
	Salary escalation rate (%)	5.0	5.0
	Average Remaining Service (years)	13.2	13.2
	Employee attrition rate (%)	22.0	22.0

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VI) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2021**
First year	4.5
Second year	4.3
Third year	4.1
Fourth year	4.9
Fifth year	3.7
Beyond five years	95.5

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

Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

	2020-2021		2019-2020	
	Increase	**Decrease**	Increase	Decrease
Discount Rate (0.5% movement)	(1.5)	1.6	(1.9)	2.1
Future salary growth (0.5% movement)	0.8	(0.8)	1.0	(1.0)

45. Income taxes:

a) Tax expense recognised in statement of profit and loss:

(₹ in million)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Current Tax Expense for the year	4416.7	6934.0
Tax expense w/back of prior years	(32.0)	(64.3)
Net Current Tax Expense	4384.7	6869.7
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	100.5	4701.4
Tax expense for the year	**4485.2**	**11571.1**

b) Tax expense recognised in other comprehensive income:

(₹ in million)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	40.6	148.1
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(240.6)	128.9
Total	**(200.0)**	**277.0**

Management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets. During the year, the company has recognized deferred tax asset of ₹ 5.0 million (previous year ₹ 5.2 million)

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on unused tax loss. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the company will realize the benefits of those recognized deductible differences and tax loss carry forwards.

The current tax in respect of foreign subsidiaries has been computed considering the applicable tax laws and tax rates of the respective countries, as certified by the local tax consultants/local management of the said subsidiaries.

As on March 31, 2021, tax liability with respect to the dividends proposed before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ nil (previous year ₹ nil).

c) Reconciliation of Consolidated tax expense and the Consolidated accounting profit multiplied by India's domestic tax rate:

(₹ in million)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before tax before jointly controlled entity but including exceptional item	16751.2	7532.9
Tax using the Company's domestic tax rate (March 31, 2021: 34.94%, March 31, 2020: 34.94%)	5853.5	2632.3
Tax effect of:		
Differences in Indian and foreign tax rates	(213.4)	213.6
Unrecognised Deferred tax Assets/ (recognition of previously unrecognised deferred tax assets), net	1089.4	5525.3
Change in tax base due to intra-group asset purchase arrangement	-	3283.4
Expenses not deductible for tax purposes	1395.3	3733.7
Incremental deduction on account of Research and Development costs	(110.0)	(1133.7)
Exemption of profit link incentives	(2980.7)	(1927.4)
Other exempt income	(140.3)	(129.9)
Foreign exchange differences	(11.0)	(324.1)
Others	(365.6)	(237.8)
Current and Deferred Tax expense (excluding prior year taxes) as per note 45(a)	**4517.2**	**11635.4**

d) Movement in deferred tax balances:

(₹ in million)

Particulars	As at 01.04.2020	Recognised in/under				As at 31.03.2021
Deferred Tax Assets/ (Liabilities)	Net balance	Profit or Loss	Retained earnings/ OCI	Discontinued operations	FCTR	**Net balance**
Property, plant and equipment	(3828.0)	67.1	-	-	11.6	(3749.3)
Intangibles assets/Intangibles assets under development	351.4	0.9	-	-	(0.5)	351.8
Cash Flow Hedge Reserve	227.7	2.6	(203.9)	-	-	26.4
Operating Tax loss and interest loss carry forward	69.4	-	-	-	14.5	83.9
Provision for Expenses	44.6	69.0	-	-	18.5	132.1
Deferred Income	262.3	(50.8)	-	-	-	211.5
Provision for Employee Benefit	1153.7	22.7	42.4	-	10.6	1229.4
Impairment Allowances for Trade Receivable / Bad Debts	109.2	45.3	-	-	3.4	157.9
Unrealised Profits on Unsold inventories	988.1	(30.4)	-	-	-	957.7
Others	369.3	(235.5)	-	-	(30.8)	103.0
Net Deferred tax assets/(liabilities)	**(252.3)**	**(109.1)**	**(161.5)**	**-**	**27.3**	**(495.6)**

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(₹ in million)

Particulars	As at 01.04.2019	Recognised in/under				As at 31.03.2020
Deferred Tax Assets/(Liabilities)	Net balance	Profit or Loss	Retained earnings/ OCI	Discontinued operations	FCTR	Net balance
Property, plant and equipment	(4856.7)	1034.0	-	(26.6)	21.3	(3828.0)
Intangibles assets/Intangibles assets under development	2803.3	(2512.7)	-	-	60.8	351.4
Cash Flow Hedge Reserve	72.1	28.8	128.9	-	(2.1)	227.7
Operating Tax loss and interest loss carry forward	975.0	(922.6)	-	-	17.0	69.4
Government Grants	138.8	(142.0)	-	-	3.2	-
Provision for Obsolete inventory	113.6	(116.2)	-	-	2.6	-
Litigation Reserve	169.4	(173.4)	-	-	4.0	-
Provision for Expenses	227.1	(22.6)	-	(155.4)	(4.5)	44.6
Deferred Income	353.2	(87.4)	(1.7)	-	(1.8)	262.3
Provision for Employee Benefit	1297.9	47.1	148.1	(339.6)	0.2	1153.7
Impairment Allowances for Trade Receivable / Bad Debts	590.8	(493.3)	-	-	11.7	109.2
Unrealised Profits on Unsold inventories	1861.7	(873.5)	-	-	(0.1)	988.1
Others	711.0	(467.6)	120.3	(15.8)	21.4	369.3
Net Deferred tax assets/(liabilities)	**4457.2**	**(4701.4)**	**395.6**	**(537.4)**	**133.7**	**(252.3)**

Reflected in the balance sheet as follows:

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
Deferred Tax Asset	1802.1	1743.1
Deferred Tax Liability	(2297.7)	(1995.4)
Deferred Tax Asset/(Liabilities)(net)	**(495.6)**	**(252.3)**

e) Operating loss carry forward consists of business losses, capital losses and unabsorbed depreciation. Deferred tax assets have not been recognized on operating losses of ₹ 23357.0 million (previous year ₹ 17787.3 million) because currently there is no reasonable certainty that the Group will be utilizing the benefits in near future. A portion of this total loss can be carried indefinitely, and the remaining amounts expire at various dates ranging from 2022 through 2038 (previous year from 2021 through 2038) and some of this loss can be carried back till 2014.

f) The Ministry of Corporate Affairs, vide its notification dated 30th March 2019, inserted Appendix C "Uncertainty over Income Tax Treatments" to Ind AS 12 "Income Taxes", applicable from 1st April 2019. The company had opted for the transition provision provided in this Appendix C. The company had identified uncertain tax positions and has estimated the liability based on the most likely amount. These estimates are based on its probability assessment of the uncertain tax treatment accordingly the Company recognised tax provision of ₹ 804.5 million as an adjustment to the opening balance of retained earnings on April 1, 2019.

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46. The aggregate amount of revenue expenditure incurred by the Group during the year on Research and Development and shown in the respective heads of account is ₹ 14324.2 million (previous year ₹ 15537.9 million).

47. a) During the year, Lupin Atlantis Holdings SA, Switzerland (LAHSA) acquired/subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Lupin Latam Inc., USA at a total cost of ₹ 7.3 million (previous year ₹ nil) as capital contribution.

ii) Additional investment in Lupin Japan & Asia Pacific K.K. Japan at a total cost of ₹ 38.7 million (previous year ₹ nil) as additional paid-in capital.

iii) Additional investment in Lupin Europe GmbH, Germany at a total cost of ₹ nil (previous year ₹ 39.0 million) as capital contribution

b) During the year, the Company, through its wholly owned subsidiary Lupin Atlantis Holdings SA, Switzerland (LAHSA) acquired/subscribed to the non-qualified preference shares in Lupin Inc., USA at a total cost of ₹ nil (previous year ₹ 21,186.0 million).

c) During the year, the Company, through its wholly owned subsidiary Nanomi B.V. acquired/subscribed to the equity stake of the following subsidiaries;

i) Additional investment in Lupin Inc., USA at a total cost of ₹ 20055.7 million (previous year ₹ 22699.5 million).

ii) 100% equity stake in Nanomi B.V., Netherlands at total cost of ₹ nil (previous year ₹ 2070.6 million).

iii) Equity stake in Medquimica Industria Farmaceutica LTDA, Brazil at a total cost of ₹ nil (previous year ₹ 1061.2 million).

iv) Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ nil (previous year ₹ 1.2 million).

d) During the year, the Company, acquired/subscribed to the equity stake of the following subsidiaries:

i) Investment in Lupin Biologics Limited, India at a total cost of ₹ 1.0 million (previous year ₹ nil) as paid-in capital.

ii) Additional investment in Nanomi B.V., Netherlands at a total cost of ₹ 20227.9 million (previous year ₹ nil) as additional paid-in capital. Of these, ₹ 6742.6 million is against Share Capital and balance ₹13485.3 million is against Share Premium.

e) During the year, the Company, acquired/subscribed to the 0.01% Optionally Convertible Non-cumulative Redeemable Preference Shares (OCNRPS) in Lupin Healthcare Limited, India at a total cost of ₹ 500 million (previous year ₹ nil).

f) During the year, Lupin Middle East FZ-LLC, U.A.E. subsidiary of LAHSA got liquidated on July 02, 2020. LAHSA has written off their investment of ₹ 32.3 million in Lupin Middle East.

g) During the year, Lupin Japan & Asia Pacific K.K., Japan subsidiary of LAHSA got dissolved on December 17, 2020. LAHSA has written off their investment of ₹ 20.0 million in Lupin Japan and Asia Pacific.

h) During the year, Lupin GmbH (Switzerland) got merged with LAHSA on September 21, 2020.

i) During the previous year, LAHSA had sold investment of ₹ 16086.6 million in Lupin Inc., USA. to Nanomi B.V., Netherlands for a nominal value.

j) During the previous year, Symbiomix Therapeutics, LLC, USA wholly owned subsidiary of Lupin Management Inc got dissolved on December 30, 2019.

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

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48. Goodwill :

Impairment testing of Goodwill

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGU's) as follows:

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
South Africa	5958.4	5110.8
Germany	325.9	314.5
Philippines	297.7	290.0
Australia	428.3	354.3
Netherlands	811.8	783.6
Brazil	806.6	906.4
Mexico	4043.5	3560.3
United States of America	6952.0	7194.9
Total	**19624.2**	**18514.8**

Movement in Goodwill is on account of exchange difference on consolidation amounting to ₹ 1109.4 million.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below:

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The cash flow projections are based on five years specific estimates, five years estimates developed using internal forecasts and a terminal growth rate thereafter considering the value in use of cash generating units is better reflected by projections for 10 years due to the business life cycle and longer term gestation of products. The planning horizon reflects the assumptions for short-to-midterm market developments and have been adjusted for the risks of competition, product life cycle etc.

The terminal growth rates used in extrapolating cash flows beyond the planning horizon ranged from -5% to 6.5% for the year ended March 31, 2021 and from -5% to 5.6% for the year ended March 31, 2020.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rate used ranged from 4.5% to 15.4% for the year ended March 31, 2021 and from 4.5% to 15.4% for the year ended March 31, 2020.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash - generating unit.

49.

a) Lupin Atlantis Holdings SA, Switzerland holds 100% equity stake at a cost of ₹ 279.7 million (previous year ₹ 279.7 million) in Lupin Healthcare UK Ltd, UK (LHUL). The said subsidiary has made profit during the year however it has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and LHUL's projections / plans for introducing new products (including products from the Company) in the UK Market in the near future, growth in the turnover and profitability is expected, which would result in improvement in net worth, over a period of time.

b) Nanomi B.V., Netherlands holds 100% equity stake at a cost of ₹ 42755.2 million (previous year ₹ 23369.6 million) in Lupin Inc. The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and Lupin Inc's projections / plans the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

c) The Company holds 100% equity stake at a cost of ₹ 1.0 million (previous year ₹ nil) in Lupin Biologics Limited. The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and Lupin Biologics Limited projections / plans the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

d) Further, net worth of Pharma Dynamics (Proprietary) Limited, Lupin Australia Pty Limited, Lupin Pharma Canada Limited, Lupin Healthcare Limited, Lupin Mexico S.A. de C.V., Generic Health SDN. BHD., Laboratorios Grin S.A. de C.V., Medquímica Indústria

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Farmacêutica LTDA, Novel Laboratories, Inc., Lupin Europe GmbH is substantially less than the carrying amount of investments made by the Company directly or through its subsidiaries.

The Group considers its investments in subsidiaries as strategic and long-term in nature and accordingly no provision for diminution in value of investments is considered necessary.

50. a) Non-controlling Interest represents the non-controlling's share in equity of the subsidiaries as below:

(₹ in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Multicare Pharmaceuticals Philippines Inc., Philippines		
- Share in Equity Capital	13.2	13.2
- Share in Reserves and Surplus	481.1	387.7
- Share in Other Comprehensive Income	55.4	43.7
Total	**549.7**	**444.6**

b) Interest in Joint Venture:

Name of Joint Venture	Country of Incorporation	% Shareholding	
		March 31, 2021	March 31, 2020
YL Biologics Limited	Japan	45%	45%
Carrying amount of investment (₹ in million)		319.1	305.0

Summarised Balance Sheet as at March 31, 2021

(₹ in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Current assets	811.9	666.1
Non-current assets	6.8	162.3
Current liabilities	109.5	150.6
Non-current liabilities	0.1	-
Equity	**709.1**	**677.8**

Summarised Statement of Profit and Loss for the year ended March 31, 2021

(₹ in million)

Particulars	For the current year ended 31.03.2021	For the previous year ended 31.03.2020
Revenue	722.4	1395.4
Expenses	669.6	1272.1
Tax	23.3	35.8
Profit after tax	29.5	87.5

51. Auditors' Remuneration:

(₹ in million)

Particulars	2020-2021	2019-2020
Payment to Auditors of the Company and its subsidiaries:		
a) As Auditors	126.8	131.7
b) for other services including Taxation matters and certifications	16.5	16.9
c) Reimbursement of out-of-pocket expenses	1.5	2.1
Total	**144.8**	**150.7**

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52. Foreign Currency Translation Reserve (Refer note 18) represents the net exchange difference on translation of net investment in foreign operations located at Australia, Germany, South Africa, Philippines, Mexico, Switzerland, Brazil, USA, Netherlands, UAE and Canada from their local currency to the Indian currency. Consequently, in accordance with the Indian Accounting Standard 21 (Ind AS 21) “The Effects of Changes in Foreign Exchange Rates”, the exchange rate difference on translation of ₹ 2066.7 million (previous year ₹ 5476.7 million debited) is credited during the year to such reserve.

53. Exceptional Items:

During the previous year, the Group recognized following items as exceptional items:

a) Settlement with the State of Texas:

The Texas Attorney General’s office served Lupin Pharmaceuticals Inc. (LPI), with several Civil Investigative Demands from May 29, 2012 and continuing through 2016. The State of Texas (the “State”) filed a lawsuit against LPI, Lupin Ltd (LL), Lupin Inc. (LI) and certain executives on June 14, 2016 (the Original Lawsuit) alleging violations of the Texas Medicaid Fraud Prevention Act (TMFPA). During the previous year, the State offered a settlement of $ 63.5 million to Lupin Group, of which $ 10.0 million was already accrued by LPI in earlier years. Under the settlement agreement, the State and Lupin Group had agreed on all of the terms of the settlement and the State agreed to dismiss the individual defendants, immediately. Final payment of USD 53.5 million (₹ 3791.8 million) by LL and USD 10 million by LPI made during the previous year.

b) Impairment of IPs:

Following our annual impairment review, the impairment charges recognized during the previous year in the consolidated profit and loss account in relation to certain intangible assets and intangible assets under development is as follows:

Intangible assets – ₹ 10043.6 million (India ₹ 1824.9 million and USA ₹ 8218.7 million)

Intangible assets under development – ₹ 5849.6 million (India ₹ 1172.5 million and USA ₹ 4677.2 million)

Both the categories referred to above relate to intangibles acquired as part of the acquisition of Gavis Group (Gavis), related to USA markets having impaired primarily on account of (i) significant pricing pressure resulting from customer consolidation into large buying groups capable of extracting greater price reductions, (ii) implementation of countermeasures against usage of Opioids in United states and (iii) delays in the launch of some of our new generic products.

The impairment had been determined by considering each individual intangible asset as a cash generating unit (CGU) except for IPs under development which had been assessed together as one CGU. Recoverable amount of CGUs for which impairment is done was ₹ 4126.8 million Recoverable amount (i.e. higher of value in use and fair value less cost to sell) of each individual CGU was compared to carrying value and impairment amount was arrived as follows:

- CGUs where carrying value was higher than recoverable amount were impaired and
- CGUs where recoverable amount was higher than carrying value were carried at carrying value.

The fair value so used is categorized as a level 3 valuation in line with the fair value hierarchy per requirements of Ind AS 113 “Fair Value Measurement” (Ind AS 113).

The fair value had been determined with reference to the discounted cash flow technique.

The key assumptions used in the estimation of the recoverable amounts is as mentioned below. The value assigned to the key assumptions represents management’s assessment of the future trends in the industry and had been based on historical data from both external and internal sources.

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Assumption	How Determined
Projected cash flows	Based on past experience and adjusted for the following: - Current market dynamics - Anticipated competition - Impact due to COVID 19
Long term growth rate	Long term growth rate has been determined with reference to market dynamics of each individual product
Post-tax risk adjusted discounting rate	Projected cash flows were discounted to present value at a discount rate that is commensurate with all risks of ownership and associated risks of realizing the projected residual profits. Each product category (Currently Marketed Products and approved ANDAs, Filed ANDAs, and IP R&D) face different risks and accordingly, different discount rates were determined based on each product category's risk profile. Discount rate was combination of cost of debt and cost of equity. Cost of equity was estimated using capital asset pricing model.

The projected cashflows were discounted at post-tax rate ranging from 6% to 15%. The terminal growth rate was considered at -5%.

The cash flow projections were based on five years specific estimates, five years estimates developed using internal forecasts and a terminal growth rate thereafter considering the life of intangibles being approx. 10 years. The management had considered ten year growth rate since the same appropriately reflects the period over which the future benefits of the intangibles will accrue to the Company.

Based on the assessment carried out as at March 31, 2021, and after considering performance for the full year ended March 31, 2021, no further provision have been made.

In addition to above, based on the management assessment the value in use of certain IPs were lower than the carrying value and hence an impairment charge of ₹ 43.1 million is recognized during the current year. Further, due to change in business circumstances in certain geographies, management has decided to discontinue further development of certain Intangible assets under development amounting to ₹ 296.8 million. Consequently, the same have been impaired during the current year.

c) Divestment of Subsidiaries in Japan:

During the previous year, the Group sold its stake in its Japanese Subsidiaries resulting in pre-tax gain of ₹ 12164.3 million (for additional details refer note 54).

i) The Group through its Subsidiary Kyowa Pharmaceutical Co Ltd, sold its stake in Kyowa Criticare Ltd (KCC). This transaction resulted in loss of ₹ 1956.7 million.

ii) Further, the Group through its Subsidiary Nanomi B.V. Netherlands (formerly known as Lupin Holding B.V. Netherlands) sold its stake in Kyowa Pharmaceutical Co Ltd. This transaction resulted into gain of ₹ 14121.0 million.

54. Discontinued operations:

During the previous year, on August 22, 2019, Kyowa Pharmaceutical Industry Co., Limited, Japan the holding company for Kyowa Criticare Co., Limited, Japan (KCC) entered into a share purchase agreement with neo ALA co. Ltd, a wholly owned subsidiary of Neopharma group for divestment of its entire stake in KCC.

On November 11, 2019, Nanomi B.V. Netherlands (formerly known as Lupin Holding B.V. Netherlands) subsidiary of the Lupin Limited entered into a share purchase agreement with Plutus Ltd., for divestment of its entire stake in Kyowa Pharmaceutical Industry Co., Limited, Japan.

The said transactions representing Japan segment were concluded on 30th September 2019 and 17th December 2019 respectively. Profit or loss of discontinued operations and the resultant gain / (loss) on disposal has been included in Consolidated financial statements as profit from discontinued operations and exceptional items profit / (loss) on divestment respectively for the year ended March 2020.

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a) Results of discontinued operations

(₹ in million)

Particulars	2019-2020
Revenue	14618.0
Expenses	13422.5
Profit / (loss) before tax from discontinued operations	**1195.5**
Income Tax of discontinued operations	(105.5)
Profit / (loss) after tax from discontinued operations	**1301.0**
Gain on sale of discontinued operation	12164.3
Income Tax on sale of discontinued operation	1814.5
Profit / (loss) from discontinued operations, net of tax	**11650.8**
Basic EPS	2.87
Diluted EPS	2.86

b) Cash flows from/(used) from discontinued operations

(₹ in million)

Particulars	2019-2020
Cash flows from/(used) from operating activities	2727.7
Cash flows from/(used) from investing activities	632.8
Cash flows from/(used) from financing activities	(3297.0)
Net cash flows/(used) for the year	63.5

c) Computation of gain on Disposal of Kyowa Pharmaceutical & KCC

(₹ in million)

Particulars	2019-2020
Cash consideration received (net off expenses)	15782.9
Less: Carrying value of net asset sold (net of NCI)	(1641.5)
Less: Goodwill	(4841.0)
Add: Exchange difference arising on translation of Foreign operations	2863.9
Gain on disposal	12164.3

d) Effect of disposal on the financial position of the Group

(₹ in million)

Particulars	2019-2020
Property, Plant and Equipment, Capital Work-in-progress, Other Intangible Assets and Intangible Assets Under Development	19974.6
Non-Current assets	144.9
Deferred tax assets	897.9
Current Assets	
Inventories	7153.2
Trade and other receivables	6659.2
Cash and cash equivalents	1357.6
Other current assets	419.1
Non-Current liabilities	(27067.3)
Trade and other payables	(7895.0)
Net Assets	**1644.2**
Consideration received	15782.9
Less: Cash and cash equivalents disposed of	1357.6
Net Cash Inflows from disposal of subsidiary	**14425.3**

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55. As per best estimates of the management, provision has been made as under:

(a) Probable return of goods from customers:

(₹ in million)

Particulars	2020-2021	2019-2020
Carrying amount at the beginning of the year	4542.0	3132.4
Add : Additional Provisions made during the year	5196.4	6147.7
Less : Amounts used / utilised during the year	6506.2	4958.5
Add : Exchange Difference during the year	(75.6)	243.1
Less : Reduction on account of disposal of subsidiaries	-	22.7
Carrying amount at the end of the year	**3156.6**	**4542.0**

(b) European Commission fine

(₹ in million)

Particulars	2020-2021	2019-2020
Carrying amount at the beginning of the year	3609.5	3335.8
Add : Additional Provisions (including interest) made during the year	57.1	54.8
Less : Amounts used / utilised during the year	-	-
Add : Exchange Difference during the year	129.5	218.9
Carrying amount at the end of the year	**3796.1**	**3609.5**

56. The aggregate amount of expenditure incurred during the year by the Company on Corporate Social Responsibility (CSR) is ₹ 243.6 million (previous year ₹342.0 million) and is shown separately under note 34 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

(₹ in million)

Particulars	2020-2021	2019-2020
Donations	215.8	307.3
Employee Benefits Expense	13.7	15.3
Others – Patient Awareness, etc.	14.1	19.4
Total	**243.6**	**342.0**

The amount required to be spent by the company at Standalone level during the year is ₹ 346.6 million (previous year ₹ 555.0 million). No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure and there are no outstanding amounts payables towards any other purposes.

57. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(₹ in million)

	Particulars	As at 31.03.2021	As at 31.03.2020
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	912.3 (interest ₹ nil)	989.4 (interest ₹ nil)
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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58. Financial Instruments:

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ in million)

As at 31.03.2021	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments	-	-	-	-	-	-	-	-
– Others	461.6	-	-	461.6	-	400.0	61.6*	461.6
Non-Current Loans								
- Security Deposit	-	-	667.7	667.7	-	-	-	-
- Others	-	-	0.9	0.9	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	34.9	34.9	-	-	-	-
Current Investments	21787.8	-	1980.3	23768.1	21787.8	-	-	21787.8
Trade Receivables	-	-	44743.2	44743.2	-	-	-	-
Cash and Cash Equivalents	-	-	9206.3	9206.3	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	8218.3	8218.3	-	-	-	-
Current Loans								
- Security Deposit	-	-	137.9	137.9	-	-	-	-
- Others	-	-	15.1	15.1	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	-	272.4	-	272.4	-	272.4	-	272.4
- Others	-	-	4107.1	4107.1	-	-	-	-
	22249.4	**272.4**	**69111.7**	**91633.5**	**21787.8**	**672.4**	**61.6**	**22521.8**
Financial liabilities								
Non-Current Borrowings	-	-	161.2	161.2	-	-	-	-
Other Non-Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	5971.7	5971.7	-	-	-	-
Current Borrowings	-	-	30494.4	30494.4	-	-	-	-
Trade Payables	-	-	20144.4	20144.4	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	2.4	-	-	2.4	-	2.4	-	2.4
- Others	-	-	22670.8	22670.8	-	-	-	-
	2.4	**-**	**79442.5**	**79444.9**	**-**	**2.4**	**-**	**2.4**

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(₹ in million)

As at 31.03.2020	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Convertible Debentures	-	-	-	-	-	-	-	-
Non-Current Investments – others	55.7	-	-	55.7	-	-	55.7*	55.7
Non-Current Loans								
- Security Deposit	-	-	461.7	461.7	-	-	-	-
- Others	-	-	14.6	14.6	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	705.1	705.1	-	-	-	-
Current Investments	13090.1	-	10292.4	23382.5	13090.1	-	-	13090.1
Trade Receivables	-	-	54459.3	54459.3	-	-	-	-
Cash and Cash Equivalents	-	-	22148.5	22148.5	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	2394.5	2394.5	-	-	-	-
Current Loans								
- Security Deposit	-	-	344.3	344.3	-	-	-	-
- Others	-	-	25.8	25.8	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	132.0	-	-	132.0	-	132.0	-	132.0
- Others	-	-	3763.5	3763.5	-	-	-	-
	13277.8	**-**	**94609.7**	**107887.5**	**13090.1**	**132.0**	**55.7**	**13277.9**
Financial liabilities								
Non-Current Borrowings	-	-	17932.8	17932.8	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Non-Current Financial Liabilities								
- Derivative instruments	-	301.3	-	301.3	-	301.3	-	301.3
- Others	-	-	6946.0	6946.0	-	-	-	-
Current Borrowings	-	-	24927.5	24927.5	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	159.3	-	159.3	-	159.3	-	159.3
- Others	-	-	28600.5	28600.5	-	-	-	-
	-	**460.6**	**102529.8**	**102990.4**	**-**	**460.6**	**-**	**460.6**

* These are for operation purposes and the Group expects its refund on exit. The Group estimates that the fair value of these investments are not materially different as compared to its cost.

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B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Non-current financial assets and liabilities	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial risk management:

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit

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approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As at March 31, 2021, the carrying amount of the Group's largest customer (a wholesaler based in North America) was ₹ 19698.4 million (previous year ₹ 22249.4 million)

(₹ in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Not past due but impaired	73.1	1.5
Neither past due not impaired	35155.3	51432.1
Past due not impaired		
- 1-180 days	8185.7	2865.1
- 181- 365 days	367.2	79.1
- more than 365 days	1035.0	83.0
Past due impaired		
- 1-180 days	55.1	245.9
- 181- 365 days	18.7	29.7
- more than 365 days	493.9	254.9
Total	**45384.0**	**54991.3**

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

Expected credit loss assessment

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in million)

Particulars	2020-2021	2019-2020
Balance as at the beginning of the year	532.0	398.5
Impairment loss recognised (net)	216.5	281.6
Amounts written off	(30.5)	(146.5)
Exchange differences	(77.2)	4.0
Reduction on account of disposal of subsidiaries	-	(5.6)
Balance as at the year end	640.8	532.0

The impairment loss at March 31, 2021 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents
As at the year end, the Group held cash and cash equivalents of ₹ 9206.3 million (previous year ₹ 22148.5 million). The cash and cash equivalents are held with banks.

Other Bank Balances
Other bank balances are held with banks.

Derivatives
The derivatives are entered into with banks.

Investment in mutual funds, Non-Convertible debentures and Commercial papers
The Group limits its exposure to credit risk by generally investing in liquid securities, Non-Convertible debentures and Commercial papers only with counterparties that have a good credit

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rating. The Group does not expect any losses from non-performance by these counter-parties.

Other financial assets

Other financial assets are neither past due nor impaired.

ii. Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, non-convertible debentures, commercial papers which carry no/low mark to market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in million)

As at 31.03.2021	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	17335.4	17335.4	17174.2	120.4	40.8	-
Interest Payables	48.6	84.2	57.5	8.1	16.0	3.6
Other Non-Current Financial Liabilities	5971.7	7285.0	731.1	2129.5	3745.9	678.5
Current Borrowings	30494.4	30494.4	30494.4	-	-	-
Trade Payables Current	20144.4	20144.4	20144.4	-	-	-
Other Current Financial Liabilities	5450.4	5450.4	5450.4	-	-	-
Total	**79444.9**	**80793.9**	**74052.1**	**2258.0**	**3802.7**	**682.1**

(₹ in million)

As at 31.03.2020	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	38125.7	38125.7	20192.9	17793.6	139.2	-
Interest Payables	160.2	257.0	194.8	27.5	27.9	6.8
Other Non-Current Financial Liabilities	7247.3	8059.7	-	2496.1	3735.4	1828.2
Current Borrowings	24927.5	24927.5	24927.5	-	-	-
Trade Payables Current	24123.0	24123.0	24123.0	-	-	-
Other Current Financial Liabilities	8406.7	8406.7	8406.7	-	-	-
Total	**102990.4**	**103899.6**	**77844.9**	**20317.2**	**3902.5**	**1835.0**

iii. Market Risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Group uses derivatives to manage market risk. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

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Currency risk

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate in the future. Consequently, the Group uses both derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

The Group also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivatives contracts are entered into by the Group for hedging purposes only, and are accordingly classified as cash flow hedge.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2021**	As at 31.03.2020	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 119.0	USD 163.0	Sell

The Group has not entered into foreign currency forward contract for purposes other than hedging.

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities:

(₹ in million)

Particulars	**As at 31.03.2021**				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	24283.9	465.4	449.7	479.2	2235.8
Non-current Loan	-	-	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	0.7	-	-	-
Current Loans	-	-	-	-	-
Current Financial Assets	-	-	-	-	-
Other current assets	0.9	56.1	-	-	7.7
Cash and cash equivalents	40.3	340.3	-	-	92.6
Other current financial assets	-	11.9	-	-	-
	24325.2	874.4	449.7	479.2	2336.1
Financial liabilities					
Trade Payables	3561.6	984.0	315.9	61.9	473.7
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	0.8	-	-	-	-
Current Financial Liabilities	-	40.5	-	-	-
Current Liabilities	109.7	67.8	-	21.5	136.0
Current Tax Liabilities	-	(26.6)	-	-	14.8
Cash and cash equivalents	-	-	-	-	-
Long Term Borrowings	567.8	-	-	-	-
Other financial Liabilities	31.7	3975.0	8.9	-	11.2
Current Borrowings	1558.3	288.1	-	-	-
	5829.9	5328.8	324.8	83.4	635.7
Net statement of financial position exposure	**18495.3**	**(4454.4)**	**124.9**	**395.8**	**1700.4**

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(₹ in million)

Particulars	As at 31.03.2020				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	28581.9	1136.7	512.1	322.3	1128.2
Non-current Loan	-	-	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	-	-	-	-
Current Loans	-	-	-	-	-
Current Financial Assets	0.9	-	-	-	1.5
Other current assets	3.6	129.6	1.0	-	13.5
Cash and cash equivalents	49.3	946.8	(5.2)	2414.8	34.6
Other current financial assets	-	-	-	467.2	-
	28535.7	2213.1	507.9	3204.3	1177.8
Financial liabilities					
Trade Payables	4084.4	1036.1	152.6	45.8	191.8
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	-	-	-	-	-
Current Financial Liabilities	-	-	-	-	-
Current Liabilities	182.3	108.5	4.6	10.7	31.3
Current Tax Liabilities	-	45.7	-	2430.4	-
Cash and cash equivalents	-	-	-	-	-
Long Term Borrowings	1170.3	-	-	-	-
Other financial Liabilities	50.7	3661.5	0.7	1.8	10.1
Current Borrowings	-	-	-	-	-
	5487.7	4851.8	157.9	2488.7	233.2
Net statement of financial position exposure	**23148.0**	**(2638.7)**	**350.0**	**715.6**	**944.6**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

March 31, 2021	Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(185.0)	185.0	(178.3)	178.3
EUR	44.5	(44.5)	29.4	(29.4)
GBP	(1.2)	1.2	(0.8)	0.8
JPY	(4.0)	4.0	(2.7)	2.7
Others	(17.0)	17.0	(11.2)	11.2
	(162.7)	**162.7**	**(163.6)**	**163.6**

(₹ in million)

March 31, 2020	Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(231.5)	231.5	(234.2)	234.2
EUR	26.4	(26.4)	17.4	(17.4)
GBP	(3.5)	3.5	(2.3)	2.3
JPY	(7.2)	7.2	(4.7)	4.7
Others	(9.4)	9.4	(6.2)	6.2
	(225.2)	**225.2**	**(230.0)**	**230.0**

* including other comprehensive income

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Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Group's interest rate risk arises from borrowings and obligations under finance leases. The interest rate profile of the Group's interest-bearing borrowings is as follows:

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
Non-Current Borrowings		
Fixed rate borrowings	162.8	347.5
Variable rate borrowings	17172.6	37778.2
	17335.4	38125.7
Current Borrowings		
Fixed rate borrowings	-	2116.2
Variable rate borrowings	30494.4	22811.3
	30494.4	24927.5
Total	**47829.8**	**63053.2**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in million)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
March 31, 2021		
Variable-rate borrowings	(476.7)	476.7
March 31, 2020		
Variable-rate borrowings	(605.9)	605.9

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Commodity rate risk

The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As of March 31, 2021 and March 31, 2020 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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59. Capital Management:

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents, other bank balances and current investments.

The Group's policy is to keep the ratio below 1.5. The Company's adjusted net debt to total equity ratio at March 31, 2021 was as follows:

(₹ in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
Total borrowings	47829.6	63053.2
Less : Cash and cash equivalent	9206.3	22148.5
Less : Other Bank Balances*	8228.8	2404.2
Less : Current Investments	23768.1	23382.5
Adjusted net debt	6626.6	15118.0
Total equity	138031.4	125367.0
Adjusted net debt to total equity ratio	0.05	0.12

*includes earmarked bank deposits against guarantees & other commitments of ₹ 10.5 million (previous year ₹ 9.7 million) classified as Other Non-Current Financial Assets.

60. Hedge accounting:

The Company's risk management policy is to hedge above 15% of its estimated net foreign currency exposure in respect of highly probable forecast sales over the following 12-24 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1. These contracts have a maturity of 12-24 months from the reporting date. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

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a. Disclosure of effects of hedge accounting on financial position

(₹ in million)

As at 31.03.2021

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	119.0	272.4	-	Other current financials Assets	April 2021 - March 2022	1:1	77.19	(279.67)	(268.69)
Fair value hedge									
Forward exchange forward contracts	2.04 EURO	-	2.4	Other current financials liabilities	February 2021 - May 2021	1:1	88.56	2.40	(2.40)
Forward exchange forward contracts	0.3						72.95		
Forward exchange forward contracts	3.36 EURO	2.8	-	Other current financials Assets	December 2020 - November 2021	1:1	86.55	(2.80)	2.80
Forward exchange forward contracts	13.3						70.67		

(₹ in million)

As at 31.03.2020

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	163.0	-	460.6	Other current financials liabilities / non-current financial liabilities	July 2020 - March 2022	1:1	76.59	510.3	507.2

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b. Disclosure of effects of hedge accounting on financial performance

(₹ in million)

As at 31.03.2021	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	834.6	1.6	Other Expenses – Net loss on Foreign Currency Transactions	-	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2020	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(658.1)	(2.5)	Other Expenses – Net loss on Foreign Currency Transactions	(43.7)	Revenue from operations - Sale of goods

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

(₹ in million)

Movements in cash flow hedging reserve	
Balance at 1 April 2019	**105.4**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(523.4)
Less : Amounts re-classified to profit or loss	(46.2)
Less: Deferred tax	(128.9)
As at March 31, 2020	**(242.9)**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	834.6
Less : Amounts re-classified to profit or loss	(1.6)
Less: Deferred tax	(240.6)
As at March 31, 2021	**349.5**

61. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet:

(₹ in million)

As at 31.03.2021	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	272.4	-	272.4	-	272.4
Trade and other receivables	45266.2	(15533.7)	29732.5	-	-
Financial liabilities					
Derivative instruments	2.4	-	2.4	-	2.4
Trade and other payables	(15533.7)	15533.7	-	-	-

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(₹ in million)

As at 31.03.2020	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	132.0	-	132.0	-	132.0
Trade and other receivables	57500.7	(18599.3)	38901.4	-	-
Financial liabilities					
Derivative instruments	460.6	-	460.6	-	460.6
Trade and other payables	(18599.3)	18599.3	-	-	-

Offsetting arrangements

(i) Trade receivables and payables

The Company has certain customers which are also supplying materials. The Group also gives rebates and discount to customers.

(ii) Derivatives

The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

62. Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Parent								
Lupin Limited	134.0	185655.7	103.5	12586.2	17.1	446.9	88.2	13033.1
Indian Subsidiaries								
Lupin Healthcare Limited, India	-	61.2	(0.2)	(23.6)	-	-	(0.2)	(23.6)
Lupin Biologics Limited, India	-	(0.2)	-	(1.2)	-	-	-	(1.2)
Lupin Foundation	0.1	108.7	0.9	107.5	-	-	0.7	107.5
Foreign Subsidiaries								
Lupin Pharmaceuticals, Inc., USA	4.5	6203.5	10.4	1265.8	8.8	230.2	10.1	1496.0
Hormosan Pharma GmbH, Germany	1.0	1348.1	2.8	344.4	(0.2)	(6.5)	2.3	337.9
Pharma Dynamics (Proprietary) Limited, South Africa	2.3	3143.2	7.7	934.6	8.5	220.7	7.8	1155.3
Lupin Australia Pty Limited, Australia	-	5.2	-	1.3	-	-	-	1.3
Nanomi B.V., Netherlands	41.3	57269.0	(11.5)	(1393.2)	(12.4)	(323.5)	(11.6)	(1716.7)
Lupin Atlantis Holdings SA, Switzerland	31.5	43719.3	13.2	1601.5	(42.3)	(1102.1)	3.4	499.4
Multicare Pharmaceuticals Philippines Inc., Philippines	0.8	1107.3	1.9	232.7	0.9	23.9	1.7	256.6
Lupin Healthcare (UK) Limited, UK	(0.5)	(651.0)	1.5	180.2	(2.4)	(63.2)	0.8	117.0
Lupin Pharma Canada Limited, Canada	0.1	203.5	0.7	86.8	(1.6)	(40.9)	0.3	45.9
Generic Health Pty Limited, Australia	1.1	1473.1	4.9	593.9	3.0	78.7	4.6	672.6
Lupin Mexico S.A. de C.V., Mexico	-	7.0	-	0.7	-	-	-	0.7

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Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Lupin Philippines Inc., Philippines	0.1	174.2	0.3	41.3	1.0	27.1	0.5	68.4
Generic Health SDN. BHD., Malaysia	-	0.5	-	(1.0)	-	-	-	(1.0)
Lupin Middle East FZ-LLC, UAE (upto July 02, 2020)	-	-	1.8	217.9	0.7	19.2	1.6	237.1
Lupin Inc., USA	(18.8)	(26114.6)	18.7	2279.2	57.3	1494.3	25.5	3773.5
Laboratorios Grin S.A. de C.V., Mexico	1.4	1910.5	2.1	253.9	7.8	203.6	3.1	457.5
Medquimica Industria Farmaceutica LTDA, Brazil	0.6	811.0	(4.3)	(525.8)	(2.6)	(67.4)	(4.0)	(593.2)
Lupin Research Inc., USA	0.7	1003.2	0.2	29.5	(0.2)	(5.3)	0.2	24.2
Lupin Europe GmbH, Germany	-	14.0	(0.1)	(16.6)	-	-	(0.1)	(16.6)
Novel Laboratories, Inc., USA	4.3	5960.8	2.9	350.2	(5.9)	(154.7)	1.3	195.5
Lupin Latam, Inc., USA	-	38.3	0.1	9.6	-	-	0.1	9.6
Lupin Japan & Asia Pacific K.K., Japan (up to December 17, 2020)	-	-	-	(2.7)	-	-	-	(2.7)
Lupin Oncology Inc., USA	-	-	-	-	-	-	-	-
Lupin Management Inc., USA	-	35.2	0.3	35.2	-	-	0.2	35.2
Non-Controlling interests in the Subsidiaries								
Multicare Pharmaceuticals Philippines Inc., Philippines	(0.4)	(549.7)	(0.9)	(114.0)	(0.4)	(11.7)	(0.9)	(125.7)
Foreign Jointly Controlled Entity (to the extent of shareholding)								
YL Biologics Ltd., Japan	-	-	0.1	13.3	-	0.8	0.1	14.1
Total Eliminations/Consolidation Adjustments	(104.1)	(144355.9)	(57.0)	(6922.3)	62.9	1638.3	(35.7)	(5284.0)
Total	**100.0**	**138581.1**	**100.0**	**12165.3**	**100.0**	**2608.4**	**100.0**	**14773.7**

The above amounts/percentage of net assets and net profit or (loss) in respect of Lupin Limited and its subsidiaries and a jointly controlled entity are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations/consolidation adjustments.

63. Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships –

Category I: Entity having significant influence over the Company:

Lupin Investments Pvt. Limited

Category II: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category III: Key Management Personnel (KMP)

Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh D. Gupta	Managing Director
Mr. Ramesh Swaminathan (w.e.f. March 26, 2020)	Executive Director, Global CFO & Head Corporate Affairs
Mr. Sunil Makharia (from June 10, 2019 to March 25, 2020)	Interim Chief Financial Officer
Mr. R. V. Satam	Company Secretary

Notes

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Non- Executive Directors

Mrs. Manju D. Gupta	Chairman
Dr. Kamal K. Sharma	Vice Chairman
Mr. R. A. Shah (upto August 12, 2020)	
Mr. Richard Zahn (upto August 12, 2020)	
Dr. K. U. Mada (upto August 12, 2020)	
Mr. Dileep C. Choksi (upto August 12, 2020)	
Mr. Jean-Luc Belingard	
Ms. Christine Ann Mundkur (w.e.f. April 1, 2019)	
Mr. K. B. S. Anand (w.e.f. August 12, 2020)	
Dr. Punita Kumar-Sinha (w.e.f. August 12, 2020)	
Mr. Robert Funsten (w.e.f. November 10, 2020)	
Mr. Mark D. McDade (w.e.f. January 28, 2021)	

Category IV: Others (Relatives of KMP and Entities in which the KMP and Relatives of KMP have control or significant influence)

Ms. Kavita Gupta (Daughter of Chairman)
Dr. Anuja Gupta (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Ms. Shefali Nath Gupta (Wife of Managing Director)
Miss Veda Nilesh Gupta (Daughter of Managing Director)
Master Neel Deshbandhu Gupta (Son of Managing Director)
D. B. Gupta (HUF)
Gupta Family Trust
Lupin Human Welfare and Research Foundation
Mata Shree Gomati Devi Jan Seva Nidhi
Polynova Industries Limited
Zyma Properties Pvt. Limited
Shuban Prints
S.N. Pharma
Team Lease Services Limited

B. Transactions with the related parties:

(₹ in million)

Sr. No.	Transactions	**For the year ended 31.03.2021**	For the year ended 31.03.2020
1.	Rent Expenses		
	Others	54.9	66.2
2.	Expenses Recovered/Rent Received		
	Others	1.6	1.6
3.	Remuneration Paid		
	Key Management Personnel	272.8	229.7
4.	Purchases of Goods/Materials		
	Jointly Controlled Entity	8.8	16.5
	Others	208.2	170.7
5.	Commission, Advisory Fees & Sitting Fees to Non Executive Directors		
	Key Management Personnel	67.8	69.9
6.	Donations Paid		
	Others	237.6	289.2
7.	Dividend Paid		
	Entity having significant influence over the Company	1233.6	1028.0
	Key Management Personnel	7.6	26.6
	Others	35.5	9.2

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8.	Services Received (Expense)		
	Jointly Controlled Entity	62.2	155.0
	Others	83.8	85.6
9.	Expenses Reimbursed		
	Others	4.0	3.0
10.	Refund of Deposit		
	Others	14.4	-

Related party transactions above 1% of revenue from operations are disclosed separately

(₹ in million)

Compensation paid to Key Management Personnel	**For the year ended 31.03.2021**	For the year ended 31.03.2020
Short-term employee benefits	248.0	208.3
Post-employment benefits	13.2	15.6
Share based payments	11.6	5.8
Total	**272.8**	**229.7**

Terms and conditions of transactions with related parties:
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	**As at 31.03.2021**	As at 31.03.2020
1.	Deposits paid under Leave and License arrangement for premises		
	Others	29.0	43.4
2.	Trade Receivables		
	Jointly Controlled Entity	30.4	40.7
3.	Trade Payables		
	Jointly Controlled Entity	-	8.1
	Others	6.4	13.0
4.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1

Transactions and balances with Jointly Controlled Entity have been reported at full value.

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64. In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. These amendments are in accordance with the amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The below disclosure is in line with such amendments suggested:

(₹ in million)

Particulars	April 1, 2020	Cash Flows	Non-Cash Changes			**March 31, 2021**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	7.0	(3.7)	-	-	-	3.3
Unsecured						
Term Loans from Banks	17922.7	(18330.2)	-	(563.9)	-	156.4
Deferred Sales Tax Loan from Government of Maharashtra	3.1	(1.6)	-	-	-	1.5
Current maturities of Non-Current Borrowings	20192.9	(3018.7)	-	-	-	17174.2
Current Borrowings						
Secured						
Loans from banks	1749.1	676.8	-	-	-	2425.9
Unsecured						
Loans from banks	23178.4	5872.1	-	982.0	-	28068.5
Interest accrued but not due on Borrowings	160.2	1294.8	1406.4	-	-	48.6
Total Liabilities from financing activities	**63213.4**	**(13510.5)**	**1406.4**	**418.1**	**-**	**47878.4**

(₹ in million)

Particulars	April 1, 2019	Cash Flows	Non-Cash Changes			**March 31, 2020**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	3587.7	(3580.7)	-	-	-	7.0
Long Term Maturities of Finance Lease Obligations	0.5	(0.5)	-	-	-	-
Unsecured						
Term Loans from Banks	62823.7	(41690.1)	-	3210.9	-	17922.7
Deferred Sales Tax Loan from Government of Maharashtra	5.3	(2.2)	-	-	-	3.1
Current maturities of Non-Current Borrowings	2705.9	17487.0	-	-	-	20192.9
Current Borrowings						
Secured						
Loans from banks	873.6	875.5	-	-	-	1749.1
Unsecured						
Loans from banks	14928.5	7512.5	-	(737.4)	-	23178.4
Interest accrued but not due on Borrowings	309.6	3480.4	3629.8	-	-	160.2
Total Liabilities from financing activities	**85234.8**	**(15918.1)**	**3629.8**	**2473.5**	**-**	**63213.4**

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65. The Company evaluates events or transactions that occur after the consolidated balance sheet date but prior to the issuance of consolidated financial statements and concluded that no subsequent events have occurred through May 12, 2021 that require adjustment to or disclosure in the consolidated financial statements.

66. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Supply Chain disruptions as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several countries followed by a global lockdown in March 2020 announced by the various governments, to contain the spread of COVID-19. Similar restrictions continue to prevail in 2021 in various geographies. Since the Group manufactures and supplies pharmaceutical products which is categorized under essential goods, the manufacturing and supplies of the products has been functioning with minimal disruptions. The situation is likely to further improve with easing of restrictions in the coming days.

In light of these circumstances, the Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Group has considered internal and external information while finalizing various estimates in relation to its financial statement up to the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of tangible and intangible assets, financials assets, inventory, receivables etc as well as borrowings and liabilities accrued.

As mentioned above, since the Group is into manufacturing and supply of pharmaceutical products (essential goods) there is no significant impact on the overall demand of the goods and its supply chain. The Group has also not observed any significant delay in the collection from customers thus there is no significant increase in credit risk. Further, the Group's liquidity position is adequate to service all its near term debt and other financing arrangements/liabilities.

The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves globally. The Group will continue to closely monitor any material changes to future economic conditions.

Signature to Note 1 to 66

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Date: May 12, 2021

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 12, 2021