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# **Consolidated Financial Statements**

# Independent Auditor’s Report

## To the Members of Lupin Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Lupin Limited (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), and its joint venture, which comprise the consolidated balance sheet as at 31 March 2024, 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 material 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 the other auditors on separate financial statements of such subsidiaries and a joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“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 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### 1) Revenue Recognition

Refer note 1B(m) of material accounting policies and note 30 to consolidated financial statements

#### The key audit matter

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 recognized varies depending on the specific terms and conditions of the sales contracts entered with customers. The Group has many 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 group. 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 during the year and at period end.

#### 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 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 reports of the other auditors referred to in paragraph (a) of the “Other Matters” section 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 judgement and based on the consideration of reports of other auditors on separate financial statements of components audited by them, 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.

#### How the matter was addressed in our audit

- To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following:
- Compared the accounting policies in respect of revenue recognition with applicable accounting standards to test for compliance.
  - Tested design, implementation and operating effectiveness of the Company’s internal controls including general IT controls and key IT application controls over recognition of revenue.
  - Performed substantive testing of selected samples of revenue transactions recorded during the year.
  - For a sample of year-end sales, we verified contractual terms of sales invoices/ contracts, shipping documents and acknowledged delivery receipts for those transactions including management assessment and quantification of any sales reversal for undelivered goods.

**The key audit matter**

Group's assessment of accrual towards rebates, discounts, returns, service level penalties and allowances require estimates and judgement and change in these estimates can have a significant financial impact.

**How the matter was addressed in our audit**

- Verified Group's assessment of accruals of rebates, discounts, returns, service level penalties and allowances in line with the past practices to identify bias.
- Tested any unusual non-standard journal entries that impacted revenue recognized during the year.

**2) Goodwill**

Refer note no. 1B(g) of material accounting policies and note 52 to consolidated financial statements

**The key audit matter**

The carrying value of goodwill aggregates to ₹ 23,250.4 million as at 31 March 2024. Goodwill is evaluated for any indicators of impairment and is tested annually as required under Ind AS 36. The group evaluates for any impairment with respect to goodwill annually, at each cash generating unit (CGU) level. The recoverable amount of the CGUs to which such goodwill pertains, being the higher of the value in use and fair value less costs of disposal, is compared with the carrying value of goodwill 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 long-term growth rate, discount rate, terminal value growth rates, potential product obsolescence, new product launches and the weighted average cost of capital. Considering the inherent uncertainty, subjectivity and judgement involved and the significance of the value of the goodwill, impairment assessment of goodwill has been considered as a key audit matter.

**How the matter was addressed in our audit**

- To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following:
- Tested the design and operating effectiveness of internal controls over impairment assessment including approval of forecasts and valuation models used.
  - Assessed the Valuation methodology used by the Company and tested the mathematical accuracy of the impairment models.
  - Assessed identification of CGUs with reference to the guidance in the applicable accounting standards.
  - Evaluated valuation assumptions with macro-economic factors, such as discount rates, growth in sales, probability of success of new products, operating and selling costs used, in consultation with valuation specialist.
  - Performed sensitivity analysis of key assumptions and evaluated past performances where relevant to assess accuracy of the forecasts made.
  - Evaluated adequacy of disclosures given in the financial statements.

**Other Information**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with

governance and take necessary actions, as applicable under the relevant laws and regulations.

**Management's and Board of Directors' 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 the 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 Board of 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 the respective Board of Directors of its joint venture are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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 statements 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 the financial statements 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 paragraph (a) of the section titled "Other Matters" in this audit report.

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 of twenty three subsidiaries, whose financial statements reflects Group's share of total assets (before consolidation adjustments) of ₹ 250,860.4 million as at 31 March 2024, Group's share of total revenues (before consolidation adjustments) of ₹ 147,765.1 million and Group's share of net cash outflows (before consolidation adjustments) amounting to ₹ 1,935.4 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 (loss) (Other Comprehensive Losses) of ₹ 31.6 million for the year ended 31 March 2024, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements 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 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 Holding Company's management has converted the financial statements of such subsidiaries and a 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 Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and a joint venture located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

- b. The consolidated annual financial statements includes the unaudited financial statements of five subsidiaries, whose financial statements reflects Group's share of total assets (before consolidation adjustments) of ₹ 12,964.9 million as at 31 March 2024, Group's share of total revenues (before consolidation adjustments) of ₹ 10,401.3 million and Group's share of net cash outflows (before consolidation adjustments) amounting to ₹ 930.5 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 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 our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the 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 this matter with respect to the financial statements certified by the Management.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and a joint venture, as were audited by other auditors, as noted in subparagraph (a) 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 except for the certain matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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 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 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and a joint venture, as noted in the "Other Matters" paragraph:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and its joint venture. Refer Note 39 to the consolidated financial statements.
  - b. 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. Refer Note 59 to the consolidated financial statements in respect of such items as it relates to the Group and its joint venture.
  - c. 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 31 March 2024.
  - d. (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any

- of such subsidiary companies, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary companies, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies, shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company incorporated in India during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 38 to the consolidated financial statements, the Board of Directors of the Holding Company incorporated in India has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
- (i) In respect of Holding Company and its subsidiary companies, the feature of recording audit trail (edit log) was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.
- (ii) In respect of Holding Company and its subsidiary companies, in the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organization for an accounting software used for consolidation and lease transactions, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.
- Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with during the course of the audit.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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 companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and

its subsidiary companies 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 companies 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) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Sudhir Soni**

Partner

Membership No.: 041870

ICAI UDIN: 24041870BKGDKK4082

Place: Mumbai

Dated: May 06, 2024



# Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Lupin Limited for the year ended 31 March 2024

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entities                  | CIN                   | Holding Company/Subsidiary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---------|---------------------------------------|-----------------------|---|--|
| 1       | Lupin Limited                         | L24100MH1983PLC029442 | Holding Company                           | Clause (i)(c)  |
| 2       | Lupin Digital Healthcare Limited      | U74999MH2021PLC360783 | Subsidiary                                | Clause (xvii)  |
| 3       | Lupin Diagnostics Limited             | U24100MH2011PLC214885 | Subsidiary                                | Clause (xvii)  |
| 4       | Lupin Biologics Limited               | U24299MH2021PLC354211 | Subsidiary                                | Clause (xvii)  |
| 5       | Lupin Manufacturing Solutions Limited | U21001MH2023PLC407210 | Subsidiary                                | Clause (xvii)  |
| 6       | Lupin Life Sciences Limited           | U86100MH2023PLC406793 | Subsidiary                                | Clause (xvii)  |

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Sudhir Soni**

Partner

Membership No.: 041870

ICAI UDIN:24041870BKGDKK4082

Place: Mumbai

Dated: May 06, 2024

# Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Lupin Limited for the year ended 31 March 2024

## **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 Act**

### **(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of Lupin Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 companies 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 financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process

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

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other Matters**

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

Our opinion is not modified in respect of above matters.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Sudhir Soni**

Partner

Place: Mumbai

Dated: May 06, 2024

Membership No.: 041870

ICAI UDIN: 24041870BKGDKK4082

# Consolidated Balance Sheet

as at March 31, 2024

|  | Note  | As at 31.03.2024 | As at 31.03.2023 |
|--|-------|------------------|------------------|
| <b>ASSETS</b>  |       |                  |                  |
| <b>Non-Current Assets</b>  |       |                  |                  |
| a. Property, Plant and Equipment   | 2     | 45,841.7         | 42,896.0         |
| b. Capital Work-in-Progress  | 3     | 5,956.7          | 8,948.2          |
| c. Goodwill  | 52    | 23,250.4         | 22,187.8         |
| d. Other Intangible Assets   | 4     | 16,547.1         | 14,914.4         |
| e. Right-of-use Assets   | 5     | 3,143.8          | 3,554.2          |
| f. Intangible Assets Under Development   | 6     | 1,768.6          | 3,431.7          |
| g. Investments accounted for using equity method                               | 7     | 269.1            | 300.7            |
| h. Financial Assets  |       |                  |                  |
| (i) Non-Current Investments  | 8     | 2,007.9          | 470.6            |
| (ii) Non-Current Loans   | 9     | 35.7             | 40.4             |
| (iii) Other Non-Current Financial Assets                                       | 10    | 1,194.4          | 987.1            |
| i. Deferred Tax Assets (Net)   | 47(d) | 3,025.3          | 1,556.5          |
| j. Non-Current Tax Assets (Net)  |       | 1,077.0          | 3,778.6          |
| k. Other Non-Current Assets  | 11    | 1,377.6          | 1,980.1          |
|  |       | 105,495.3        | 105,046.3        |
| <b>Current Assets</b>  |       |                  |                  |
| a. Inventories   | 12    | 49,539.0         | 44,917.6         |
| b. Financial Assets  |       |                  |                  |
| (i) Current Investments  | 13    | 8,469.3          | 4,397.7          |
| (ii) Trade Receivables   | 14    | 46,920.5         | 44,807.0         |
| (iii) Cash and Cash Equivalents  | 15    | 9,832.8          | 12,318.1         |
| (iv) Other Bank Balances   | 16    | 2,192.6          | 613.2            |
| (v) Current Loans  | 17    | 25.8             | 21.2             |
| (vi) Other Current Financial Assets  | 18    | 6,384.9          | 5,560.9          |
| c. Current Tax Assets (Net)  |       | 406.1            | 367.2            |
| d. Other Current Assets  | 19    | 10,705.5         | 11,510.1         |
|  |       | 134,476.5        | 124,513.0        |
| <b>TOTAL</b>   |       | <b>239,971.8</b> | <b>229,559.3</b> |
| <b>EQUITY AND LIABILITIES</b>  |       |                  |                  |
| <b>Equity</b>  |       |                  |                  |
| a. Equity Share Capital  | 20    | 911.4            | 910.0            |
| b. Other Equity  |       | 141,991.5        | 123,735.0        |
| Equity attributable to Owners of the Company                                   |       | 142,902.9        | 124,645.0        |
| c. Non-Controlling Interest  | 54(a) | 831.6            | 783.2            |
|  |       | 143,734.5        | 125,428.2        |
| <b>Liabilities</b>   |       |                  |                  |
| <b>Non-Current Liabilities</b>   |       |                  |                  |
| a. Financial Liabilities   |       |                  |                  |
| (i) Non-Current Borrowings   | 21    | -                | 275.1            |
| (ii) Lease Liabilities   | 44    | 1,552.8          | 1,863.9          |
| (iii) Other Non-Current Financial Liabilities                                  | 22    | 1,562.8          | 2,013.6          |
| b. Non-Current Provisions  | 23    | 3,754.0          | 3,430.3          |
| c. Deferred Tax Liabilities (Net)  | 47(d) | 2,458.7          | 2,294.3          |
| d. Other Non-Current Liabilities   | 24    | 1,894.0          | 1,600.2          |
|  |       | 11,222.3         | 11,477.4         |
| <b>Current Liabilities</b>   |       |                  |                  |
| a. Financial Liabilities   |       |                  |                  |
| (i) Current Borrowings   | 25    | 26,699.1         | 42,165.4         |
| (ii) Lease Liabilities   | 44    | 965.8            | 1,110.8          |
| (iii) Trade Payables   |       |                  |                  |
| - Total outstanding dues of Micro Enterprises and Small Enterprises            | 26    | 806.2            | 763.3            |
| - Total outstanding dues of other than Micro Enterprises and Small Enterprises | 26    | 28,774.9         | 24,552.0         |
| (iv) Other Current Financial Liabilities                                       | 27    | 6,789.2          | 5,952.4          |
| b. Other Current Liabilities   | 28    | 11,439.0         | 8,709.0          |
| c. Current Provisions  | 29    | 5,249.4          | 5,151.1          |
| d. Current Tax Liabilities (Net)   |       | 4,291.4          | 4,249.7          |
|  |       | 85,015.0         | 92,653.7         |
| <b>TOTAL</b>   |       | <b>239,971.8</b> | <b>229,559.3</b> |
| See accompanying notes forming part of the consolidated financial statements   |       |                  |                  |

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

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

**Sudhir Soni**  
Partner  
Membership No.: 041870

**Manju D. Gupta**  
Chairman  
DIN: 00209461

**Ramesh Swaminathan**  
Executive Director, Global CFO & CRO and  
Head - Corporate Affairs  
DIN: 01833346

**Vinita Gupta**  
Chief Executive Officer  
DIN: 00058631

**R. V. Satam**  
Company Secretary  
ACS - 11973

**Nilesh D. Gupta**  
Managing Director  
DIN: 01734642

Place: Mumbai  
Dated: May 06, 2024

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

|  | Note         | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--|--------------|--------------------------|--|
| <b>INCOME:</b>   |              |                          |  |
| Revenue from Operations  | 30           | 200,108.2                | 166,416.6                                  |
| Other Income   | 31           | 1,201.7                  | 733.6                                      |
| <b>Total Income</b>  |              | <b>201,309.9</b>         | <b>167,150.2</b>                           |
| <b>EXPENSES:</b>   |              |                          |  |
| Cost of Materials Consumed   | 32           | 41,421.9                 | 36,878.1                                   |
| Purchases of Stock-in-Trade  |              | 29,587.2                 | 29,382.2                                   |
| Changes in Inventories of Finished Goods,<br>Work-in-Progress and Stock-in-Trade [(Increase)/Decrease] | 33           | (4,574.4)                | 1,537.3                                    |
| Employee Benefits Expense  | 34           | 34,945.7                 | 30,871.5                                   |
| Finance Costs  | 35           | 3,116.1                  | 2,743.0                                    |
| Depreciation, Amortisation and Impairment Expense  | 2,3,4,5 & 55 | 11,968.1                 | 8,806.9                                    |
| Other Expenses   | 36           | 60,727.7                 | 50,541.8                                   |
| Net (gain)/loss on Foreign Currency Transactions   |              | (105.1)                  | (775.5)                                    |
| <b>Total Expenses</b>  |              | <b>177,087.2</b>         | <b>159,985.3</b>                           |
| <b>Profit before Share of Profit of Joint Venture and Tax</b>  |              | <b>24,222.7</b>          | <b>7,164.9</b>                             |
| Share of Profit from Joint Venture (net of tax)  |              | -                        | -  |
| <b>Profit before Tax</b>   |              | <b>24,222.7</b>          | <b>7,164.9</b>                             |
| <b>Tax Expense:</b>  | 47(a)        |                          |  |
| - Current Tax (net)  |              | 6,338.5                  | 2,464.2                                    |
| - Deferred Tax (net)   |              | (1,471.5)                | 223.8                                      |
| <b>Total Tax Expense</b>   |              | <b>4,867.0</b>           | <b>2,688.0</b>                             |
| <b>Profit for the year</b>   |              | <b>19,355.7</b>          | <b>4,476.9</b>                             |
| Share of profit attributable to Non-Controlling Interest   |              | 210.9                    | 176.1                                      |
| <b>Profit for the year attributable to Owners of the Company</b>                                       |              | <b>19,144.8</b>          | <b>4,300.8</b>                             |
| <b>Other Comprehensive Income/(Loss)</b>   |              |                          |  |
| (A) (i) Items that will not be re-classified subsequently to profit or loss:                           |              |                          |  |
| - Remeasurements of Defined Benefit Liability  |              | (137.3)                  | (16.4)                                     |
| (ii) Income tax relating to items that will not be re-classified to profit or loss                     | 47(b)        | 47.0                     | 9.4  |
| (B) (i) Items that will be re-classified subsequently to profit or loss:                               |              |                          |  |
| - The effective portion of gain & losses on hedging instruments in a cash flow hedge                   |              | 131.4                    | (472.0)                                    |
| - Exchange differences in translating the financial statements of foreign operations                   |              | 374.1                    | 589.3                                      |
| (ii) Income tax relating to items that will be re-classified to profit or loss                         | 47(b)        | (39.2)                   | 131.9                                      |
| <b>Other Comprehensive Income/(Loss) for the year, net of tax</b>                                      |              | <b>376.0</b>             | <b>242.2</b>                               |
| Less: Share of Other Comprehensive Income/(Loss) attributable to Non-Controlling Interest              |              | (31.0)                   | 40.4                                       |
| <b>Other Comprehensive Income/(Loss) for the year attributable to Owners of the Company</b>            |              | <b>407.0</b>             | <b>201.8</b>                               |
| <b>Profit attributable to:</b>   |              |                          |  |
| Owners of the Company  |              | 19,144.8                 | 4,300.8                                    |
| Non-Controlling Interest   |              | 210.9                    | 176.1                                      |
| <b>Profit for the year</b>   |              | <b>19,355.7</b>          | <b>4,476.9</b>                             |
| <b>Other Comprehensive Income/(Loss) attributable to:</b>  |              |                          |  |
| Owners of the Company  |              | 407.0                    | 201.8                                      |
| Non-Controlling Interest   |              | (31.0)                   | 40.4                                       |
| <b>Other Comprehensive Income/(Loss) for the year</b>  |              | <b>376.0</b>             | <b>242.2</b>                               |
| <b>Total Comprehensive Income attributable to:</b>   |              |                          |  |
| Owners of the Company  |              | 19,551.8                 | 4,502.6                                    |
| Non-Controlling Interest   |              | 179.9                    | 216.5                                      |
| <b>Total Comprehensive Income for the year</b>   |              | <b>19,731.7</b>          | <b>4,719.1</b>                             |
| Earnings per equity share (in ₹)   | 43           |                          |  |
| Basic  |              | 42.05                    | 9.46                                       |
| Diluted  |              | 41.87                    | 9.41                                       |
| Face value of Equity Share (in ₹)  |              | 2.00                     | 2.00                                       |
| See accompanying notes forming part of the consolidated financial statements                           |              |                          |  |

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

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

**Sudhir Soni**  
Partner  
Membership No.: 041870

**Manju D. Gupta**  
Chairman  
DIN: 00209461

**Vinita Gupta**  
Chief Executive Officer  
DIN: 00058631

**Nilesh D. Gupta**  
Managing Director  
DIN: 01734642

**Ramesh Swaminathan**  
Executive Director, Global CFO & CRO and  
Head - Corporate Affairs  
DIN: 01833346

**R. V. Satam**  
Company Secretary  
ACS - 11973

Place: Mumbai  
Dated: May 06, 2024



# Consolidated Statement of Changes In Equity

for the year ended March 31, 2024

## A. Equity Share Capital [Refer note 20]

| Particulars   | As at 31.03.2024   |              | As at 31.03.2023   |              |
|---|--------------------|--------------|--------------------|--------------|
|   | No. of Shares      | ₹ in million | No. of Shares      | ₹ in million |
| Balance at the beginning of the reporting year                    | 454,981,335        | 910.0        | 454,475,014        | 909.0        |
| Changes in Equity Share Capital due to prior period errors        | -                  | -            | -                  | -            |
| Restated balance at the beginning of the current reporting period | 454,981,335        | 910.0        | 454,475,014        | 909.0        |
| Changes in equity share capital during the year                   | 697,573            | 1.4          | 506,321            | 1.0          |
| Balance at the end of the reporting year                          | <b>455,678,908</b> | <b>911.4</b> | <b>454,981,335</b> | <b>910.0</b> |

## B. Other Equity

| Particulars  | Reserves and Surplus |                            |               |                    |                                     |                 |                   |  | Other Items of Other Comprehensive Income |   |                                      |                                       | Equity attributable to owners of the company | Non-Controlling Interest | Total Other Equity |
|--|----------------------|----------------------------|---------------|--------------------|-------------------------------------|-----------------|-------------------|--|---|---|--------------------------------------|---------------------------------------|--|--------------------------|--------------------|
|  | Capital Reserve      | Capital Redemption Reserve | Legal Reserve | Securities Premium | Employees Stock Options Outstanding | General Reserve | Retained Earnings | Special Economic Zone Reinvestment Reserve | Amalgamation Reserve                      | Share Application Money pending Allotment | Foreign Currency Translation Reserve | Effective portion of Cash Flow Hedges |  |                          |                    |
| Balance as at 31.03.2022                                     | 263.9                | 126.5                      | 0.3           | 10,620.4           | 1,617.3                             | 17,134.1        | 92,884.2          | -  | 317.9                                     | -   | (2,691.0)                            | 350.1                                 | 120,623.7                                    | 687.1                    | 121,310.8          |
| Profit/(Loss) for the year                                   | -                    | -                          | -             | -                  | -                                   | -               | 4,300.8           | -  | -   | -   | -                                    | -                                     | 4,300.8                                      | 176.1                    | 4,476.9            |
| Remeasurements of defined benefit plans (net of tax)         | -                    | -                          | -             | -                  | -                                   | -               | (7.0)             | -  | -   | -   | -                                    | -                                     | (7.0)  | -                        | (7.0)              |
| Total comprehensive income/(loss) for the year               | -                    | -                          | -             | -                  | -                                   | -               | 4,293.8           | -  | -   | -   | -                                    | -                                     | 4,293.8                                      | 176.1                    | 4,469.9            |
| Movement in other comprehensive income for the year          | -                    | -                          | -             | -                  | -                                   | -               | -                 | -  | -   | -   | 548.9                                | (338.9)                               | 210.0  | 40.4                     | 250.4              |
| Received during the year                                     | -                    | -                          | -             | -                  | -                                   | -               | -                 | -  | -   | -   | -                                    | -                                     | -  | -                        | -                  |
| Final dividend on Equity Shares                              | -                    | -                          | -             | -                  | -                                   | -               | (1,818.5)         | -  | -   | -   | -                                    | -                                     | (1,818.5)                                    | -                        | (1,818.5)          |
| Dividend to Non-Controlling Interest                         | -                    | -                          | -             | -                  | -                                   | -               | -                 | -  | -   | -   | -                                    | -                                     | -  | (120.4)                  | (120.4)            |
| Issue of equity shares on exercise of employee stock options | -                    | -                          | -             | 455.4              | -                                   | -               | -                 | -  | -   | -   | -                                    | -                                     | 455.4  | -                        | 455.4              |
| Amortised/Exercised during the year                          | -                    | -                          | -             | -                  | (29.4)                              | -               | -                 | -  | -   | -   | -                                    | -                                     | (29.4)                                       | -                        | (29.4)             |
| Transfer to Special Economic Zone Reinvestment Reserve       | -                    | -                          | -             | -                  | -                                   | -               | -                 | -  | -   | -   | -                                    | -                                     | -  | -                        | -                  |
| Transfer from share based payments to General Reserve        | -                    | -                          | -             | -                  | (98.5)                              | 98.5            | -                 | -  | -   | -   | -                                    | -                                     | -  | -                        | -                  |
| Balance as at 31.03.2023                                     | 263.9                | 126.5                      | 0.3           | 11,075.8           | 1,489.4                             | 17,232.6        | 95,359.5          | -  | 317.9                                     | -   | (2,142.1)                            | 11.2                                  | 123,735.0                                    | 783.2                    | 124,518.2          |
| Profit/(Loss) for the year                                   | -                    | -                          | -             | -                  | -                                   | -               | 19,144.8          | -  | -   | -   | -                                    | -                                     | 19,144.8                                     | 210.9                    | 19,355.7           |
| Remeasurements of defined benefit plans (net of tax)         | -                    | -                          | -             | -                  | -                                   | -               | (90.3)            | -  | -   | -   | -                                    | -                                     | (90.3)                                       | -                        | (90.3)             |
| Total comprehensive income/(loss) for the year               | -                    | -                          | -             | -                  | -                                   | -               | 19,054.5          | -  | -   | -   | -                                    | -                                     | 19,054.5                                     | 210.9                    | 19,265.4           |
| Movement in other comprehensive income for the year          | -                    | -                          | -             | -                  | -                                   | -               | -                 | -  | -   | -   | 405.1                                | 89.9                                  | 495.0  | (31.0)                   | 464.0              |
| Received during the year                                     | -                    | -                          | -             | -                  | -                                   | -               | -                 | -  | -   | 0.8                                       | -                                    | -                                     | 0.8  | -                        | 0.8                |
| Final dividend on Equity Shares                              | -                    | -                          | -             | -                  | -                                   | -               | (1,820.3)         | -  | -   | -   | -                                    | -                                     | (1,820.3)                                    | -                        | (1,820.3)          |
| Dividend to Non-Controlling Interest                         | -                    | -                          | -             | -                  | -                                   | -               | -                 | -  | -   | -   | -                                    | -                                     | -  | (131.5)                  | (131.5)            |
| Issue of equity shares on exercise of employee stock options | -                    | -                          | -             | 717.8              | -                                   | -               | -                 | -  | -   | -   | -                                    | -                                     | 717.8  | -                        | 717.8              |
| Amortised/Exercised during the year                          | -                    | -                          | -             | -                  | (191.3)                             | -               | -                 | -  | -   | -   | -                                    | -                                     | (191.3)                                      | -                        | (191.3)            |
| Transfer to Special Economic Zone Reinvestment Reserve       | -                    | -                          | -             | -                  | -                                   | -               | (760.0)           | 760.0                                      | -   | -   | -                                    | -                                     | -  | -                        | -                  |
| Transfer from share based payments to General Reserve        | -                    | -                          | -             | -                  | (154.4)                             | 154.4           | -                 | -  | -   | -   | -                                    | -                                     | -  | -                        | -                  |
| Balance as at 31.03.2024                                     | 263.9                | 126.5                      | 0.3           | 11,793.6           | 1,143.7                             | 17,387.0        | 111,833.7         | 760.0                                      | 317.9                                     | 0.8                                       | (1,737.0)                            | 101.1                                 | 141,991.5                                    | 831.6                    | 142,823.1          |

# Consolidated Statement of Changes In Equity

for the year ended March 31, 2024

## 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. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

### g) Special Economic Zone Reinvestment Reserve

The Special Economic Zone Reinvestment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA (1) (ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA (2) of the Income Tax Act, 1961.

### h) Amalgamation Reserve

This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

### i) Share Application Money Pending Allotment

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

### j) Foreign Currency Translation Reserve

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

### k) 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 **BSR & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/JW-100022

**Sudhir Soni**

Partner

Membership No.: 041870

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

**Manju D. Gupta**

Chairman

DIN: 00209461

**Ramesh Swaminathan**

Executive Director, Global CFO & CRO and

Head - Corporate Affairs

DIN: 01833346

**Vinita Gupta**

Chief Executive Officer

DIN: 00058631

**R. V. Satam**

Company Secretary

ACS - 11973

**Nilesh D. Gupta**

Managing Director

DIN: 01734642

Place: Mumbai

Dated: May 06, 2024

# Consolidated Statement of Cash Flows

for the year ended March 31, 2024

|  | (₹ in million)           |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
| <b>A. Cash Flow from Operating Activities</b>  |                          |                          |
| <b>Profit/(Loss) before Tax</b>  | <b>24,222.7</b>          | <b>7,164.9</b>           |
| Adjustments for:   |                          |                          |
| Depreciation, Amortisation and Impairment Expense  | 11,968.1                 | 8,806.9                  |
| (Profit)/Loss on sale/write-off of Property, Plant and Equipment/Intangible Assets                     | (11.7)                   | (209.8)                  |
| Finance Costs  | 3,116.1                  | 2,743.0                  |
| Gain on Sale of Mutual Fund Investments  | (296.5)                  | (117.1)                  |
| Interest on Deposits with Banks and Others   | (462.3)                  | (324.3)                  |
| Interest on Income Tax Refund  | (373.6)                  | 3.1                      |
| Bad Trade Receivables/Advances written off   | 1.9                      | 34.3                     |
| Unrealised Loss/(Gain) on Mutual Fund Investments  | (57.4)                   | (14.1)                   |
| Unrealised Loss/(Gain) on Non-Current Investment   | 109.0                    | (3.6)                    |
| Impairment Allowances for Doubtful Trade Receivables/Deposits/Advances                                 | 652.9                    | 115.3                    |
| Share Based Payment Expense  | 383.3                    | 407.6                    |
| Net Loss on Financial Liabilities Measured at Fair Value Through Profit or Loss                        | (153.5)                  | (128.3)                  |
| Unrealised Exchange (Gain)/Loss on Revaluation   | (210.0)                  | (338.9)                  |
| <b>Operating Cash Flows before Working Capital Changes</b>   | <b>38,889.0</b>          | <b>18,139.0</b>          |
| Changes in working capital:  |                          |                          |
| Adjustments for (increase)/decrease in operating assets:   |                          |                          |
| Non-Current Loans  | 4.8                      | (37.8)                   |
| Other Non-Current Financial Assets   | 100.6                    | (355.8)                  |
| Other Non-Current Assets   | 323.0                    | (130.6)                  |
| Inventories  | (4,401.5)                | 1,954.4                  |
| Trade Receivables  | (2,408.1)                | (1,319.8)                |
| Current Loans  | (4.6)                    | (115.2)                  |
| Other Current Financial Assets   | (1,119.4)                | (1,797.2)                |
| Other Current Assets   | 485.0                    | 684.4                    |
| Adjustments for increase/(decrease) in operating liabilities:  |                          |                          |
| Other Non-Current Financial Liabilities  | 254.6                    | 7.4                      |
| Non-Current Provisions   | (59.8)                   | 50.3                     |
| Other Non-Current Liabilities  | 290.7                    | 237.7                    |
| Trade Payables   | 4,188.0                  | 2,168.1                  |
| Other Current Financial Liabilities  | 429.4                    | 141.2                    |
| Other Current Liabilities  | 2,682.7                  | 1,521.9                  |
| Current Provisions   | 89.7                     | 256.2                    |
| <b>Cash Generated from Operations</b>  | <b>39,744.1</b>          | <b>21,404.2</b>          |
| Net Income tax paid  | (3,260.5)                | (2,431.8)                |
| <b>Net Cash Flow generated from/(used in) Operating Activities</b>                                     | <b>36,483.6</b>          | <b>18,972.4</b>          |
| <b>B. Cash Flow from Investing Activities</b>  |                          |                          |
| Payment for acquisition of business, net off cash acquired   | (1,465.0)                | (2,910.0)                |
| Payment for acquisition of Property, Plant and Equipment/Intangible Assets, including capital advances | (9,289.0)                | (14,996.2)               |
| Proceeds from sale of Property, Plant and Equipment/Intangible Assets                                  | 122.6                    | 385.3                    |
| Purchase of Non-Current Investment   | (1,646.3)                | -                        |
| Purchase of Current Investments  | (109,637.2)              | (118,232.6)              |
| Proceeds from sale of Current Investments  | 105,909.9                | 122,190.1                |
| Bank balances not considered as Cash and Cash Equivalents  | (1,579.4)                | 371.4                    |
| Interest on Deposits with Banks and Others   | 462.4                    | 324.3                    |
| <b>Net Cash Flow generated from/(used in) Investing Activities</b>                                     | <b>(17,122.0)</b>        | <b>(12,867.7)</b>        |

# Consolidated Statement of Cash Flows

for the year ended March 31, 2024

|   | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|---|--------------------------|--|
| <b>C. Cash Flow from Financing Activities</b>                             |                          |  |
| Repayment of Non-Current Borrowings                                       | (275.1)                  | (1,134.9)                                  |
| Proceeds from/(Repayment of) Current Borrowings                           | (15,896.2)               | 2,863.0                                    |
| Proceeds from issue of equity shares (ESOPs) and Share application money  | 2.2                      | 1.0  |
| Securities Premium Received (ESOPs)                                       | 143.3                    | 18.4                                       |
| Payment of Lease liabilities (net off interest)                           | (1,159.2)                | (1,028.2)                                  |
| Finance Costs   | (2,829.1)                | (2,266.8)                                  |
| Dividend paid   | (1,828.0)                | (1,825.0)                                  |
| <b>Net Cash Flow generated from/(used in) Financing Activities</b>        | <b>(21,842.1)</b>        | <b>(3,372.5)</b>                           |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>               | <b>(2,480.5)</b>         | <b>2,732.2</b>                             |
| Cash and Cash Equivalents as at the beginning of the year                 | 12,318.1                 | 9,913.7                                    |
| <b>Cash and Cash Equivalents as at the end of the year</b>                | <b>9,837.6</b>           | <b>12,645.9</b>                            |
| <b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b> |                          |  |
| Cash and Cash Equivalents as per Balance Sheet [Refer note 15]            | 9,832.8                  | 12,318.1                                   |
| Unrealised loss/(gain) on foreign currency Cash and Cash Equivalents      | 4.8                      | 327.8                                      |
| Bank Overdraft  | -                        | -  |
| <b>Cash and Cash Equivalents as at the end of the year</b>                | <b>9,837.6</b>           | <b>12,645.9</b>                            |

## Notes:

- 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".
- Cash and cash equivalents comprises cash on hand, cash at bank and short term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.  
For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management."
- Refer note 65 for Non Cash Changes in Cash Flows from Financing Activities.

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

**Sudhir Soni**  
Partner  
Membership No.: 041870

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

**Manju D. Gupta**  
Chairman  
DIN: 00209461

**Ramesh Swaminathan**  
Executive Director, Global CFO & CRO and  
Head - Corporate Affairs  
DIN: 01833346

**Vinita Gupta**  
Chief Executive Officer  
DIN: 00058631

**R. V. Satam**  
Company Secretary  
ACS - 11973

**Nilesh D. Gupta**  
Managing Director  
DIN: 01734642

Place: Mumbai  
Dated: May 06, 2024

# Notes

## Forming part of the Consolidated Financial Statements

### 1A. OVERVIEW:

Lupin Limited (hereinafter referred to as “the Company” or “Parent 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's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. These Consolidated Financial Statements were authorized for issue by the Company's Board of Directors on May 06, 2024.

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

These Consolidated Financial Statements comprise financial statement of the Company and its subsidiaries (hereinafter referred to as “the Group”) and its Joint Venture.

### 1B. MATERIAL ACCOUNTING POLICIES:

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

##### Basis of preparation

- i) These Consolidated Financial Statements of the Group have been prepared and presented in all material aspects in accordance with the 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.

##### 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) The Consolidated Financial Statements have been prepared on the historical cost convention and on an accrual basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) investment in joint ventures and associates are accounted for using the equity method (iv) derivative financial instruments and (v) defined benefit plans– plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### Use of Significant 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.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below.

Information about critical judgments made 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 following accounting policies.

- Measurement and likelihood of occurrence of provisions and contingencies (Refer note s)



# Notes

## Forming part of the Consolidated Financial Statements

- Impairment of non-financial assets (Refer note g)
- Goodwill impairment (Refer note g)
- Provision for Income Taxes and uncertain tax Positions (Refer note k)
- Impairment of financial assets (Refer note i)

### b) Principles of Consolidation:

#### Subsidiaries

Subsidiaries are all 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. These Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

The financial statement of Subsidiaries used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, derecognizes any non-controlling interests, derecognizes the cumulative translation difference recorded in equity and recognizes the fair value of the consideration received 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 or fair value depending on the level of influence retained.

#### Joint Ventures (Equity Accounted Investees)

A Joint Venture is a Joint arrangement whereby the parties that have joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in joint venture 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. 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.

The financial statement of Joint Ventures used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

#### Consolidation procedure

The Consolidated Financial Statement of the Group has been combined on a line-by-line basis by adding assets, liabilities, equity, income, expense and cash flows. 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.

Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

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.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

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

# Notes

## Forming part of the Consolidated Financial Statements

- and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Group incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in Consolidated Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost of the item of property, plant and equipment is recognized as an asset if, and only if it is probable that the future economic benefits associated with the expenditure/ item will flow to the Group and cost of the item can be measured reliably.

Freehold land is carried at historical cost less any accumulated impairment losses.

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 capitalized only if it is probable that the future economic benefits associated with the expenditure/ item will flow to the Group and cost of the item can be measured reliably.

### 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    |
|---------------------------------------|--------------------------|
| 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                  |

Depreciation on property, plant and equipment of the Company's foreign subsidiaries and a joint venture 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 <sup>1</sup> | 3 to 20 years            |
| Furniture and Fixtures           | 2 to 20 years            |
| Vehicles <sup>1</sup>            | 3 to 7 years             |
| Office Equipment                 | 2 to 21 years            |

<sup>1</sup> 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).

### IV. Derecognition of Property, Plant and Equipment

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Consolidated Statement of Profit and Loss.

# Notes

## Forming part of the Consolidated Financial Statements

### 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 capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

#### II. Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably.

#### III. Derecognition of Intangible Assets

Intangible assets are derecognized either on their disposal or where no future economic benefits are expected from their use. Losses arising on such derecognition are recorded in the Consolidated Statement of Profit and Loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of derecognition.

#### IV. Amortization

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         |
| Knowhow                   | 5 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.

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 respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred.

Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless following condition are satisfied in which case such expenditure is capitalized

- a product's technical feasibility has been established;
- development costs can be measured reliably;
- future economic benefits are probable;
- the Company intends to and has sufficient resources/ability to complete development and to use or sell the asset.

The amount capitalized 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 utilized for research and development are capitalized 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 capitalized, 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 or 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 (IP) are capitalized since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

### 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.

### g) Impairment of non-financial assets:

The carrying values of Property, Plant and Equipment and Intangible assets at each balance sheet date are reviewed for impairment,

# Notes

## Forming part of the Consolidated Financial Statements

if any indication of impairment exists.

If the carrying amount of Property, Plant and Equipment and Intangible 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 asset's fair value less costs of disposal and its 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 that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted.

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

### Goodwill impairment

Goodwill is tested for impairment annually. If events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (CGUs) (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount is the higher of fair value less costs of disposal 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 is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

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

Intangible assets with definite useful lives are subject to amortization. Intangible 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 of disposal 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 at reporting date 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.



# Notes

## Forming part of the Consolidated Financial Statements

- 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 Foreign Currency Translation Reserve (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:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### I. Financial Assets

##### Classification

On initial recognition, the Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, Company's trade receivables that do not contain a significant financing component are measured at transaction price under Ind AS 115 "Revenue from Contracts with Customers".

Purchases or sales of financial assets including mutual fund 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 or loss (FVTPL) category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories:

- i) Debt instruments at amortized cost.
- ii) Debt instruments at fair value through other comprehensive income (FVTOCI).
- iii) Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

##### 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.



# Notes

## Forming part of the Consolidated Financial Statements

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.

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) Trade receivables;
- ii) Financial assets measured at amortized cost (other than trade receivables).

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

Financial assets classified as amortised cost

(listed as ii above), subsequent to initial recognition, are assessed for evidence of impairment at end of each reporting period basis monitoring of whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding- looking information.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the Consolidated statement of profit and loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

## 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

# Notes

## Forming part of the Consolidated Financial Statements

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.

### Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities at fair value through profit or loss;
- ii) Financial liabilities at amortized cost (loans and borrowings).

### 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. Separate 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 other equity. All other changes in fair value of such liability are recognized in the Consolidated Statement of Profit and Loss.

### Financial Liabilities at amortized cost (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.

### Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amount of income recognized.

### 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

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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 realize the assets and settle the liabilities simultaneously.

### Derivative financial instruments

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

### Hedge Accounting

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognized directly in Other Comprehensive Income ('OCI') and accumulated in "Cash Flow Hedge Reserve Account" under Other Equity, net of applicable deferred income taxes and the ineffective portion is recognized immediately in the Consolidated Statement

of Profit and Loss. Amounts accumulated in the "Cash Flow Hedge Reserve Account" are reclassified to the Consolidated Statement of Profit and Loss in the same period during which the forecasted transaction affects Consolidated Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in "Cash Flow Hedge Reserve Account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in "Cash Flow Hedge Reserve Account" is immediately transferred to the Consolidated Statement of Profit and Loss.

## III. Measurement

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- (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.

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- 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 immediately in the OCI and accumulates the same in equity as Capital Reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognized in equity as Capital Reserve, without routing the same through OCI.
- iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.
- v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss.
- vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.
- vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling

interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

- viii) Any goodwill that arises on account of such business combination is tested annually for impairment.
- ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

### k) **Income tax:**

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### **Current tax**

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

Current tax assets and liabilities are offset only if, the 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 realize 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 unrealized 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 realized; such reductions are



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reversed when the probability of future taxable profits improves.

Deferred tax is not recognized for the temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

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.

### **i) 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.

The comparison of cost and net realisable value is made on an item-by-item basis.

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, raw material and packing materials 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, cost of conversion, 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.

Cost of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

### **m) Revenue Recognition:**

#### **Sale of Goods**

The majority of the Group'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 Group has determined is when physical possession, legal title and risks



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and rewards of ownership of the products transfer to the customer and the Group 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 transaction price which is consideration received or receivable, net of returns, Goods and Service Tax (GST) and applicable trade discounts, allowances and chargeback. Revenue includes shipping and handling costs billed to the customer.

In arriving at the transaction price, the Group considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Group is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties.

The Group accounts for refund liabilities (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 Group's estimate of expected sales returns. The Group 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 Group's business and markets. As required under Ind AS 115, the Group has presented its right to return assets under Other Current Asset and refund liabilities under Other Current Liabilities in the financial statements.

Any amount of variable consideration is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur. The Group estimates the amount of variable consideration using the expected value method.

The Group disaggregates revenue from contracts with customers by Major products/ service line, geography and timing of the revenue recognition.

### 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 Group 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 Group recognize or defer the upfront payments received under these arrangements. Deferred upfront payments are recognized over the period in which the Group has continuing performance obligations.

### Services Income

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognized at a point in time when the Group satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognized when the test report is generated i.e. when the performance obligation is satisfied.

The Group has assessed that it is primarily responsible for fulfilling the performance obligation to collection centers/channel partners. Accordingly, the revenue has been recognized based on the services rendered to collection centers/channel partners.

Revenues in excess of invoicing are classified as contract assets (referred to as "unbilled revenue") while invoicing in excess of revenues are classified as contract liabilities (referred to as "unearned revenue").

### Income from Export Benefits and Other Incentives

Export benefits and other incentives 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 is reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

### n) Other Income:

#### 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.

### o) 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

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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. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

### 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 recognizes 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.

### Other benefit plans

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

### p) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs")/ SESOP (Lupin Subsidiary Companies Employees Stock Option Plan): 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.

Cash-settled Transactions: The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option

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Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date upto, and including the settlement date, with changes in fair value recognized in employee benefits expense.

### q) 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 coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

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

When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

### r) 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 standalone price of the non-lease components.

#### i) Right-of-use asset

The Group recognizes 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 recognized in the Consolidated Statement of Profit and Loss.

#### ii) Lease Liabilities

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 (IBR). The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates. 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

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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 recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Consolidated 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 recognizes any remaining amount of the re-measurement in Consolidated Statement of Profit and Loss.

### iii) Short-term leases and leases of low-value assets

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.

### s) Provisions, Contingent Liabilities and Contingent Assets:

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.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### t) Cash and Cash equivalents:

Cash and cash equivalents comprises cash on hand, cash at bank and short term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### u) 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 capitalization of such asset or upto the date the assets are ready for its intended use are added to the cost of the assets. Capitalization 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.



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### v) Government Grants:

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

- In case of capital grants, they are then recognized in Consolidated Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Group for expenses incurred are recognized in Consolidated Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

Export benefits and other incentives 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 is reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

The Group has received approval under the Production Linked Incentive Scheme of the Government of India for specific product categories. Incentive under the scheme is subject to meeting certain committed investments and defined incremental sales threshold. Such grants are recognized as other operating revenue when there is a reasonable assurance that the Group will comply with all necessary conditions attached to the grant. Income from such grants is recognized on a systematic basis over the periods to which they relate.

### w) Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) 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.

### x) Insurance claims:

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

### y) Current vs. Non-current:

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### 1C. RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") has not notified any new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time which are applicable effective 1<sup>st</sup> April 2024.



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## 2. Property, Plant and Equipment

| Particulars                                    | Freehold Land | Buildings | Improvements on Leased Premises | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipment | Total    |
|--|---------------|-----------|---------------------------------|----------------------|------------------------|----------|------------------|----------|
| <b>At cost or deemed cost</b>                  |               |           |                                 |                      |                        |          |                  |          |
| As at 01.04.2022                               | 2,023.0       | 20,555.7  | 2,407.2                         | 44,116.5             | 1,666.0                | 417.7    | 2,788.8          | 73,974.9 |
| Additions                                      | -             | 583.0     | 106.2                           | 4,617.0              | 119.5                  | 59.1     | 252.8            | 5,737.6  |
| Disposals                                      | 2.9           | 26.8      | 3.2                             | 258.4                | 8.8                    | 120.7    | 153.4            | 574.2    |
| Translation Adjustments                        | 123.3         | 377.5     | 153.4                           | 535.5                | 29.7                   | 26.5     | 57.5             | 1,303.4  |
| As at 31.03.2023                               | 2,143.4       | 21,489.4  | 2,663.6                         | 49,010.6             | 1,806.4                | 382.6    | 2,945.7          | 80,441.7 |
| Additions                                      | 10.4          | 1,162.8   | 79.3                            | 6,371.1              | 93.6                   | 32.9     | 665.1            | 8,415.2  |
| Taken over on Acquisition                      | -             | -         | -                               | -                    | -                      | -        | 0.2              | 0.2      |
| Disposals                                      | -             | 7.6       | 11.5                            | 543.6                | 13.2                   | 78.0     | 149.8            | 803.7    |
| Translation Adjustments                        | 72.0          | 145.1     | 29.6                            | 182.4                | 11.0                   | 1.6      | 1.2              | 442.9    |
| As at 31.03.2024                               | 2,225.8       | 22,789.7  | 2,761.0                         | 55,020.5             | 1,897.8                | 339.1    | 3,462.4          | 88,496.3 |
| <b>Accumulated Depreciation and Impairment</b> |               |           |                                 |                      |                        |          |                  |          |
| As at 01.04.2022                               | -             | 3,854.8   | 1,707.7                         | 23,064.8             | 1,051.7                | 226.5    | 2,328.7          | 32,234.2 |
| Depreciation charge for the year               | -             | 776.4     | 139.6                           | 3,888.6              | 133.1                  | 70.2     | 223.4            | 5,231.3  |
| Disposals                                      | -             | 19.7      | 2.5                             | 220.8                | 8.1                    | 114.7    | 153.3            | 519.1    |
| Translation Adjustments                        | -             | 68.3      | 108.0                           | 328.9                | 27.3                   | 16.1     | 50.7             | 599.3    |
| As at 31.03.2023                               | -             | 4,679.8   | 1,952.8                         | 27,061.5             | 1,204.0                | 198.1    | 2,449.5          | 37,545.7 |
| Depreciation charge for the year               | -             | 817.6     | 145.2                           | 4,206.6              | 134.8                  | 64.9     | 253.1            | 5,622.2  |
| Disposals                                      | -             | 3.4       | 11.5                            | 458.3                | 10.7                   | 76.2     | 148.8            | 708.9    |
| Translation Adjustments                        | -             | 39.5      | 22.6                            | 106.7                | 10.0                   | 2.8      | 14.0             | 195.6    |
| As at 31.03.2024                               | -             | 5,533.5   | 2,109.1                         | 30,916.5             | 1,338.1                | 189.6    | 2,567.8          | 42,654.6 |
| <b>Carrying Amount</b>                         |               |           |                                 |                      |                        |          |                  |          |
| As at 31.03.2024                               | 2,225.8       | 17,256.2  | 651.9                           | 24,104.0             | 559.7                  | 149.5    | 894.6            | 45,841.7 |
| As at 31.03.2023                               | 2,143.4       | 16,809.6  | 710.8                           | 21,949.1             | 602.4                  | 184.5    | 496.2            | 42,896.0 |

a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).

b) The Group has not revalued any of its Property Plant and Equipment.

## 3. Capital Work-In-Progress (CWIP)

| Particulars                 | As at 31.03.2024 | As at 31.03.2023 |
|-----------------------------|------------------|------------------|
| Opening Balance             | 8,948.2          | 8,474.7          |
| Additions during the year   | 5,485.9          | 6,361.2          |
| Capitalised during the year | 8,262.0          | 5,953.8          |
| Impairment during the year  | 260.8            | -                |
| Translation Adjustments     | 45.4             | 66.1             |
| <b>Closing Balance</b>      | <b>5,956.7</b>   | <b>8,948.2</b>   |

a) Refer note 69 for CWIP ageing and note 40 for details of Expenditure incurred prior to commencement of commercial production.

b) Refer note 55 for details of Impairment Loss

# Notes

## Forming part of the Consolidated Financial Statements

### 4. Other Intangible Assets

|  | (₹ in million)    |                        |                    |                             |                 |
|--|-------------------|------------------------|--------------------|-----------------------------|-----------------|
| Particulars                                    | Computer Software | Customer Relationships | Supplier Contracts | Product Related Intangibles | Total           |
| <b>At cost or deemed cost</b>                  |                   |                        |                    |                             |                 |
| As at 01.04.2022                               | 1,047.3           | 880.2                  | 449.1              | 56,585.1                    | 58,961.7        |
| Taken over on Acquisition                      | -                 | -                      | -                  | 3,001.4                     | 3,001.4         |
| Additions                                      | 514.2             | -                      | -                  | 6,436.7                     | 6,950.9         |
| Disposals                                      | 49.3              | -                      | 26.1               | 1,523.2                     | 1,598.6         |
| Translation Adjustments                        | 28.7              | (26.6)                 | (13.6)             | 4,397.4                     | 4,385.9         |
| As at 31.03.2023                               | 1,540.9           | 853.6                  | 409.4              | 68,897.4                    | 71,701.3        |
| Taken over on Acquisition                      | 14.2              | 281.6                  | -                  | 647.1                       | 942.9           |
| Additions                                      | 422.2             | -                      | 36.4               | 4,611.0                     | 5,069.6         |
| Disposals                                      | 3.5               | -                      | -                  | 56.2                        | 59.7            |
| Translation Adjustments                        | 10.1              | (13.9)                 | (6.9)              | 961.3                       | 950.6           |
| <b>As at 31.03.2024</b>                        | <b>1,983.9</b>    | <b>1,121.3</b>         | <b>438.9</b>       | <b>75,060.6</b>             | <b>78,604.7</b> |
| <b>Accumulated Amortisation and Impairment</b> |                   |                        |                    |                             |                 |
| As at 01.04.2022                               | 595.5             | 13.2                   | 6.7                | 51,269.4                    | 51,884.8        |
| Amortisation charge for the year               | 138.9             | 85.5                   | 42.2               | 1,851.3                     | 2,117.9         |
| Impairment charge for the year                 | -                 | -                      | -                  | 238.5                       | 238.5           |
| Disposals                                      | 49.3              | -                      | 1.6                | 1,444.2                     | 1,495.1         |
| Translation Adjustments                        | 160.5             | (0.5)                  | (0.3)              | 3,881.1                     | 4,040.8         |
| As at 31.03.2023                               | 845.6             | 98.2                   | 47.0               | 55,796.1                    | 56,786.9        |
| Amortisation charge for the year               | 265.2             | 138.9                  | 42.2               | 2,710.8                     | 3,157.1         |
| Impairment charge for the year                 | -                 | -                      | 15.6               | 1,308.5                     | 1,324.1         |
| Disposals                                      | -                 | -                      | -                  | 43.6                        | 43.6            |
| Translation Adjustments                        | 9.3               | (2.0)                  | (1.0)              | 826.8                       | 833.1           |
| <b>As at 31.03.2024</b>                        | <b>1,120.1</b>    | <b>235.1</b>           | <b>103.8</b>       | <b>60,598.6</b>             | <b>62,057.6</b> |
| <b>Carrying Amount</b>                         |                   |                        |                    |                             |                 |
| <b>As at 31.03.2024</b>                        | <b>863.8</b>      | <b>886.2</b>           | <b>335.1</b>       | <b>14,462.0</b>             | <b>16,547.1</b> |
| As at 31.03.2023                               | 695.3             | 755.4                  | 362.4              | 13,101.3                    | 14,914.4        |

- a) Refer note 55 for details of Impairment Loss.
- b) Accumulated Amortization and Impairment Loss includes impairment loss in opening balance of ₹ 34,282.5 million (previous year ₹ 31,447.7 million) and in closing balance of ₹ 36,097.1 million (previous year ₹ 34,282.5 million).
- c) Refer note 51 for Asset Acquisition disclosure.
- d) Product related intangibles includes Trademarks and licenses, Dossiers/Marketing rights and Knowhow.
- e) The Group has not revalued any of its Intangible Assets.

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Forming part of the Consolidated Financial Statements

## 5. Right-Of-Use Assets (ROU)

|                                  |                |                |                   |                      |              |                  | (₹ in million) |
|----------------------------------|----------------|----------------|-------------------|----------------------|--------------|------------------|----------------|
| Particulars                      | Land           | Buildings      | Plant & Equipment | Furniture & Fixtures | Vehicles     | Office Equipment | Total          |
| <b>At cost or deemed cost</b>    |                |                |                   |                      |              |                  |                |
| As at 01.04.2022                 | 1,137.4        | 3,639.7        | 26.4              | 396.3                | 467.9        | 57.7             | 5,725.4        |
| Additions                        | -              | 521.6          | 22.0              | -                    | 312.5        | 17.8             | 873.9          |
| Disposals                        | -              | 114.0          | 26.4              | -                    | 117.1        | 32.1             | 289.6          |
| Translation Adjustments          | -              | 114.9          | -                 | -                    | 14.5         | 4.3              | 133.7          |
| As at 31.03.2023                 | 1,137.4        | 4,162.2        | 22.0              | 396.3                | 677.8        | 47.7             | 6,443.4        |
| Additions                        | -              | 476.3          | 6.6               | -                    | 315.9        | 26.1             | 824.9          |
| Disposals                        | -              | 487.6          | -                 | 351.6                | 174.6        | 8.1              | 1,021.9        |
| Translation Adjustments          | -              | 22.5           | -                 | -                    | 10.9         | 15.7             | 49.1           |
| <b>As at 31.03.2024</b>          | <b>1,137.4</b> | <b>4,173.4</b> | <b>28.6</b>       | <b>44.7</b>          | <b>830.0</b> | <b>81.4</b>      | <b>6,295.5</b> |
| <b>Accumulated Depreciation</b>  |                |                |                   |                      |              |                  |                |
| As at 01.04.2022                 | 74.9           | 1,381.3        | 22.0              | 224.7                | 213.4        | 51.5             | 1,967.8        |
| Depreciation charge for the year | 15.3           | 773.5          | 8.1               | 80.9                 | 178.7        | 7.6              | 1,064.1        |
| Disposals                        | -              | 54.9           | 26.4              | -                    | 89.2         | 31.1             | 201.6          |
| Translation Adjustments          | -              | 49.1           | -                 | -                    | 6.2          | 3.6              | 58.9           |
| As at 31.03.2023                 | 90.2           | 2,149.0        | 3.7               | 305.6                | 309.1        | 31.6             | 2,889.2        |
| Depreciation charge for the year | 15.3           | 813.2          | 9.0               | 80.9                 | 243.4        | 14.5             | 1,176.3        |
| Disposals                        | -              | 403.9          | -                 | 351.6                | 167.9        | 8.1              | 931.5          |
| Translation Adjustments          | -              | 12.6           | -                 | -                    | 4.1          | 1.0              | 17.7           |
| <b>As at 31.03.2024</b>          | <b>105.5</b>   | <b>2,570.9</b> | <b>12.7</b>       | <b>34.9</b>          | <b>388.7</b> | <b>39.0</b>      | <b>3,151.7</b> |
| <b>Carrying Amount</b>           |                |                |                   |                      |              |                  |                |
| <b>As at 31.03.2024</b>          | <b>1,031.9</b> | <b>1,602.5</b> | <b>15.9</b>       | <b>9.8</b>           | <b>441.3</b> | <b>42.4</b>      | <b>3,143.8</b> |
| As at 31.03.2023                 | 1,047.2        | 2,013.2        | 18.3              | 90.7                 | 368.7        | 16.1             | 3,554.2        |

a) Refer note 44 for leases disclosure.

b) The Group has not revalued any of its Right- of- Use assets.

## 6. Intangible Assets Under Development (IAUD)

|                             |  | (₹ in million)   |                  |
|-----------------------------|--|------------------|------------------|
| Particulars                 |  | As at 31.03.2024 | As at 31.03.2023 |
| Opening Balance             |  | 3,431.7          | 2,988.1          |
| Additions during the year   |  | 361.5            | 899.8            |
| Capitalised during the year |  | 1,640.3          | 474.1            |
| Impairment during the year  |  | 427.6            | 155.3            |
| Translation Adjustments     |  | 43.3             | 173.2            |
| <b>Closing Balance</b>      |  | <b>1,768.6</b>   | <b>3,431.7</b>   |

a) Refer note 55 for details of Impairment loss.

b) Refer note 70 for IAUD ageing.

## 7. Investments Accounted For Using Equity Method

|  |        |            | (₹ in million)   |                  |
|--|--------|------------|------------------|------------------|
| Particulars                                      | Number | Face Value | As at 31.03.2024 | As at 31.03.2023 |
| <b>Unquoted (fully paid)</b>                     |        |            |                  |                  |
| <b>In Joint Venture:</b>                         |        |            |                  |                  |
| - YL Biologics Limited, Japan [Refer note 54(b)] | 450    | JPY        | 269.1            | 300.7            |
|  | (450)  | *          |                  |                  |
| <b>Total</b>                                     |        |            | <b>269.1</b>     | <b>300.7</b>     |

\*Shares do not have face value

|   |       |       |
|---|-------|-------|
| i) Aggregate amount of unquoted investments                               | 269.1 | 300.7 |
| ii) Aggregate amount for impairment in value of investments               | -     | -     |
| iii) Previous year numbers are within brackets below current year numbers |       |       |

# Notes

## Forming part of the Consolidated Financial Statements

### 8. Non-Current Investments

| Particulars   | Number      | Face Value | (₹ in million)   |                  |
|---|-------------|------------|------------------|------------------|
|   |             |            | As at 31.03.2024 | As at 31.03.2023 |
| <b>a) In Equity shares at Fair Value through Profit or Loss (fully paid)</b>  |             |            |                  |                  |
| <b>Unquoted</b>   |             |            |                  |                  |
| - Biotech Consortium India Limited, India   | 50,000      | ₹          | 0.5              | 0.5              |
|   | (50,000)    | 10         |                  |                  |
| - Enviro Infrastructure Co. Limited, India  | 100,000     | ₹          | 1.0              | 1.0              |
|   | (100,000)   | 10         |                  |                  |
| - BEIL Infrastructure Limited, India  | 4,410       | ₹          |                  |                  |
| [31.03.2024 - ₹ 44,100/-, 31.03.2023 - ₹ 44,100/-]  | (4,410)     | 10         |                  |                  |
| - Narmada Clean Tech Limited, 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        |                  |                  |
| - Continum Green Energy, India  | 1,206,400   | ₹          | 12.1             | -                |
|   |             | 10         |                  |                  |
| - nReach One (Pty) Limited, South Africa  | 9,650,000   | ZAR        | 42.6             | 44.6             |
|   | (9,650,000) | 1          |                  |                  |
| - Sai Wardha Power Limited, India   | 3,007,237   |            | -                | -                |
| [Aggregate impairment of ₹ 30.1 million (previous year - ₹ 30.1 million)]   | (3,007,237) |            |                  |                  |
|   |             |            | <b>74.4</b>      | 64.3             |
| <b>b) Debentures at Fair Value through Profit or Loss (fully paid)</b>  |             |            |                  |                  |
| <b>Unquoted</b>   |             |            |                  |                  |
| - Continum Green Energy, India  | 3,432,000   | ₹          | 34.3             | -                |
| [0.0% Optionally Convertible Debentures]  |             | 10         |                  |                  |
|   |             |            | <b>34.3</b>      | -                |
| <b>c) In Bonds/Debentures/Securities at Amortised Cost</b>  |             |            |                  |                  |
| <b>- Non Convertible Debentures</b>   |             |            |                  |                  |
| <b>Quoted</b>   |             |            |                  |                  |
| - 6.55% Kotak Mahindra Prime Ltd., India  | 500         | ₹          | 522.8            | -                |
|   |             | 1,000,000  |                  |                  |
| - 8.25% Kotak Mahindra Prime Ltd., India  | 500         | ₹          | 532.2            | -                |
|   |             | 1,000,000  |                  |                  |
| - 7.75% Tata Capital Ltd., India  | 500         | ₹          | 526.6            | -                |
|   |             | 1,000,000  |                  |                  |
| <b>- Government Securities</b>  |             |            |                  |                  |
| <b>Unquoted</b>   |             |            |                  |                  |
| - National Saving Certificates [Deposited with Government Authority]  |             |            |                  |                  |
| [31.03.2024 - ₹ 5,500/-, 31.03.2023 - ₹ 5,500/-]  |             |            |                  |                  |
|   |             |            | <b>1,581.6</b>   | -                |
| <b>d) In Membership Share in LLP, at Fair Value through Profit or Loss</b>  |             |            |                  |                  |
| <b>Unquoted</b>   |             |            |                  |                  |
| - ABCD Technologies LLP, India  |             |            | 297.2            | 406.3            |
| [As at 31.03.2024, the Company had a 6.45% (31.03.2023 - 6.45%) share of profit/loss and voting rights. The investment is locked upto April 24, 2024] |             |            |                  |                  |
| - Cleanwin Energy 12 LLP, India   |             |            | 9.9              | -                |
| [As at 31.03.2024, the Company had a 26.1% (31.03.2023 - Nil) share of voting rights]   |             |            |                  |                  |
| - Cleanwin Energy 9 LLP, India  |             |            | 6.0              | -                |
| [As at 31.03.2024, the Company had a 26.1% (31.03.2023 - Nil) share of voting rights]   |             |            |                  |                  |
| - Cleanwin Energy 10 LLP, India   |             |            | 4.5              | -                |
| [As at 31.03.2024, the Company had a 26.1% (31.03.2023 - Nil) share of voting rights]   |             |            |                  |                  |
|   |             |            | <b>317.6</b>     | <b>406.3</b>     |
| <b>Total</b>  |             |            | <b>2,007.9</b>   | <b>470.6</b>     |
| <b>a) Aggregate amount of quoted investments and market value thereof</b>   |             |            |                  |                  |
| Book value  |             |            | 1,581.6          | -                |
| Market value  |             |            | 1,587.6          | -                |
| <b>b) Aggregate amount of unquoted investments</b>  |             |            | 426.3            | 470.6            |
| <b>c) Aggregate amount of impairment in value of investment</b>   |             |            | 30.1             | 30.1             |
| <b>d) Previous year numbers are within brackets below current year numbers</b>  |             |            |                  |                  |

# Notes

Forming part of the Consolidated Financial Statements

## 9. Non-Current Loans

| Particulars  | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Unsecured, considered good                                     |                  |                  |
| Loans to Employees (including loan for Housing/Medical/Others) | 35.7             | 40.4             |
| <b>Total</b>   | <b>35.7</b>      | <b>40.4</b>      |

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

## 10. Other Non-Current Financial Assets

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Unsecured, considered good unless otherwise stated                  |                  |                  |
| Security Deposits   |                  |                  |
| - with Related Parties [Refer note 64 C]                            | 7.4              | 7.4              |
| - with Others   | 787.6            | 802.9            |
| Earmarked Bank Deposits against guarantees & other commitments      | 93.0             | 176.8            |
| Export Benefits receivable / Refund due from Government Authorities | 306.4            | -                |
| <b>Total</b>  | <b>1,194.4</b>   | <b>987.1</b>     |

## 11. Other Non-Current Assets

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Capital Advances  | 666.2            | 1,378.6          |
| Export Benefits receivable / Balances with Government Authorities (Drawback / Customs and Excise duties receivable) | 431.3            | 13.6             |
| Prepaid Expenses  | 78.8             | 386.6            |
| Other Advances (includes paid under protest)  | 201.3            | 201.3            |
| <b>Total</b>  | <b>1,377.6</b>   | <b>1,980.1</b>   |

## 12. Inventories

| Particulars                    | (₹ in million)   |                  |
|--------------------------------|------------------|------------------|
|                                | As at 31.03.2024 | As at 31.03.2023 |
| Raw Materials                  | 9,358.4          | 10,002.2         |
| Packing Materials              | 3,660.0          | 3,403.7          |
| Work-in-Progress               | 6,645.6          | 6,318.3          |
| Finished Goods                 | 9,367.0          | 7,389.3          |
| Stock-in-Trade                 | 12,867.4         | 12,327.9         |
| Consumable Stores and Spares   | 2,709.2          | 2,556.0          |
| Goods-in-Transit               |                  |                  |
| - Raw Materials                | 528.1            | 397.1            |
| - Packing Materials            | 176.8            | 100.4            |
| - Stock-in-Trade               | 4,192.1          | 2,415.9          |
| - Consumable Stores and Spares | 34.4             | 6.8              |
| <b>Total</b>                   | <b>49,539.0</b>  | <b>44,917.6</b>  |

During the year, the Group recorded inventory write-downs of ₹ 2,573.1 million (previous year ₹ 1,273.3 million). These adjustments were included in cost of material consumed and changes in inventories.



# Notes

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## 13. Current Investments

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| <b>- Measured at Amortised Cost</b>                                   |                  |                  |
| <b>Quoted</b>   |                  |                  |
| In Non Convertible Debentures   | 506.9            | -                |
| In Commercial Papers  | 2,416.4          | -                |
| <b>- Measured at Fair Value through Profit and Loss</b>               |                  |                  |
| <b>Unquoted</b>   |                  |                  |
| In Mutual Funds   | 5,546.0          | 4,397.7          |
| <b>Total</b>  | <b>8,469.3</b>   | <b>4,397.7</b>   |
| a) Aggregate amount of quoted investments and market value thereof    |                  |                  |
| Book value  | 2,923.3          | -                |
| Market value  | 2,948.1          | -                |
| b) Aggregate amount of unquoted investments                           | 5,546.0          | 4,397.7          |
| c) Aggregate amount of impairment in value of investment              | -                | -                |
| d) Unrealised Loss on Mutual Fund Investments (net) as adjusted above | -                | -                |

## 14. Trade Receivables

| Particulars                        | (₹ in million)   |                  |
|------------------------------------|------------------|------------------|
|                                    | As at 31.03.2024 | As at 31.03.2023 |
| Unsecured                          |                  |                  |
| - Considered Good                  | 47,503.4         | 44,997.0         |
| - Credit Impaired                  | 454.1            | 300.8            |
|                                    | 47,957.5         | 45,297.8         |
| Less: Allowances for credit losses | 1,037.0          | 490.8            |
| <b>Total</b>                       | <b>46,920.5</b>  | <b>44,807.0</b>  |

Refer note 67 for Trade Receivable ageing.

[There are no other trade receivables which have significant increase in credit risk. Refer note 59(C) for information about credit risk and market risk for reference]

## 15. Cash and Cash Equivalents

| Particulars  | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Bank Balances                                      |                  |                  |
| - In Current Accounts (including money-in-transit) | 6,827.0          | 7,600.5          |
| - In EEFC Account                                  | 74.8             | 28.9             |
| - In Deposit Accounts                              | 2,721.5          | 4,635.0          |
| Cheques on hand                                    | 193.5            | 42.0             |
| Cash on hand                                       | 16.0             | 11.7             |
| <b>Total</b>                                       | <b>9,832.8</b>   | <b>12,318.1</b>  |

## 16. Other Bank Balances

| Particulars  | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Earmarked Balances with Banks  |                  |                  |
| - Unpaid dividend accounts   | 34.4             | 42.0             |
| - Deposits against guarantees and other commitments                                | 115.0            | 111.1            |
| Bank Deposits with original maturity of more than 3 months but less than 12 months | 2,043.2          | 460.1            |
| <b>Total</b>   | <b>2,192.6</b>   | <b>613.2</b>     |

# Notes

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## 17. Current Loans

| Particulars  | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Unsecured, considered good                                     |                  |                  |
| Loans to Employees (including loan for Housing/Medical/Others) | 25.8             | 21.2             |
| <b>Total</b>   | <b>25.8</b>      | <b>21.2</b>      |

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

## 18. Other Current Financial Assets

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Unsecured, considered good  |                  |                  |
| Export Benefits receivable / Refund due from Government Authorities | 4,721.8          | 3,150.9          |
| Security Deposits   | 223.0            | 64.9             |
| Others (includes miscellaneous receivables)                         | 1,440.1          | 2,345.1          |
| <b>Total</b>  | <b>6,384.9</b>   | <b>5,560.9</b>   |

## 19. Other Current Assets

| Particulars  | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Advances to Employees  | 126.7            | 110.9            |
| Advances to Vendors  |                  |                  |
| - Considered Good  | 2,460.2          | 1,695.4          |
| - Credit Impaired  | 77.0             | 168.0            |
|  | 2,537.2          | 1,863.4          |
| Less: Impairment Allowances for Credit Impaired  | 77.0             | 168.0            |
|  | 2,460.2          | 1,695.4          |
| Prepaid Expenses   | 998.9            | 1,136.2          |
| Export Benefits receivable / Balances with Government Authorities (GST credit / VAT/ Cenvat / Service tax / refund receivable) | 7,068.3          | 8,515.4          |
| Assets Recoverable From Customers  | 51.4             | 52.2             |
| <b>Total</b>   | <b>10,705.5</b>  | <b>11,510.1</b>  |

## 20. Equity Share Capital

### a) Equity Share Capital

| Particulars                           | As at 31.03.2024   |              | As at 31.03.2023   |              |
|---------------------------------------|--------------------|--------------|--------------------|--------------|
|                                       | No. of Shares      | ₹ in million | No. of Shares      | ₹ in million |
| <b>Authorised</b>                     |                    |              |                    |              |
| Equity Shares of ₹ 2 each             | 1,000,000,000      | 2,000.0      | 1,000,000,000      | 2,000.0      |
| <b>Issued, Subscribed and Paid up</b> |                    |              |                    |              |
| Equity Shares of ₹ 2 each fully paid  | 455,678,908        | 911.4        | 454,981,335        | 910.0        |
| <b>Total</b>                          | <b>455,678,908</b> | <b>911.4</b> | <b>454,981,335</b> | <b>910.0</b> |

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

| Particulars  | As at 31.03.2024   |              | As at 31.03.2023   |              |
|--|--------------------|--------------|--------------------|--------------|
|  | No. of Shares      | ₹ in million | No. of Shares      | ₹ in million |
| Equity Shares outstanding at the beginning of the year             | 454,981,335        | 910.0        | 454,475,014        | 909.0        |
| Equity Shares issued during the year pursuant to exercise of ESOPs | 697,573            | 1.4          | 506,321            | 1.0          |
| <b>Equity Shares outstanding at the end of the year</b>            | <b>455,678,908</b> | <b>911.4</b> | <b>454,981,335</b> | <b>910.0</b> |

# Notes

## Forming part of the Consolidated Financial Statements

### c) Rights attached to Equity Shares

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

During the year ended March 31, 2024, the amount of dividend per equity share distributed to equity shareholders is ₹ 4 (Previous year ended March 31, 2023, ₹ 4).

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 31.03.2024 |                       | As at 31.03.2023 |                       |
|-------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                     | No. of Shares    | Percentage of Holding | No. of Shares    | Percentage of Holding |
| Lupin Investments Private Limited   | 207,194,390      | 45.47                 | 207,194,390      | 45.54                 |
| Life Insurance Corporation of India | 26,758,302       | 5.87                  | 37,448,551       | 8.23                  |
| ICICI Prudential Bluechip Fund      | 19,644,902       | 4.31                  | 26,136,991       | 5.74                  |

### e) Shares held by promoters at the end of the year

| Promoter name                                       | As at 31.03.2024 |                   |                          | As at 31.03.2023 |                   |                          |
|---|------------------|-------------------|--------------------------|------------------|-------------------|--------------------------|
|   | No. of Shares    | % of total shares | % Change during the year | No. of Shares    | % of total shares | % Change during the year |
| D. B. Gupta HUF                                     | 647,580          | 0.14              | -                        | 647,580          | 0.14              | -                        |
| Manju D. Gupta                                      | 3,871,162        | 0.85              | -                        | 3,871,162        | 0.85              | -                        |
| Nilesh D. Gupta                                     | 901,064          | 0.20              | -                        | 901,064          | 0.20              | -                        |
| Kavita Gupta  | 200,170          | 0.04              | -                        | 200,170          | 0.04              | -                        |
| Veda Nilesh Gupta                                   | 72,954           | 0.02              | 4.03                     | 70,129           | 0.02              | 6.29                     |
| Neel Deshbandhu Gupta                               | 28,278           | 0.01              | 8.73                     | 26,008           | 0.01              | 18.99                    |
| Shelfali Nath Gupta                                 | 1,752            | 0.00              | -                        | 1,752            | 0.00              | -                        |
| Lupin Investments Private Limited                   | 207,194,390      | 45.47             | -                        | 207,194,390      | 45.54             | 0.77                     |
| Manju D. Gupta (As a Trustee of Gupta Family Trust) | 1,000            | 0.00              | -                        | 1,000            | 0.00              | -                        |
| Vinita Gupta  | 327,424          | 0.07              | -                        | 327,424          | 0.07              | -                        |
| Anuja Gupta   | 725,705          | 0.16              | -                        | 725,705          | 0.16              | -                        |
| Richa Gupta   | 233,265          | 0.05              | -                        | 233,265          | 0.05              | -                        |

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

| Particulars   | As at 31.03.2024 |              | As at 31.03.2023 |              |
|---|------------------|--------------|------------------|--------------|
|   | No. of Shares    | ₹ in million | No. of Shares    | ₹ in million |
| <b>Lupin Employees Stock Option</b>                       |                  |              |                  |              |
| Plan 2003   | 61,739           | 0.1          | 78,705           | 0.2          |
| Plan 2005   | 6,950            | 0.0          | 8,350            | 0.0          |
| Plan 2011   | 644,172          | 1.3          | 806,452          | 1.6          |
| Plan 2014   | 584,852          | 1.2          | 848,347          | 1.7          |
| <b>Lupin Subsidiary Companies Employees Stock Options</b> |                  |              |                  |              |
| Plan 2011   | 533,274          | 1.1          | 595,618          | 1.2          |
| Plan 2014   | 1,040,352        | 2.1          | 1,237,780        | 2.5          |

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

| Particulars  | As at 31.03.2024        | As at 31.03.2023        |
|--|-------------------------|-------------------------|
|  | Aggregate No. of Shares | Aggregate No. of Shares |
| Equity Shares issued under various Stock Option Plans of the Company | 3,185,211               | 2,898,485               |

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

# Notes

## Forming part of the Consolidated Financial Statements

### 21. Non-Current Borrowings

| Particulars                           | (₹ in million)   |                  |
|---------------------------------------|------------------|------------------|
|                                       | As at 31.03.2024 | As at 31.03.2023 |
| Unsecured                             |                  |                  |
| Term Loans from Banks [Refer note 25] | -                | 275.1            |
| <b>Total</b>                          | <b>-</b>         | <b>275.1</b>     |

- a) The above loan taken for acquisition by a subsidiary located in Australia was prepaid during the year. The loan carried interest rate of 4.90% p.a. This loan was repayable in 12 equal quarterly installments commencing from April 23, 2023 and ending January 14, 2026.
- b) The Group has not defaulted on repayment of loans and interest during the year.

### 22. Other Non-Current Financial Liabilities

| Particulars                                    | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Payable for Capital Expenditure                | 498.0            | 1,178.4          |
| Payable for Purchase of Non-Current Investment | 664.1            | 699.5            |
| Employee Benefits Payables                     | 400.7            | 109.3            |
| Other Payables                                 | -                | 26.4             |
| <b>Total</b>                                   | <b>1,562.8</b>   | <b>2,013.6</b>   |

### 23. Non-Current Provisions

| Particulars                                      | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Provisions for Employee Benefits [Refer note 29] |                  |                  |
| Gratuity [Refer note 46 (ii)]                    | 2,325.1          | 1,968.3          |
| Retirement Benefits                              | 280.7            | 243.3            |
| Compensated Absences                             | 872.2            | 939.0            |
| Provident Fund [Refer note 46 (ii)]              | 276.0            | 279.7            |
| <b>Total</b>                                     | <b>3,754.0</b>   | <b>3,430.3</b>   |

### 24. Other Non-Current Liabilities

| Particulars                         | (₹ in million)   |                  |
|-------------------------------------|------------------|------------------|
|                                     | As at 31.03.2024 | As at 31.03.2023 |
| Deferred Revenue [Refer note 41(d)] | 1,894.0          | 1,600.2          |
| <b>Total</b>                        | <b>1,894.0</b>   | <b>1,600.2</b>   |

### 25. Current Borrowings

| Particulars      | (₹ in million)   |                  |
|------------------|------------------|------------------|
|                  | As at 31.03.2024 | As at 31.03.2023 |
| Unsecured        |                  |                  |
| Loans from Banks | 26,699.1         | 42,165.4         |
| <b>Total</b>     | <b>26,699.1</b>  | <b>42,165.4</b>  |

- a) Unsecured Loans comprise of Working Capital Loan carrying market driven interest rates.
- b) Unsecured Loans of ₹ 3,565.5 million availed by a subsidiary company located in Brazil carries interest rate 12.80% and this loan is guaranteed by the Company.
- c) Unsecured Loans of ₹ 181.3 million comprise of Working Capital Loan carrying interest rate in range 6.90% to 9.20%.
- d) Unsecured Loans of ₹ 22,952.3 million availed by a subsidiary company located in USA carries interest rate of Secured Overnight Financing Rate (SOFR) plus 1.00% p.a. and this loan is guaranteed by the Company.
- e) Current borrowings are repayable within 12 months.
- f) The Group has not defaulted on repayment of loan and interest during the year.
- g) The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of account.

# Notes

## Forming part of the Consolidated Financial Statements

### 26. Trade Payables

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Total outstanding dues of Micro Enterprises and Small Enterprises [Refer note 58] | 806.2            | 763.3            |
| Total outstanding dues of Other than Micro Enterprises and Small Enterprises      | 28,774.9         | 24,552.0         |
| <b>Total</b>  | <b>29,581.1</b>  | <b>25,315.3</b>  |

Refer note 68 for Trade Payable ageing.

### 27. Other Current Financial Liabilities

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Unpaid Dividend*  | 34.4             | 42.0             |
| Derivative Liabilities [Refer note 61]                            |                  |                  |
| – Forward Contracts   | 0.1              | 206.3            |
| Payable for Capital Expenditure                                   | 1,582.1          | 1,384.4          |
| Payable for Purchase of Non-Current Investment                    | 561.8            | 726.5            |
| Trade Deposits received   | 128.5            | 118.9            |
| Employee Benefits Payables  | 4,192.5          | 3,433.0          |
| Other Payables (includes donation payable, retention money, etc.) | 289.8            | 41.3             |
| <b>Total</b>  | <b>6,789.2</b>   | <b>5,952.4</b>   |

\*During the year, ₹ 9.1 million has been credited to Investor Education and Protection Fund relating to FY 15-16.

### 28. Other Current Liabilities

| Particulars  | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.) | 1,997.5          | 1,519.2          |
| Refund Liabilities   | 5,377.0          | 3,759.5          |
| Deferred Revenue [Refer note 41(d)]  | 179.0            | 479.1            |
| Deferred Government Grant  | 32.7             | 106.7            |
| Advances from customers  | 249.9            | 152.5            |
| Other Payables (includes accrued rebates)                                      | 3,602.9          | 2,692.0          |
| <b>Total</b>   | <b>11,439.0</b>  | <b>8,709.0</b>   |

### 29. Current Provisions

| Particulars                                      | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Provisions for Employee Benefits [Refer note 23] |                  |                  |
| – Gratuity [Refer note 46(ii)]                   | 433.1            | 386.3            |
| – Retirement Benefits                            | 18.7             | 8.9              |
| – Compensated Absences                           | 641.2            | 678.4            |
| Other Provisions                                 |                  |                  |
| – For European Commission Fine [Refer note 57]   | 4,156.4          | 4,077.5          |
| <b>Total</b>                                     | <b>5,249.4</b>   | <b>5,151.1</b>   |

### 30. Revenue From Operations

| Particulars          | (₹ in million)        |                       |
|----------------------|-----------------------|-----------------------|
|                      | Year ended 31.03.2024 | Year ended 31.03.2023 |
| Sale [Refer note 41] |                       |                       |
| – Goods              | 193,391.9             | 162,132.6             |
| – Service Income     | 671.4                 | 254.5                 |
| – Research Services  | 2,500.1               | 312.7                 |
|                      | 196,563.4             | 162,699.8             |



# Notes

Forming part of the Consolidated Financial Statements

| Particulars                                 | (₹ in million)           |                          |
|---|--------------------------|--------------------------|
|   | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
| Other Operating Revenue                     |                          |                          |
| Export Benefits and Other Incentives        | 2,991.4                  | 1,417.8                  |
| Service Charges                             | -                        | 174.7                    |
| Insurance Claims                            | 135.9                    | 81.0                     |
| Business Compensation and Settlement Income | 67.1                     | 1,122.1                  |
| Scrap Sales                                 | 208.2                    | 195.1                    |
| Miscellaneous Income                        | 142.2                    | 726.1                    |
|   | 3,544.8                  | 3,716.8                  |
| <b>Total</b>                                | <b>200,108.2</b>         | <b>166,416.6</b>         |

## 31. Other Income

| Particulars   | (₹ in million)           |                          |
|---|--------------------------|--------------------------|
|   | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
| Income on Financial Assets carried at amortised cost                    |                          |                          |
| Interest on Deposits with Banks   | 328.6                    | 204.9                    |
| Interest on Commercial Papers, Debentures and others                    | 133.7                    | 119.4                    |
| Income on Financial Assets carried at fair value through profit or loss |                          |                          |
| Net gain on Sale of Mutual Fund Investments                             | 296.5                    | 117.1                    |
| Unrealised Gain on Mutual Fund Investments (net)                        | 57.4                     | 14.1                     |
| Unrealised Gain/(Loss) on Non-Current Investment                        | (109.0)                  | 3.6                      |
| Provisions no longer required written back                              | 0.6                      | 1.9                      |
| Profit on Sale of Property, Plant & Equipment/Intangible Assets (net)   | 11.7                     | 209.8                    |
| Miscellaneous Income (including Interest on Income Tax Refund)          | 482.2                    | 62.8                     |
| <b>Total</b>  | <b>1,201.7</b>           | <b>733.6</b>             |

## 32. Cost Of Materials Consumed

| Particulars                | (₹ in million)           |                          |
|----------------------------|--------------------------|--------------------------|
|                            | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
| Raw Materials Consumed     | 31,433.8                 | 29,319.4                 |
| Packing Materials Consumed | 9,988.1                  | 7,558.7                  |
| <b>Total</b>               | <b>41,421.9</b>          | <b>36,878.1</b>          |

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

| Particulars                             | (₹ in million)           |                          |
|---|--------------------------|--------------------------|
|   | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
| Opening Stock:                          |                          |                          |
| Finished Goods                          | 7,389.3                  | 7,888.1                  |
| Stock-in-Trade                          | 14,743.8                 | 15,565.7                 |
| Work-in-Progress                        | 6,318.3                  | 6,119.1                  |
|   | 28,451.4                 | 29,572.9                 |
| Less:                                   |                          |                          |
| Closing Stock:                          |                          |                          |
| Finished Goods                          | 9,367.0                  | 7,389.3                  |
| Stock-in-Trade                          | 17,059.5                 | 14,743.8                 |
| Work-in-Progress                        | 6,645.6                  | 6,318.3                  |
|   | 33,072.1                 | 28,451.4                 |
| Changes In Inventories:                 |                          |                          |
| Finished Goods                          | (1,977.7)                | 498.8                    |
| Stock-in-Trade                          | (2,315.7)                | 821.9                    |
| Work-in-Progress                        | (327.3)                  | (199.2)                  |
| Foreign Currency Translation Difference | 46.3                     | 415.8                    |
| <b>Total</b>                            | <b>(4,574.4)</b>         | <b>1,537.3</b>           |

# Notes

## Forming part of the Consolidated Financial Statements

### 34. Employee Benefits Expense

| Particulars                                 | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|---|--------------------------|--|
| Salaries and Wages                          | 29,596.6                 | 26,601.8                                   |
| Contribution to Provident and Other Funds   | 2,654.7                  | 2,278.5                                    |
| Retirement Benefits Expense                 | 188.0                    | 187.7                                      |
| Share Based Payment Expense [Refer note 45] | 1,144.3                  | 584.3                                      |
| Staff Welfare Expenses                      | 1,362.1                  | 1,219.2                                    |
| <b>Total</b>                                | <b>34,945.7</b>          | <b>30,871.5</b>                            |

### 35. Finance Costs

| Particulars  | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--|--------------------------|--|
| Interest on Financial Liabilities - borrowings carried at amortised cost | 2,285.2                  | 1,925.9                                    |
| Net Interest on net defined benefit liability                            | 287.0                    | 270.5                                      |
| Interest cost on Finance lease obligation [Refer note 44]                | 180.2                    | 205.7                                      |
| Other Borrowing Costs  | 325.7                    | 340.9                                      |
| Interest on Income Tax   | 38.0                     | -  |
| <b>Total</b>   | <b>3,116.1</b>           | <b>2,743.0</b>                             |

### 36. Other Expenses

| Particulars   | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|---|--------------------------|--|
| Processing Charges  | 2,540.2                  | 1,756.3                                    |
| Stores and Spares Consumed  | 5,033.1                  | 4,851.3                                    |
| Repairs and Maintenance:  |                          |  |
| - Buildings   | 333.3                    | 360.2                                      |
| - Plant and Machinery   | 1,778.5                  | 1,855.0                                    |
| - Others  | 2,569.9                  | 2,308.7                                    |
| Rent and Other Hire Charges [Refer note 44]   | 696.9                    | 702.7                                      |
| Rates and Taxes   | 1,818.9                  | 1,667.4                                    |
| Insurance   | 1,167.2                  | 1,054.5                                    |
| Power and Fuel  | 4,930.7                  | 4,796.8                                    |
| Contract Labour Charges   | 1,902.5                  | 1,598.3                                    |
| Selling and Promotion Expenses  | 9,038.6                  | 7,682.2                                    |
| Commission and Brokerage  | 1,272.8                  | 1,135.9                                    |
| Freight and Forwarding  | 3,121.6                  | 3,069.1                                    |
| Postage and Telephone Expenses  | 410.8                    | 408.9                                      |
| Travelling and Conveyance   | 3,686.3                  | 2,808.6                                    |
| Legal and Professional Charges  | 12,295.5                 | 9,024.4                                    |
| [Net of recoveries of ₹ 16.2 million (previous year ₹ 121.6 million)]                       |                          |  |
| Donations [Refer note 72]   | 319.3                    | 248.4                                      |
| Clinical and Analytical Charges   | 3,238.3                  | 1,472.8                                    |
| Bad Trade Receivables/Advances written off  | 1.9                      | 34.3                                       |
| [Net of provision of earlier years adjusted ₹ 223.8 million (previous year ₹ 47.7 million)] |                          |  |
| Impairment Allowances for Doubtful Trade Receivables/Deposits/Advances (net)                | 653.5                    | 117.2                                      |
| Corporate Social Responsibility Expenses  | 252.6                    | 356.5                                      |
| Directors Sitting Fees  | 1.2                      | 1.7  |
| Business Compensation and Settlement Expenses   | 2,134.9                  | 1,662.5                                    |
| Miscellaneous Expenses  | 1,529.2                  | 1,568.1                                    |
| <b>Total</b>  | <b>60,727.7</b>          | <b>50,541.8</b>                            |

# Notes

## Forming part of the Consolidated Financial Statements

### 37. The Consolidated Financial Statements present the consolidated accounts of Lupin Limited and its following subsidiaries and its joint venture

| Name of Subsidiaries/Joint Venture   | Country of Incorporation | Proportion of Ownership Interest |                   |
|--|--------------------------|----------------------------------|-------------------|
|  |                          | As at 31.03.2024                 | As at 31.03.2023  |
| Lupin Pharmaceuticals, Inc.  | USA                      | 100% <sup>1</sup>                | 100% <sup>1</sup> |
| Hormosan Pharma GmbH   | Germany                  | 100% <sup>2</sup>                | 100% <sup>2</sup> |
| Pharma Dynamics (Proprietary) Limited  | South Africa             | 100% <sup>2</sup>                | 100% <sup>2</sup> |
| 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% <sup>2</sup>                 | 51% <sup>2</sup>  |
| Generic Health Pty Limited   | Australia                | 100% <sup>2</sup>                | 100% <sup>2</sup> |
| Bellwether Pharma Pty Limited (upto 11.06.2023)  | Australia                | 100% <sup>3</sup>                | 100% <sup>3</sup> |
| Lupin Healthcare (UK) Limited  | UK                       | 100% <sup>4</sup>                | 100% <sup>4</sup> |
| Lupin Pharma Canada Limited  | Canada                   | 100% <sup>4</sup>                | 100% <sup>4</sup> |
| Lupin Diagnostics Limited (formerly known as Lupin Healthcare Limited)                         | India                    | 100%                             | 100%              |
| Lupin Mexico S.A. de C.V.  | Mexico                   | 100% <sup>2</sup>                | 100% <sup>2</sup> |
| Lupin Philippines Inc.   | Philippines              | 100% <sup>2</sup>                | 100% <sup>2</sup> |
| Generic Health SDN. BHD.   | Malaysia                 | 100% <sup>2</sup>                | 100% <sup>2</sup> |
| Lupin Inc.   | USA                      | 100% <sup>2</sup>                | 100% <sup>2</sup> |
| Laboratorios Grin S.A. de C.V.   | Mexico                   | 100% <sup>8</sup>                | 100% <sup>8</sup> |
| Medquímica Indústria Farmacêutica LTDA   | Brazil                   | 100% <sup>5</sup>                | 100% <sup>5</sup> |
| Novel Laboratories, Inc.   | USA                      | 100% <sup>6</sup>                | 100% <sup>6</sup> |
| Lupin Research Inc.  | USA                      | 100% <sup>6</sup>                | 100% <sup>6</sup> |
| Lupin Europe GmbH  | Germany                  | 100% <sup>4</sup>                | 100% <sup>4</sup> |
| Lupin Management Inc.  | USA                      | 100% <sup>6</sup>                | 100% <sup>6</sup> |
| Lupin Biologics Limited  | India                    | 100%                             | 100%              |
| Lupin Oncology Inc.  | USA                      | 99.3%                            | 99.3%             |
| Lupin Foundation (under de-registering)  | India                    | 100%                             | 100%              |
| Lupin Digital Health Limited   | India                    | 100%                             | 100%              |
| Avenue Coral Springs LLC   | USA                      | 100% <sup>9</sup>                | 100% <sup>9</sup> |
| Southern Cross Pharma Pty Ltd  | Australia                | 100% <sup>3</sup>                | 100% <sup>3</sup> |
| Lupin Life Sciences Limited w.e.f. 17.07.2023 (formerly known as Lupin Atharv Ability Limited) | India                    | 100%                             | -                 |
| Lupin Manufacturing Solutions Limited (w.e.f. 24.07.2023)                                      | India                    | 100%                             | -                 |
| Medisol S.A.S. (w.e.f. 01.09.2023)   | France                   | 100% <sup>4</sup>                | -                 |
| Lymed S.A.S. (w.e.f. 01.09.2023)   | France                   | 100% <sup>4</sup>                | -                 |
| YL Biologics Limited (under liquidation)   | Japan                    | 45% <sup>7</sup>                 | 45% <sup>7</sup>  |

<sup>1</sup> 97% Ownership interest held through Lupin Inc., USA.

<sup>2</sup> Ownership interest held through Nanomi B.V., Netherlands.

<sup>3</sup> Wholly owned subsidiary of Generic Health Pty Limited, Australia.

<sup>4</sup> Ownership interest held through Lupin Atlantis Holdings SA, Switzerland.

<sup>5</sup> Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Nanomi B.V., Netherlands.

<sup>6</sup> Wholly owned subsidiaries of Lupin Inc., USA.

<sup>7</sup> Joint Venture of Lupin Atlantis Holdings SA, Switzerland (with Yoshindo Inc., Japan having 55% share of interest).

<sup>8</sup> Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Lupin Mexico S.A.de.C.V., Mexico.

<sup>9</sup> Wholly owned subsidiary of Lupin Research Inc, USA.

### 38. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Tangible assets ₹ 3,657.1 million (31.03.2023 ₹ 2,789.4 million) and Intangible assets ₹ 113.6 million (31.03.2023 ₹ 71.5 million) and other purchase related commitments ₹ 1,014.5 million (31.03.2023 ₹ 750.8 million).
- Other commitments – Non-cancellable short-term leases is ₹ 13.1 million (31.03.2023 ₹ 3.4 million). Low value leases is ₹ 19.3 million (31.03.2023 ₹ 53.1 million).

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- c) There are no capital commitments at the jointly controlled entity as at 31.03.2024.
- d) Dividends proposed of ₹ 8/- (31.03.2023 ₹ 4/-) per equity share is subject to the approval of the shareholders of the Company at the Annual General Meeting, but not recognised as a liability in the financial statements is ₹ 3,646.0 million (31.03.2023 ₹ 1,820.1 million).
- e) There are product supply commitments pursuant to contracts with various 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 39.

### 39. Contingent Liabilities

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| 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 [₹ 355.7 million (31.03.2023 ₹ 353.9 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the Company].<br>Amount paid there against and included under "Non-Current Tax Assets (Net)" and "Current Tax Liabilities (Net)" ₹ 1,361.3 million (31.03.2023 ₹ 1,360.3 million).   | 1,774.7          | 1,770.2          |
| 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 11 "Other Non-Current Assets" ₹ 22.3 million (31.03.2023 ₹ 23.9 million).  | 164.4            | 127.7            |
| 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.<br>Amount paid there against without admitting liability and included under note 11 "Other Non-Current Assets" ₹ 154.6 million (31.03.2023 ₹ 154.6 million).<br>*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.   | 1,083.2          | 2,039.3          |
| d) Financial guarantee aggregating to ₹ 5,584.7 million (31.03.2023 ₹ 5,502.1 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.<br>In January 2017, LPI and one of its employees were issued subpoenas by the 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.<br>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 a 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 (including the Lupin employee) with allegations of violations of federal and state antitrust laws. The states claim to have been injured by paying supra-competitive prices for the products they purchased or reimbursed. 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) From time to time, Lupin Limited and its subsidiaries are involved in various intellectual property claims and legal proceedings, which are considered normal to its business and the liability, if any, may fall on Lupin Limited. Some of these litigations have been resolved through settlement agreements with the plaintiffs.  |                  |                  |
| g) There are no contingent liabilities at the joint venture as at 31.03.2024 and 31.03.2023.  |                  |                  |

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 Tax/VAT, 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 stages of the litigation, the ultimate disposition of these matters may not have material adverse effect on its Consolidated Financial Statements.

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### 40. Pre-operative Expenses

Expenditure incurred prior to commencement of commercial production included "Capital Work-In-Progress" and "Intangible assets under development" 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:

| Particulars                                    | (₹ in million)   |                  |
|--|------------------|------------------|
|  | As at 31.03.2024 | As at 31.03.2023 |
| Opening balance                                | 401.0            | 388.6            |
| Incurred during the year:                      |                  |                  |
| Salaries, allowances and contribution to funds | 170.5            | 94.4             |
| Legal and Professional Charges                 | 0.6              | -                |
| Travelling and Conveyance                      | 40.4             | 7.6              |
| Power and fuel                                 | 0.4              | 2.1              |
| Others   | 41.6             | 16.8             |
| <b>Total incurred during the year</b>          | <b>253.5</b>     | <b>120.9</b>     |
| Less: Capitalised during the year              | 480.9            | 108.5            |
| <b>Closing balance</b>                         | <b>173.6</b>     | <b>401.0</b>     |

### 41. Revenue (Ind AS 115)

- a) The operations of the Group are limited to primarily two segment viz. Pharmaceuticals and Others. Revenue from contract with customers is from sale of pharmaceutical goods, rendering of research services and diagnostics services and healthcare service in digital space.

Payment terms with customers vary depending upon the contractual terms of each contract and does not have any significant financing component.

(i) **Sale of pharmaceutical goods**

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 depending on the terms of the sale. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established.

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

(ii) **Service Income**

Revenue is recognised either over the period of services on systematic basis or at a point in time when the Group satisfies performance obligations by transferring the promised services to its customers based on the nature of services.

(iii) **Income from research services and sale of IPs**

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.

The Group 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 Group recognises or defers the upfront payments received under these arrangements.

### b) Disaggregation of revenue:

| Nature of segment                                  | (₹ in million)        |                       |
|--|-----------------------|-----------------------|
|  | Year ended 31.03.2024 | Year ended 31.03.2023 |
| <b>A. Service line:</b>                            |                       |                       |
| - Sale of pharmaceutical goods                     | 193,391.9             | 162,132.6             |
| - Service Income                                   | 671.4                 | 254.5                 |
| - Income from research services and sale of IPs    | 2,500.1               | 312.7                 |
| <b>Total revenue from contracts with customers</b> | <b>196,563.4</b>      | <b>162,699.8</b>      |
| <b>B. Primary geographical market:</b>             |                       |                       |
| - India  | 69,647.4              | 64,349.1              |
| - USA  | 71,047.3              | 51,583.6              |
| - Others   | 55,868.7              | 46,767.1              |
| <b>Total revenue from contracts with customers</b> | <b>196,563.4</b>      | <b>162,699.8</b>      |
| <b>C. Timing of the revenue recognition:</b>       |                       |                       |
| - Goods / Services transferred at a point in time  | 194,079.2             | 162,699.6             |
| - Services transferred over time                   | 2,484.2               | 0.2                   |
| <b>Total revenue from contracts with customers</b> | <b>196,563.4</b>      | <b>162,699.8</b>      |



# Notes

## Forming part of the Consolidated Financial Statements

### c) Reconciliation of revenue as per contract price and as recognised in Consolidated Statement of Profit and Loss:

| Particulars  | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--|--------------------------|--|
| <b>Revenue as per contracted price</b>             | <b>331,116.6</b>         | <b>295,439.5</b>                           |
| Adjusted for:                                      |                          |  |
| - Refund liabilities                               | 6,445.8                  | 5,682.7                                    |
| - Discounts/Chargebacks/Rebates                    | 117,266.7                | 118,042.4                                  |
| - Others   | 10,840.7                 | 9,014.6                                    |
| <b>Total revenue from contracts with customers</b> | <b>196,563.4</b>         | <b>162,699.8</b>                           |

### d) Reconciliation of revenue recognised from Deferred Revenue:

| Particulars   | As at 31.03.2024 | (₹ in million)<br>As at 31.03.2023 |
|---|------------------|------------------------------------|
| Balance in contract liability at the beginning of the year that was not recognized as revenue               | 2,079.3          | 1,572.5                            |
| Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year | 259.2            | 846.4                              |
| Less: Revenue recognized during the year  | 265.5            | 339.6                              |
| <b>Balance in contract liability at the end of the year that is not recognized as revenue</b>               | <b>2,073.0</b>   | <b>2,079.3</b>                     |

## 42. Operating Segments

### A. Basis for segmentation

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.

In view of increased business activities of diagnostics services and digital therapeutics platform, the operation of the Group are reported under two operating segments as per Ind AS 108 - Operating Segment are as follows:

**Pharmaceuticals:** This segment consist of Group producing, developing and marketing pharmaceutical products globally.

**Others:** This segment consist of business of providing diagnostics services and healthcare service in digital space.

### B. Segment Revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the consolidated statement of profit and loss.

| Particulars                          | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--------------------------------------|--------------------------|--|
| <b>Revenue</b>                       |                          |  |
| a) Pharmaceuticals                   | 199,452.0                | 166,168.0                                  |
| b) Others                            | 671.4                    | 254.7                                      |
| <b>Total</b>                         | <b>200,123.4</b>         | <b>166,422.7</b>                           |
| Less: Inter segment revenue          | 15.2                     | 6.1  |
| <b>Total revenue from operations</b> | <b>200,108.2</b>         | <b>166,416.6</b>                           |

#### Major customer:

Revenue from the major customer based in USA represented ₹ 14,214.5 million (31.03.2023 ₹ 9,697.4 million) out of the Group's total revenues attributed to the Pharmaceuticals segment.

The geographic information analyses the Group's revenues by the Company's country of domicile and other countries. Segment revenue has been based on the selling location in relation to sales to customers. The amount of its revenue from external customers broken down by location of the customers is shown below :

| Particulars  | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--------------|--------------------------|--|
| India        | 73,167.3                 | 66,506.7                                   |
| USA          | 71,047.3                 | 51,583.6                                   |
| Others       | 55,893.6                 | 48,326.3                                   |
| <b>Total</b> | <b>200,108.2</b>         | <b>166,416.6</b>                           |

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### C. Segment Results

The segment results are measured in the same way as in the Consolidated Statement of Profit and Loss:

| Particulars                    | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--------------------------------|--------------------------|--|
| <b>Results</b>                 |                          |  |
| a) Pharmaceuticals             | 25,476.1                 | 8,156.6                                    |
| b) Others                      | (1,253.4)                | (991.7)                                    |
| <b>Total profit before tax</b> | <b>24,222.7</b>          | <b>7,164.9</b>                             |

### D. Segment Assets

Segment assets are measured in the same way as in the Consolidated Financial Statements :

| Particulars                | As at 31.03.2024 | (₹ in million)<br>As at 31.03.2023 |
|----------------------------|------------------|------------------------------------|
| <b>Assets</b>              |                  |                                    |
| a) Pharmaceuticals         | 240,436.1        | 229,093.6                          |
| b) Others                  | 2,079.0          | 1,993.4                            |
| <b>Total</b>               | <b>242,515.1</b> | <b>231,087.0</b>                   |
| Less: Inter segment assets | 2,543.3          | 1,527.7                            |
| <b>Total assets</b>        | <b>239,971.8</b> | <b>229,559.3</b>                   |

The total of non-current assets other than financial instruments and deferred tax assets, broken down by the location of assets is shown below:

| Particulars  | As at 31.03.2024 | (₹ in million)<br>As at 31.03.2023 |
|--------------|------------------|------------------------------------|
| India        | 55,078.0         | 56,102.9                           |
| USA          | 22,392.0         | 25,240.9                           |
| Others       | 24,637.9         | 21,668.5                           |
| <b>Total</b> | <b>102,107.9</b> | <b>103,012.3</b>                   |

### E. Segment Liabilities

Segment liabilities are measured in the same way as in the Consolidated Financial Statements:

| Particulars                     | As at 31.03.2024 | (₹ in million)<br>As at 31.03.2023 |
|---------------------------------|------------------|------------------------------------|
| <b>Liabilities</b>              |                  |                                    |
| a) Pharmaceuticals              | 96,116.0         | 103,325.9                          |
| b) Others                       | 2,526.8          | 2,487.1                            |
| <b>Total</b>                    | <b>98,642.8</b>  | <b>105,813.0</b>                   |
| Less: Inter segment Liabilities | 2,405.5          | 1,681.9                            |
| <b>Total Liabilities</b>        | <b>96,237.3</b>  | <b>104,131.1</b>                   |

### 43. Basic and Diluted Earnings per Share is calculated as under

| Particulars   | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
|---|--------------------------|--------------------------|
| Profit/(Loss) attributable to Equity Shareholders (₹ in million)  | 19,144.8                 | 4,300.8                  |
| Weighted average number of Equity Shares:   |                          |                          |
| - Basic   | 455,240,464              | 454,692,962              |
| Add : Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end | 1,985,533                | 2,254,024                |
| - Diluted   | 457,225,997              | 456,946,986              |
| Earnings per Share (in ₹)   |                          |                          |
| - Basic   | 42.05                    | 9.46                     |
| - Diluted   | 41.87                    | 9.41                     |

# Notes

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### 44. Leases

The Group leases Land, Building, Plant & Equipment, Furniture & Fixtures, Vehicles and Office Equipment. 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) Lease liabilities

|   | (₹ in million) |           |                   |                      |          |                  |           |
|---|----------------|-----------|-------------------|----------------------|----------|------------------|-----------|
| Particulars                               | Land           | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipment | Total     |
| Balance as at 01.04.2023                  | 114.4          | 2,331.0   | 18.6              | 105.1                | 388.7    | 16.9             | 2,974.7   |
| Addition                                  | -              | 486.7     | 24.7              | -                    | 321.0    | 22.2             | 854.6     |
| Accreditation of interest (Refer note 35) | 9.0            | 126.7     | 2.0               | 4.5                  | 36.1     | 1.9              | 180.2     |
| Payments                                  | (7.6)          | (971.4)   | (19.1)            | (98.8)               | (228.7)  | (13.8)           | (1,339.4) |
| Adjustments for Disposals                 | -              | (112.3)   | -                 | -                    | (24.3)   | -                | (136.6)   |
| Translation Adjustments                   | -              | 8.6       | (0.1)             | -                    | (24.0)   | 0.6              | (14.9)    |
| Balance as at 31.03.2024                  | 115.8          | 1,869.3   | 26.1              | 10.8                 | 468.8    | 27.8             | 2,518.6   |
| Current                                   | 4.0            | 666.7     | 17.2              | 8.7                  | 256.8    | 12.4             | 965.8     |
| Non-current                               | 111.8          | 1,202.6   | 8.9               | 2.1                  | 212.0    | 15.4             | 1,552.8   |

|   | (₹ in million) |           |                   |                      |          |                  |           |
|---|----------------|-----------|-------------------|----------------------|----------|------------------|-----------|
| Particulars                               | Land           | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipment | Total     |
| Balance as at 01.04.2022                  | 112.9          | 2,559.3   | 4.9               | 191.6                | 264.7    | 8.7              | 3,142.1   |
| Addition                                  | -              | 505.6     | 22.0              | -                    | 291.5    | 7.7              | 826.8     |
| Accreditation of interest (Refer note 35) | 8.9            | 159.5     | 0.8               | 12.3                 | 23.5     | 0.7              | 205.7     |
| Payments                                  | (7.4)          | (918.9)   | (9.1)             | (98.8)               | (191.0)  | (8.7)            | (1,233.9) |
| Adjustments for Disposals                 | -              | (61.9)    | -                 | -                    | (27.1)   | (0.8)            | (89.8)    |
| Translation Adjustments                   | -              | 87.4      | -                 | -                    | 27.1     | 9.3              | 123.8     |
| Balance as at 31.03.2023                  | 114.4          | 2,331.0   | 18.6              | 105.1                | 388.7    | 16.9             | 2,974.7   |
| Current                                   | 4.7            | 805.4     | 7.1               | 94.3                 | 193.8    | 5.5              | 1,110.8   |
| Non-current                               | 109.7          | 1,525.6   | 11.5              | 10.8                 | 194.9    | 11.4             | 1,863.9   |

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

#### ii) Amounts recognised in Consolidated Statement of Profit and Loss

|  | (₹ in million)        |                       |
|--|-----------------------|-----------------------|
| Particulars  | Year ended 31.03.2024 | Year ended 31.03.2023 |
| Depreciation expense of right-of-use assets (Refer note 5) | 1,176.3               | 1,064.1               |
| Interest expense on lease liabilities (Refer note 35)      | 180.2                 | 205.7                 |
| Expense relating to short-term leases (Refer note 36)      | 32.1                  | 12.5                  |
| Expense relating to low value assets (Refer note 36)       | 152.9                 | 234.2                 |
| <b>Total</b>   | <b>1,541.5</b>        | <b>1,516.5</b>        |

#### iii) Financial risk management

##### 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 | 1 to 5 Years | More than 5 Years | Total   |
| As at 31.03.2024                                |                  |              |                   |         |
| Lease liabilities                               | 1,075.2          | 1,580.8      | 1,572.5           | 4,228.5 |
| As at 31.03.2023                                |                  |              |                   |         |
| Lease liabilities                               | 1,208.4          | 1,708.1      | 145.5             | 3,062.0 |

#### iv) Commitments and contingencies

The Group has not entered into lease contracts that have not yet commenced as at 31.03.2024.

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### 45. Share-based Payment Arrangements

#### (A) The Company

##### (i) Employee stock options – equity settled

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

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

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

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2024                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 1,175,495                            | 556.1-1,521.7                | 1,228.7                             | 0.9   |
| Add: Options granted during the year             | -                                    | -                            | -                                   | -   |
| Less: Options lapsed during the year             | 341,932                              | 556.1-1,521.7                | 1,025.8                             | NA  |
| Less: Options exercised during the year          | 96,618                               | 556.1-556.1                  | 1,024.0                             | NA  |
| Options outstanding at the year end              | 736,945                              | 873.5-1,521.7                | 1,349.6                             | 1.5   |
| Exercisable at the end of the year               | 736,945                              | 864.8-1,521.7                | 1,349.6                             | 1.5   |

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2023                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 1,389,971                            | 556.1-1,521.7                | 1,192.8                             | 1.8   |
| Add: Options granted during the year             | -                                    | -                            | -                                   | -   |
| Less: Options lapsed during the year             | 181,294                              | 556.1-1,521.7                | 1,066.7                             | NA  |
| Less: Options exercised during the year          | 33,182                               | 556.1-556.1                  | 556.1                               | NA  |
| Options outstanding at the year end              | 1,175,495                            | 873.5-1,521.7                | 1,230.1                             | 1.9   |
| Exercisable at the end of the year               | 1,175,495                            | 864.8-1,521.7                | 1,220.9                             | 1.9   |

The weighted average grant date fair value of the options granted under Category A during the year ended 31.03.2024 and 31.03.2023 was ₹ nil and ₹ nil per option, respectively.

#### Category B – Par Value Options (comprising of options granted under ESOP 2011, SESOP 2011, ESOP 2014 and SESOP 2014)

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2024                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 2,036,836                            | 2.0                          | 2.0                                 | 7.0   |
| Add: Options granted during the year             | 283,417                              | 2.0                          | 2.0                                 | 9.7   |
| Less: Options lapsed during the year             | 156,189                              | 2.0                          | 2.0                                 | NA  |
| Less: Options exercised during the year          | 550,955                              | 2.0                          | 2.0                                 | NA  |
| Options outstanding at the year end              | 1,613,109                            | 2.0                          | 2.0                                 | 7.7   |
| Exercisable at the end of the year               | 528,623                              | 2.0                          | 2.0                                 | 5.9   |

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| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2023                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 2,014,478                            | 2.0                          | 2.0                                 | 7.1   |
| Add: Options granted during the year             | 677,264                              | 2.0                          | 2.0                                 | 9.7   |
| Less: Options lapsed during the year             | 181,767                              | 2.0                          | 2.0                                 | NA  |
| Less: Options exercised during the year          | 473,139                              | 2.0                          | 2.0                                 | NA  |
| Options outstanding at the year end              | 2,036,836                            | 2.0                          | 2.0                                 | 8.1   |
| Exercisable at the end of the year               | 567,520                              | 2.0                          | 2.0                                 | 6.3   |

The weighted average grant date fair value of the options granted under Category B during the year 31.03.2024 and 31.03.2023 was ₹ 1,173.1 and ₹ 722.6 per option, respectively.

### Category C – Discounted Fair Market Value Options (comprising of options granted under ESOP 2011)

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2024                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 50,000                               | 891.5–891.5                  | 891.5                               | 1.6   |
| Add: Options granted during the year             | -                                    | -                            | -                                   | -   |
| Less: Options lapsed during the year             | -                                    | -                            | -                                   | NA  |
| Less: Options exercised during the year          | 50,000                               | -                            | 891.5                               | NA  |
| Options outstanding at the year end              | -                                    | 891.5–891.5                  | -                                   | -   |
| Exercisable at the end of the year               | -                                    | 891.5–891.5                  | -                                   | -   |

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2023                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 50,000                               | 891.5–891.5                  | 891.5                               | 2.6   |
| 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              | 50,000                               | 891.5–891.5                  | 891.5                               | 2.6   |
| Exercisable at the end of the year               | 50,000                               | 891.5–891.5                  | 891.5                               | 2.6   |

The weighted average grant date fair value of options granted under Category C during the year ended 31.03.2024 and 31.03.2023 was ₹ nil and ₹ nil per option, respectively.

The weighted average share price during the year ended 31.03.2024 and 31.03.2023 was ₹ 1,140.5 and ₹ 692.7 per share, respectively.

### Valuation of stock options

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

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

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

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

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

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

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

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,



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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 – Year ended 31.03.2024

| Category | Grant date | Exercise price (₹) | Risk free rate (%) | Expected life (years) | Expected Volatility (%) | Dividend yield (%) | Weighted average share price (₹) | Weighted Option Fair Value (₹) |
|----------|------------|--------------------|--------------------|-----------------------|-------------------------|--------------------|----------------------------------|--------------------------------|
| B        | 04.05.2023 | 2.0                | 6.6%               | 2.6                   | 29.9%                   | 0.6%               | 709.9                            | 697.8                          |
| B        | 28.07.2023 | 2.0                | 6.8%               | 6.3                   | 30.8%                   | 0.6%               | 974.0                            | 938.1                          |
| B        | 28.07.2023 | 2.0                | 6.7%               | 2.6                   | 29.5%                   | 0.6%               | 974.0                            | 957.9                          |
| B        | 12.12.2023 | 2.0                | 6.9%               | 6.3                   | 30.4%                   | 0.6%               | 1,240.2                          | 1,193.3                        |
| B        | 12.12.2023 | 2.0                | 6.9%               | 6.3                   | 30.4%                   | 0.6%               | 1,240.2                          | 1,193.3                        |
| B        | 12.12.2023 | 2.0                | 6.9%               | 2.6                   | 28.1%                   | 0.6%               | 1,240.2                          | 1,219.5                        |

| Category | Weighted Average Option Fair Value | Weighted Average Share Price |
|----------|------------------------------------|------------------------------|
| B        | 1,173.1                            | 1,204.0                      |

### Weighted average information – Year ended 31.03.2023

| Category | Grant date | Exercise price (₹) | Risk free rate (%) | Expected life (years) | Expected Volatility (%) | Dividend yield (%) | Weighted average share price (₹) | Weighted Option Fair Value (₹) |
|----------|------------|--------------------|--------------------|-----------------------|-------------------------|--------------------|----------------------------------|--------------------------------|
| B        | 25.04.2022 | 2.0                | 6.6%               | 6.3                   | 31.3%                   | 0.6%               | 725.4                            | 696.1                          |
| B        | 19.07.2022 | 2.0                | 7.0%               | 6.3                   | 31.4%                   | 0.6%               | 643.8                            | 617.8                          |
| B        | 19.07.2022 | 2.0                | 6.3%               | 2.6                   | 32.2%                   | 0.6%               | 643.8                            | 631.8                          |
| B        | 21.11.2022 | 2.0                | 7.0%               | 6.3                   | 31.2%                   | 0.6%               | 720.9                            | 694.2                          |
| B        | 21.11.2022 | 2.0                | 7.0%               | 6.3                   | 31.2%                   | 0.6%               | 720.9                            | 694.2                          |
| B        | 21.11.2022 | 2.0                | 7.0%               | 6.3                   | 31.2%                   | 0.6%               | 720.9                            | 694.2                          |
| B        | 12.12.2022 | 2.0                | 7.0%               | 6.3                   | 31.2%                   | 0.6%               | 752.0                            | 724.2                          |
| B        | 12.12.2022 | 2.0                | 7.0%               | 6.3                   | 31.2%                   | 0.6%               | 752.0                            | 724.2                          |
| B        | 12.12.2022 | 2.0                | 6.6%               | 2.6                   | 31.4%                   | 0.6%               | 752.0                            | 739.2                          |
| B        | 30.01.2023 | 2.0                | 6.8%               | 2.6                   | 31.2%                   | 0.6%               | 734.7                            | 722.2                          |
| B        | 20.02.2023 | 2.0                | 6.8%               | 2.6                   | 31.5%                   | 0.6%               | 667.1                            | 655.6                          |

| Category | Weighted Average Option Fair Value | Weighted Average Share Price |
|----------|------------------------------------|------------------------------|
| B        | 722.6                              | 740.0                        |

### (ii) Employee stock options – Cash settled

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

Effect of cash settled share based payment transactions on the Consolidated Balance Sheet

| Particulars                                 | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Other non-current financial liabilities     | 322.8            | 78.2             |
| Other current financial liabilities         | 342.8            | 76.6             |
| <b>Total carrying amount of liabilities</b> | <b>665.6</b>     | <b>154.8</b>     |

Effect of share based payment transactions on the Consolidated Statement of Profit and Loss

| Particulars                                  | (₹ in million)        |                       |
|--|-----------------------|-----------------------|
|  | Year ended 31.03.2024 | Year ended 31.03.2023 |
| Equity settled share based payments          | 374.6                 | 401.5                 |
| Cash settled share based payments            | 759.5                 | 176.1                 |
| <b>Total expense on share based payments</b> | <b>1,134.1</b>        | <b>577.6</b>          |

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### (B) Lupin Diagnostics Limited

#### (i) Employee stock options – Equity settled

Lupin Diagnostics Limited implemented “Lupin Diagnostics Limited Employees Stock Option Plan 2022” (LDL ESOP 2022) during the year as approved by the Board of Directors (the Committee) of Lupin Diagnostics Limited.

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 of ₹ 10 each, which is at par with face value of share. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 10 each. The options issued under the above schemes vest in a phased manner after completion of the minimum period of two years upto five years with an exercise period of ten years from the respective grant dates.

#### Par Value Options (comprising of options granted under LDL ESOP 2022)

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2024                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 98,128                               | 10.0                         | 10.0                                | 3.3   |
| Add: Options granted during the year             | 7,745                                | 10.0                         | 10.0                                | 5.0   |
| Less: Options lapsed during the year             | -                                    | -                            | -                                   | -   |
| Less: Options exercised during the year          | -                                    | -                            | -                                   | -   |
| Options outstanding at the year end              | 105,873                              | 10.0                         | 10.0                                | 2.0   |
| Exercisable at the end of the year               | -                                    | -                            | -                                   | -   |

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Weighted average exercise price (₹) | Year ended 31.03.2023                             |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              |                                     | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | -                                    | -                            | -                                   | -   |
| Add: Options granted during the year             | 98,128                               | 10.0                         | 10.0                                | 9.0   |
| Less: Options lapsed during the year             | -                                    | -                            | -                                   | -   |
| Less: Options exercised during the year          | -                                    | -                            | -                                   | -   |
| Options outstanding at the year end              | 98,128                               | 10.0                         | 10.0                                | 3.3   |
| Exercisable at the end of the year               | -                                    | -                            | -                                   | -   |

The weighted average grant date fair value of the options granted during the year ended 31.03.2024 and 31.03.2023 was ₹ 33.7 and ₹ 8.7 per option, respectively.

#### Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black-Scholes option pricing model at the date of the grant. The Black-Scholes and Merton 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 fair value of equity shares of Lupin Diagnostics Limited is considered at ₹ 14.2 per share for valuation of ESOP. The fair value of equity shares is derived considering Discounted Cash Flow (DCF) Method under the income approach of valuation considering the going concern projections for the period FY 2023 to FY 2027.

**Exercise Price:** The Exercise Price is the price payable by the employee for exercising the ESOP granted in pursuance of the terms of the Plan. As per the ESOP terms provided by Lupin Diagnostics Limited, the exercise price is ₹ 10.0 per share for all the grants.

**Expected Volatility:** Expected Volatility is calculated on the annualized standard deviation for the historical period corresponding to the expected life of the option.

**Expected Option Life:** Expected Life of option is the period for which Lupin Diagnostics Limited 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 considered as zero.

**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 Lupin Diagnostics Limited's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

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

### Weighted average information – Year ended 31.03.2024

| Grant date                                | Exercise price (₹) | Risk free rate (%) | Expected life (years) | Expected Volatility (%)             | Dividend yield (%) | Weighted average share price (₹) | Weighted Option Fair Value (₹) |
|---|--------------------|--------------------|-----------------------|-------------------------------------|--------------------|----------------------------------|--------------------------------|
| 05.02.2024                                | 10.0               | 6.8%               | 6                     | 35.9%                               | NA                 | 40.2                             | 33.7                           |
| <b>Weighted Average Option Fair Value</b> |                    |                    |                       | <b>Weighted Average Share Price</b> |                    |                                  |                                |
| 33.7                                      |                    |                    |                       | 40.2                                |                    |                                  |                                |

### Weighted average information – Year ended 31.03.2023

| Grant date                                | Exercise price (₹) | Risk free rate (%) | Expected life (years) | Expected Volatility (%)             | Dividend yield (%) | Weighted average share price (₹) | Weighted Option Fair Value (₹) |
|---|--------------------|--------------------|-----------------------|-------------------------------------|--------------------|----------------------------------|--------------------------------|
| 01.08.2022                                | 10.0               | 6.9%               | 6                     | 35.2%                               | NA                 | 14.2                             | 8.7                            |
| <b>Weighted Average Option Fair Value</b> |                    |                    |                       | <b>Weighted Average Share Price</b> |                    |                                  |                                |
| 8.7                                       |                    |                    |                       | 14.2                                |                    |                                  |                                |

### (ii) Employee stock options – Cash settled

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

Employee benefit expense includes cash settled employee stock options issued to certain employees of Lupin Diagnostics Limited by the Lupin Limited amounting to ₹ 1.8 million (31.03.2023 ₹ 0.6 million).

Effect of cash settled share based payment transactions on the Consolidated Balance Sheet

| Particulars                                 | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Other non-current financial liabilities     | 0.4              | 0.1              |
| Other current financial liabilities         | 0.6              | -                |
| <b>Total carrying amount of liabilities</b> | <b>1.0</b>       | <b>0.1</b>       |

Effect of share based payment transactions on the Consolidated Statement of Profit and Loss

| Particulars                                  | (₹ in million)        |                       |
|--|-----------------------|-----------------------|
|  | Year ended 31.03.2024 | Year ended 31.03.2023 |
| Equity settled share based payments          | 0.7                   | 0.4                   |
| Cash settled share based payments            | 1.8                   | 0.6                   |
| <b>Total expense on share based payments</b> | <b>2.5</b>            | <b>1.0</b>            |

### (C) Lupin Digital Health Limited

#### (i) Employee stock options – equity settled

Lupin Digital Health Limited implemented “Lupin Digital Health Limited Employees Stock Option Plan 2022” (LDHL ESOP 2022), as approved by the Board of Directors (the Committee) of the Lupin Digital Health Limited.

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 ₹ 10 each. The options issued under the above schemes vest in a phased manner after completion of the minimum period of two years upto five years with an exercise period of ten years from the respective grant dates.

#### Par Value Options (comprising of options granted under LDHL ESOP 2022)

| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Year ended 31.03.2024               |   |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              | Weighted average exercise price (₹) | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | 1,090,160                            | 10.0                         | 10.0                                | 2.9   |
| Add: Options granted during the year             | -                                    | -                            | -                                   | -   |
| Less: Options lapsed during the year             | 140,050                              | 10.0                         | 10.0                                | -   |
| Less: Options exercised during the year          | -                                    | -                            | -                                   | -   |
| Options outstanding at the year end              | 950,110                              | 10.0                         | 10.0                                | 1.9   |
| Exercisable at the end of the year               | -                                    | -                            | -                                   | -   |

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| Particulars                                      | Shares arising out of options (Nos.) | Range of exercise prices (₹) | Year ended 31.03.2023               |   |
|--|--------------------------------------|------------------------------|-------------------------------------|---|
|  |                                      |                              | Weighted average exercise price (₹) | Weighted average remaining contractual life (Yrs) |
| Options outstanding at the beginning of the year | -                                    | -                            | -                                   | -   |
| Add: Options granted during the year             | 1,090,160                            | 10.0                         | 10.0                                | 4.0   |
| Less: Options lapsed during the year             | -                                    | -                            | -                                   | -   |
| Less: Options exercised during the year          | -                                    | -                            | -                                   | -   |
| Options outstanding at the year end              | 1,090,160                            | 10.0                         | 10.0                                | 2.9   |
| Exercisable at the end of the year               | -                                    | -                            | -                                   | -   |

The weighted average grant date fair value of the options granted during the year ended 31.03.2024 and 31.03.2023 is ₹ nil and ₹ 27.35 per option, respectively.

### Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black-Scholes & Merton 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 fair value of equity shares on the date of grant has been considered for valuing the options granted.

**Exercise Price:** The Exercise Price is the price payable by the employee for exercising the ESOP granted in pursuance of the terms of the Plan. As per the ESOP terms provided by Lupin Digital Health Limited, the exercise price is ₹ 10.0 per share for all the grants.

**Expected Volatility:** Expected Volatility is calculated on the annualized standard deviation for the historical period corresponding to the expected life of the option.

**Expected Option Life:** Expected Life of option is the period for which Lupin Digital Health Limited 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 two 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 Lupin Digital Health Limited'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 - Year ended 31.03.2024

| Grant date | Exercise price (₹) | Risk free rate (%) | Expected life (years) | Expected Volatility (%) | Dividend yield (%) | Weighted average share price (₹) | Weighted Option Fair Value (₹) |
|------------|--------------------|--------------------|-----------------------|-------------------------|--------------------|----------------------------------|--------------------------------|
| 14.07.2022 | 10.0               | 7.0%               | 6.6                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 01.08.2022 | 10.0               | 7.0%               | 6.6                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 23.08.2022 | 10.0               | 7.0%               | 6.7                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 04.11.2022 | 10.0               | 7.0%               | 6.7                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 25.11.2022 | 10.0               | 7.0%               | 6.7                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 06.03.2023 | 10.0               | 7.1%               | 6.8                   | 18.1%                   | 0%                 | 40.0                             | 33.8                           |

### Weighted average information - Year ended 31.03.2023

| Grant date | Exercise price (₹) | Risk free rate (%) | Expected life (years) | Expected Volatility (%) | Dividend yield (%) | Weighted average share price (₹) | Weighted Option Fair Value (₹) |
|------------|--------------------|--------------------|-----------------------|-------------------------|--------------------|----------------------------------|--------------------------------|
| 14.07.2022 | 10.0               | 7.1%               | 6.6                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 01.08.2022 | 10.0               | 7.1%               | 6.6                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 23.08.2022 | 10.0               | 7.1%               | 6.7                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 04.11.2022 | 10.0               | 7.1%               | 6.7                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 25.11.2022 | 10.0               | 7.1%               | 6.7                   | 18.5%                   | 0%                 | 33.0                             | 26.7                           |
| 06.03.2023 | 10.0               | 7.1%               | 6.8                   | 18.1%                   | 0%                 | 40.0                             | 33.8                           |

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### (ii) Employee stock options – Cash settled

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

Employee benefit expense includes cash settled employee stock options issued to certain employees of Lupin Digital Health Limited by Lupin Limited amounting to ₹ 0.3 million (31.03.2023 ₹ 0.1 million).

Effect of cash settled share based payment transactions on the Consolidated Balance Sheet

| Particulars                                 | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Other non-current financial liabilities     | 0.2              | 0.1              |
| Other current financial liabilities         | 0.2              | 0.1              |
| <b>Total carrying amount of liabilities</b> | <b>0.4</b>       | <b>0.2</b>       |

Effect of share based payment transactions on the Consolidated Statement of Profit and Loss

| Particulars                                  | (₹ in million)        |                       |
|--|-----------------------|-----------------------|
|  | Year ended 31.03.2024 | Year ended 31.03.2023 |
| Equity settled share based payments          | 7.5                   | 5.6                   |
| Cash settled share based payments            | 0.3                   | 0.1                   |
| <b>Total expense on share based payments</b> | <b>7.8</b>            | <b>5.7</b>            |

## 46. 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 ₹ 1,339.4 million (31.03.2023 ₹ 1,016.8 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 ₹ 309.8 million (31.03.2023 ₹ 282.1 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 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 31.03.2024. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

# Notes

Forming part of the Consolidated Financial Statements

| Sr. No.      | Particulars   | (₹ in million)   |  |  |  |
|--------------|---|--|--|--|--|
|              |   | Gratuity (Funded)  |  | Gratuity (Unfunded)                          |  |
|              |   | As at<br>31.03.2024  | As at<br>31.03.2023                          | As at<br>31.03.2024                          | As at<br>31.03.2023                          |
| <b>I)</b>    | <b>Change in present value of obligation ('PVO') - defined benefit obligation:</b>  |  |  |  |  |
|              | PVO at the beginning of the year  | 2,526.7  | 2,522.3                                      | 1,635.0                                      | 1,595.5                                      |
|              | Current service cost  | 245.0  | 233.8  | 136.2  | 129.4  |
|              | Past service cost   | -  | -  | -  | -  |
|              | Interest cost   | 187.4  | 179.0  | 121.2  | 113.2  |
|              | Actuarial loss / (gain)   |  |  |  |  |
|              | - Due to demographic assumption   | -  | -  | -  | -  |
|              | - Due to finance assumption   | 99.7   | (17.5)                                       | 71.2   | 5.5  |
|              | - Due to experience adjustment  | 44.4   | 33.7   | 15.0   | (48.0)                                       |
|              | Benefits paid   | (261.3)  | (424.6)                                      | (103.9)                                      | (160.6)                                      |
|              | Transfer In/(Out)   | (85.0)   | -  | (30.2)                                       | -  |
|              | <b>PVO at the end of the year</b>   | <b>2,756.9</b>   | <b>2,526.7</b>                               | <b>1,844.5</b>                               | <b>1,635.0</b>                               |
| <b>II)</b>   | <b>Change in fair value of plan assets:</b>   |  |  |  |  |
|              | Fair value of plan assets at the beginning of the year  | 1,816.7  | 1,824.3                                      | -  | -  |
|              | Expected return on plan assets  | 1.6  | 5.8  | -  | -  |
|              | Interest Income   | 134.7  | 129.4  | -  | -  |
|              | Contributions by the employer   | 285.9  | 281.8  | -  | -  |
|              | Benefits paid   | (261.3)  | (424.6)                                      | -  | -  |
|              | <b>Fair value of plan assets at the end of the year</b>   | <b>1,977.6</b>   | <b>1,816.7</b>                               | <b>-</b>                                     | <b>-</b>                                     |
| <b>III)</b>  | <b>Reconciliation of PVO and fair value of plan assets:</b>   |  |  |  |  |
|              | PVO at the end of the year  | 2,756.9  | 2,526.7                                      | 1,844.5                                      | 1,635.0                                      |
|              | Fair Value of plan assets at the end of the year  | 1,977.6  | 1,816.7                                      | -  | -  |
|              | Funded status   | (779.5)  | (710.0)                                      | (1,844.5)                                    | (1,635.0)                                    |
|              | Unrecognised actuarial loss/(gain)  | -  | -  | -  | -  |
|              | <b>Net liability recognised in the Consolidated Balance Sheet</b>   | <b>(779.5)</b>   | <b>(710.0)</b>                               | <b>(1,844.5)</b>                             | <b>(1,635.0)</b>                             |
| <b>IV)</b>   | <b>Expense recognised in the Consolidated Statement of Profit and Loss:</b>   |  |  |  |  |
|              | Current service cost  | 245.0  | 233.8  | 136.2  | 129.4  |
|              | Past service cost   | -  | -  | -  | -  |
|              | Interest cost   | 52.7   | 49.6   | 121.2  | 113.2  |
|              | <b>Total expense recognised in the Consolidated Statement of Profit and Loss*</b>   | <b>297.7</b>   | <b>283.4</b>                                 | <b>257.4</b>                                 | <b>242.6</b>                                 |
| <b>V)</b>    | <b>Other Comprehensive Income:</b>  |  |  |  |  |
|              | Actuarial loss / (gain)   |  |  |  |  |
|              | - Due to demographic assumption   | -  | -  | -  | -  |
|              | - Due to finance assumption   | 99.7   | (17.5)                                       | 71.2   | 5.5  |
|              | - Due to experience adjustment  | 44.4   | 33.7   | 15.0   | (48.0)                                       |
|              | Return on plan assets excluding net interest  | (1.4)  | (5.8)  | -  | -  |
|              | <b>Total amount recognised in OCI</b>   | <b>142.7</b>   | <b>10.4</b>                                  | <b>86.2</b>                                  | <b>(42.5)</b>                                |
| <b>VI)</b>   | <b>Category of assets as at the end of the year:</b>  |  |  |  |  |
|              | Insurer managed Funds (100%)<br>(Fund is managed by LIC as per IRDA guidelines category-wise composition of the plan assets is not available) | 1,977.4  | 1,816.7                                      | -  | -  |
| <b>VII)</b>  | <b>Actual return on the plan assets</b>   | <b>136.3</b>   | <b>135.2</b>                                 | <b>-</b>                                     | <b>-</b>                                     |
| <b>VIII)</b> | <b>Assumptions used in accounting for the gratuity plan:</b>  |  |  |  |  |
|              | Mortality (%)   | Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards |  |  |  |
|              | Discount rate (%)   | 7.2  | 7.4  | 7.2  | 7.4  |
|              | Salary escalation rate (%)  | 9.0 for first three years and 6.0 thereafter                                       | 9.0 for first three years and 6.0 thereafter | 9.0 for first three years and 6.0 thereafter | 9.0 for first three years and 6.0 thereafter |
|              | Average Remaining Service (years)   | 11.3   | 11.4   | 11.3   | 11.4   |



# Notes

## Forming part of the Consolidated Financial Statements

| Sr. No.    | Particulars  | (₹ in million)    |                  |                     |                  |
|------------|--|-------------------|------------------|---------------------|------------------|
|            |  | Gratuity (Funded) |                  | Gratuity (Unfunded) |                  |
|            |  | As at 31.03.2024  | As at 31.03.2023 | As at 31.03.2024    | As at 31.03.2023 |
|            | Employee Attrition Rate (%)                                      |                   |                  |                     |                  |
|            | upto 5 years   | 15                | 15               | 15                  | 15               |
|            | above 5 years  | 5                 | 5                | 5                   | 5                |
| <b>IX)</b> | <b>Estimate of amount of contribution in immediate next year</b> | <b>410.7</b>      | <b>370.6</b>     | <b>NA</b>           | <b>NA</b>        |

\*₹ 2.0 million (31.03.2023 ₹ 1.9 million) capitalised as pre-operative expenses out of above amount.

### X) Expected future benefit payments

| Particulars        | (₹ in million)   |                  |
|--------------------|------------------|------------------|
|                    | As at 31.03.2024 | As at 31.03.2023 |
| 1 year             | 704.1            | 638.8            |
| 2 to 5 years       | 1,591.8          | 1,454.5          |
| 6 to 10 years      | 1,873.6          | 1,635.9          |
| More than 10 years | 5,463.0          | 5,221.8          |

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.

### Sensitivity analysis

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:

| Gratuity                                      | (₹ in million) |          |            |          |
|---|----------------|----------|------------|----------|
|   | 31.03.2024     |          | 31.03.2023 |          |
|   | Increase       | Decrease | Increase   | Decrease |
| Discount Rate (1% movement)                   | (350.8)        | 404.7    | (318.0)    | 366.9    |
| Future salary growth (1% movement)            | 402.1          | (354.8)  | 365.3      | (322.2)  |
| Attrition rate (- / + 50% of attrition rates) | (51.1)         | 59.0     | (35.8)     | 39.0     |

### Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are defined below:

|                           |  |
|---------------------------|--|
| <b>Interest Rate risk</b> | The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.   |
| <b>Investment risk</b>    | The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.  |
| <b>Salary risk</b>        | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |

- 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 31.03.2024 and based on the same, there is no shortfall towards interest rate obligation.

# Notes

## Forming part of the Consolidated Financial Statements

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

| Sr. No.     | Particulars  | (₹ in million)   |                  |
|-------------|--|------------------|------------------|
|             |  | As at 31.03.2024 | As at 31.03.2023 |
| <b>I)</b>   | <b>Change in present value of obligation ('PVO') - defined benefit obligation:</b> |                  |                  |
|             | Liability at the beginning of the year   | 12,310.8         | 11,641.3         |
|             | Interest cost  | 904.7            | 816.9            |
|             | Current service cost   | 763.0            | 677.4            |
|             | Employee's contribution  | 1,125.7          | 1,045.7          |
|             | Liability Transferred in   | (342.1)          | (398.2)          |
|             | Benefits paid  | (1,716.1)        | (1,595.5)        |
|             | Actuarial loss/(gain)  |                  |                  |
|             | - Due to financial assumptions   | 105.9            | 42.2             |
|             | - Due to experience adjustment   | 33.2             | 81.0             |
|             | <b>Liability at the end of the year</b>  | <b>13,185.1</b>  | <b>12,310.8</b>  |
| <b>II)</b>  | <b>Change in fair value of plan assets:</b>  |                  |                  |
|             | Fair value of plan assets at the beginning of the year                             | 12,031.1         | 11,466.4         |
|             | Investment income  | 881.6            | 803.2            |
|             | Employer's contributions   | 723.7            | 648.4            |
|             | Employee's contribution  | 1,125.7          | 1,045.5          |
|             | Transfers in   | (369.8)          | (406.7)          |
|             | Benefits paid  | (1,716.1)        | (1,595.4)        |
|             | Return on plan assets, excluding amount recognised in net interest expense         | 232.9            | 69.7             |
|             | <b>Fair value of plan assets at the end of the year</b>                            | <b>12,909.1</b>  | <b>12,031.1</b>  |
| <b>III)</b> | <b>Reconciliation of PVO and fair value of plan assets:</b>                        |                  |                  |
|             | Present Value of defined benefit obligations                                       | 13,185.1         | 12,310.8         |
|             | Fair Value of plan assets  | 12,909.1         | 12,031.1         |
|             | <b>Net Liability /(Asset)</b>  | <b>276.0</b>     | <b>279.7</b>     |
| <b>IV)</b>  | <b>Expense recognised in the Statement of Profit and Loss:</b>                     |                  |                  |
|             | Current service cost   | 763.0            | 677.4            |
|             | Interest cost  | 904.7            | 816.9            |
|             | Expected return on plan assets   | (881.6)          | (803.2)          |
|             | <b>(Income) / Expense recognised in the Statement of Profit and Loss</b>           | <b>786.1</b>     | <b>691.1</b>     |
| <b>V)</b>   | <b>Other Comprehensive Income:</b>   |                  |                  |
|             | Actuarial loss/(gain)  |                  |                  |
|             | - Due to finance assumption  | 105.9            | 42.2             |
|             | - Due to experience adjustment   | 33.2             | 81.0             |
|             | Return on plan assets excluding net interest                                       | (232.9)          | (69.7)           |
|             | <b>Total amount recognised in OCI</b>  | <b>(93.8)</b>    | <b>53.5</b>      |
| <b>VI)</b>  | <b>Major categories of Plan Assets (As per percentage of Total Plan Assets):</b>   |                  |                  |
|             | Government of India securities / State Government securities                       | 56.4%            | 59.0%            |
|             | High quality corporate bonds   | 0.7%             | 0.6%             |
|             | Equity shares of listed companies  | 1.0%             | 1.3%             |
|             | Debt Mutual Fund   | 38.0%            | 34.8%            |
|             | Equity Mutual Fund   | 2.1%             | 2.5%             |
|             | Special Deposit Scheme   | 1.6%             | 1.8%             |
|             | Bank balance   | 0.2%             | 0.1%             |
|             | <b>Total</b>   | <b>100%</b>      | <b>100%</b>      |
| <b>VII)</b> | <b>Assumptions used in accounting for the provident fund plan:</b>                 |                  |                  |
|             | Discount rate (%)  | 7.2              | 7.4              |
|             | Average remaining tenure of investment portfolio (years)                           | 7.6              | 7.7              |
|             | Guaranteed rate of return (%)  | 8.3              | 8.2              |
|             | Attrition rate - upto 5 years  | 15.0%            | 15.0%            |
|             | above 5 years  | 5.0%             | 5.0%             |

# Notes

## Forming part of the Consolidated Financial Statements

### 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 31.03.2024. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

| Sr. No.     | Particulars  | (₹ in million)                        |                  |
|-------------|--|---------------------------------------|------------------|
|             |  | Lump sum Retirement Benefits (funded) |                  |
|             |  | As at 31.03.2024                      | As at 31.03.2023 |
| <b>I)</b>   | <b>Change in present value of obligation ('PVO') - defined benefit obligation:</b> |                                       |                  |
|             | PVO at the beginning of the year   | 181.2                                 | 147.7            |
|             | Current service cost   | 23.1                                  | 19.6             |
|             | Past service cost  | -                                     | -                |
|             | Interest cost  | 11.6                                  | 8.3              |
|             | Actuarial loss / (gain)  |                                       |                  |
|             | - Due to demographic assumption  | 4.6                                   | 23.6             |
|             | - Due to finance assumption  | 6.4                                   | (20.2)           |
|             | - Due to experience adjustment   | (13.0)                                | (2.4)            |
|             | Benefits paid  | (3.5)                                 | (2.1)            |
|             | Foreign exchange translation difference  | (5.1)                                 | 6.7              |
|             | <b>PVO at the end of the year</b>  | <b>205.3</b>                          | <b>181.2</b>     |
| <b>II)</b>  | <b>Change in fair value of plan assets:</b>  |                                       |                  |
|             | Fair value of plan assets at the beginning of the year                             | 79.3                                  | 35.9             |
|             | Return on plan assets excluding net interest                                       | 0.7                                   | (2.7)            |
|             | Interest Income  | 6.7                                   | 3.2              |
|             | Contributions  | 45.8                                  | 44.9             |
|             | Benefits paid  | (3.5)                                 | (2.1)            |
|             | Foreign exchange translation difference  | 1.2                                   | 0.1              |
|             | <b>Fair value of plan assets at the end of the year</b>                            | <b>130.2</b>                          | <b>79.3</b>      |
| <b>III)</b> | <b>Reconciliation of PVO and fair value of plan assets:</b>                        |                                       |                  |
|             | PVO at the end of the year   | 205.3                                 | 181.2            |
|             | Fair Value of plan assets at the end of the year                                   | 130.2                                 | 79.3             |
|             | Funded status  | (75.1)                                | (101.9)          |
|             | Unrecognised actuarial loss/(gain)   | -                                     | -                |
|             | <b>Net liability recognised in the Consolidated Balance Sheet</b>                  | <b>(75.1)</b>                         | <b>(101.9)</b>   |
| <b>IV)</b>  | <b>Expense recognised in the Consolidated Statement of Profit and Loss:</b>        |                                       |                  |
|             | Current service cost   | 23.1                                  | 19.6             |
|             | Past service cost  | -                                     | -                |
|             | Net Interest   | 4.9                                   | 5.1              |
|             | Return on Plan Assets excluding interest income                                    | -                                     | -                |
|             | <b>Total expense recognised in the Consolidated Statement of Profit and Loss</b>   | <b>28.0</b>                           | <b>24.7</b>      |
| <b>V)</b>   | <b>Other Comprehensive Income:</b>   |                                       |                  |
|             | Actuarial loss / (gain)  |                                       |                  |
|             | - Due to demographic assumption  | 4.6                                   | 23.6             |
|             | - Due to finance assumption  | 6.4                                   | (20.2)           |
|             | - Due to experience adjustment   | (13.0)                                | (2.4)            |
|             | Return on plan assets excluding net interest                                       | (0.7)                                 | 2.7              |
|             | <b>Total amount recognised in OCI</b>  | <b>(2.7)</b>                          | <b>3.7</b>       |
| <b>VI)</b>  | <b>Category of assets as at the end of the year:</b>                               |                                       |                  |
|             | Cash & Cash Equivalents  | 0.0%                                  | 3.4%             |
|             | Equity Instruments   | 0.0%                                  | 0.5%             |
|             | Debt Instruments - Government Bonds  | 41.9%                                 | 34.6%            |
|             | Debt Instruments - Other Bonds   | 6.5%                                  | 9.6%             |

# Notes

## Forming part of the Consolidated Financial Statements

| Sr. No.      | Particulars  | (₹ in million)                        |                  |
|--------------|--|---------------------------------------|------------------|
|              |  | Lump sum Retirement Benefits (funded) |                  |
|              |  | As at 31.03.2024                      | As at 31.03.2023 |
|              | Unit Investment Trust Funds                                  | 50.5%                                 | 56.5%            |
|              | Others   | 1%                                    | (4.6)%           |
| <b>VII)</b>  | <b>Actual return on the plan assets:</b>                     | 7.4                                   | 0.5              |
| <b>VIII)</b> | <b>Assumptions used in accounting for the gratuity plan:</b> |                                       |                  |
|              | Mortality (%)  | Rates stipulated in 2001 CSO Table    |                  |
|              | Discount rate (%)  | 6.3                                   | 6.6              |
|              | Salary escalation rate (%)                                   | 6.0                                   | 6.0              |
|              | Average Remaining Service (years)                            | 22.1                                  | 22.1             |
|              | Employee Attrition Rate (%)                                  | 11.3                                  | 11.3             |

### IX) Expected future benefit payments

| Particulars       | (₹ in million)   |                  |
|-------------------|------------------|------------------|
|                   | As at 31.03.2024 | As at 31.03.2023 |
| First year        | 9.3              | 9.5              |
| Second year       | 9.4              | 5.6              |
| Third year        | 6.9              | 8.3              |
| Fourth year       | 6.9              | 6.0              |
| Fifth year        | 35.9             | 7.0              |
| Beyond five years | 148.9            | 165.4            |

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.

### Sensitivity analysis

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:

| Gratuity                           | (₹ in million) |          |            |          |
|------------------------------------|----------------|----------|------------|----------|
|                                    | 31.03.2024     |          | 31.03.2023 |          |
|                                    | Increase       | Decrease | Increase   | Decrease |
| Discount Rate (1% movement)        | 23.4           | (20.1)   | 22.5       | (19.2)   |
| Future salary growth (1% movement) | 23.2           | (20.4)   | 22.4       | (19.5)   |

### 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 31.03.2024. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

| Sr. No.   | Particulars  | (₹ in million)                          |                  |
|-----------|--|---|------------------|
|           |  | Lump sum Retirement Benefits (unfunded) |                  |
|           |  | As at 31.03.2024                        | As at 31.03.2023 |
| <b>I)</b> | <b>Change in present value of obligation ('PVO') - defined benefit obligation:</b> |   |                  |
|           | PVO at the beginning of the year   | 121.4                                   | 76.1             |
|           | Current service cost   | 25.6                                    | 17.3             |
|           | Past service cost  | -                                       | 23.4             |
|           | Interest cost  | 9.7                                     | 6.3              |
|           | Actuarial loss/(gain)  |   |                  |
|           | - Due to Curtailment   | 19.4                                    | 26.0             |
|           | - Due to demographic assumption  | -                                       | -                |
|           | - Due to finance assumption  | 1.1                                     | (4.1)            |
|           | - Due to experience adjustment   | 4.5                                     | (2.2)            |
|           | Benefits paid  | (31.2)                                  | (39.4)           |

# Notes

## Forming part of the Consolidated Financial Statements

| Sr. No.     | Particulars  | (₹ in million)                          |                  |
|-------------|--|---|------------------|
|             |  | Lump sum Retirement Benefits (unfunded) |                  |
|             |  | As at 31.03.2024                        | As at 31.03.2023 |
|             | Foreign exchange translation difference  | 14.0                                    | 18.0             |
|             | <b>PVO at the end of the year</b>  | <b>164.4</b>                            | <b>121.4</b>     |
| <b>II)</b>  | <b>Reconciliation of PVO and fair value of plan assets:</b>                      |   |                  |
|             | PVO at the end of the year   | 164.4                                   | 121.4            |
|             | Fair Value of plan assets at the end of the year                                 | -                                       | -                |
|             | Funded status  | (164.4)                                 | (121.4)          |
|             | Unrecognised actuarial loss/(gain)   | -                                       | -                |
|             | <b>Net liability recognised in the Consolidated Balance Sheet</b>                | <b>(164.4)</b>                          | <b>(121.4)</b>   |
| <b>III)</b> | <b>Expense recognised in the Consolidated Statement of Profit and Loss:</b>      |   |                  |
|             | Current service cost   | 25.6                                    | 17.3             |
|             | Past service cost  | -                                       | 23.4             |
|             | Net Interest   | 9.7                                     | 6.3              |
|             | Curtailment effect   | 19.4                                    | 26.0             |
|             | Loss/(gain) recognized in OCI  | 3.4                                     | 6.0              |
|             | <b>Total expense recognised in the Consolidated Statement of Profit and Loss</b> | <b>58.1</b>                             | <b>79.0</b>      |
| <b>IV)</b>  | <b>Other Comprehensive Income:</b>   |   |                  |
|             | Actuarial loss /(gain)   |   |                  |
|             | - Due to demographic assumption  | -                                       | -                |
|             | - Due to finance assumption  | 1.1                                     | (4.1)            |
|             | - Due to experience adjustment   | 4.5                                     | (2.2)            |
|             | Loss/(gain) recognized in OCI  | (3.4)                                   | (6.0)            |
|             | <b>Total amount recognised in OCI</b>  | <b>2.2</b>                              | <b>(12.3)</b>    |
| <b>V)</b>   | <b>Assumptions used in accounting for the gratuity plan:</b>                     |   |                  |
|             | Mortality (%)  | Experience Social insurance by gender   |                  |
|             | Discount rate (%)  | 9.4                                     | 8.6              |
|             | Salary escalation rate (%)   | 5.0                                     | 5.0              |
|             | Average Remaining Service (years)  | 9.4                                     | 9.6              |
|             | Employee Attrition Rate (%)  | 16.9                                    | 16.9             |

### VI) Expected future benefit payments

| Particulars       | (₹ in million)   |                  |
|-------------------|------------------|------------------|
|                   | As at 31.03.2024 | As at 31.03.2023 |
| First year        | 44.6             | 27.5             |
| Second year       | 34.3             | 31.8             |
| Third year        | 32.7             | 25.1             |
| Fourth year       | 31.6             | 23.9             |
| Fifth year        | 30.0             | 23.0             |
| Beyond five years | 139.8            | 107.1            |

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

### Sensitivity analysis

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:

| Gratuity                       | (₹ in million) |          |            |          |
|--------------------------------|----------------|----------|------------|----------|
|                                | 31.03.2024     |          | 31.03.2023 |          |
|                                | Increase       | Decrease | Increase   | Decrease |
| Discount Rate (0.5 % movement) | (2.8)          | 3.0      | (2.1)      | 2.2      |

### d) Lupin Diagnostics Limited, India

Lupin Diagnostics Limited 's current gratuity plan is funded as well as unfunded and the liability is determined based on actuarial valuation. The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at 31.03.2024. 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.

# Notes

## Forming part of the Consolidated Financial Statements

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

| Sr. No.      | Particulars   | (₹ in million)  |  |  |  |
|--------------|---|---|--|--|--|
|              |   | Gratuity (Funded)   |  | Gratuity (Unfunded)                          |  |
|              |   | As at 31.03.2024  | As at 31.03.2023                             | As at 31.03.2024                             | As at 31.03.2023                             |
| <b>i)</b>    | <b>Change in present value of obligation ('PVO') - defined benefit obligation:</b>  |   |  |  |  |
|              | PVO at the beginning of the year  | 6.3   | 1.3  | 2.3  | 0.3  |
|              | Current service cost  | 4.4   | 2.5  | 1.0  | 0.7  |
|              | Past service cost   | -   | -  | -  | -  |
|              | Interest cost   | 0.5   | 0.1  | 0.2  | 0.0  |
|              | Actuarial loss/(gain)   |   |  |  |  |
|              | - Due to demographic assumption   | -   | -  | -  | -  |
|              | - Due to finance assumption   | 0.5   | (0.1)  | 0.3  | 0.0  |
|              | - Due to experience adjustment  | 0.1   | 2.5  | 0.1  | 1.1  |
|              | Benefits paid   | -   | -  | -  | -  |
|              | <b>PVO at the end of the year</b>   | <b>11.8</b>   | <b>6.3</b>                                   | <b>3.8</b>                                   | <b>2.3</b>                                   |
| <b>ii)</b>   | <b>Change in fair value of plan assets:</b>   |   |  |  |  |
|              | Fair value of plan assets at the beginning of the year  | -   | -  | -  | -  |
|              | Expected return on plan assets  | 0.4   | -  | -  | -  |
|              | Interest Income   | -   | -  | -  | -  |
|              | Contributions by the employer   | 8.6   | -  | -  | -  |
|              | Benefits paid   | -   | -  | -  | -  |
|              | <b>Fair value of plan assets at the end of the year</b>   | <b>9.0</b>  | <b>-</b>                                     | <b>-</b>                                     | <b>-</b>                                     |
| <b>iii)</b>  | <b>Reconciliation of PVO and fair value of plan assets:</b>   |   |  |  |  |
|              | PVO at the end of the year  | 11.8  | 6.3  | 3.8  | 2.3  |
|              | Fair Value of plan assets at the end of the year  | 9.0   | -  | -  | -  |
|              | Funded status   | (2.8)   | (6.3)  | (3.8)  | (2.3)  |
|              | Unrecognised actuarial loss/(gain)  | -   | -  | -  | -  |
|              | <b>Net liability recognised in the Balance Sheet</b>  | <b>(2.8)</b>  | <b>(6.3)</b>                                 | <b>(3.8)</b>                                 | <b>(2.3)</b>                                 |
| <b>iv)</b>   | <b>Expense recognised in the Statement of Profit and Loss:</b>  |   |  |  |  |
|              | Current service cost  | 4.4   | 2.5  | 1.0  | 0.7  |
|              | Past service cost   | -   | -  | -  | -  |
|              | Interest cost   | 0.5   | 0.1  | 0.2  | 0.0  |
|              | <b>Total expense recognised in the Statement of Profit and Loss</b>   | <b>4.9</b>  | <b>2.6</b>                                   | <b>1.2</b>                                   | <b>0.8</b>                                   |
| <b>v)</b>    | <b>Other Comprehensive Income:</b>  |   |  |  |  |
|              | Actuarial loss/(gain)   |   |  |  |  |
|              | - Due to demographic assumption   | -   | -  | -  | -  |
|              | - Due to finance assumption   | 0.5   | (0.1)  | 0.3  | 0.0  |
|              | - Due to experience adjustment  | 0.1   | 2.5  | 0.1  | 1.1  |
|              | Return on plan assets excluding net interest  | (0.4)   | -  | -  | -  |
|              | <b>Total amount recognised in OCI</b>   | <b>0.2</b>  | <b>2.4</b>                                   | <b>0.4</b>                                   | <b>1.2</b>                                   |
| <b>vi)</b>   | <b>Category of assets as at the end of the year:</b>  |   |  |  |  |
|              | Insurer Managed Funds (100%)<br>(Fund is Managed by LIC as per IRDA guidelines category-wise composition of the plan assets is not available) | 9.0   | NA   | NA   | NA   |
| <b>vii)</b>  | <b>Actual return on the plan assets:</b>  | 0.4   | NA   | NA   | NA   |
| <b>viii)</b> | <b>Assumptions used in accounting for the gratuity plan:</b>  |   |  |  |  |
|              | Mortality (%)   | Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards. |  |  |  |
|              | Discount rate (%)   | 7.2%  | 7.4%   | 7.2%   | 7.4%   |
|              | Salary escalation rate (%)  | 9.0 for first three years and 6.0 thereafter  | 9.0 for first three years and 6.0 thereafter | 9.0 for first three years and 6.0 thereafter | 9.0 for first three years and 6.0 thereafter |
|              | Average Remaining Service (years)   | 26.2  | 26.3   | 26.2   | 26.3   |
|              | Employee Attrition Rate (%)   |   |  |  |  |
|              | up to 5 years   | 15  | 15   | 15   | 15   |
|              | above 5 years   | 5   | 5  | 5  | 5  |



# Notes

## Forming part of the Consolidated Financial Statements

### IX) Expected future benefit payments

| Particulars        | (₹ in million)   |                  |
|--------------------|------------------|------------------|
|                    | As at 31.03.2024 | As at 31.03.2023 |
| 1 year             | 0.3              | 0.2              |
| 2 to 5 years       | 5.6              | 1.7              |
| 6 to 10 years      | 5.0              | 4.9              |
| More than 10 years | 31.7             | 15.4             |

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.

### Sensitivity analysis

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:

| Gratuity                                      | 31.03.2024 |          | 31.03.2023 |          |
|---|------------|----------|------------|----------|
|   | Increase   | Decrease | Increase   | Decrease |
| Discount Rate (1% movement)                   | (14.0)     | 17.5     | (7.7)      | 9.6      |
| Future salary growth (1% movement)            | 17.5       | (14.0)   | 9.6        | (7.7)    |
| Attrition rate (- / + 50% of attrition rates) | (13.7)     | 17.9     | (7.5)      | 9.8      |

### e) Lupin Digital Health Limited, India

Lupin Digital Health Limited's current gratuity plan is funded as well as unfunded and the liability is determined 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 31.03.2024. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

| Sr. No.     | Particulars  | (₹ in million)    |                  |                     |                  |
|-------------|--|-------------------|------------------|---------------------|------------------|
|             |  | Gratuity (Funded) |                  | Gratuity (Unfunded) |                  |
|             |  | As at 31.03.2024  | As at 31.03.2023 | As at 31.03.2024    | As at 31.03.2023 |
| <b>i)</b>   | <b>Change in present value of obligation ('PVO') - defined benefit obligation:</b> |                   |                  |                     |                  |
|             | PVO at the beginning of the year   | 0.8               | -                | 0.2                 | -                |
|             | Current service cost   | 2.2               | 0.8              | 0.4                 | 0.2              |
|             | Past service cost  | -                 | -                | -                   | -                |
|             | Transfer in  | -                 | -                | -                   | -                |
|             | Interest cost  | 0.1               | -                | 0.0                 | -                |
|             | Actuarial loss / (gain)  |                   |                  |                     |                  |
|             | - Due to demographic assumption  | -                 | -                | -                   | -                |
|             | - Due to finance assumption  | 0.2               | -                | -                   | -                |
|             | - Due to experience adjustment   | (0.1)             | -                | (0.1)               | -                |
|             | - Due to Others  | -                 | -                | -                   | -                |
|             | Benefits paid  | -                 | -                | -                   | -                |
|             | <b>PVO at the end of the year</b>  | <b>3.1</b>        | <b>0.8</b>       | <b>0.6</b>          | <b>0.2</b>       |
| <b>ii)</b>  | <b>Change in fair value of plan assets:</b>  |                   |                  |                     |                  |
|             | Fair value of plan assets at the beginning of the year                             | -                 | -                | -                   | -                |
|             | Expected return on plan assets   | -                 | -                | -                   | -                |
|             | Interest income  | 0.1               | -                | -                   | -                |
|             | Contributions by the employer  | 1.0               | -                | -                   | -                |
|             | Benefits paid  | -                 | -                | -                   | -                |
|             | <b>Fair value of plan assets at the end of the year</b>                            | <b>1.1</b>        | <b>-</b>         | <b>-</b>            | <b>-</b>         |
| <b>iii)</b> | <b>Reconciliation of PVO and fair value of plan assets:</b>                        |                   |                  |                     |                  |
|             | PVO at the end of the year   | 3.1               | 0.8              | 0.6                 | 0.2              |
|             | Fair Value of plan assets at the end of the year                                   | 1.1               | -                | -                   | -                |
|             | Funded status  | (2.1)             | (0.8)            | (0.6)               | (0.2)            |
|             | Unrecognised actuarial loss/(gain)   | -                 | -                | -                   | -                |
|             | <b>Net liability recognised in the Balance Sheet</b>                               | <b>(2.1)</b>      | <b>(0.8)</b>     | <b>(0.6)</b>        | <b>(0.2)</b>     |

# Notes

## Forming part of the Consolidated Financial Statements

| Sr. No.      | Particulars   | (₹ in million)   |                  |                     |                  |
|--------------|---|--|------------------|---------------------|------------------|
|              |   | Gratuity (Funded)  |                  | Gratuity (Unfunded) |                  |
|              |   | As at 31.03.2024   | As at 31.03.2023 | As at 31.03.2024    | As at 31.03.2023 |
| <b>IV)</b>   | <b>Expense recognised in the Statement of Profit and Loss:</b>  |  |                  |                     |                  |
|              | Current service cost  | 2.2  | 0.8              | 0.4                 | 0.2              |
|              | Interest cost   | 0.1  | -                | 0.0                 | -                |
|              | <b>Total expense recognised in the Statement of Profit and Loss</b>   | <b>2.2</b>   | <b>0.8</b>       | <b>0.4</b>          | <b>0.2</b>       |
| <b>V)</b>    | <b>Other Comprehensive Income:</b>  |  |                  |                     |                  |
|              | Actuarial loss / (gain)   |  |                  |                     |                  |
|              | - Due to demographic assumption   | -  | -                | -                   | -                |
|              | - Due to finance assumption   | 0.2  | -                | -                   | -                |
|              | - Due to experience adjustment  | (0.1)  | -                | (0.1)               | -                |
|              | Return on plan assets excluding net interest  | (0.1)  | -                | -                   | -                |
|              | <b>Total amount recognised in OCI</b>   | <b>0.0</b>   | <b>-</b>         | <b>(0.1)</b>        | <b>-</b>         |
| <b>VI)</b>   | <b>Category of assets as at the end of the year:</b>  |  |                  |                     |                  |
|              | Insurer Managed Funds (100%)<br>(Fund is Managed by ICICI as per IRDA guidelines category-wise composition of the plan assets is not available) | 1.1  | -                | -                   | -                |
| <b>VII)</b>  | <b>Actual return on the plan assets:</b>  | <b>0.1</b>   | <b>-</b>         | <b>-</b>            | <b>-</b>         |
| <b>VIII)</b> | <b>Assumptions used in accounting for the gratuity plan:</b>  |  |                  |                     |                  |
|              | Mortality (%)   | Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards |                  |                     |                  |
|              | Discount rate (%)   | 7.2%   | 7.4%             | 7.2%                | 7.4%             |
|              | Salary escalation rate (%)  | 9.0 for first three years and 6.0 thereafter                                       |                  |                     |                  |
|              | Average Remaining Service (years)   | 27.1   | 25.8             | 27.1                | 25.8             |
|              | Employee Attrition Rate (%)   |  |                  |                     |                  |
|              | up to 5 years   | 15   | 15               | 15                  | 15               |
|              | above 5 years   | 5  | 5                | 5                   | 5                |
| <b>IX)</b>   | <b>Estimate of amount of contribution in immediate next year</b>  | <b>2.7</b>   | <b>-</b>         | <b>NA</b>           | <b>NA</b>        |

### X) Expected future benefit payments

| Particulars        | (₹ in million)   |                  |
|--------------------|------------------|------------------|
|                    | As at 31.03.2024 | As at 31.03.2023 |
| 1 year             | 0.0              | -                |
| 2 to 5 years       | 0.5              | 0.1              |
| 6 to 10 years      | 1.6              | 0.5              |
| More than 10 years | 7.5              | 2.6              |

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.

### Sensitivity analysis

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:

| Gratuity                                      | (₹ in million) |          |            |          |
|---|----------------|----------|------------|----------|
|   | 31.03.2024     |          | 31.03.2023 |          |
|   | Increase       | Decrease | Increase   | Decrease |
| Discount Rate (1% movement)                   | 2.7            | (3.6)    | 0.9        | (1.1)    |
| Future salary growth (1% movement)            | 3.5            | (2.8)    | 1.1        | (0.9)    |
| Mortality rate (10% mortality rates)          | 3.1            | (3.1)    | 1.0        | (1.0)    |
| Attrition rate (- / + 50% of attrition rates) | 2.4            | (3.9)    | 0.7        | (1.4)    |

### f) Lupin Manufacturing Solutions Limited, India

Lupin Manufacturing Solutions Limited's current gratuity plan is funded as well as unfunded and the liability is determined 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 31.03.2024. 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.

# Notes

## Forming part of the Consolidated Financial Statements

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

| Sr. No. | Particulars   | (₹ in million)  |  |
|---------|---|---|--|
|         |   | Gratuity (Funded)<br>As at 31.03.2024   | Gratuity (Unfunded)<br>As at 31.03.2024      |
| I)      | <b>Change in present value of obligation ('PVO') - defined benefit obligation:</b>  |   |  |
|         | PVO as at 24.07.2023  | 85.0  | 30.2   |
|         | Current service cost  | 4.0   | 1.3  |
|         | Past service cost   | -   | -  |
|         | Interest cost   | 2.5   | 0.9  |
|         | Actuarial loss/(gain)   |   |  |
|         | - Due to demographic assumption   | -   | -  |
|         | - Due to finance assumption   | -   | -  |
|         | - Due to experience adjustment  | 0.5   | 1.6  |
|         | Benefits paid   | -   | (0.2)  |
|         | <b>PVO at the end of the year</b>   | <b>92.0</b>   | <b>33.8</b>                                  |
| II)     | <b>Change in fair value of plan assets:</b>   |   |  |
|         | Fair value of plan assets as at 24.07.2023  | -   | -  |
|         | Expected return on plan assets  | -   | -  |
|         | Interest Income   | -   | -  |
|         | Contributions by the employer   | 0.9   | -  |
|         | Benefits paid   | -   | -  |
|         | <b>Fair value of plan assets at the end of the year</b>   | <b>0.9</b>  | <b>-</b>                                     |
| III)    | <b>Reconciliation of PVO and fair value of plan assets:</b>   |   |  |
|         | PVO at the end of the year  | 92.0  | 33.8   |
|         | Fair Value of plan assets at the end of the year  | 0.9   | -  |
|         | Funded status   | (91.1)  | (33.8)                                       |
|         | Unrecognised actuarial loss/(gain)  | -   | -  |
|         | <b>Net liability recognised in the Balance Sheet</b>  | <b>(91.1)</b>   | <b>(33.8)</b>                                |
| IV)     | <b>Expense recognised in the Statement of Profit and Loss:</b>  |   |  |
|         | Current service cost  | 4.0   | 1.3  |
|         | Past service cost   | -   | -  |
|         | Interest cost   | 2.5   | 0.9  |
|         | <b>Total expense recognised in the Statement of Profit and Loss *</b>   | <b>6.5</b>  | <b>2.2</b>                                   |
| V)      | <b>Other Comprehensive Income:</b>  |   |  |
|         | Actuarial loss/(gain)   |   |  |
|         | - Due to demographic assumption   | -   | -  |
|         | - Due to finance assumption   | -   | -  |
|         | - Due to experience adjustment  | 0.5   | 1.6  |
|         | Return on plan assets excluding net interest  | -   | -  |
|         | <b>Total amount recognised in OCI</b>   | <b>0.5</b>  | <b>1.6</b>                                   |
| VI)     | <b>Category of assets as at the end of the year:</b>  |   |  |
|         | Insurer managed Funds (100%)<br>(Fund is managed by LIC as per IRDA guidelines category-wise composition of the plan assets is not available) | 0.9   | -  |
| VII)    | <b>Actual return on the plan assets:</b>  | -   | -  |
| VIII)   | <b>Assumptions used in accounting for the gratuity plan:</b>  |   |  |
|         | Mortality (%)   | Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards. |  |
|         | Discount rate (%)   | 7.2%  | 7.2%   |
|         | Salary escalation rate (%)  | 9.0 for first three years and 6.0 thereafter  | 9.0 for first three years and 6.0 thereafter |
|         | Average Remaining Service (years)   | 10.5  | 10.5   |
|         | Employee Attrition Rate (%)   |   |  |
|         | up to 5 years   | 15  | 15   |
|         | above 5 years   | 5   | 5  |
| IX)     | <b>Estimate of amount of contribution in immediate next year</b>  | <b>13.2</b>   | <b>NA</b>                                    |

\*₹ 0.0 million capitalised as pre-operative expenses out of above amount.

# Notes

## Forming part of the Consolidated Financial Statements

### x) Expected future benefit payments

| Particulars        | (₹ in million)   |
|--------------------|------------------|
|                    | As at 31.03.2024 |
| 1 year             | 8.4              |
| 2 to 5 years       | 39.2             |
| 6 to 10 years      | 60.9             |
| More than 10 years | 165.4            |

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.

### Sensitivity analysis

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:

| Gratuity                                      | (₹ in million) |          |
|---|----------------|----------|
|   | 31.03.2024     |          |
|   | Increase       | Decrease |
| Discount Rate (1% movement)                   | (10.6)         | 12.2     |
| Future salary growth (1% movement)            | 12.1           | (10.7)   |
| Attrition rate (- / + 50% of attrition rates) | (1.7)          | 2.0      |

## 47. Income Taxes

### a) Tax expense recognised in Consolidated Statement of Profit and Loss:

| Particulars                                       | (₹ in million)        |                       |
|---|-----------------------|-----------------------|
|   | Year ended 31.03.2024 | Year ended 31.03.2023 |
| Current Tax expense for the year                  | 6,343.6               | 2,462.5               |
| Tax expense of prior years                        | (5.1)                 | 1.7                   |
| Net Current Tax expense                           | 6,338.5               | 2,464.2               |
| <b>Deferred income tax liability/(asset), net</b> |                       |                       |
| Origination and reversal of temporary differences | (1,471.5)             | 223.8                 |
| <b>Tax expense for the year</b>                   | <b>4,867.0</b>        | <b>2,688.0</b>        |

### b) Tax expense recognised in Other Comprehensive Income:

| Particulars   | (₹ in million)        |                       |
|---|-----------------------|-----------------------|
|   | Year ended 31.03.2024 | Year ended 31.03.2023 |
| <b>Items that will not be reclassified to profit or loss</b>                      |                       |                       |
| Re-measurements of the defined benefit plans                                      | 47.0                  | 9.4                   |
| <b>Items that will be reclassified to profit or loss</b>                          |                       |                       |
| The effective portion of gain or loss on hedging instruments in a cash flow hedge | (39.2)                | 131.9                 |
| <b>Total</b>  | <b>7.8</b>            | <b>141.3</b>          |

Management judgment 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 Group has recognized deferred tax asset of ₹ 28.8 million (31.03.2023 ₹ nil) 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 Group 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.

# Notes

## Forming part of the Consolidated Financial Statements

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

| Particulars  | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--|--------------------------|--|
| <b>Profit/(Loss) before share of profit of joint venture</b>                                     | <b>24,222.7</b>          | <b>7,164.9</b>                             |
| Tax using the Company's domestic tax rate (31.03.2024: 34.94%, 31.03.2023: 34.94%)               | 8,464.4                  | 2,503.7                                    |
| <b>Tax effect of:</b>  |                          |  |
| Differences in Indian and foreign tax rates  | 466.8                    | (263.5)                                    |
| Unrecognised deferred tax assets/recognition of previously unrecognised deferred tax assets, net | 1,363.7                  | 1,924.0                                    |
| Expenses not deductible for tax purposes   | 1,401.2                  | 1,594.4                                    |
| Incremental deduction on account of Research and Development costs                               | (227.6)                  | (163.5)                                    |
| Exemption of profit link incentives  | (6,486.2)                | (2,485.2)                                  |
| Foreign exchange differences   | (5.5)                    | (238.9)                                    |
| Others   | (104.7)                  | (184.7)                                    |
| <b>Current and Deferred Tax expense (excluding prior year taxes) as per note 47(a)</b>           | <b>4,872.1</b>           | <b>2,686.3</b>                             |

### d) Movement in deferred tax balances:

| Particulars   | As at<br>01.04.2023 | Recognised in/under |                            |   |             | (₹ in million)<br>As at<br>31.03.2024 |
|---|---------------------|---------------------|----------------------------|---|-------------|---------------------------------------|
| Deferred Tax Assets/(Liabilities)                         | Net<br>balance      | Profit or<br>Loss   | Retained<br>earnings / OCI | Business<br>Combination<br>/ Asset<br>Acquisition | FCTR        | Net<br>balance                        |
| Property, Plant and Equipment                             | (3,394.1)           | (614.5)             | -                          | (241.2)   | 5.4         | (4,244.4)                             |
| Cash Flow Hedge Reserve                                   | 109.3               | (0.4)               | (39.2)                     | -   | 0.1         | 69.8                                  |
| Operating Tax loss and interest loss carry forward        | -                   | -                   | -                          | -   | -           | -                                     |
| Provision for Expenses                                    | 207.7               | (13.9)              | -                          | -   | 19.1        | 212.9                                 |
| Deferred Income   | 200.6               | 18.2                | -                          | -   | -           | 218.8                                 |
| Provision for Employee Benefit                            | 1,415.8             | 254.7               | 47.0                       | -   | 3.3         | 1,720.8                               |
| Impairment Allowances for Trade Receivable /<br>Bad Debts | 180.1               | 67.5                | -                          | -   | 1.6         | 249.2                                 |
| Unrealised Profits on unsold inventories                  | 581.2               | 1,716.0             | -                          | -   | -           | 2,297.2                               |
| Others  | (38.4)              | 43.9                | -                          | -   | 36.8        | 42.3                                  |
| <b>Net Deferred Tax Assets/(Liabilities)</b>              | <b>(737.8)</b>      | <b>1,471.5</b>      | <b>7.8</b>                 | <b>(241.2)</b>                                    | <b>66.3</b> | <b>566.6</b>                          |

| Particulars   | As at<br>01.04.2022 | Recognised in/under |                            |   |             | (₹ in million)<br>As at<br>31.03.2023 |
|---|---------------------|---------------------|----------------------------|---|-------------|---------------------------------------|
| Deferred Tax Assets/(Liabilities)                         | Net<br>balance      | Profit or<br>Loss   | Retained<br>earnings / OCI | Business<br>Combination<br>/ Asset<br>Acquisition | FCTR        | Net<br>balance                        |
| Property, Plant and Equipment                             | (3,183.0)           | (217.5)             | -                          | -   | 6.4         | (3,394.1)                             |
| Cash Flow Hedge Reserve                                   | (22.5)              | -                   | 131.9                      | -   | (0.1)       | 109.3                                 |
| Operating Tax loss and interest loss carry forward        | 45.4                | (44.2)              | -                          | -   | (1.2)       | -                                     |
| Provision for Expenses                                    | 225.5               | (40.9)              | -                          | -   | 23.1        | 207.7                                 |
| Deferred Income   | 111.2               | 89.4                | -                          | -   | -           | 200.6                                 |
| Provision for Employee Benefit                            | 1,335.5             | 66.9                | 9.4                        | -   | 4.0         | 1,415.8                               |
| Impairment Allowances for Trade Receivable /<br>Bad Debts | 143.9               | 36.5                | -                          | -   | (0.3)       | 180.1                                 |
| Unrealised Profits on unsold inventories                  | 804.5               | (223.2)             | -                          | -   | (0.1)       | 581.2                                 |
| Others  | (171.5)             | 109.2               | -                          | -   | 23.9        | (38.4)                                |
| <b>Net Deferred Tax Assets/(Liabilities)</b>              | <b>(711.0)</b>      | <b>(223.8)</b>      | <b>141.3</b>               | <b>-</b>  | <b>55.7</b> | <b>(737.8)</b>                        |

# Notes

## Forming part of the Consolidated Financial Statements

Reflected in the balance sheet as follows:

| Particulars                           | (₹ in million)   |                  |
|---------------------------------------|------------------|------------------|
|                                       | As at 31.03.2024 | As at 31.03.2023 |
| Deferred Tax Asset                    | 3,025.3          | 1,556.5          |
| Deferred Tax Liability                | (2,458.7)        | (2,294.3)        |
| Deferred Tax Asset/(Liabilities)(net) | 566.6            | (737.8)          |

- 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 ₹ 45,784.4 million (previous year ₹ 41,822.6 million) and Minimum Alternative Tax (MAT) credit of ₹ 1,271.5 million (previous year ₹ 854.5 million) on conservative basis. A portion of this total loss can be carried indefinitely and the remaining loss/ MAT Credits will expire at various dates ranging from 2024 through 2039 (previous year from 2023 through 2039) and some of this loss can be carry back till 2011.

### 48. Research and Development

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 ₹ 15,265.0 million (31.03.2023 ₹ 12,800.1 million).

### 49. Acquisition/Subscriptions/Disposals details of Subsidiaries

- a) During the year, the Company, through its wholly owned subsidiary Lupin Atlantis Holdings SA, acquired/subscribed to the equity stake of the following subsidiaries:
  - (i) Company has acquired 100% stake in Medisol S.A.S., France and Lymed S.A.S., France at a total cost of ₹ 1,836.2 million.
  - (ii) Additional investment in Lupin Europe GmbH, Germany at a total cost of ₹ nil (31.03.2023 ₹ 131.7 million) as capital contribution.
- b) 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 Generic Health SDN. BHD., Malaysia at a total cost of ₹ 1.2 million (31.03.2023 ₹ nil) as additional paid-in capital.
  - (ii) Additional Investment in Lupin Inc., USA at a total cost of ₹ nil (31.03.2023 ₹ 7,036.8 million) as additional paid-in capital.
- c) During the year, the Company, acquired/subscribed to the equity stake of the following subsidiaries:
  - (i) Investment in Lupin Manufacturing Solutions Limited, India at a total cost of ₹ 95 million as paid-in capital.
  - (ii) Lupin Life Sciences Limited, India (formerly known as Lupin Atharv Ability Limited, India) at a total cost of ₹ 1 million as paid-in capital.
  - (iii) Investment in Lupin Digital Health Limited, India at a total cost of ₹ 501.9 million (31.03.2023 ₹ 599.9 million) as paid-in capital. Of these, ₹ 119.5 million (31.03.2023 ₹ 165.7 million) is against Share Capital and balance ₹ 382.4 million (31.03.2023 ₹ 434.2 million) is against Securities Premium.
  - (iv) Additional investment in Nanomi B.V., Netherlands at a total cost of ₹ 1,698.2 million (31.03.2023 ₹ 7,008.9 million) as additional paid-in capital. Of these, ₹ 998.9 million (31.03.2023 ₹ 4,122.9 million) is against Share Capital and balance ₹ 699.3 million (31.03.2023 ₹ 2,886.0 million) is against Securities Premium.
  - (v) Investment in Lupin Biologics Limited, India at a total cost of ₹ nil (31.03.2023 ₹ 0.5 million) as paid-in capital.
- d) During the year, the Company, acquired/subscribed to the Optionally Convertible Non-cumulative Redeemable Preference Shares (OCNRPS) in Lupin Diagnostics Limited, India at a total cost of ₹ 500 million (31.03.2023 ₹ 500 million).
- e) During the year, the Company, acquired/subscribed to the Unsecured Optionally Convertible Non-cumulative Redeemable Debentures (UOCD) in Lupin Diagnostics Limited, India at a total cost of ₹ 500 million.
- f) During the year, the Company, acquired/subscribed to the Unsecured Optionally Convertible Debentures (UOCD) in Lupin Manufacturing Solutions Limited, India at a total cost of ₹ 8,000 million.

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.

### 50. Acquisition through Business Combination

- a) Lupin Atlantis Holdings SA, Switzerland, the wholly owned subsidiary of the Company on 01.09.2023 acquired 100% equity directly/indirectly in Medisol S.A.S. and Lymed S.A.S. These entities are incorporated in France and specializes in commercializing the Generics Injectable products. The acquisition is part of Lupin's strategy to expand the presence in the EU and accelerate the Injectables franchise in France.

The total consideration at which the acquisition was made is ₹ 1,836.2 million. The purchase price was allocated based on estimated fair values at the acquisition date, for various assets and liabilities acquired/assumed under a Share Purchase Agreement. The fair values were determined based on its then estimates and third-party technical evaluation for various tangible and intangible assets acquired.

The purchase price allocation carried out during the current year resulted in goodwill of ₹ 651.7 million. The goodwill is attributable to strengthening the injectables portfolio in France, the second-largest market in Europe for injectables. These entities have unique product portfolio which complements Lupin's existing range, enabling the group to offer the customers an even more robust selection of high-quality products.



# Notes

## Forming part of the Consolidated Financial Statements

The following table summarizes the allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the resultant goodwill:

| Particulars                                     | (₹ in million)   |
|---|------------------|
|   | As at 01.09.2023 |
| <b>Purchase Consideration paid (A)</b>          | 1,836.2          |
| <b>Fair value of assets acquired</b>            |                  |
| Non-Current                                     |                  |
| Property, Plant and Equipment                   | 0.2              |
| Other Intangible Assets                         | 942.9            |
| Current   |                  |
| Inventories                                     | 138.7            |
| Trade Receivables                               | 69.5             |
| Cash and cash equivalents                       | 342.2            |
| Other assets                                    | 2.3              |
| <b>Total Assets [i]</b>                         | <b>1,495.8</b>   |
| <b>Liabilities Assumed</b>                      |                  |
| Trade payables                                  | 24.9             |
| Other payables                                  | 45.2             |
| Deferred tax liability                          | 241.2            |
| <b>Total Liabilities [ii]</b>                   | <b>311.3</b>     |
| <b>Total Identifiable Net Assets [i-ii] (B)</b> | <b>1,184.5</b>   |
| <b>Goodwill arising on acquisition (A-B)</b>    | <b>651.7</b>     |
| <b>Cash Outflows arising on acquisition</b>     |                  |
| Purchase consideration paid/payable in cash     | 1,494.2          |
| Deferred consideration payable*                 | 342.0            |
| <b>Total</b>                                    | <b>1,836.2</b>   |

\*Payable in cash subject to certain financial milestones as per Share Purchase Agreement. Of this, an amount of ₹ 294.4 million has been paid upto 31.03.2024 and balance amount of ₹ 47.6 million is expected to be paid over a period of 3 years.

**Summary of post acquisition revenue and gain of the acquired entity included in the Consolidated Statement of Profit and Loss for the year ended 31.03.2024:**

| Particulars   | (₹ in million)        |
|---|-----------------------|
|   | Year ended 31.03.2024 |
| Revenue   | 370.8                 |
| Profit/(Loss) considered in the Consolidated Statement of Profit and Loss | (73.7)                |

### b) Brand Acquisition – Anglo French Drugs and Industries Limited (AFDIL):

During the previous year, the Company had acquired market leading brands in nutraceuticals, CNS, skin and respiratory segments from Anglo French Drugs and Industries Limited and its Associates to strengthen the Company's India Formulation business. The purchase price allocation carried out resulted in goodwill of ₹ 158.6 million. The following table summarizes the allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the resultant goodwill.

| Particulars  | (₹ in million)   |
|--|------------------|
|  | As at 07.04.2022 |
| <b>Purchase Consideration paid (A)</b>               | <b>3,250.0</b>   |
| <b>Fair Value of Assets Acquired :</b>               |                  |
| Non-Current  |                  |
| Other Intangible Assets                              |                  |
| Trademarks and Licences                              | 2,855.3          |
| Knowhow  | 146.1            |
| Current  |                  |
| Inventories  | 90.0             |
| <b>Total Assets [i]</b>                              | <b>3,091.4</b>   |
| <b>Total Liabilities [ii]</b>                        | <b>-</b>         |
| <b>Total Identifiable Net Assets [i-ii] (B)</b>      | <b>3,091.4</b>   |
| <b>Goodwill arising on acquisition (A-B)</b>         | <b>158.6</b>     |
| <b>Cash Outflows arising on acquisition</b>          |                  |
| Purchase consideration paid/payable in cash          | 2,950.0          |
| Contingent Consideration payable (subsequently paid) | 50.0             |
| Deferred consideration payable*                      | 250.0            |
| <b>Total</b>   | <b>3,250.0</b>   |

\*The amount of ₹ 250 million is payable in 3 equal installments over the period of 3 years from the date of acquisition as per Escrow agreement along with interest thereon.

# Notes

## Forming part of the Consolidated Financial Statements

### Summary of post acquisition revenue and Profit/Loss of the acquired brand included in the Consolidated Statement of Profit and Loss for the year ended 31.03.2023

| Particulars  | (₹ in million)        |
|--|-----------------------|
|  | Year ended 31.03.2023 |
| Revenue  | 652.4                 |
| Gross margin considered in the Consolidated Statement of Profit and Loss | 434.5                 |

### The valuation techniques used for measuring the fair value of assets acquired were as follows:

| Asset Acquired          | Valuation technique   |
|-------------------------|---|
| Trademarks and Licences | The valuation was carried out as per Multi-period Excess Earning Method |
| Knowhow                 | The valuation was carried out as per Relief from Royalty Method         |
| Inventories             | The valuation was carried out at cost                                   |

## 51. Asset Acquisition

- a) On August 18, 2023, the Company acquired diabetes brands ONDERO® and ONDERO MET®, from Boehringer Ingelheim International GmbH (Boehringer Ingelheim), including the trademark rights associated with these brands. The Company has been marketing ONDERO® and ONDERO MET® since 2015 in the Indian market as part of a co-marketing agreement with Boehringer Ingelheim India. The transaction was accounted as an asset acquisition with the total purchase price of ₹ 2,300.2 million (Euro 26 million) and classified under intangible assets.
- b) On September 22, 2023, the Company acquired five legacy brands in strategic therapy areas - Gastroenterology, Urology and Anti-infectives from Menarini (A. Menarini India Private Limited and A. Menarini Asia-Pacific Holdings Pte. Ltd.), along with the associated trademark rights. The brands are Piclin (Picosulphate Sodium), Menoctyl (Otilonium Bromide), Sucramal O (Sucralfate + Oxetacaine), Pyridium (Phenazopyridine) and Distaclor (Cefaclor). The transaction was accounted as an asset acquisition with the total purchase price of ₹ 1,043.2 million and classified under intangible assets.
- c) During the previous year, the Company through its step down subsidiary, Lupin Inc., USA entered into an agreement with Sunovion Pharmaceuticals Inc. to acquire two inhalation medicines: Brovana (Arformoterol tartrate) Inhalation solution and Xopenex HRA (levalbuterol tartrate) Inhalation Aerosol for a total consideration of ₹ 6,022.6 million (USD 75 million). This transaction was classified under intangible assets.
- d) During the previous year, the Company through its wholly owned subsidiary, Medquímica Indústria Farmacêutica LTDA, Brazil entered agreement to acquire all rights to nine medicines from BL Indústria Otica Ltda., a subsidiary of Bausch Health Companies Inc for a total consideration of ₹ 296.8 million (BRL 19 million). This transaction was classified under intangible assets.

## 52. 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:

| Particulars              | (₹ in million)   |                  |
|--------------------------|------------------|------------------|
|                          | As at 31.03.2024 | As at 31.03.2023 |
| South Africa             | 5,326.9          | 5,575.6          |
| Germany                  | 341.5            | 339.9            |
| Philippines              | 292.0            | 298.3            |
| Australia                | 971.8            | 988.2            |
| Netherlands              | 850.8            | 846.9            |
| Brazil                   | 1,047.0          | 1,017.7          |
| Mexico                   | 5,681.1          | 5,149.1          |
| United States of America | 7,930.0          | 7,813.5          |
| India                    | 158.6            | 158.6            |
| France                   | 650.7            | -                |
| <b>Total</b>             | <b>23,250.4</b>  | <b>22,187.8</b>  |

Movement in Goodwill is on account of exchange difference on consolidation amounting to ₹ 411.9 million and acquisition of Medisol S.A.S. in France amounting to ₹ 650.7 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.

# Notes

## Forming part of the Consolidated Financial Statements

The terminal growth rates used in extrapolating cash flows beyond the planning horizon ranged from -5% to 5.5% for the year ended 31.03.2024 and from -5% to 5% for the year ended 31.03.2023.

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 7.2% to 17.6% for the year ended 31.03.2024 and from 8.3% to 21.9% for the year ended 31.03.2023.

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 CGUs.

- 53. a)** The Company through Lupin Atlantis Holdings SA, Switzerland (LAHSA) holds 100% equity stake at a cost of ₹ 279.7 million (31.03.2023 ₹ 279.7 million) in Lupin Healthcare UK Ltd, UK (LHUL). 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 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)** The Company holds 100% equity stake at a cost of ₹ 1,040.6 million (31.03.2023 ₹ 334.2 million) in Lupin Diagnostics Limited, India. 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 Diagnostics Limited'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 99.3% equity stake at a cost of ₹ 1,127.9 million (31.03.2023 ₹ 1,127.9 million) in Lupin Oncology Inc., USA. 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 Oncology 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.
- d)** The Company through Nanomi B.V., Netherlands holds 100% equity stake at a cost of ₹ 59.9 million (31.03.2023 ₹ 59.9 million) in Lupin Philippines Inc., Philippines. 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 Philippines Inc's projections / plans, the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.
- e)** The Company through Nanomi B.V., Netherlands holds 100% equity stake at a cost of ₹ 67,268.8 million (31.03.2023 ₹ 67,268.8 million) in Lupin Inc., USA. 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., 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.
- f)** The Company through Nanomi B.V., Netherlands and LAHSA holds 100% equity stake at a cost of ₹ 1,186.8 million (31.03.2023 ₹ 2,271.3 million) in Medquímica Indústria Farmacêutica LTDA, Brazil. 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 Medquímica Indústria Farmacêutica LTDA'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.
- g)** Further, net worth of Pharma Dynamics (Proprietary) Limited, Lupin Australia Pty Limited, Lupin Mexico S.A. de C.V., Generic Health SDN. BHD., Laboratorios Grin S.A. de C.V., Novel Laboratories Inc., Lupin Europe GmbH, Lupin Biologics Limited, Lupin Digital Health Limited, Southern Cross Pharma Pty Ltd, Lupin Manufacturing Solutions Limited and Lymed S.A.S. are 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.

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

| Name of the subsidiary                         | Principal Place of Business | Country of Incorporation | Held by Non- Controlling Interest     | As at      |            |
|--|-----------------------------|--------------------------|---------------------------------------|------------|------------|
|  |                             |                          |                                       | 31.03.2024 | 31.03.2023 |
| (i) Multicare Pharmaceuticals Philippines Inc. | Philippines                 | Philippines              | Beneficial ownership/<br>Voting power | 49.00%     | 49.00%     |
| (ii) Lupin Oncology Inc.                       | USA                         | USA                      | Beneficial ownership/<br>Voting power | 0.67%      | 0.67%      |

| Name of the subsidiary                         | Profit/(loss) allocated to non-controlling interests |                       | Accumulated non-controlling interests |                  |
|--|--|-----------------------|---------------------------------------|------------------|
|  | Year Ended 31.03.2024                                | Year Ended 31.03.2023 | As at 31.03.2024                      | As at 31.03.2023 |
|  | (₹ in million)                                       |                       |                                       |                  |
| (i) Multicare Pharmaceuticals Philippines Inc. | 216.4  | 185.4                 | 845.0                                 | 790.8            |
| (ii) Lupin Oncology Inc.                       | (5.5)  | (9.0)                 | (13.4)                                | (7.6)            |

The summarised consolidated financial information before inter-company eliminations:

# Notes

## Forming part of the Consolidated Financial Statements

### (i) Multicare Pharmaceuticals Philippines Inc., Philippines

|                           | (₹ in million)          |                         |
|---------------------------|-------------------------|-------------------------|
| <b>Balance Sheet</b>      | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
| - Non-Current Assets      | 320.6                   | 364.4                   |
| - Current assets          | 3,484.2                 | 2,434.8                 |
| - Non-Current Liabilities | 107.4                   | 143.4                   |
| - Current Liabilities     | 1,983.7                 | 1,057.0                 |
| - Equity Capital          | 26.9                    | 26.9                    |
| - Other Equity            | 1,686.8                 | 1,571.9                 |

|   | (₹ in million)               |                              |
|---|------------------------------|------------------------------|
| <b>Statement of Profit and Loss</b>         | <b>Year Ended 31.03.2024</b> | <b>Year Ended 31.03.2023</b> |
| - Total income                              | 3,513.5                      | 2,556.5                      |
| - Total expenses excluding exceptional item | 2,897.6                      | 2,059.0                      |
| - Profit after tax                          | 441.5                        | 378.3                        |
| - Total comprehensive income for the year   | 383.2                        | 460.9                        |
| - Dividend Paid                             | 268.3                        | 245.8                        |

|  | (₹ in million)               |                              |
|--|------------------------------|------------------------------|
| <b>Cash Flows Information</b>                            | <b>Year Ended 31.03.2024</b> | <b>Year Ended 31.03.2023</b> |
| - Total income   | 3,513.5                      | 2,556.5                      |
| - Net cash generated from/(used in) operating activities | 471.6                        | 426.3                        |
| - Net cash generated from/(used in) investing activities | (18.2)                       | (95.1)                       |
| - Net cash generated from/(used in) financing activities | (286.1)                      | (258.6)                      |

### (ii) Lupin Oncology Inc, USA

|                           | (₹ in million)          |                         |
|---------------------------|-------------------------|-------------------------|
| <b>Balance Sheet</b>      | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
| - Non-Current Assets      | 481.3                   | 481.3                   |
| - Current assets          | 277.3                   | 62.3                    |
| - Non-Current Liabilities | 3,123.8                 | -                       |
| - Current Liabilities     | 169.7                   | 2,222.8                 |
| - Equity Capital          | 1,135.7                 | 1,135.7                 |
| - Other Equity            | (3,670.6)               | (2,814.9)               |

|   | (₹ in million)               |                              |
|---|------------------------------|------------------------------|
| <b>Statement of Profit and Loss</b>         | <b>Year Ended 31.03.2024</b> | <b>Year Ended 31.03.2023</b> |
| - Total income                              | -                            | -                            |
| - Total expenses excluding exceptional item | 818.3                        | 1,326.1                      |
| - Profit after tax                          | (818.3)                      | (1,326.1)                    |
| - Total comprehensive income for the year   | (855.7)                      | (1,411.5)                    |
| - Dividend Paid                             | -                            | -                            |

|  | (₹ in million)               |                              |
|--|------------------------------|------------------------------|
| <b>Cash Flows Information</b>                            | <b>Year Ended 31.03.2024</b> | <b>Year Ended 31.03.2023</b> |
| - Total income   | -                            | -                            |
| - Net cash generated from/(used in) operating activities | (2,651.7)                    | (16.3)                       |
| - Net cash generated from/(used in) investing activities | -                            | -                            |
| - Net cash generated from/(used in) financing activities | 2,902.8                      | (1.2)                        |

### b) Interest in Joint Venture:

|  | % shareholding          |                         |
|--|-------------------------|-------------------------|
| <b>Name of Joint Venture</b>                 | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
| YL Biologics Limited (incorporated in Japan) | 45%                     | 45%                     |
| Carrying amount of investment (₹ in million) | 269.1                   | 300.7                   |

# Notes

## Forming part of the Consolidated Financial Statements

| Balance Sheet             | (₹ in million)   |                  |
|---------------------------|------------------|------------------|
|                           | As at 31.03.2024 | As at 31.03.2023 |
| - Current assets          | 606.3            | 681.5            |
| - Non-current assets      | -                | 0.6              |
| - Current liabilities     | 8.4              | 13.8             |
| - Non-current liabilities | -                | -                |
| - Equity Capital          | 597.9            | 668.3            |

  

| Statement of Profit and Loss        | (₹ in million)        |                       |
|-------------------------------------|-----------------------|-----------------------|
|                                     | Year ended 31.03.2024 | Year ended 31.03.2023 |
| - Revenue                           | 9.1                   | 16.0                  |
| - Expenses                          | 9.1                   | 16.0                  |
| - Tax                               | -                     | 0.1                   |
| - Profit/(Loss) after tax           | -                     | (0.1)                 |
| - Total Comprehensive Income/(Loss) | (70.2)                | (6.0)                 |

### 55. Impairment of Product Related Intangibles (IPs)

Following our annual impairment review, the impairment charges recognized during the current year in the consolidated statement of profit and loss in relation to certain intangible assets commercialised, intangible assets under development and Capital work in progress is as follows:

| Impairment                          | ₹ in million   |
|-------------------------------------|----------------|
| Intangible assets commercialised    | 1,324.1        |
| Intangible assets under development | 427.6          |
| Capital work-in-progress            | 260.8          |
| <b>Total</b>                        | <b>2,012.5</b> |

#### Intangible assets commercialised:

During the year, there were certain intangible assets in USA which failed the recoverability test pursuant to a discounted cash flow evaluation and accordingly an impairment charge of ₹ 1,058.5 million was recognised. Further, certain intangibles related to IPs acquired as part of the acquisition from Anglo French Drugs and Industries Limited (AFDIL), related to India market amounting to ₹ 240.2 million are impaired on account of (i) Certain Fixed Dose Combination (FDCs) ban by government and (ii) lower offtake of few brands in generics market, coupled with low margins. Also, an amount of ₹ 25.4 million relates to impairment charge for certain intangibles in few subsidiaries.

#### Intangible assets under development:

During the year, the group has decided not to further pursue the product development for certain under developed intangibles related to USA markets after factoring the risk and reward associated with the IP and the various alternatives available in the market. The group has accordingly recognised an impairment charge of ₹ 422.1 million. Also, an amount of ₹ 5.5 million relates to impairment charge for certain intangibles assets under development in few subsidiaries.

#### Capital work-in-progress:

During the year, there were certain unused and dormant assets which failed the recoverability test pursuant to which the group has recognised an impairment of ₹ 260.8 million.

The impairment has been determined by considering each individual intangible asset as a cash generating unit (CGU). Recoverable amount of CGUs for which impairment is done is ₹ 364.3 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".

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.

| Assumptions           | How Determined  |
|-----------------------|---|
| Projected cash flows  | Based on past experience and adjusted for the following: <ul style="list-style-type: none"> <li>- Current market dynamics</li> <li>- Anticipated competition</li> </ul> |
| Long term growth rate | Long term growth rate has been determined with reference to market dynamics of each individual product.   |

# Notes

## Forming part of the Consolidated Financial Statements

|   |   |
|---|---|
| Post-tax risk adjusted discounting rate | Projected cash flows were discounted to present value at a discount rate that is commensurate with all risks of ownership and associated risks of realizing the projected residual profits. Each product category (Currently Marketed Products and approved ANDAs, Filed ANDAs, and IP R&D) face different risks and accordingly, different discount rates were determined based on each product category's risk profile. Discount rate was combination of cost of debt and cost of equity. Cost of equity was estimated using capital asset pricing model. |
|---|---|

The projected cashflows are discounted at post-tax rate ranging from 7.2% to 17.6%. The terminal growth rate is considered ranging from 5% to -5%.

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

Based on the assessment carried out as at March 31, 2024 and after considering performance for the full year ended March 31, 2024, adequate provision is made. Hence, no further provision is required to be made.

During the previous year, an impairment charge of ₹ 398.8 million was recognised.

### 56. Foreign Currency Translation Reserve

Foreign Currency Translation Reserve 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, France, United Kingdom 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 ₹ 405.1 million (31.03.2023 ₹ 548.9 million) is credited during the year to such reserve.

### 57. European Commission Fine

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

During the year ended 31.03.2019, the General Court of the European Union delivered its judgement concerning Lupin's appeal against the European Commission's (EC) 2014 decision in case of alleged breach of the EU Antitrust Rules in respect of IPs for product Perindopril. Accordingly, the Group is carrying a provision of ₹ 4,156.4 million (31.03.2023 ₹ 4,077.5 million) (including interest thereon) as under:

| Particulars   | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Carrying amount at the beginning of the year                | 4,077.5          | 3,783.9          |
| Add : Additional Provisions (interest) made during the year | 58.5             | 56.1             |
| Less : Amounts used / utilised during the year              | -                | -                |
| Add/(Less) : Exchange Difference during the year            | 20.4             | 237.5            |
| <b>Carrying amount at the end of the year</b>               | <b>4,156.4</b>   | <b>4,077.5</b>   |

The Group has filed appeal against this judgment in the Court of Justice of the European Union.

### 58. Micro, Small and Medium Enterprises (MSME)

The information regarding Micro, Small and Medium Enterprises (MSME) has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

| Particulars   | (₹ in million)            |                           |
|---|---------------------------|---------------------------|
|   | As at 31.03.2024          | As at 31.03.2023          |
| i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year (Micro Enterprises and Small Enterprises)  | 806.2<br>(interest ₹ nil) | 763.3<br>(interest ₹ nil) |
| ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year   | -                         | -                         |
| iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006   | -                         | -                         |
| iv. The amount of interest accrued and remaining unpaid at the end of each accounting year  | -                         | -                         |
| v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | -                         | -                         |



# Notes

## Forming part of the Consolidated Financial Statements

### 59. Financial Instruments

#### Financial instruments – Fair values and risk management:

#### A. Accounting classification and fair values:

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

Fair value hierarchy

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

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

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

| As at 31.03.2024  | Carrying amount |          |                 |                 | Fair value |                |             |                |
|---|-----------------|----------|-----------------|-----------------|------------|----------------|-------------|----------------|
|   | FVTPL           | FVTOCI   | Amortised Cost  | Total           | Level 1    | Level 2        | Level 3     | Total          |
| <b>Financial assets</b>                                     |                 |          |                 |                 |            |                |             |                |
| Non-Current Investments                                     | 426.3           | -        | 1,581.6         | 2,007.9         | -          | 351.9          | 74.4*       | 426.3          |
| Non-Current Loans   |                 |          |                 |                 |            |                |             |                |
| - Others  | -               | -        | 35.7            | 35.7            | -          | -              | -           | -              |
| Other Non-Current Financial Assets                          |                 |          |                 |                 |            |                |             |                |
| - Security Deposit  | -               | -        | 795.0           | 795.0           | -          | -              | -           | -              |
| - Others  | -               | -        | 399.4           | 399.4           | -          | -              | -           | -              |
| Current Investments   | 5,546.0         | -        | 2,923.3         | 8,469.3         | -          | 5,546.0        | -           | 5,546.0        |
| Trade Receivables   | -               | -        | 46,920.5        | 46,920.5        | -          | -              | -           | -              |
| Cash and Cash Equivalents                                   | -               | -        | 9,832.8         | 9,832.8         | -          | -              | -           | -              |
| Other Bank Balances including earmarked balances with banks | -               | -        | 2,192.6         | 2,192.6         | -          | -              | -           | -              |
| Current Loans   |                 |          |                 |                 |            |                |             |                |
| - Others  | -               | -        | 25.8            | 25.8            | -          | -              | -           | -              |
| Other Current Financial Assets                              |                 |          |                 |                 |            |                |             |                |
| - Security Deposit  | -               | -        | 223.0           | 223.0           | -          | -              | -           | -              |
| - Others  | -               | -        | 6,161.9         | 6,161.9         | -          | -              | -           | -              |
|   | <b>5,972.3</b>  | <b>-</b> | <b>71,091.6</b> | <b>77,063.9</b> | <b>-</b>   | <b>5,897.9</b> | <b>74.4</b> | <b>5,972.3</b> |
| <b>Financial liabilities</b>                                |                 |          |                 |                 |            |                |             |                |
| Lease Liability (Non-Current)                               | -               | -        | 1,552.8         | 1,552.8         | -          | -              | -           | -              |
| Other Non-Current Financial Liabilities                     |                 |          |                 |                 |            |                |             |                |
| - Others  | -               | -        | 1,562.8         | 1,562.8         | -          | -              | -           | -              |
| Current Borrowings  | -               | -        | 26,699.1        | 26,699.1        | -          | -              | -           | -              |
| Lease Liability (Current)                                   | -               | -        | 965.8           | 965.8           | -          | -              | -           | -              |
| Trade Payables  | -               | -        | 29,581.1        | 29,581.1        | -          | -              | -           | -              |
| Other Current Financial Liabilities                         |                 |          |                 |                 |            |                |             |                |
| - Derivative instruments                                    | 0.1             | -        | -               | 0.1             | -          | 0.1            | -           | 0.1            |
| - Others  | -               | -        | 6,789.1         | 6,789.1         | -          | -              | -           | -              |
|   | <b>0.1</b>      | <b>-</b> | <b>67,150.7</b> | <b>67,150.8</b> | <b>-</b>   | <b>0.1</b>     | <b>-</b>    | <b>0.1</b>     |

# Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

| As at 31.03.2023  | Carrying amount |             |                 |                 | Fair value |                |             |                |
|---|-----------------|-------------|-----------------|-----------------|------------|----------------|-------------|----------------|
|   | FVTPL           | FVTOCI      | Amortised Cost  | Total           | Level 1    | Level 2        | Level 3     | Total          |
| <b>Financial assets</b>                                     |                 |             |                 |                 |            |                |             |                |
| Non-Current Investments                                     | 470.6           | -           | -               | 470.6           | -          | 406.3          | 64.3*       | 470.6          |
| Non-Current Loans   |                 |             |                 |                 |            |                |             |                |
| - Others  | -               | -           | 40.4            | 40.4            | -          | -              | -           | -              |
| Other Non-Current Financial Assets                          |                 |             |                 |                 |            |                |             |                |
| - Derivative instruments                                    | -               | -           | -               | -               | -          | -              | -           | -              |
| - Security Deposit  | -               | -           | 810.3           | 810.3           | -          | -              | -           | -              |
| - Others  | -               | -           | 176.8           | 176.8           | -          | -              | -           | -              |
| Current Investments   | 4,397.7         | -           | -               | 4,397.7         | -          | 4,397.7        | -           | 4,397.7        |
| Trade Receivables   | -               | -           | 44,807.0        | 44,807.0        | -          | -              | -           | -              |
| Cash and Cash Equivalents                                   | -               | -           | 12,318.1        | 12,318.1        | -          | -              | -           | -              |
| Other Bank Balances including earmarked balances with banks | -               | -           | 613.2           | 613.2           | -          | -              | -           | -              |
| Current Loans   |                 |             |                 |                 |            |                |             |                |
| - Others  | -               | -           | 21.2            | 21.2            | -          | -              | -           | -              |
| Other Current Financial Assets                              |                 |             |                 |                 |            |                |             |                |
| - Derivative instruments                                    | -               | -           | -               | -               | -          | -              | -           | -              |
| - Security Deposit  | -               | -           | 64.9            | 64.9            | -          | -              | -           | -              |
| - Others  | -               | -           | 5,496.0         | 5,496.0         | -          | -              | -           | -              |
|   | <b>4,868.3</b>  | <b>-</b>    | <b>64,347.9</b> | <b>69,216.2</b> | <b>-</b>   | <b>4,804.0</b> | <b>64.3</b> | <b>4,868.3</b> |
| <b>Financial liabilities</b>                                |                 |             |                 |                 |            |                |             |                |
| Non-Current Borrowings                                      | -               | -           | 275.1           | 275.1           | -          | -              | -           | -              |
| Lease Liability (Non-Current)                               | -               | -           | 1,863.9         | 1,863.9         | -          | -              | -           | -              |
| Other Non-Current Financial Liabilities                     |                 |             |                 |                 |            |                |             |                |
| - Derivative instruments                                    | -               | -           | -               | -               | -          | -              | -           | -              |
| - Others  | -               | -           | 2,013.6         | 2,013.6         | -          | -              | -           | -              |
| Current Borrowings  | -               | -           | 42,165.4        | 42,165.4        | -          | -              | -           | -              |
| Lease Liability (Current)                                   | -               | -           | 1,110.8         | 1,110.8         | -          | -              | -           | -              |
| Trade Payables  | -               | -           | 25,315.3        | 25,315.3        | -          | -              | -           | -              |
| Other Current Financial Liabilities                         |                 |             |                 |                 |            |                |             |                |
| - Derivative instruments                                    | 153.6           | 52.7        | -               | 206.3           | -          | 206.3          | -           | 206.3          |
| - Others  | -               | -           | 5,746.1         | 5,746.1         | -          | -              | -           | -              |
|   | <b>153.6</b>    | <b>52.7</b> | <b>78,490.2</b> | <b>78,696.5</b> | <b>-</b>   | <b>206.3</b>   | <b>-</b>    | <b>206.3</b>   |

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

## B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following table shows 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  |

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## Forming part of the Consolidated Financial Statements

### C. Financial risk management:

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

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

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

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

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

As at 31.03.2024, the carrying amount of the Group's largest customer (a wholesaler based in North America) was ₹ 3,412.9 million (31.03.2023 ₹ 3,354.8 million)

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

| Particulars                   | (₹ in million)   |                  |
|-------------------------------|------------------|------------------|
|                               | As at 31.03.2024 | As at 31.03.2023 |
| Not past due but impaired     | 12.4             | -                |
| Neither past due not impaired | 40,705.8         | 38,110.5         |
| Past due not impaired         |                  |                  |
| - 1-180 days                  | 5,884.9          | 5,997.5          |
| - 181- 365 days               | 477.8            | 454.8            |
| - more than 365 days          | 434.9            | 434.2            |
| Past due impaired             |                  |                  |
| - 1-180 days                  | 91.0             | 59.5             |
| - 181- 365 days               | 46.1             | 26.6             |
| - more than 365 days          | 304.6            | 214.7            |
| <b>Total</b>                  | <b>47,957.5</b>  | <b>45,297.8</b>  |

#### Expected Credit Loss ageing

| Ageing of ECL (in days)           | (₹ in million)   |                  |
|-----------------------------------|------------------|------------------|
|                                   | As at 31.03.2024 | As at 31.03.2023 |
| 1- 180                            | 369.2            | 93.5             |
| 181- 365                          | 95.4             | 96.5             |
| More than 365 days                | 118.3            | -                |
| Expected Credit Loss              | 582.9            | 190.0            |
| Add: Past Due Impaired            | 441.7            | 300.8            |
| Add: Not Past Due but Impaired    | 12.4             | -                |
| <b>Total Expected Credit Loss</b> | <b>1,037.0</b>   | <b>490.8</b>     |

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### 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 macro economic 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:

| Particulars                             | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Balance as at the beginning of the year | 490.8            | 445.9            |
| Impairment loss recognised (net)        | 653.5            | 79.5             |
| Amounts written off                     | (126.3)          | (47.7)           |
| Exchange differences                    | 19.0             | 13.1             |
| <b>Balance as at the year end</b>       | <b>1,037.0</b>   | <b>490.8</b>     |

### Cash and cash equivalents

As at the year end, the Group held cash and cash equivalents of ₹ 9,832.8 million (31.03.2023 ₹ 12,318.1 million). The cash and cash equivalents are held with banks.

### Other Bank Balances

Other bank balances are held with banks.

### Derivatives

The derivatives are entered into with banks.

### Investment in Mutual funds, Non-Convertible debentures and Commercial papers

The Group limits its exposure to credit risk by generally investing in liquid securities, Non-Convertible debentures and Commercial papers only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter parties.

### Other financial assets

Other financial assets are neither past due nor impaired.

### ii. Liquidity risk:

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

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

### Exposure to liquidity risk

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

| As at 31.03.2024                             | Carrying Amount | (₹ in million)         |                 |                |                |                   |
|--|-----------------|------------------------|-----------------|----------------|----------------|-------------------|
|  |                 | Contractual Cash flows |                 |                |                |                   |
|  |                 | Total                  | 0-12 months     | 1-2 years      | 2-5 years      | More than 5 years |
| <b>Non-derivative financial liabilities:</b> |                 |                        |                 |                |                |                   |
| Non-Current Borrowings                       | -               | -                      | -               | -              | -              | -                 |
| Lease Liabilities - Non Current              | 1,552.8         | 3,153.3                | -               | 651.8          | 929.0          | 1,572.5           |
| Other Non-Current Financial Liabilities      | 1,562.8         | 1,721.3                | -               | 1,495.3        | 184.5          | 41.5              |
| Current Borrowings                           | 26,699.1        | 26,699.1               | 26,699.1        | -              | -              | -                 |
| Lease Liabilities - Current                  | 965.8           | 1,075.2                | 1,075.2         | -              | -              | -                 |
| Trade Payables - Current                     | 29,581.1        | 29,581.1               | 29,581.1        | -              | -              | -                 |
| Other Current Financial Liabilities          | 6,789.1         | 6,789.1                | 6,789.1         | -              | -              | -                 |
| <b>Derivative financial liabilities:</b>     |                 |                        |                 |                |                |                   |
| Forward Contracts                            | 0.1             | 0.1                    | 0.1             | -              | -              | -                 |
| <b>Total</b>                                 | <b>67,150.8</b> | <b>69,019.2</b>        | <b>64,144.6</b> | <b>2,147.1</b> | <b>1,113.6</b> | <b>1,614.0</b>    |

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(₹ in million)

| As at 31.03.2023                        | 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                  | 275.1           | 275.1                  | -           | 275.1     | -         | -                 |
| Lease Liabilities - Non Current         | 1,863.9         | 3,471.5                | -           | 799.0     | 909.1     | 1,763.4           |
| Other Non-Current Financial Liabilities | 2,013.6         | 2,013.3                | -           | 1,820.6   | 192.7     | -                 |
| Current Borrowings                      | 42,165.4        | 42,165.4               | 42,165.4    | -         | -         | -                 |
| Lease Liabilities - Current             | 1,110.8         | 1,244.0                | 1,244.0     | -         | -         | -                 |
| Trade Payables - Current                | 25,315.3        | 25,315.3               | 25,315.3    | -         | -         | -                 |
| Other Current Financial Liabilities     | 5,746.1         | 5,746.1                | 5,746.1     | -         | -         | -                 |
| Derivative financial liabilities:       |                 |                        |             |           |           |                   |
| Forward Contracts                       | 206.3           | 206.3                  | 206.3       | -         | -         | -                 |
| Total                                   | 78,696.5        | 80,437.0               | 74,677.1    | 2,894.7   | 1,101.8   | 1,763.4           |

### iii. Market risk:

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

#### Currency risk

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

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

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

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

| Category  | Instrument       | Currency | Cross Currency | (Amount in million) |                  |          |
|---|------------------|----------|----------------|---------------------|------------------|----------|
|   |                  |          |                | As at 31.03.2024    | As at 31.03.2023 | Buy/Sell |
| Hedges of highly probable forecasted transactions | Forward contract | USD      | INR            | Nil                 | USD 72.0         | Sell     |

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

#### Exposure to Currency risk

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

(₹ in million)

| Particulars   | As at 31.03.2024 |                  |                |              |                |
|---|------------------|------------------|----------------|--------------|----------------|
|   | USD              | EURO             | GBP            | JPY          | Others         |
| <b>Financial assets</b>                             |                  |                  |                |              |                |
| Cash and cash equivalents                           | 109.5            | 258.5            | -              | -            | 34.2           |
| Trade Receivables                                   | 29,714.1         | 1,345.9          | 1,062.9        | 193.4        | 3,266.9        |
| Loans (current and non-current)                     | -                | -                | 841.7          | -            | -              |
| Financial assets (current and non-current)          | -                | -                | 3.6            | 7.6          | 4.5            |
|   | <b>29,823.7</b>  | <b>1,604.4</b>   | <b>1,908.1</b> | <b>201.0</b> | <b>3,305.6</b> |
| <b>Financial liabilities</b>                        |                  |                  |                |              |                |
| Borrowings (current and non-current)                | -                | -                | -              | -            | -              |
| Trade Payables                                      | 7,451.4          | 1,641.1          | 683.9          | 4.7          | 533.4          |
| Financial Liabilities (current and non-current)     | 1,063.9          | 5,288.5          | -              | -            | 102.3          |
|   | <b>8,515.3</b>   | <b>6,929.6</b>   | <b>683.9</b>   | <b>4.7</b>   | <b>635.7</b>   |
| <b>Net statement of financial position exposure</b> | <b>21,308.4</b>  | <b>(5,325.2)</b> | <b>1,224.2</b> | <b>196.3</b> | <b>2,669.9</b> |

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| Particulars   | As at 31.03.2023 |                |                |              |                |
|---|------------------|----------------|----------------|--------------|----------------|
|   | USD              | EURO           | GBP            | JPY          | Others         |
| <b>Financial assets</b>                             |                  |                |                |              |                |
| Cash and cash equivalents                           | 171.6            | 121.7          | 1.1            | -            | 28.9           |
| Trade Receivables                                   | 18,585.2         | 1,164.3        | 775.3          | 317.8        | 2,342.6        |
| Loans (current and non-current)                     | -                | -              | 813.2          | -            | -              |
| Financial assets (current and non-current)          | 12.5             | 92.1           | -              | -            | 0.1            |
|   | <b>18,769.3</b>  | <b>1,378.1</b> | <b>1,589.6</b> | <b>317.8</b> | <b>2,371.6</b> |
| <b>Financial liabilities</b>                        |                  |                |                |              |                |
| Borrowings (current and non-current)                | 3,697.7          | -              | -              | -            | -              |
| Trade Payables                                      | 4,187.5          | 1,098.0        | 189.5          | 53.5         | 301.9          |
| Financial Liabilities (current and non-current)     | 330.5            | 0.1            | 6.1            | -            | 73.5           |
|   | <b>8,215.7</b>   | <b>1,098.1</b> | <b>195.6</b>   | <b>53.5</b>  | <b>375.4</b>   |
| <b>Net statement of financial position exposure</b> | <b>10,553.6</b>  | <b>280.0</b>   | <b>1,394.0</b> | <b>264.3</b> | <b>1,996.2</b> |

### 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.

| 31.03.2024  | Impact on Profit or (loss) |              | Equity, net of tax* |              |
|-------------|----------------------------|--------------|---------------------|--------------|
| 5% movement | Strengthening              | Weakening    | Strengthening       | Weakening    |
| USD         | (1,061.4)                  | 1,061.4      | (690.5)             | 690.5        |
| EURO        | 268.9                      | (268.9)      | 174.9               | (174.9)      |
| GBP         | (61.2)                     | 61.2         | (39.8)              | 39.8         |
| JPY         | (9.8)                      | 9.8          | (6.4)               | 6.4          |
| Others      | (133.5)                    | 133.5        | (86.8)              | 86.8         |
|             | <b>(997.0)</b>             | <b>997.0</b> | <b>(648.6)</b>      | <b>648.6</b> |

| 31.03.2023  | Impact on Profit or (loss) |              | Equity, net of tax* |              |
|-------------|----------------------------|--------------|---------------------|--------------|
| 5% movement | Strengthening              | Weakening    | Strengthening       | Weakening    |
| USD         | (123.7)                    | 123.7        | (80.5)              | 80.5         |
| EURO        | (7.9)                      | 7.9          | (5.1)               | 5.1          |
| GBP         | (69.7)                     | 69.7         | (45.3)              | 45.3         |
| JPY         | (13.2)                     | 13.2         | (8.6)               | 8.6          |
| Others      | (99.8)                     | 99.8         | (64.9)              | 64.9         |
|             | <b>(314.3)</b>             | <b>314.3</b> | <b>(204.4)</b>      | <b>204.4</b> |

\*including other comprehensive income

### Interest rate risk

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

### Exposure to interest rate risk

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

| Particulars                   | As at 31.03.2023 |                  |
|-------------------------------|------------------|------------------|
|                               | As at 31.03.2024 | As at 31.03.2023 |
| <b>Non-Current Borrowings</b> |                  |                  |
| Fixed rate borrowings         | -                | -                |
| Variable rate borrowings      | -                | 275.1            |
|                               | -                | <b>275.1</b>     |
| <b>Current Borrowings</b>     |                  |                  |
| Fixed rate borrowings         | -                | 5,350.0          |
| Variable rate borrowings      | 26,699.1         | 36,815.4         |
|                               | <b>26,699.1</b>  | <b>42,165.4</b>  |
| <b>Total</b>                  | <b>26,699.1</b>  | <b>42,440.5</b>  |



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### 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.

| Particulars                 | Profit or (loss) |                 |
|-----------------------------|------------------|-----------------|
|                             | 100 bp increase  | 100 bp decrease |
| (₹ in million)              |                  |                 |
| Cash flow sensitivity (net) |                  |                 |
| <b>31.03.2024</b>           |                  |                 |
| Fixed rate borrowings       | -                | -               |
| Variable rate borrowings    | (267.0)          | 267.0           |
| <b>31.03.2023</b>           |                  |                 |
| Fixed rate borrowings       | (53.5)           | 53.5            |
| Variable rate borrowings    | (370.9)          | 370.9           |

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 31.03.2024 and 31.03.2023 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

## 60. Capital Management

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

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

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

The Group's policy is to keep the ratio below 1.5. The Group's adjusted net debt to total equity ratio was as follows:

| Particulars                             | (₹ in million)   |                  |
|---|------------------|------------------|
|   | As at 31.03.2024 | As at 31.03.2023 |
| Total borrowings                        | 26,699.1         | 42,440.5         |
| Less: Cash and cash equivalent          | 9,832.8          | 12,318.1         |
| Less: Other Bank Balances*              | 2,285.6          | 790.0            |
| Less: Current Investments               | 8,469.3          | 4,397.7          |
| Adjusted net debt                       | 6,111.4          | 24,934.7         |
| Total equity                            | 142,902.9        | 124,645.0        |
| Adjusted net debt to total equity ratio | 0.04             | 0.20             |

\*includes earmarked bank deposits against guarantees & other commitments of ₹ 93.0 million (31.03.2023 ₹ 176.8 million) classified as Other non-current financial assets.

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## Forming part of the Consolidated Financial Statements

### 61. Hedge Accounting

The Group'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 Group 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 Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group 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 Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

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

#### a) Disclosure of effects of hedge accounting on financial position

(₹ in million)

As at 31.03.2024

| Type of hedge and risks            | Nominal Value (in million) | Contractual Cash flows |             | 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 |   |  |             |                                    |   |  |
| <b>Cash flow hedge:</b>            |                            |                        |             |   |  |             |                                    |   |  |
| Forward exchange forward contracts | –                          | –                      | –           | NA  | NA   | NA          | –                                  | –   | –  |
| <b>Fair value hedge:</b>           |                            |                        |             |   |  |             |                                    |   |  |
| Forward exchange forward contracts | Euro 0.58                  | –                      | 0.1         | Other Current Financials Liabilities  | 15 <sup>th</sup> April 2024 – 12 <sup>th</sup> July 2024 | 1:1         | 91.1                               | 0.1   | (0.1)  |
| Forward exchange forward contracts | GBP 0.02                   |                        |             |   |  |             | 107.6                              |   |  |
| Forward exchange forward contracts | USD 0.96                   |                        |             |   |  |             | 83.8                               |   |  |

(₹ in million)

As at 31.03.2023

| Type of hedge and risks            | Nominal Value (in million) | Contractual Cash flows |             | 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 |   |   |             |                                    |   |  |
| <b>Cash flow hedge:</b>            |                            |                        |             |   |   |             |                                    |   |  |
| Forward exchange forward contracts | USD 72.0                   | –                      | 52.7        | Other current financials Liabilities  | April 2023 – March 2024                                   | 1:1         | 82.4                               | 54.9  | 52.9   |
| <b>Fair value hedge:</b>           |                            |                        |             |   |   |             |                                    |   |  |
| Forward exchange forward contracts | USD 0.75                   | –                      | 2.4         | Other current financials Liabilities  | April 2023 – June 2023                                    | 1:1         | 90.7                               | 2.4   | 2.4  |
| Forward exchange forward contracts | Euro 1.37                  | –                      | 1.6         | Other current financials liabilities  | 14 <sup>th</sup> April 2023 – 26 <sup>th</sup> April 2023 | 1:1         | 90.2                               | 1.6   | (1.6)  |
| Forward exchange forward contracts | USD 0.6                    |                        |             |   |   |             | 82.4                               |   |  |
| Forward exchange forward contracts | USD 25.0                   | –                      | 149.6       | Other current financials liabilities  | September 2023 – March 2024                               | 1:1         | 86.1                               | 149.6   | 149.6  |

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### b) Disclosure of effects of hedge accounting on financial performance

| (₹ in million)   |   |  |  |  |   |
|------------------|---|--|--|--|---|
| As at 31.03.2024 | 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  | 25.9  | 2.3  | Net (gain)/ loss on Foreign Currency Transactions                                    | 51.8   | Revenue from operations – Sale of goods   |

| (₹ in million)   |   |  |  |  |   |
|------------------|---|--|--|--|---|
| As at 31.03.2023 | 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  | (499.1)   | (1.2)  | Net (gain)/ loss on Foreign Currency Transactions                                    | (27.2)   | 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  |              |
| <b>Balance as at 01.04.2022</b>   | <b>350.1</b> |
| Less : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement) | (499.1)      |
| Add : Amounts re-classified to profit or loss   | 28.3         |
| Add : Deferred tax  | 131.9        |
| <b>Balance as at 31.03.2023</b>   | <b>11.2</b>  |
| Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)  | 25.9         |
| Add : Amounts re-classified to profit or loss   | 103.2        |
| Less: Deferred tax  | (39.2)       |
| <b>Balance as at 31.03.2024</b>   | <b>101.1</b> |

## 62. Off-setting or Similar Agreements

The recognised financial instruments that are offset in balance sheet:

| (₹ in million)                             |  |  |  |                                   |
|--|--|--|--|-----------------------------------|
| As at 31.03.2024                           | 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        |
| <b>Financial assets</b>                    |  |  |  |                                   |
| Derivative instruments – forward contracts | -  | -  | -  | -                                 |
| Trade and other receivables                | 39,034.3                                   | (12,622.0)                                 | 26,412.4                                   | -                                 |
| <b>Financial liabilities</b>               |  |  |  |                                   |
| Derivative instruments – forward contracts | -  | -  | -  | -                                 |
| Trade and other payables                   | (12,622.0)                                 | 12,622.0                                   | -  | -                                 |

| (₹ in million)                             |  |  |  |                                   |
|--|--|--|--|-----------------------------------|
| As at 31.03.2023                           | 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        |
| <b>Financial assets</b>                    |  |  |  |                                   |
| Derivative instruments – forward contracts | -  | -  | -  | -                                 |
| Trade and other receivables                | 37,126.9                                   | (11,223.4)                                 | 25,903.5                                   | -                                 |
| <b>Financial liabilities</b>               |  |  |  |                                   |
| Derivative instruments – forward contracts | 206.3                                      | -  | 206.3                                      | -                                 |
| Trade and other payables                   | (11,223.4)                                 | 11,223.4                                   | -  | -                                 |

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### 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.

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

| Particulars   | As at 31.03.2024                                       |              | Year ended March 31, 2024   |              |   |              |  |              |
|---|--|--------------|-----------------------------|--------------|---|--------------|--|--------------|
|   | Net assets, i.e., total assets minus total liabilities |              | Share of Profit/(Loss)      |              | Share of Other Comprehensive Income/(Loss)      |              | Share of Total Comprehensive Income/(Loss) |              |
|   | 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 |
| <b>Parent</b>   |  |              |                             |              |   |              |  |              |
| Lupin Limited   | 143.3  | 206,030.9    | 121.5                       | 23,260.9     | (11.5)  | (46.9)       | 118.7                                      | 23,214.0     |
| <b>Indian Subsidiaries</b>                              |  |              |                             |              |   |              |  |              |
| Lupin Diagnostics Limited, India                        | (0.7)  | (1,004.8)    | (5.2)                       | (987.9)      | (0.1)   | (0.5)        | (5.1)                                      | (988.4)      |
| Lupin Biologics Limited, India                          | 0.0  | 0.1          | (0.0)                       | (0.1)        | -   | -            | (0.0)                                      | (0.1)        |
| Lupin Foundation, India                                 | 0.0  | 0.1          | (0.0)                       | (0.1)        | -   | -            | (0.0)                                      | (0.1)        |
| Lupin Digital Health Limited, India                     | 0.4  | 556.8        | (2.3)                       | (434.3)      | -   | -            | (2.2)                                      | (434.3)      |
| Lupin Manufacturing Solutions Limited, India            | 5.2  | 7,427.2      | (1.9)                       | (365.1)      | (0.4)   | (1.6)        | (1.9)                                      | (366.7)      |
| Lupin Life Sciences Limited, India                      | 0.0  | 0.9          | (0.0)                       | (0.1)        | -   | -            | (0.0)                                      | (0.1)        |
| <b>Foreign Subsidiaries</b>                             |  |              |                             |              |   |              |  |              |
| Lupin Pharmaceuticals Inc., USA                         | 6.6  | 9,531.8      | (0.2)                       | (37.9)       | 40.8  | 166.1        | 0.7  | 128.2        |
| Hormosan Pharma GmbH, Germany                           | 1.8  | 2,571.8      | 2.3                         | 441.1        | 4.7   | 19.3         | 2.4  | 460.4        |
| Pharma Dynamics (Proprietary) Limited, South Africa     | 3.2  | 4,634.9      | 2.5                         | 473.8        | (47.7)  | (194.3)      | 1.4  | 279.5        |
| Lupin Australia Pty Limited, Australia                  | 0.0  | 3.8          | (0.0)                       | (0.4)        | -   | -            | (0.0)                                      | (0.4)        |
| Nanomi B.V., Netherlands                                | 55.2   | 79,345.7     | (10.1)                      | (1,931.9)    | 4.2   | 17.0         | (9.8)                                      | (1,914.9)    |
| Lupin Atlantis Holdings SA, Switzerland                 | 28.9   | 41,550.2     | (0.3)                       | (60.7)       | 117.1   | 476.4        | 2.1  | 415.7        |
| Multicare Pharmaceuticals Philippines Inc., Philippines | 1.2  | 1,713.8      | 2.3                         | 441.7        | (15.4)  | (62.7)       | 1.9  | 379.0        |
| Lupin Healthcare (UK) Limited, UK                       | (0.5)  | (789.5)      | 0.2                         | 33.5         | (6.1)   | (25.0)       | 0.0  | 8.5          |
| Lupin Pharma Canada Limited, Canada                     | 0.2  | 323.2        | (0.2)                       | (42.4)       | (1.7)   | (6.9)        | (0.3)                                      | (49.3)       |
| Generic Health Pty Limited, Australia                   | 2.5  | 3,545.3      | 3.3                         | 627.3        | (5.9)   | (24.0)       | 3.1  | 603.3        |
| Lupin Mexico SA de C.V., Mexico                         | 0.0  | 9.1          | 0.0                         | 0.6          | -   | -            | 0.0  | 0.6          |
| Lupin Philippines Inc., Philippines                     | (0.0)  | (11.8)       | (0.6)                       | (106.5)      | (4.1)   | (16.8)       | (0.6)                                      | (123.3)      |
| Generic Health SDN. BHD., Malaysia                      | 0.0  | 0.7          | (0.0)                       | (0.7)        | -   | -            | (0.0)                                      | (0.7)        |
| Lupin Inc., USA   | (15.6)   | (22,489.7)   | 22.7                        | 4,343.0      | (125.4)   | (510.3)      | 19.6                                       | 3,832.7      |
| Laboratorios Grin, S.A. de C.V., Mexico                 | 2.4  | 3,423.4      | (0.2)                       | (32.0)       | 77.5  | 315.6        | 1.5  | 283.6        |
| Medquímica Industria Farmaceutica LTDA, Brazil          | (0.9)  | (1,237.8)    | (7.4)                       | (1,415.2)    | (35.1)  | (142.7)      | (8.0)                                      | (1,557.9)    |
| Lupin Research Inc., USA                                | 1.2  | 1,709.0      | 1.7                         | 334.7        | 6.0   | 24.6         | 1.8  | 359.3        |
| Lupin Europe GmbH, Germany                              | 0.0  | 68.4         | (0.1)                       | (9.7)        | -   | -            | (0.0)                                      | (9.7)        |

# Notes

## Forming part of the Consolidated Financial Statements

| Particulars  | As at 31.03.2024                                       |                    | Year ended March 31, 2024   |                  |   |              |  |                  |
|--|--|--------------------|-----------------------------|------------------|---|--------------|--|------------------|
|  | Net assets, i.e., total assets minus total liabilities |                    | Share of Profit/(Loss)      |                  | Share of Other Comprehensive Income/(Loss)      |              | Share of Total Comprehensive Income/(Loss) |                  |
|  | As % of consolidated net assets                        |                    | As % of consolidated profit |                  | As % of consolidated other comprehensive income |              | As % of total comprehensive income         |                  |
|  | ₹ in million   | ₹ in million       | ₹ in million                | ₹ in million     | ₹ in million                                    | ₹ in million | ₹ in million                               | ₹ in million     |
| Novel Laboratories Inc., USA                                 | 4.2  | 6,079.7            | (1.0)                       | (198.4)          | 22.2  | 90.5         | (0.6)                                      | (107.9)          |
| Lupin Oncology Inc., USA                                     | (1.8)  | (2,534.8)          | (4.3)                       | (818.7)          | (9.1)   | (37.0)       | (4.4)                                      | (855.7)          |
| Lupin Management Inc., USA                                   | 0.1  | 169.6              | 0.2                         | 40.1             | -   | -            | 0.2  | 40.1             |
| Southern Cross Pharma Pty Ltd, Australia                     | 1.1  | 1,520.5            | 1.9                         | 365.7            | (6.0)   | (24.6)       | 1.7  | 341.1            |
| Avenue Coral Springs LLC, USA                                | -  | -                  | -                           | -                | -   | -            | -  | -                |
| Medisol S.A.S., France                                       | 0.9  | 1,356.5            | (0.4)                       | (73.7)           | 1.6   | 6.5          | (0.3)                                      | (67.2)           |
| Lymed S.A.S., France   | 0.0  | 3.1                | (0.0)                       | (0.4)            | -   | -            | (0.0)                                      | (0.4)            |
| <b>Non Controlling Interests in the Subsidiaries</b>         |  |                    |                             |                  |   |              |  |                  |
| Multicare Pharmaceuticals Philippines Inc., Philippines      | (0.6)  | (845.0)            | (1.1)                       | (216.4)          | 7.5   | 30.7         | (0.9)                                      | (185.7)          |
| Lupin Oncology Inc., USA                                     | 0.0  | 13.4               | 0.0                         | 5.5              | 0.1   | 0.3          | 0.0  | 5.8              |
| <b>Foreign Joint Venture (to the extent of shareholding)</b> |  |                    |                             |                  |   |              |  |                  |
| YL Biologics Ltd., Japan                                     | 0.2  | 269.1              | -                           | -                | (7.8)   | (31.6)       | (0.2)                                      | (31.6)           |
| <b>Total Eliminations/Consolidation Adjustments</b>          | <b>(138.6)</b>   | <b>(199,211.2)</b> | <b>(23.5)</b>               | <b>(4,490.5)</b> | <b>94.6</b>                                     | <b>384.9</b> | <b>(21.0)</b>                              | <b>(4,105.6)</b> |
| <b>Total</b>   | <b>100.0</b>   | <b>143,734.5</b>   | <b>100.0</b>                | <b>19,144.8</b>  | <b>100.0</b>                                    | <b>407.0</b> | <b>100.0</b>                               | <b>19,551.8</b>  |

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

| Particulars   | As at 31.03.2023                                       |              | Year ended March 31, 2023   |              |   |              |  |              |
|---|--|--------------|-----------------------------|--------------|---|--------------|--|--------------|
|   | Net assets, i.e., total assets minus total liabilities |              | Share of Profit/(Loss)      |              | Share of Other Comprehensive Income/(Loss)      |              | Share of Total Comprehensive Income/(Loss) |              |
|   | As % of consolidated net assets                        |              | As % of consolidated profit |              | As % of consolidated other comprehensive income |              | As % of total comprehensive income         |              |
|   | ₹ in million   | ₹ in million | ₹ in million                | ₹ in million | ₹ in million                                    | ₹ in million | ₹ in million                               | ₹ in million |
| <b>Parent</b>   |  |              |                             |              |   |              |  |              |
| Lupin Limited   | 146.8  | 184,118.6    | 98.9                        | 4,252.1      | (118.5)   | (239.2)      | 89.1                                       | 4,012.9      |
| <b>Indian Subsidiaries</b>                              |  |              |                             |              |   |              |  |              |
| Lupin Diagnostics Limited, India                        | (0.6)  | (723.1)      | (17.0)                      | (730.8)      | (1.3)   | (2.7)        | (16.3)                                     | (733.5)      |
| Lupin Biologics Limited, India                          | 0.0  | 0.2          | (0.0)                       | (0.1)        | -   | -            | (0.0)                                      | (0.1)        |
| Lupin Foundation, India                                 | 0.0  | 0.2          | (1.5)                       | (65.1)       | -   | -            | (1.4)                                      | (65.1)       |
| Lupin Digital Health Limited, India                     | 0.4  | 481.7        | (8.3)                       | (357.8)      | -   | -            | (7.9)                                      | (357.8)      |
| <b>Foreign Subsidiaries</b>                             |  |              |                             |              |   |              |  |              |
| Lupin Pharmaceuticals Inc., USA                         | 7.5  | 9,403.6      | 11.8                        | 511.4        | 341.2   | 688.6        | 26.7                                       | 1,200.0      |
| Hormosan Pharma GmbH, Germany                           | 1.6  | 2,111.4      | 11.1                        | 478.0        | 62.4  | 126.0        | 13.4                                       | 604.0        |
| Pharma Dynamics (Proprietary) Limited, South Africa     | 3.5  | 4,355.4      | 14.2                        | 612.3        | (258.0)   | (520.6)      | 2.0  | 91.7         |
| Lupin Australia Pty Limited, Australia                  | -  | 4.3          | -                           | (0.7)        | -   | -            | -  | (0.7)        |
| Nanomi B.V., Netherlands                                | 63.4   | 79,562.5     | (34.4)                      | (1,480.8)    | 118.0   | 238.1        | (27.6)                                     | (1,242.7)    |
| Lupin Atlantis Holdings SA, Switzerland                 | 32.7   | 41,134.5     | (1.6)                       | (69.4)       | 1,210.6   | 2,442.9      | 52.7                                       | 2,373.5      |
| Multicare Pharmaceuticals Philippines Inc., Philippines | 1.3  | 1,598.8      | 8.8                         | 378.3        | 40.9  | 82.6         | 10.2                                       | 460.9        |

# Notes

## Forming part of the Consolidated Financial Statements

| Particulars  | As at 31.03.2023                                       |                    | Year ended March 31, 2023   |                |   |                |  |                |
|--|--|--------------------|-----------------------------|----------------|---|----------------|--|----------------|
|  | Net assets, i.e., total assets minus total liabilities |                    | Share of Profit/(Loss)      |                | Share of Other Comprehensive Income/(Loss)      |                | Share of Total Comprehensive Income/(Loss) |                |
|  | As % of consolidated net assets                        |                    | As % of consolidated profit |                | As % of consolidated other comprehensive income |                | As % of total comprehensive income         |                |
|  | ₹ in million   | ₹ in million       | ₹ in million                | ₹ in million   | ₹ in million                                    | ₹ in million   | ₹ in million                               | ₹ in million   |
| Lupin Healthcare (UK) Limited, UK                            | (0.6)  | (798.1)            | (0.6)                       | (25.1)         | (11.8)  | (23.9)         | (1.1)                                      | (49.0)         |
| Lupin Pharma Canada Limited, Canada                          | 0.3  | 372.5              | 2.2                         | 93.8           | (2.1)   | (4.3)          | 2.0  | 89.5           |
| Generic Health Pty Limited, Australia                        | 2.3  | 2,942.5            | 24.4                        | 1,048.7        | (2.8)   | (5.6)          | 23.2                                       | 1,043.1        |
| Lupin Mexico SA de C.V., Mexico                              | 0.0  | 8.4                | 0.0                         | 1.2            | -   | -              | 0.0  | 1.2            |
| Lupin Philippines Inc., Philippines                          | 0.2  | 200.3              | 0.8                         | 35.6           | (1.0)   | (2.1)          | 0.8  | 33.5           |
| Generic Health SDN. BHD., Malaysia                           | 0.0  | 0.2                | 0.0                         | (0.6)          | -   | -              | (0.0)                                      | (0.6)          |
| Lupin Inc., USA  | (21.0)   | (26,322.3)         | (27.9)                      | (1,200.6)      | (1,748.5)                                       | (3,528.5)      | (105.0)                                    | (4,729.1)      |
| Laboratorios Grin, S.A. de C.V., Mexico                      | 2.5  | 3,139.7            | 9.5                         | 411.2          | 247.5   | 499.5          | 20.2                                       | 910.7          |
| Medquimica Industria Farmaceutica LTDA, Brazil               | 0.3  | 320.1              | (11.8)                      | (509.2)        | 71.2  | 143.7          | (8.1)                                      | (365.5)        |
| Lupin Research Inc., USA                                     | 1.1  | 1,349.7            | 2.2                         | 95.5           | 46.2  | 93.3           | 4.2  | 188.8          |
| Lupin Europe GmbH, Germany                                   | 0.1  | 78.1               | (0.9)                       | (38.7)         | -   | -              | (0.9)                                      | (38.7)         |
| Novel Laboratories Inc., USA                                 | 4.9  | 6,187.7            | (11.9)                      | (513.9)        | 249.1   | 502.6          | (0.3)                                      | (11.3)         |
| Lupin Oncology Inc, USA                                      | (1.3)  | (1,679.1)          | (30.8)                      | (1,326.7)      | (42.0)  | (84.8)         | (31.3)                                     | (1,411.5)      |
| Lupin Management Inc., USA                                   | 0.1  | 129.5              | 1.0                         | 41.9           | -   | -              | 0.9  | 41.9           |
| Southern Cross Pharma Pty Ltd, Australia                     | 1.2  | 1,450.7            | 5.7                         | 248.6          | (18.8)  | (37.9)         | 4.7  | 210.7          |
| <b>Non Controlling Interests in the Subsidiaries</b>         |  |                    |                             |                |   |                |  |                |
| Multicare Pharmaceuticals Philippines Inc., Philippines      | (0.6)  | (790.8)            | (4.3)                       | (185.1)        | (20.1)  | (40.5)         | (5.0)                                      | (225.6)        |
| Lupin Oncology Inc., USA                                     | 0.0  | 7.6                | 0.2                         | 9.0            | 0.0   | 0.1            | 0.2  | 9.1            |
| <b>Foreign Joint Venture (to the extent of shareholding)</b> |  |                    |                             |                |   |                |  |                |
| YL Biologics Ltd., Japan                                     | -  | -                  | -                           | -              | (1.3)   | (2.7)          | (0.1)                                      | (2.7)          |
| <b>Total Eliminations/ Consolidation Adjustments</b>         | <b>(146.1)</b>   | <b>(183,216.6)</b> | <b>60.2</b>                 | <b>2,587.8</b> | <b>(60.9)</b>                                   | <b>(122.8)</b> | <b>54.7</b>                                | <b>2,465.0</b> |
| <b>Total</b>   | <b>100.0</b>   | <b>125,428.2</b>   | <b>100.0</b>                | <b>4,300.8</b> | <b>100.0</b>                                    | <b>201.8</b>   | <b>100.0</b>                               | <b>4,502.6</b> |

### 64. Related Party Disclosures as required by Ind AS 24 are given below

#### A) Relationships –

##### Category I: Entity having significant influence over the Company:

Lupin Investments Pvt. Limited

##### Category II: Joint Venture:

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 | Executive Director, Global CFO & CRO and Head – Corporate Affairs |
| Mr. R.V. Satam         | Company Secretary   |

##### Non-Executive Directors

|                                       |               |
|---------------------------------------|---------------|
| Mrs. Manju D. Gupta                   | Chairman      |
| Dr. Kamal K. Sharma (upto 13.10.2022) | Vice Chairman |



# Notes

## Forming part of the Consolidated Financial Statements

Mr. Jean-Luc Belingard  
 Ms. Christine Ann Mundkur (upto 31.12.2022)  
 Mr. K. B. S, Anand  
 Dr. Punita Kumar Sinha  
 Mr. Mark D. McDade

### Category IV: Other related parties (Person / Entity with whom the Company had transactions during the year) :

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:

| Sr. No. | Transactions  | (₹ in million)        |                       |
|---------|---|-----------------------|-----------------------|
|         |   | Year ended 31.03.2024 | Year ended 31.03.2023 |
| 1       | Sale of Assets  |                       |                       |
|         | Others  | -                     | 3.4                   |
| 2       | Rent Expenses   |                       |                       |
|         | Others  | 11.2                  | 20.1                  |
| 3       | Expenses incurred on their behalf Recovered/Rent Received           |                       |                       |
|         | Others  | 1.7                   | 1.8                   |
| 4       | Remuneration Paid   |                       |                       |
|         | Key Management Personnel  | 424.6                 | 245.9                 |
| 5       | Purchases of Goods/Materials  |                       |                       |
|         | Others  | 136.2                 | 154.2                 |
| 6       | Commission, Advisory Fees & Sitting Fees to Non-Executive Directors |                       |                       |
|         | Key Management Personnel  | 71.1                  | 22.9                  |
| 7       | Donations Paid  |                       |                       |
|         | Others  | 253.8                 | 284.1                 |
| 8       | Dividend Paid   |                       |                       |
|         | Entity having significant influence over the Company                | 828.8                 | 828.8                 |
|         | Key Management Personnel  | 4.9                   | 4.9                   |
|         | Others  | 23.1                  | 23.7                  |
| 9       | Services Received (Expense)   |                       |                       |
|         | Joint Venture   | 4.1                   | 7.1                   |
|         | Others  | 88.4                  | 74.9                  |
| 10      | Expenses incurred on our behalf & Others Reimbursements             |                       |                       |
|         | Others  | 3.3                   | 4.6                   |
| 11      | Advance against supplies paid                                       |                       |                       |
|         | Others  | -                     | 40.0                  |
| 12      | Refund of Deposit   |                       |                       |
|         | Others  | -                     | 21.6                  |

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

# Notes

## Forming part of the Consolidated Financial Statements

|  | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|--|--------------------------|--|
| <b>Compensation paid to Key Management Personnel</b> |                          |  |
| Short-term employee benefits                         | 392.9                    | 221.5                                      |
| Post-employment benefits                             | 22.0                     | 13.1                                       |
| Share based payments                                 | 9.8                      | 11.3                                       |
| <b>Total</b>   | <b>424.7</b>             | <b>245.9</b>                               |

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Group basis and accordingly have not been considered in the above information.

### Terms and conditions of transactions with related parties:

All related party transactions entered during the year were in ordinary course of business, on arm's length basis. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

### C) Balances due from/to the related parties:

| Sr. No. | Transactions   | Year ended<br>31.03.2024 | (₹ in million)<br>Year ended<br>31.03.2023 |
|---------|--|--------------------------|--|
| 1       | Deposits paid under Leave and License arrangement for premises     |                          |  |
|         | Others   | 7.4                      | 7.4  |
| 2       | Trade Receivables  |                          |  |
|         | Joint Venture  | 7.5                      | 14.8                                       |
| 3       | Trade Payables   |                          |  |
|         | Others   | 8.5                      | 12.7                                       |
| 4       | Advance against supplies paid                                      |                          |  |
|         | Others   | 30.5                     | 35.0                                       |
| 5       | Deposits received under Leave and License arrangement for premises |                          |  |
|         | Others   | 0.1                      | 0.1  |

Transactions and balances with Joint Venture have been reported at full value.

## 65. Non-Cash Changes in Cash Flows from Financing Activities

|  |                 |                   |                  |                           |                    | (₹ in million)  |
|--|-----------------|-------------------|------------------|---------------------------|--------------------|-----------------|
| Particulars  | 01.04.2023      | Cash flows        | Non-Cash Changes |                           |                    | 31.03.2024      |
|  |                 |                   | Interest Expense | Foreign Exchange Movement | Fair Value Changes |                 |
| <b>Non-current Borrowings</b>                      |                 |                   |                  |                           |                    |                 |
| Secured  |                 |                   |                  |                           |                    |                 |
| Term Loans from banks                              | 275.1           | (273.4)           | -                | (1.7)                     | -                  | -               |
| <b>Current Borrowings</b>                          |                 |                   |                  |                           |                    |                 |
| Unsecured  |                 |                   |                  |                           |                    |                 |
| Loans from banks                                   | 42,165.4        | (15,896.2)        | 16.2             | 413.7                     | -                  | 26,699.1        |
| <b>Lease liabilities (Refer Note 44)</b>           | 2,974.7         | (621.4)           | 180.2            | (14.9)                    | -                  | 2,518.6         |
| <b>Total Liabilities from financing activities</b> | <b>45,415.2</b> | <b>(16,791.0)</b> | <b>196.4</b>     | <b>397.1</b>              | <b>-</b>           | <b>29,217.7</b> |

|   |            |            | Non-Cash Changes |                           |                    | (₹ in million) |
|---|------------|------------|------------------|---------------------------|--------------------|----------------|
| Particulars                                 | 01.04.2022 | Cash flows | Interest Expense | Foreign Exchange Movement | Fair Value Changes | 31.03.2023     |
| Non-Current Borrowings                      |            |            |                  |                           |                    |                |
| Secured                                     |            |            |                  |                           |                    |                |
| Term Loans from banks                       | 1,418.6    | (1,104.6)  | (38.9)           | -                         | -                  | 275.1          |
| Current Borrowings                          |            |            |                  |                           |                    |                |
| Secured                                     |            |            |                  |                           |                    |                |
| Loans from banks                            | 2,566.2    | (2,566.2)  | -                | -                         | -                  | -              |
| Unsecured                                   |            |            |                  |                           |                    |                |
| Loans from banks                            | 34,456.7   | 2,693.7    | 21.7             | 4,993.3                   | -                  | 42,165.4       |
| Lease liabilities (Refer Note 44)           | 3,142.2    | (373.2)    | 205.7            | -                         | -                  | 2,974.7        |
| Total Liabilities from financing activities | 41,583.7   | (1,350.3)  | 188.5            | 4,993.3                   | -                  | 45,415.2       |

# Notes

## Forming part of the Consolidated Financial Statements

**66.** The Group 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 material subsequent events have occurred through 06.05.2024 that require adjustment to or disclosure in the consolidated financial statements.

### 67. Trade Receivable Ageing

| Particulars  | Outstanding for following periods from due date of payment |                    |                   |              |              |                   | (₹ in million)         |
|--|--|--------------------|-------------------|--------------|--------------|-------------------|------------------------|
|  | Not due  | Less than 6 months | 6 months - 1 year | 1-2 years    | 2-3 years    | More than 3 years | Total as at 31.03.2024 |
|  |  |                    |                   |              |              |                   |                        |
| (i) Undisputed Trade receivables – considered good                                 | 40,705.8   | 5,884.9            | 477.8             | 149.4        | 277.7        | 7.8               | 47,503.4               |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -  | -                  | -                 | -            | -            | -                 | -                      |
| (iii) Undisputed Trade Receivables – credit impaired                               | 12.4   | 91.0               | 46.1              | 141.4        | 56.0         | 107.2             | 454.1                  |
| (iv) Disputed Trade Receivables – considered good                                  | -  | -                  | -                 | -            | -            | -                 | -                      |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -  | -                  | -                 | -            | -            | -                 | -                      |
| (vi) Disputed Trade Receivables – credit impaired                                  | -  | -                  | -                 | -            | -            | -                 | -                      |
|  | <b>40,718.2</b>  | <b>5,975.9</b>     | <b>523.9</b>      | <b>290.8</b> | <b>333.7</b> | <b>115.0</b>      | <b>47,957.5</b>        |
| Less: Allowance for credit loss  |  |                    |                   |              |              |                   | 1,037.0                |
| <b>Total</b>   |  |                    |                   |              |              |                   | <b>46,920.5</b>        |

| Particulars  | Outstanding for following periods from due date of payment |                    |                   |              |              |                   | (₹ in million)         |
|--|--|--------------------|-------------------|--------------|--------------|-------------------|------------------------|
|  | Not due  | Less than 6 months | 6 months - 1 year | 1-2 years    | 2-3 years    | More than 3 years | Total as at 31.03.2023 |
|  |  |                    |                   |              |              |                   |                        |
| (i) Undisputed Trade receivables – considered good                                 | 38,110.5   | 5,997.5            | 454.8             | 326.4        | 35.6         | 72.2              | 44,997.0               |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -  | -                  | -                 | -            | -            | -                 | -                      |
| (iii) Undisputed Trade Receivables – credit impaired                               | -  | 59.5               | 26.6              | 62.5         | 69.8         | 82.4              | 300.8                  |
| (iv) Disputed Trade Receivables – considered good                                  | -  | -                  | -                 | -            | -            | -                 | -                      |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -  | -                  | -                 | -            | -            | -                 | -                      |
| (vi) Disputed Trade Receivables – credit impaired                                  | -  | -                  | -                 | -            | -            | -                 | -                      |
|  | <b>38,110.5</b>  | <b>6,057.0</b>     | <b>481.4</b>      | <b>388.9</b> | <b>105.4</b> | <b>154.6</b>      | <b>45,297.8</b>        |
| Less: Allowance for credit loss  |  |                    |                   |              |              |                   | 490.8                  |
| <b>Total</b>   |  |                    |                   |              |              |                   | <b>44,807.0</b>        |

### 68. Trade Payable Ageing

| Particulars   | Outstanding for following periods from due date of payment |                  |              |             |                   | (₹ in million)         |
|---|--|------------------|--------------|-------------|-------------------|------------------------|
|   | Not due  | Less than 1 year | 1-2 years    | 2-3 years   | More than 3 years | Total as at 31.03.2024 |
|   |  |                  |              |             |                   |                        |
| Outstanding dues of Micro and Small Enterprises                       | 782.9  | 23.3             | -            | -           | -                 | 806.2                  |
| Outstanding dues of other than Micro and Small Enterprises            | 14,619.8   | 3,226.2          | 192.7        | 34.4        | 85.1              | 18,158.2               |
| Disputed – Outstanding dues of Micro and Small Enterprises            | -  | -                | -            | -           | -                 | -                      |
| Disputed – Outstanding dues of other than Micro and Small Enterprises | 123.1  | 3.2              | -            | -           | 2.3               | 128.6                  |
|   | <b>15,525.8</b>  | <b>3,252.7</b>   | <b>192.7</b> | <b>34.4</b> | <b>87.4</b>       | <b>19,093.0</b>        |
| Add: Accrued Expenses   |  |                  |              |             |                   | 10,488.1               |
| <b>Total</b>  |  |                  |              |             |                   | <b>29,581.1</b>        |

# Notes

## Forming part of the Consolidated Financial Statements

| Particulars   | (₹ in million)   |                  |                |              |                   |
|---|--|------------------|----------------|--------------|-------------------|
|   | Outstanding for following periods from due date of payment |                  |                |              |                   |
|   | Not due  | Less than 1 year | 1-2 years      | 2-3 years    | More than 3 years |
| Outstanding dues of Micro and Small Enterprises                       | 759.5  | 3.8              | -              | -            | -                 |
| Outstanding dues of other than Micro and Small Enterprises            | 7,870.7  | 4,167.6          | 1,026.6        | 208.0        | 112.7             |
| Disputed - Outstanding dues of Micro and Small Enterprises            | -  | -                | -              | -            | -                 |
| Disputed - Outstanding dues of other than Micro and Small Enterprises | -  | -                | -              | -            | 2.3               |
|   | <b>8,630.2</b>   | <b>4,171.4</b>   | <b>1,026.6</b> | <b>208.0</b> | <b>115.0</b>      |
| Add: Accrued Expenses   |  |                  |                |              | 11,164.1          |
| <b>Total</b>  |  |                  |                |              | <b>25,315.3</b>   |

## 69. Capital Work-In-Progress (CWIP)

### a) Capital Work-In-Progress (CWIP) ageing

| Particulars                    | (₹ in million)                 |              |                |                   |
|--------------------------------|--------------------------------|--------------|----------------|-------------------|
|                                | Amount in CWIP for a period of |              |                |                   |
|                                | Less than 1 year               | 1-2 years    | 2-3 years      | More than 3 years |
| Projects in progress           | 2,601.6                        | 564.5        | 1,238.8        | 1,551.8           |
| Projects temporarily suspended | -                              | -            | -              | -                 |
| <b>Total</b>                   | <b>2,601.6</b>                 | <b>564.5</b> | <b>1,238.8</b> | <b>1,551.8</b>    |

| Particulars                    | (₹ in million)                 |                |              |                   |
|--------------------------------|--------------------------------|----------------|--------------|-------------------|
|                                | Amount in CWIP for a period of |                |              |                   |
|                                | Less than 1 year               | 1-2 years      | 2-3 years    | More than 3 years |
| Projects in progress           | 2,285.4                        | 2,709.5        | 598.7        | 3,354.6           |
| Projects temporarily suspended | -                              | -              | -            | -                 |
| <b>Total</b>                   | <b>2,285.4</b>                 | <b>2,709.5</b> | <b>598.7</b> | <b>3,354.6</b>    |

### b) Capital work-in-progress, where completion is overdue or cost has exceeded as compared to its original plans

There are no CWIP where completion is overdue or cost has exceeded as compared to its original plans as on 31.03.2024 and 31.03.2023, excluding amount of ₹ 1,139.7 million related to one project which was likely to be commissioned in FY 2023-24 but has been delayed due to covid pandemic and the project is expected to be capitalised in FY 2024-25.

## 70. Intangible Assets Under Development (IAUD)

### a) Intangible Assets Under Development (IAUD) ageing

| Particulars                    | (₹ in million)                 |              |              |                   |
|--------------------------------|--------------------------------|--------------|--------------|-------------------|
|                                | Amount in IAUD for a period of |              |              |                   |
|                                | Less than 1 year               | 1-2 years    | 2-3 years    | More than 3 years |
| Projects in progress           | 205.7                          | 427.1        | 334.7        | 801.1             |
| Projects temporarily suspended | -                              | -            | -            | -                 |
| <b>Total</b>                   | <b>205.7</b>                   | <b>427.1</b> | <b>334.7</b> | <b>801.1</b>      |

| Particulars                    | (₹ in million)                 |              |              |                   |
|--------------------------------|--------------------------------|--------------|--------------|-------------------|
|                                | Amount in IAUD for a period of |              |              |                   |
|                                | Less than 1 year               | 1-2 years    | 2-3 years    | More than 3 years |
| Projects in progress           | 734.1                          | 425.8        | 805.1        | 1,466.7           |
| Projects temporarily suspended | -                              | -            | -            | -                 |
| <b>Total</b>                   | <b>734.1</b>                   | <b>425.8</b> | <b>805.1</b> | <b>1,466.7</b>    |

# Notes

## Forming part of the Consolidated Financial Statements

### b) Intangible Assets Under Development (IAUD), where completion is overdue or cost has exceeded as compared to its original plans

There are no IAUD where completion is overdue or cost has exceeded as compared to its original plans as on 31.03.2024 and 31.03.2023.

### 71. Financial Ratios

| Ratios                            | Numerator  | Denominator  | 31.03.2024 | 31.03.2023 | % of variances | Reason for Variances   |
|-----------------------------------|--|--|------------|------------|----------------|--|
| Current ratio                     | Total Current Asset  | Total Current Liabilities  | 1.58       | 1.34       | 17.91          |  |
| Debt-Equity ratio                 | Total Debt= Non Current Borrowings+ Current Borrowings   | Total Equity Attributable to owners  | 0.19       | 0.34       | (44.12)        | Reduction in borrowings  |
| Debt service coverage ratio       | Earnings available for Debt Service = Net Profit after taxes before OCI + Non-cash operating expenses like depreciation and other amortizations - Unrealised gain + Interest + loss on sale of Property, plant and equipment | Debt service (Debt service =Interest & Lease Payments + Principal Repayments)                  | 1.79       | 3.82       | (53.14)        | Increase in profit due to higher sales and reduction in borrowings                   |
| Return on Equity ratio (ROE)      | Net profits after taxes  | Average Shareholder's Equity = (Opening shareholder's Equity + Closing shareholder's Equity)/2 | 0.14       | 0.03       | 366.67         | Increase in profit due to higher sale and improved margins                           |
| Inventory turnover ratio          | Cost of Goods Sold =Cost of Materials Consumed +Purchases of Stock-in-Trade +Changes in Inventories of Finished Goods/Work in Progress/ Stock-in-Trade   | Average Inventory = (Opening Inventory + Closing Inventory)/2                                  | 1.41       | 1.49       | (5.37)         |  |
| Trade receivables turnover ratio  | Total sales  | Closing Trade receivable   | 4.19       | 3.63       | 15.43          |  |
| Trade payables turnover ratio     | Total Purchases  | Closing Trade Payables   | 2.57       | 2.80       | (8.21)         |  |
| Net capital turnover ratio        | Net sales  | Working Capital = current assets - current liabilities   | 3.97       | 5.11       | (22.31)        |  |
| Net Profit ratio (in%)            | Net Profit after Tax   | Revenue from Operations  | 10.00%     | 3.00%      | 233.33         | Increase in profit due to higher sale and improved margins                           |
| Return on Capital Employed (ROCE) | Earnings before interest and taxes   | Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liability (net)               | 0.21       | 0.08       | 162.50         | Increase in profit due to higher sale and improved margins                           |
| Gross Profit ratio (in %)         | Gross Profit = Net sales - Cost of Materials   | Net sales  | 66.00%     | 58.00%     | 13.79          |  |
| EBITDA ratio (in %)               | EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)   | Net sales  | 20.00%     | 11.50%     | 73.91          | Increase in profit due to higher sale and improved margins                           |
| Return on Investment (ROI)        |  |  |            |            |                |  |
| 1) Mutual Fund                    | Income generated from investment (A)   | Average Investment (B)   | 0.07       | 0.02       | 250.00         | Increase due to Improved return on investment where surplus funds have been invested |
| 2) Financial Institution (CD)     | Income generated from investment (A)   | Weighted Average Investment (B)  | -          | 0.05       | (100.00)       | Reduction in investments   |

# Notes

## Forming part of the Consolidated Financial Statements

| Ratios                        | Numerator                            | Denominator                     | 31.03.2024 | 31.03.2023 | % of variances | Reason for Variances   |
|-------------------------------|--------------------------------------|---------------------------------|------------|------------|----------------|--|
| 3) Commercial Paper           | Income generated from investment (A) | Weighted Average Investment (B) | 0.07       | 0.04       | 75.00          | Increase due to Improved return on investment where surplus funds have been invested |
| 4) Non Convertible Debentures | Income generated from investment (A) | Weighted Average Investment (B) | 0.08       | 0.05       | 60.00          | Increase due to Improved return on investment where surplus funds have been invested |

## 72. Donations under Note 36 includes donations for political purposes

Pursuant to the Resolution passed at a meeting of the Board of Directors, donation includes amount of ₹ 250 million to Prudent Electoral Trust, which is within the limits specified by Section 182(1) of the Companies Act, 2013. The said amount is required to be distributed directly/indirectly by the Trust, to various eligible political parties (registered under Section 29A of the Representation of the People Act, 1951), as per the provisions of the Income Tax Act, 1961.

During the previous year, donations for political purpose amounting to ₹ 180 million were made through Electoral Bonds.

## 73. Other Statutory Information

- A)** The Group has not entered into any transactions with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 for the year ended 31.03.2024 and 31.03.2023.
- B)** The Group has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person. No trade or other receivable are due from directors either severally or jointly with any other person.
- C)** The Group has not traded or invested in Crypto Currency or Virtual Currency.
- D)** The Group does not have any transaction not recorded in the books of account that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 for the year ended 31.03.2024 and 31.03.2023.
- E)** The Group has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- F)** The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- G)** The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- H)** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. However, the Company, as a part of its treasury operations, invests/advances loans to fund the operations of its subsidiaries which have further utilised these funds for their general corporate purposes/ working capital, etc. within the consolidated group of the Company and in the ordinary course of business. These transactions are done on an arms length basis following a due approval process.

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

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

**Sudhir Soni**  
Partner  
Membership No.: 041870

**Manju D. Gupta**  
Chairman  
DIN: 00209461

**Vinita Gupta**  
Chief Executive Officer  
DIN: 00058631

**Nilesh D. Gupta**  
Managing Director  
DIN: 01734642

**Ramesh Swaminathan**  
Executive Director, Global CFO & CRO and  
Head - Corporate Affairs  
DIN: 01833346

**R. V. Satam**  
Company Secretary  
ACS - 11973

Place: Mumbai  
Dated: May 06, 2024