Annual Report 2018

LUPIN

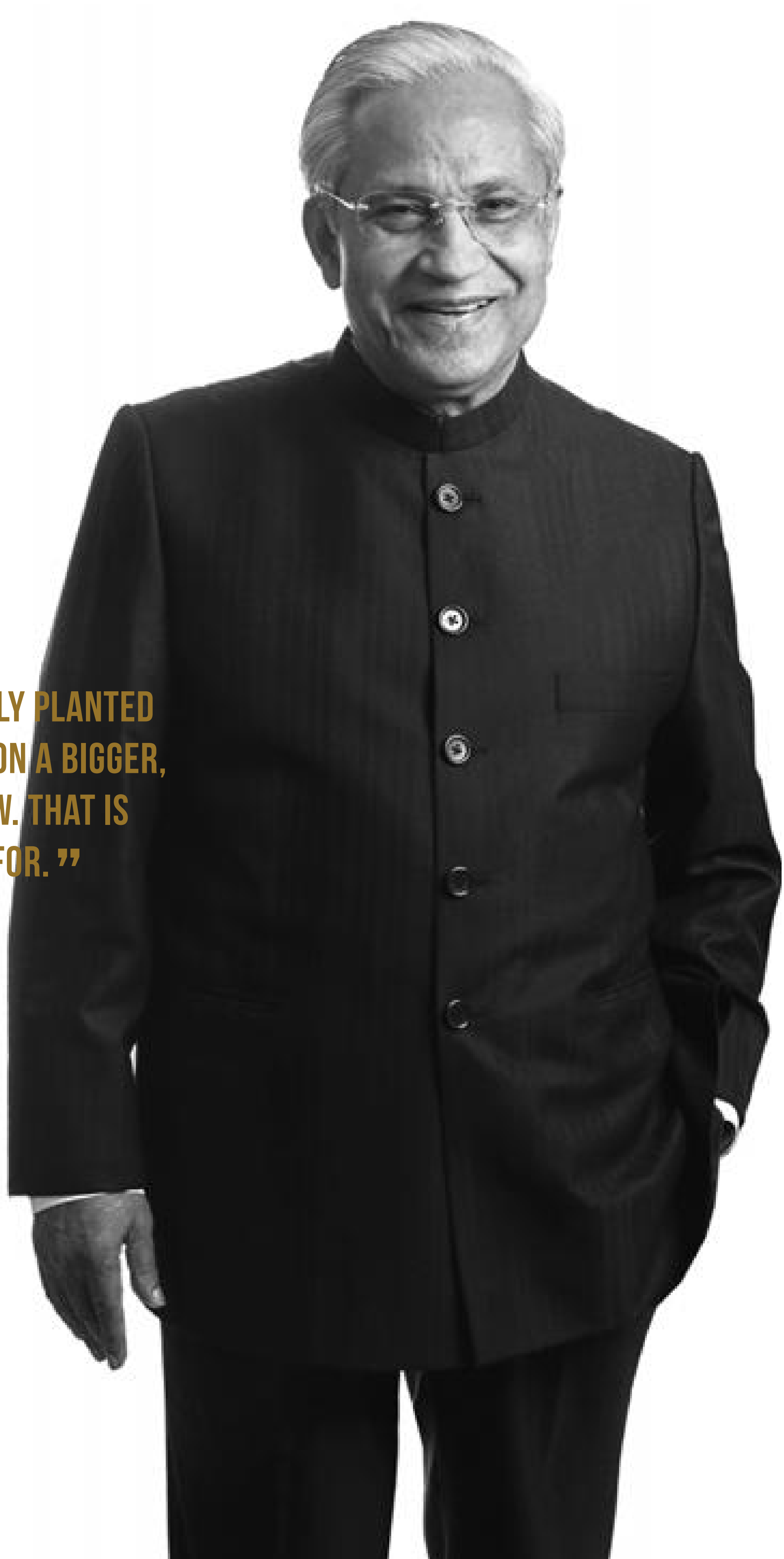
LUPIN IS AT THE TIPPING POINT OF ITS

HERITAGE

AND ITS **DESTINY**

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

What started as one man's journey and his belief in the virtue of his cause has paved the path for Lupin to become a global pharmaceuticals major. As we look back at 50 years of the Lupin journey and pay tribute to Dr. Desh Bandhu Gupta, our beloved Founder, we feel inspired by our Heritage and cherish the Legacy that he created that we now take forward towards our Destiny.



“ WITH OUR FEET FIRMLY PLANTED IN TODAY, WE ENVISION A BIGGER, BRIGHTER TOMORROW. THAT IS WHAT WE ARE HERE FOR. ”

Dr. Desh Bandhu Gupta (DBG)
1938 - 2017
Founder and Former Chairman,
Lupin Limited

Dr. Desh Bandhu Gupta

Lupin began as one man's dream of creating a better world, his belief in *"Simple living and High thinking"*, his aspiration to put India on the global pharmaceuticals map and to do well by doing good. DBG's legacy is one of performance, values and public spiritedness. At 50, his Lupin is a strong and vast fabric woven with his strong values by our cohesive team with its products and technology, through our global web of research laboratories, factories and offices, supported by its distribution and prescription partners as we continue to build and rise in the pharmaceutical world.

When he started Lupin in 1968, his wife, Mrs. Manju Gupta, served as DBG's first investor with an investment of ₹ 5,000. Lupin, to DBG, was a weapon to fight the life-threatening diseases that plagued his nation. Lupin today has successful operations across 100 countries, and it is largely because of the culture of innovation, unyielding integrity, and world-class operations that DBG pioneered. But DBG's true genius as an entrepreneur lay in bringing out the best in every person he interacted with. Business to him was sacred, and he operated with the highest ethical standards, professionalism and respect.

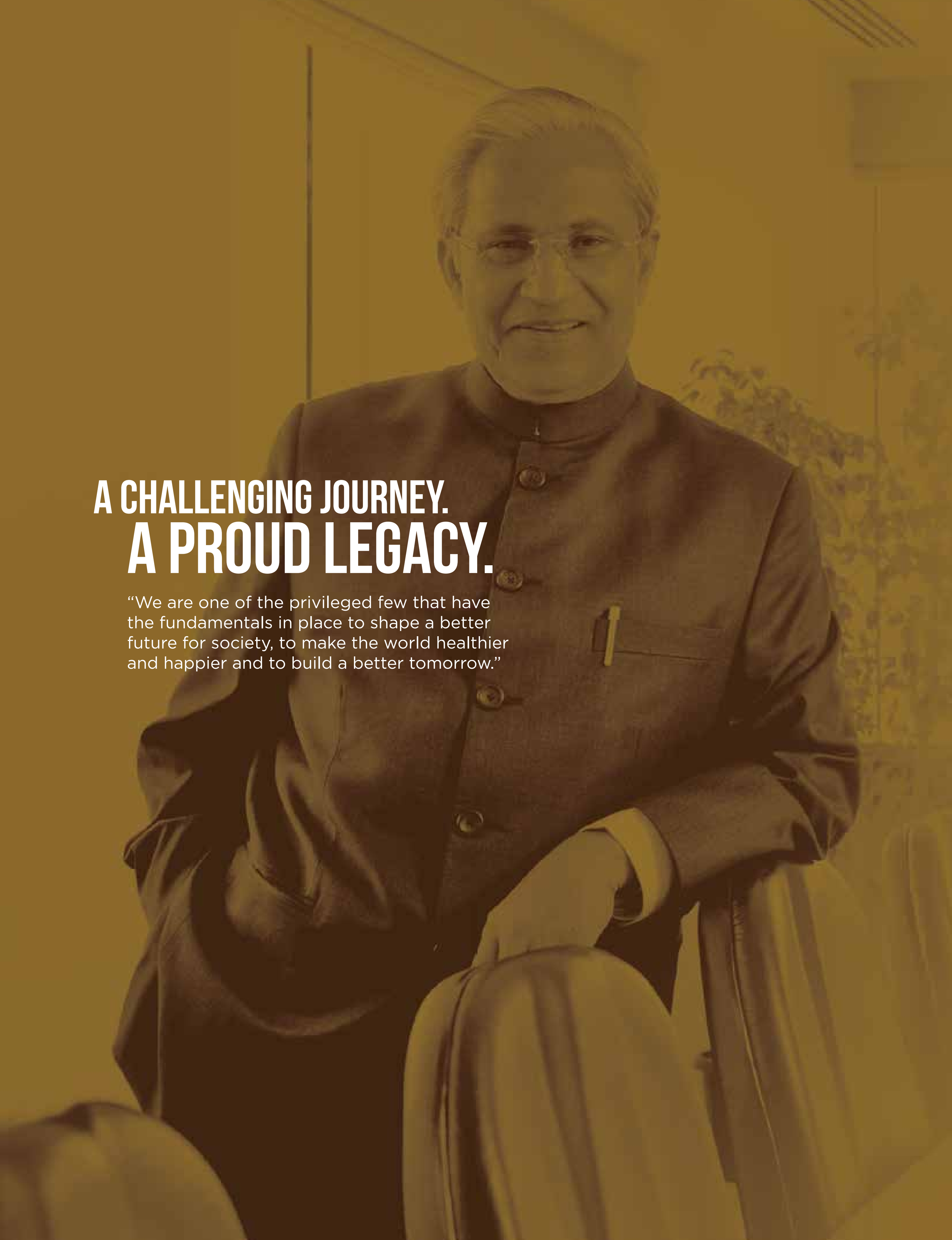
The past 50 years saw struggles and many victories but as was his personality, DBG believed that we learn from our experiences and we don't rest on our laurels, we move on – we have goals to meet, commitments to fulfil and a vision of the future to light the way. In its 50th year, having seen the progress the company had made, DBG believed that its journey has come to a tipping point between its altruistic heritage and its inevitable destiny as a world leader.

As we look forward, DBG's vision guides us. *"Dreaming big is not enough"*, he said *"you must convert these dreams into real actionable plans. You must challenge yourself to seek excellence and to innovate; to continuously connect vision, strategy and execution. That is what makes a company great and go beyond mere growth"*.

Of all the hats he wore in his lifetime, DBG was always most happy to have contributed to creating a more inclusive society – one that provides opportunities to all who need them. He was always proud of being an Indian who contributed to the nation-building process. Lupin has navigated the market without losing sight of its founder's vision. And as we look forward over our 50-year journey and continue to succeed and grow globally, we continue to be inspired by DBG's guiding tenets: To focus on research to be a growth driver; To make technology a differentiator to achieve world-class manufacturing standards; To focus on Quality; People are our strength – bringing the right people on board, giving them autonomy, enabling them to succeed; Caring for our people and all our stakeholders; Always stand for affordable quality healthcare, especially in areas of unmet needs; We are truly a multinational pharmaceutical company originating out of India – with India being our home market; Build a meaningful and differentiated Specialty business; Give back to society in a truly meaningful way.

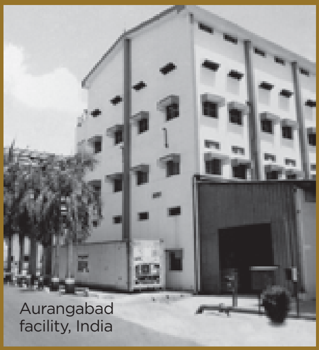
As we continue the journey started in 1968, we commit to the legacy that is our honour to uphold.

50 YEARS OF LUPIN



A CHALLENGING JOURNEY.
A PROUD LEGACY.

“We are one of the privileged few that have the fundamentals in place to shape a better future for society, to make the world healthier and happier and to build a better tomorrow.”



1968-1991

1968: Lupin commences business

1972: Lupin Laboratories Pvt. Ltd. is incorporated

1979: Commissions first Formulations Plant and an R&D Center at Aurangabad

1981: Commences the production of Ethambutol

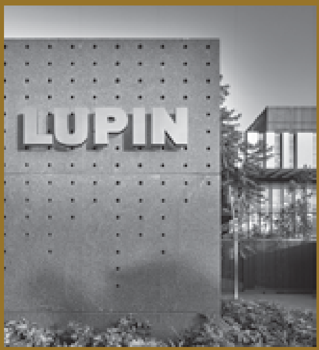
1987: The Cephalexin Plant at Mandideep and 7 ADCA plants at Ankleshwar go on stream

1988: The Lupin Human Welfare and Research Foundation (LHWRF) is founded by Dr. Desh Bandhu Gupta

1989: Gets into a joint venture in Thailand and Lupin Chemicals (Thailand) Ltd. is established

Receives US FDA approvals for Ankleshwar and Mandideep plants

1991: Initiates production of Injectable Cephalosporin (bulk and dosages) at Mandideep



1992-2000

1992: Establishes a Fermentation Plant of Lupin Chemicals Ltd. Tarapur, Maharashtra

Commissions a Sterile Plant for Injectable Cephalosporins (bulk) at Mandideep

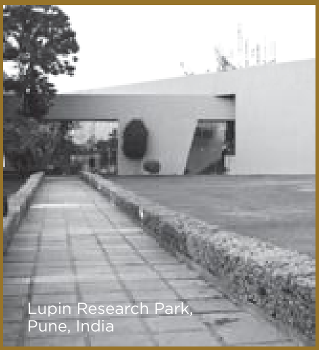
1993: Lupin Laboratories Ltd. and Lupin Chemicals Ltd. raise money through IPOs

1997: Receives US FDA approvals for three plants - Cefaclor at Mandideep, 7 ACCA at Ankleshwar and Rifampicin at Tarapur

1998: Receives UK MCA approval for the Injectable Cephalosporin dosages plant at Mandideep

1999: Receives UK MCA approval for the Injectable Cephalosporin bulk active plant at Mandideep

2000: Receives US FDA approval for the Cefotaxime facility at Mandideep



2001-2002

2001: State-of-the-art R&D Centre, Lupin Research Park at Pune is commissioned

Commences supply of Cephalosporin bulk actives to its alliance partners in the US

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

Becomes the only Asian pharmaceutical company to receive US FDA approvals for its sterile Cephalosporin facility

A state-of-the-art US FDA approved Oral Cephalosporin bulk active plant is commissioned at Mandideep

2002: Exports to the Advanced Markets cross ₹ 1000 million; rising trend of exports as a % of total revenue which went up 33% year-over-year

Patent filings cross 100

First five ANDAs filed

New Anti-TB facility commissioned at Aurangabad

Rablet is rated by ORG-Marg as the second best launch of FY 2002-03

2003-2004

2003: Lupin Pharmaceuticals Inc. USA is formed for trading, marketing and developmental activities in the US

Successfully implements SAP ERP across the Company to unify all business functions and processes

Introduces collaborative messaging and workflow solution on the Intranet

Receives US FDA approval for the Oral Cephalosporin plant at Mandideep

Receives WHO approval for state-of-the-art formulation plant, Aurangabad

2004: Commences its US Brands Business with the launch of Suprax®

Goa Facility, India

2005-2006

2005: Receives the US FDA approval for Goa

Launches its Generics Business in the US with four products

Implements maiden Employees Stock Option Plan

Receives US FDA approval for new Lovastatin plant at Tarapur

2006: Maiden Bonus shares issued in the ratio of 1:1

Maiden issue of Foreign Currency Convertible Bonds (FCCB) aggregating USD 100 million, listed on the Singapore Stock Exchange

Receives the MHRA (UK) and WHO approval for Goa

Kyowa Pharmaceutical Industry, Japan

2007-2009

2007: Acquires Kyowa Pharmaceutical Industry Company Ltd., a leading Generics Company in Japan

Acquires Vadodara based Rubamin Laboratories Ltd. (rechristened to Novodigm Ltd.)

Starts commercial production at the new finished dosage facility at Jammu

2008: Expands its product basket in Japan-Kyowa and receives approvals for ten products from the Ministry of Health & Labour Welfare, Japan

Acquires Hormosan Pharma GmbH in Germany

Acquires a stake in Generic Health Pty Ltd., Australia

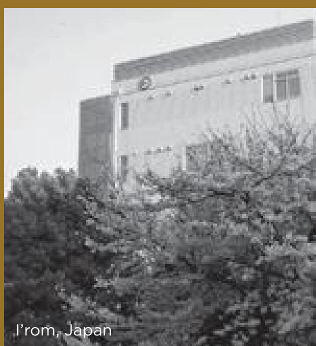
Acquires a majority stake in Pharma Dynamics, South Africa

Sets up a Biotech facility at Pune

2009: Acquires majority stake in MultiCare Pharmaceuticals Philippines Inc.

Acquires the US rights for Antara®

50 YEARS OF LUPIN


I'rom, Japan

2010-2013

2010: Emerges the 5th largest Generic Player in the US

2011: Acquires I'rom Pharmaceuticals in Japan

Enters into a Joint Development Agreement with Medicis

Acquires Worldwide Rights for the Goanna® Brand

Starts commercial production at the new Oral Solid Dosage facility at Pithampur

2012: Enters the NIFTY 50 Index

2013: Expands its branded play with exclusive US rights to Alinia® for Oral Suspensions


Medquímica, Brazil

2014-2015

2014: Acquires Laboratorios Grin S.A. De C.V., Mexico, Specialty Ophthalmic Company and with this enters the Latin American market

Acquires Nanomi B.V., enters Complex Injectables space

Inks Strategic Joint Venture Agreement with Yoshindo Inc. in Japan

2015: The Center of Excellence for Inhalation Research in Coral Springs, Florida is inaugurated

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

Acquires Medquimica Industria Farmaceutica S.A. in Brazil

Completes the acquisition of Pharma Dynamics in South Africa

2016-2018

2016: Acquires Gavis Pharma in New Jersey

Inaugurates a new plant at Visakhapatnam

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

Bolsters the US Brands Portfolio with Methergine® Oral Tablets

Commissions a new plant at Tottori, Japan

2017: Acquires Symbiomix Therapeutics, LLC in New Jersey

Inaugurates a new plant at Sikkim

Forays into the OTC segment with Pan India launch of Softovac®

2018: Files a new drug application for Etanercept Biosimilar in Japan

Commissions Injectables facility at Nagpur

CONTENTS

BUILDING A BRIDGE TO OUR DESTINY

Chairman's Letter

Dear Shareholders,

People often ask me what drives Lupin's success. While there are many factors that contribute, the core answer has always been Dr. Desh Bandhu Gupta – the light of Lupin. He was a larger-than-life visionary with a down-to-earth personality. More than a business leader, he was a committed champion of healthcare who believed that working in this sector was not a profession but a privilege. It was this combination that made him rare; as rare as the company we have grown to become. Success, however, is seldom the result of solitary genius. It is a consistent collaboration between different ideas and individuals unified by a common vision. Ours is an ardent ambition to advance human wellness.

The completion of 50 years marks a celebratory and formidable chapter in our growth story. We are proud of how far we have come. We are now redefining our approach to enhance our competitive advantage and become a well-diversified global pharmaceutical leader. We intend to be at the forefront by investing innovatively in our products, portfolio and market expansion – all underpinned by our excellence in execution. We shall do so while upholding our deep-seated values and our accountability to the many stakeholders we serve. We will emerge as a company better positioned to meet the transforming needs of the healthcare sector.

I am confident in our continued success because, like DBG, I am confident about the strength of our team which strives towards outcomes with great energy and effort. Our drive to deliver innovation-led value, be global yet stay local and lead with a passion to touch people's lives makes us distinctive. As we progress towards a promising future, DBG and his values will continue to guide us.

Thank you for your solidarity and support.

Sincerely,
Mrs. Manju D. Gupta
Chairman
Lupin Limited

KEEPING OUR HERITAGE ALIVE

Vice Chairman's Letter

Dear Shareholders,

The year 2018 marked Lupin's Golden Anniversary, a significant milestone in the evolution of the Company. Ironically, it was also the year in which we reported a subdued financial performance, an aberration to our otherwise stellar track record. This was largely due to challenges faced in our US business concomitant to adverse competitive dynamics as well as regulatory hurdles limiting new launches to offset the impact. At the core, however, we are committed to deliver on our strategic intent to emerge as a formidable Complex Generics and Specialty focused pharmaceutical company with unique differentiators as a driving force. We achieved significant milestones during the year in this direction, including completion of the Symbiomix acquisition, our first Biosimilar filing and meaningful progress on other complex generics. While the pillars for our next trajectory of growth are firmly in place, as always we are focused on execution to help realize our strategic intent.

While we remain enthused about our prospects over the medium to long term, thanks to our evolving focus on Complex Generics and Specialty, we are also committed to addressing some of the near-term business challenges. Resolution of the regulatory issues at two of our manufacturing units at the earliest remains a top near-term priority. In the US, Solosec™'s ramp-up and potential synergistic additions to the Women's Health franchise would aid predictability and growth of the Specialty business. Our strength in the domestic market and increasing penetration in emerging markets would augment growth, lending requisite thrust as we re-ignite our growth engines. With the evolving market dynamics, we will remain adaptive and agile to realign our cost structure, ensuring optimal capital allocation to deliver lasting shareholder value.

Lupin's ethos draws in from its core value system and inspiring leadership of our founder Dr. Desh Bandhu Gupta. This has laid a strong foundation which has helped Lupin emerge as one of the leading generic pharmaceutical companies globally, delivering significant stakeholder value over time. We believe that our team backed by passion and strong capabilities built over the years would remain the driving force to steer the Company into the new orbit of growth.

I take this opportunity to thank our team and express our gratitude to all our stakeholders for their unrelenting commitment and belief in Lupin's vision, thus helping us shape the Lupin story for the future.

Sincerely,

Dr. Kamal K. Sharma

Vice Chairman
Lupin Limited

BUILDING OUR DESTINY

CEO & MD's Letter

Dear Shareholders,

FY2018 was a tough year; but it was one that reaffirmed our strong foundation. We stood, together as a focused team yielding promising outcomes even in the face of extreme pricing and revenue pressures, intensified competition, volatile industry conditions and regulatory challenges. Having crossed the pivotal 50-year mark with a prolific journey of successes amidst challenges, our primary agenda now is to accelerate our transformation.

We started FY2018 with headwinds across the global generics industry. The industry as a whole has been under pressure for the last few years but the US generics industry in particular has faced unprecedented pressures that impacted our financial performance. The combination of our diversified global footprint and our performance in other markets enabled us to offset much of the pressures in the US. India, our second-largest market, recorded a strong 11% GST-adjusted growth, APAC grew 13.5% driven by the brands we acquired from Shionogi, EMEA grew 11.2% led by strong performances in Germany and South Africa, and Latin America grew a record 28.1%. Lupin today is the 8th largest generics company by sales globally; the 3rd largest Indian pharmaceutical company by global sales and the 4th largest pharmaceutical player in the US by prescriptions.

We made meaningful strides advancing our specialty business globally in FY2018. The acquisition of Symbiomix Therapeutics LLC in the US brings a meaningful anchor product, Solosec™, a truly differentiated product that meets an unmet market need in women's health. We have built a world class women's health team in the US to ensure successful execution of Solosec™. We successfully launched Bipresso and entered the CNS specialty market in Japan. In Europe we filed NaMuscla™ (Mexelitine) for myotonia/neurological disorder with orphan designation and look to commercialize it soon.

We also made meaningful headway in advancing our pipeline over the past year. We filed 36 ANDAs, including our first set of injectable products. We made strong progress across our complex generics pipeline enabling us to file our first biosimilar application for Etanercept in Japan. We also advanced our Inhalation pipeline with successful completion of a Phase 3 trial on Tiotropium DPI. Through careful portfolio rationalization, we have now optimized our R&D investments to 12% of Net Sales.

Over the years, we have established a well-balanced global business in both advanced and emerging markets. We have further diversified our business by investing in meaningful Generic products, Complex Generics and Specialty. Our focus in the near term is to maximize our realization from these investments by delivering on the complex generics pipeline and building our specialty business while gaining cost efficiencies to offset margin pressures.

We are very proud of where Lupin has reached. We are a global leader in generics and have strong growth momentum in important markets like India and Latin America. Our company's inherent strength of entrepreneurship, agility and innovation, is more important today than ever as we embark on our next growth orbit and build a stronger, more efficient organization that is well prepared to meet our near and long-term growth aspirations.

We are committed to evolve Lupin as a global leader in the pharmaceutical industry overall while staying very grounded to our purpose – to make a difference by providing affordable quality medicines, particularly in areas of unmet needs. Our beloved father and Founder, Dr. Desh Bandhu Gupta established Lupin with very strong purpose, values and principles that we are honored to be part of. With humility and pride, we are committed to carrying the Lupin legacy forward.

Sincerely,

Vinita Gupta

Chief Executive Officer
Lupin Limited

Nilesh Gupta

Managing Director
Lupin Limited

CORPORATE INFORMATION

DIRECTORS
Mrs. Manju D. Gupta, Chairman
Dr. Kamal K. Sharma, Vice Chairman
Ms. Vinita Gupta, Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta, Managing Director
Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director
Dr. Vijay Kelkar, Independent Director
Mr. R. A. Shah, Independent Director
Mr. Richard Zahn, Independent Director
Dr. K. U. Mada, Independent Director
Mr. Dileep C. Choksi, Independent Director
Mr. Jean-Luc Belingard, Independent Director

LEADERSHIP TEAM
Dr. Kamal K. Sharma, Vice Chairman
Ms. Vinita Gupta, Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta, Managing Director
Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director
Dr. Rajender Kamboj, President - Novel Drug Discovery & Development
Mr. Naresh Gupta, President - API Plus & Global TB
Mr. Rajeev Sibal, President - India Region Formulations
Mr. Alok Ghosh, President - Technical Operations
Dr. Cyrus Karkaria, President - Biotechnology
Mr. Sunil Makharia, President - Finance
Mr. Yugesh Goutam, President - Global Human Resources
Mr. Debabrata Chakravorty, President - Global Sourcing & Contract Manufacturing
Mr. Rajendra Chunodkar, President - Global Supply Chain & Technology
Dr. Sofia Mumtaz, Head - Pipeline Management and Legal
Mr. Martin Mercer, President - Latin America
Dr. Thierry Volle, President - Europe, Middle-East & Africa
Dr. Fabrice Egros, President - Asia Pacific & Japan
Dr. Kurt Nielsen, President - Somerset, USA
Mr. Jim Loerop, Chief Corporate Development Officer
Mr. Nicholas Hart, President - Specialty, USA
Mr. Noriaki Tsunoda, President - Kyowa Pharmaceutical Industry Co., Ltd., Japan

REGISTERED OFFICE
Kalpataru Inspire, 3rd Floor, Off Western Express Highway,
Santacruz (East), Mumbai - 400 055, India.
Tel: + 91 22 6640 2323 | Fax: + 91 22 6640 8131

CORPORATE OFFICE
Laxmi Towers, 'B' Wing, 3rd Floor, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051, India.
Tel: + 91 22 6640 2222 | Fax: + 91 22 6640 2130

Website
www.lupin.com

E-Mail
info@lupin.com

CORPORATE IDENTITY NUMBER
L24100MH1983PLC029442

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.,
Unit: Lupin Limited, C 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083, India.
Tel: +91 22 4918 6270 | Toll Free No.: 1800 1020 878
Email: rnt.helpdesk@linkintime.co.in

COMPANY SECRETARY
Mr. R. V. Satam

AUDITORS
B S R & Co. LLP, Chartered Accountants

INTERNAL AUDITORS
Ernst & Young LLP
PricewaterhouseCoopers Pvt. Ltd.

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

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Dr. Vijay Kelkar, Chairman
Dr. K. U. Mada

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mrs. Manju D. Gupta, Chairman
Dr. Kamal K. Sharma
Ms. Vinita Gupta
Mr. Nilesh Deshbandhu Gupta
Dr. Vijay Kelkar

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

STRATEGIC ADVISORY BOARD
Mr. Jean-Luc Belingard
Mr. Franceso Granata
Ms. Yvonne Greenstreet
Mr. Paul Edick

KEY CONTACTS
Ms. Pooja Thakran
Vice President - Corporate Communications
Email: poojathakran@lupin.com

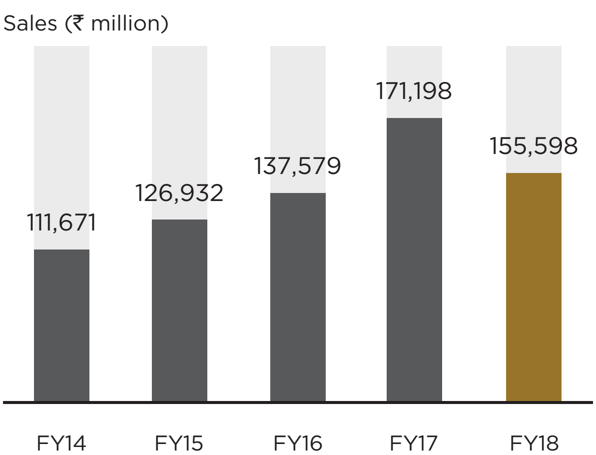
Mr. Arvind Bothra
Head - Investor Relations
Email: arvindbothra@lupin.com

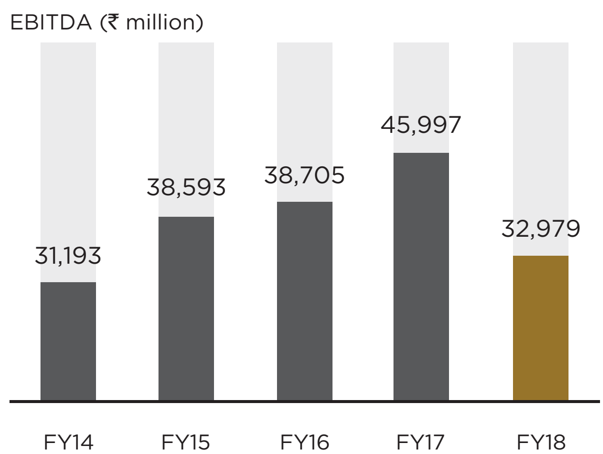
Mr. Pradeep Bhagwat
Investors' Services
Email: pradeepbhagwat@lupin.com

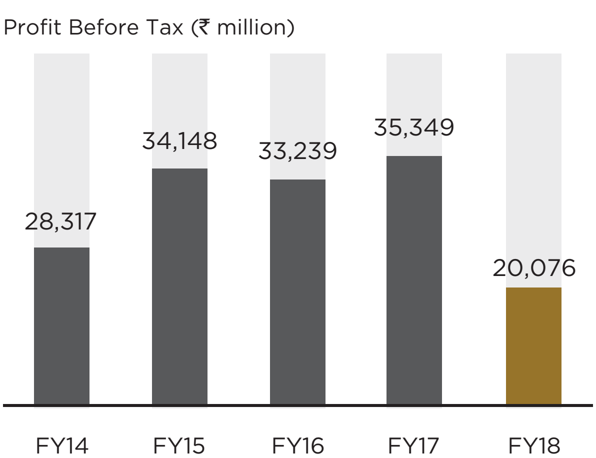
OUR ACCOLADES

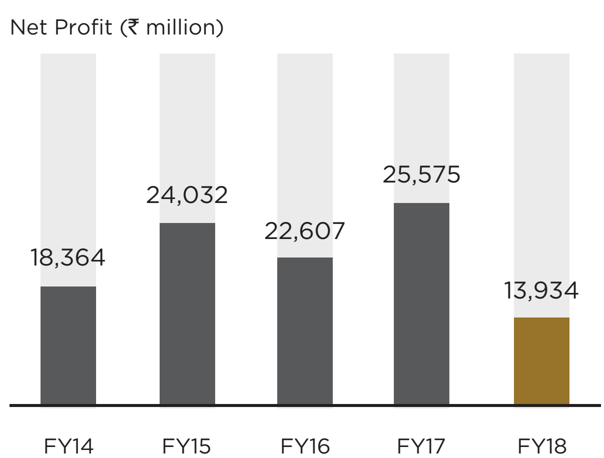
- **Dr. Desh Bandhu Gupta inducted into the 'Hall of Fame', CNBC-TV18 India Business Leader Awards,** 2018
- Lupin ranked **No. 1 in the Biotech and Pharma, and No. 4 amongst large organizations** in the List of Top 100 **Great Place to Work 2017**
- **Walmart Supplier of the Year Award,** 2018
- **Cardinal Supply Chain Excellence Award,** 2018
- **Best Award** from Association of Talent Development (ATD), 2017
- Symbiomix Therapeutics, LLC received **BioNJ 2017 Innovator Award** for its approval of Solosec™
- **India Pharma Bulk Drug Company of the Year,** 2018 by Department of Pharmaceuticals, Govt. of India
- **Dun & Bradstreet Corporate Award** in the Pharmaceutical Sector, 2017
- **Forbes Global 2000** (The World's Biggest Public Companies), 2017
- Thomson Reuters **'India Innovation Award'** for Research & Development at Lupin, 2017
- **Vinita Gupta** received **Hall of Fame Award** for **The Most Powerful Business Women,** 2017 by Business Today
- **Ramesh Swaminathan** awarded Best CFO at the **Business World Best CFO Awards** for Best Inorganic Growth Strategy, 2017

FINANCIAL HIGHLIGHTS 2018







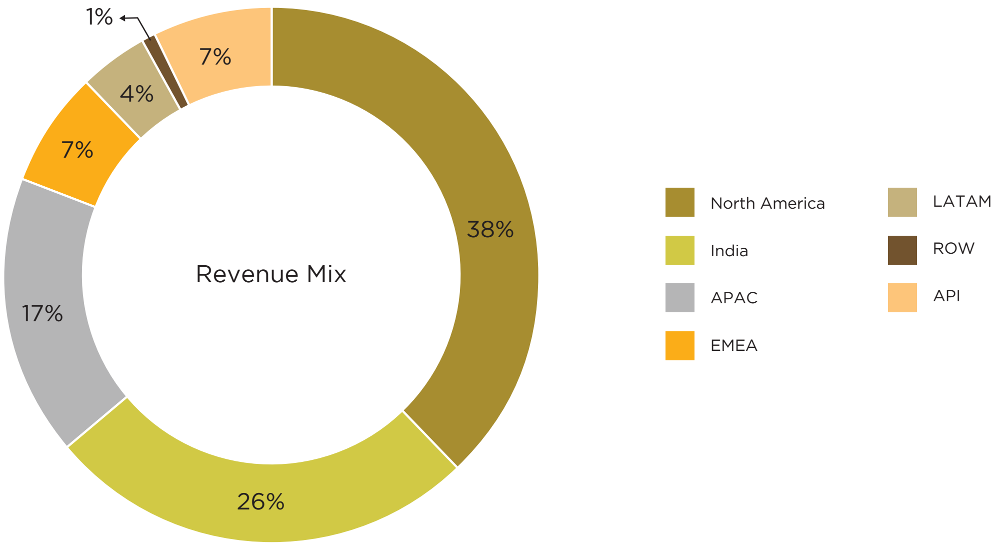


Note:

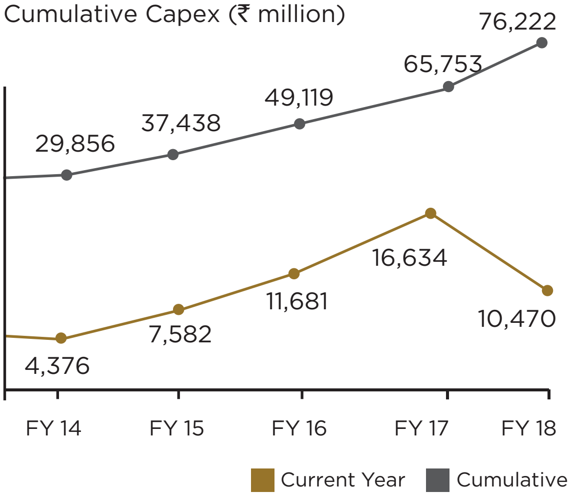
1. The Company has transitioned the basis of accounting from Indian Generally Accepted Accounting Principles ("IGAAP") to Ind AS with effect from April 1, 2016. Hence, numbers are not strictly comparable.

2. Numbers reported above are before exceptional items:

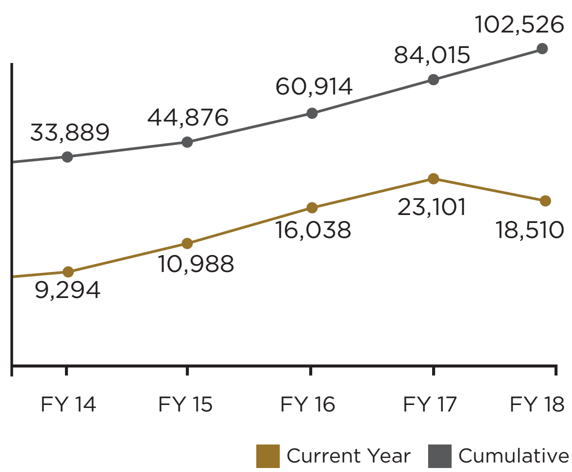
- *Impairment provision of ₹ 14,644 million on certain intangible assets acquired as part of Gavis group acquisition*
- *Deferred tax assets of ₹ 3,223 million created on difference between tax base and book base of certain intangible assets of Gavis*



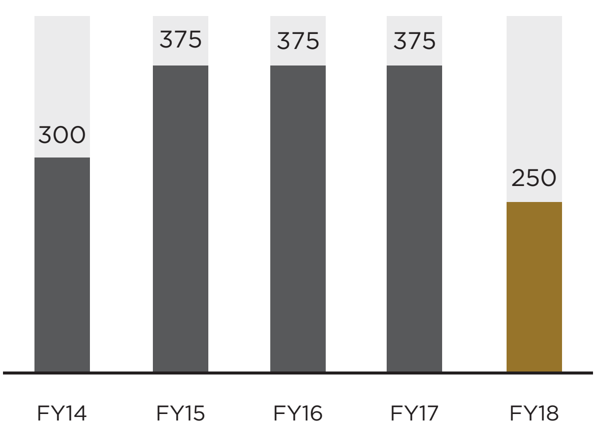
Cumulative Capex (₹ million)



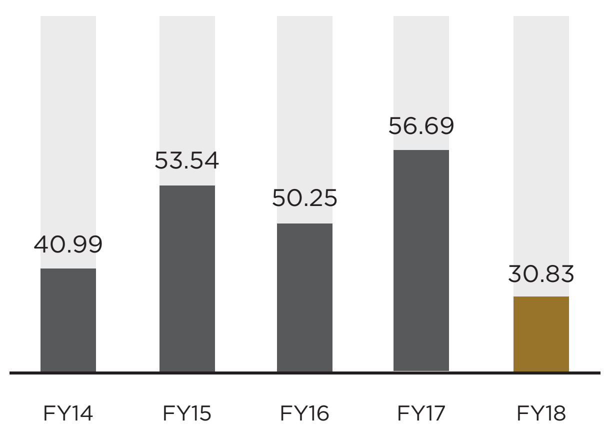
Cumulative Revenue R&D (₹ million)



Dividend (%)



Earnings Per Share - Basic (₹)



United States

CREATING GROWTH DRIVERS

38% Contribution to Lupin's global revenues

4TH Largest pharmaceutical company in the US by prescriptions

398 Cumulative ANDA filings as on 31st March, 2018

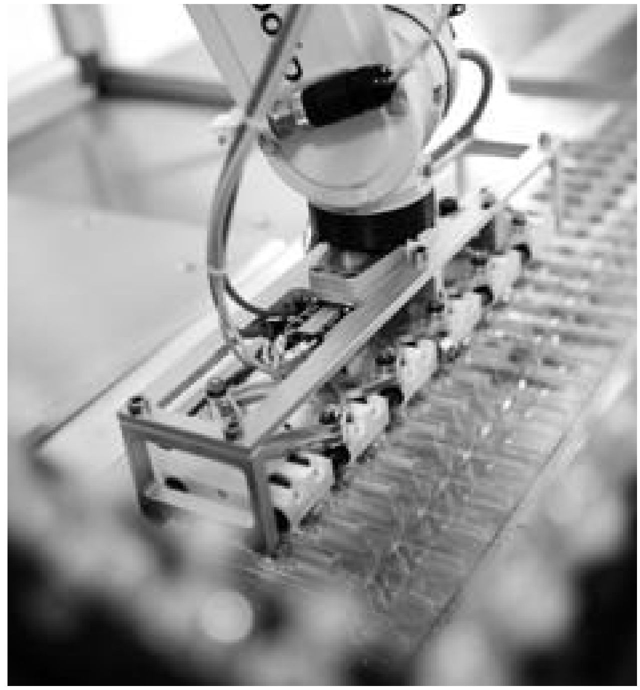
LUPIN HAS MADE SIGNIFICANT STRIDES IN BUILDING A SUSTAINABLE, VIBRANT BUSINESS IN THE US EVER SINCE IT ENTERED THE MARKET 15 YEARS AGO. THE US HAS BEEN THE STRONGEST GROWTH DRIVER FOR THE COMPANY AND ITS PERFORMANCE OVER THE LAST 10 YEARS HAS BEEN ONE OF THE MOST REMARKABLE GROWTH STORIES IN THE PHARMACEUTICAL INDUSTRY. BUILDING ON THAT FOUNDATION, WHICH WAS LAID BRICK-BY-BRICK, LUPIN NOW LOOKS TO FURTHER CONSOLIDATE ITS POSITION BY BUILDING A MEANINGFUL SPECIALTY AND COMPLEX GENERIC BUSINESS.

Lupin is the 4th largest pharmaceutical player in the US by prescriptions (IQVIA NPA, March 2018). Headquartered in Baltimore, Maryland, the Company's US marketing arm, Lupin Pharmaceuticals Inc. (LPI), is dedicated to delivering superior quality branded and generic medicines trusted by healthcare professionals and patients across the region.

Over the last five years, the Company has made strategic investments in the US-based Research & Development infrastructure and manufacturing facilities. The Research & Development centre for Inhalation, located in Coral Springs, Florida, was established in 2013 and commenced full operations in early 2014. The Somerset, New Jersey-based manufacturing and research operations were acquired in 2016 as part of the GAVIS transaction. This enabled the Company to broaden its pipeline in Controlled Substances, Dermatology, Women's Health and other niche therapeutic areas.

In October 2017, Lupin acquired Symbiomix Therapeutics, LLC and its FDA approved brand, Solosec™. Solosec™ is the first and only approved single-dose oral treatment for Bacterial Vaginosis (BV) – the most prevalent gynaecologic infection in the US, affecting 21 million women between the ages of 14 to 49 annually. The acquisition of the Solosec™ franchise significantly expands Lupin's Women's Health specialty business.

The Company's Net Sales for the US in FY2018 experienced a 27% decline from the prior year to close the year at USD 879 million. The Brands business contributed USD 90 million i.e. 10% of the total US sales and grew 16% from the previous year. The Generics business contributed USD 789 million i.e. 90% of the total US revenues which was a decline of 30% from the previous year. The overall decline in US revenues were a result of loss of exclusivity on two key molecules and price erosion coming in the wake of channel consolidation and intensified competition.



US Generics

LPI is currently the 5th largest Generics company in the US with a 5.3% market share by prescriptions (IQVIA NPA Audit). LPI's strength in the Generics market is best characterized by its ability to achieve leading market shares. As of March 2018, 51 of the 157 Generic products marketed by LPI in the US were Ranked No. 1 by market share and 109 of the 157 were in the Top 3 by market share (IQVIA Generics Module, March 2018). The Company has leveraged its strengths to focus on increasing its market shares not only via new launches but also through consolidating its position in existing products. Importantly, constantly engaging with trade partners, customers and world-class execution has fortified the Company's supply chain to ensure industry leading service levels.

The Company filed 36 ANDAs in the US market during FY2018 and currently has 163 ANDAs pending approval, addressing a total market size of over USD 60 billion. Lupin's first-to-file ANDAs pending launch stand at 36, including 15 exclusive first-to-file ANDAs targeting a market size of more than USD 2 billion.

Despite the market challenges, in-line units grew nearly 6% in the year. The Company launched 22 products in FY2018, including Oseltamivir Oral Suspension and Capsules, Memantine Hydrochloride ER Capsules, Lanthanum Carbonate Chewable Tablets, Moxifloxacin Ophthalmic Solution and Buproprion Hydrochloride ER Tablets.

US Brands

One of Lupin's differentiators traditionally has been its US branded business and the Company is committed to re-establishing the Branded business as a growth driver for the coming years. Early in FY2017, the LPI brand team repositioned and began promotion of two new products from the GAVIS portfolio, Methergine® and Methylphenidate. In FY2018, these brands contributed significantly driving the total Branded revenues to USD 90 million.

During the past year, the Branded business in the US was restructured into Pharma and Specialty salesforces to target high value Health Care Practioner groups and push for productivity. Alternative channels were also leveraged to ensure market access, coverage and trade availability. The Specialty salesforce primarily promoted Methergine® and the Pharma salesforce primarily promoted legacy brands Suprax and Antara, along with Methylphenidate.

As mentioned earlier, FY2018 also marked the successful acquisition of Symbiomix Therapeutics, LLC and its FDA approved brand Solosec™. The current standard therapy for BV has shown 50% of women treated have a recurrence within 12 months. The Company is confident of connecting with targeted Obstetrics and Gynaecology and Primary Care Physicians and committed to helping prevent and manage women's health conditions with serious consequences.

FY2018 marks the beginning of our efforts to re-establish our Branded business as an engine for growth. As we move into the next year and beyond, the collective aim is to fortify and diversify our portfolio. The Company will focus on executing a highly successful launch of Solosec™. We also intend to build on opportunities with the launch of additional products developed and filed with the US FDA.

Dispensed TRx: US Pharmaceutical Industry

Total Industry, MAT March 2018

Lupin is ranked 4th in the US industry standings of leading corporations.

MAT March 2018

Leading Corporations	TRx's mn	% Market Share	% Growth
US Industry			**-0.30%**
Teva	621	13.19%	-2.49%
Mylan	299	6.36%	-14.03%
Novartis	254	5.39%	-11.55%
Lupin	**212**	**4.50%**	**2.75%**
Aurobindo	205	4.35%	11.11%

Source: IQVIA, National Prescription Audit, March 2018

Unbranded Rx Generics, MAT March 2018

Lupin is ranked 5th in the US industry standings of unbranded Rx generics.

MAT March 2018

Leading Corporations	TRx's mn	% Market Share	% Growth
US Industry			**0.46%**
Teva	545	14.36%	-2.30%
Mylan	289	7.62%	-13.90%
Sandoz (Novartis)	219	5.76%	-11.36%
Aurobindo	205	5.39%	11.11%
Lupin	**200**	**5.27%**	**0.39%**

Source: IQVIA, National Prescription Audit, March 2018, Report Filters: Brand/Generic - GENERIC, Rx Status – Rx.

India

ADDRESSING UNMET NEEDS

26% Contribution to Lupin's global revenues

5TH Largest in Indian Pharmaceutical Market

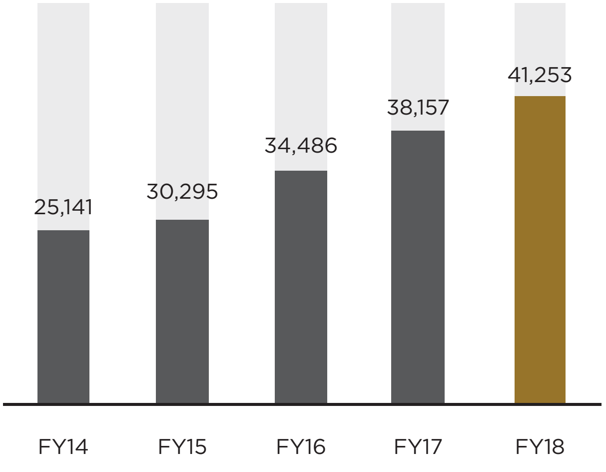
2ND Highest revenues from new product launches in the last 24 months

INDIA STANDS STRONG AS LUPIN'S 2ND LARGEST BUSINESS BY REVENUE AND HAS EMERGED AS A TOP PERFORMER DESPITE A TOUGH OPERATING ENVIRONMENT.

Lupin's India business has been a dynamic front-runner despite the challenges presented by the impact of the GST implementation, regulatory challenges and pricing pressures. The implementation of GST impacted our price realization by ~3% by subsuming all other taxes into a single consolidated tax. The first quarter which was the period just before GST implementation, saw a significant impact on volumes as the trade de-stocked resulting in Industry de-growth. However, the Industry recovered post the GST scenario and Lupin's performance was impressive.

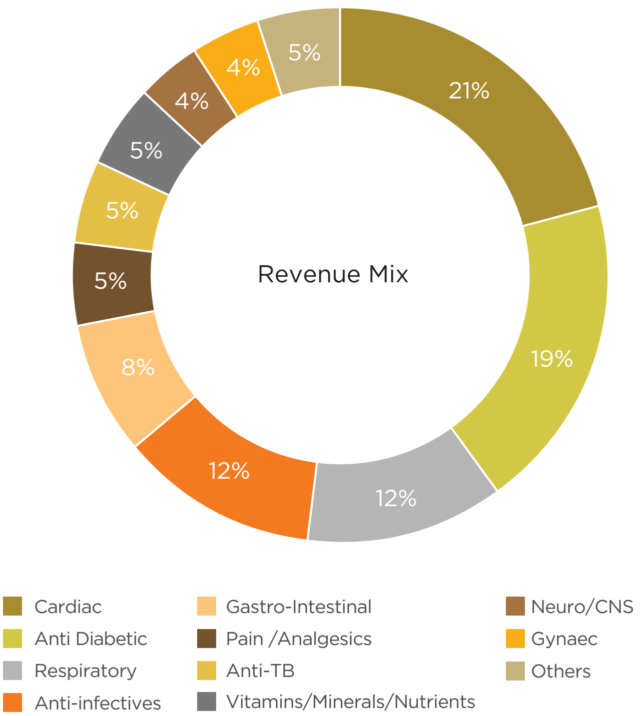
For the year ended 31st March, 2018, our Domestic Formulation Revenue stood at ₹ 41,253 million, representing a growth of 8% over the previous year as compared to the market growth rate of 6%. With a 3.5% Market Share (as per IQVIA MAT, March 2018), Lupin's India business moved to 5th rank in sales this year from the 6th rank in Indian Pharmaceutical Market (IPM) last year.

Domestic Formulations Sales (₹ million)



We have also achieved a distinctive edge at a therapy level – especially across our Top 3 therapies namely Cardiac, Diabetes and Respiratory. The chronic therapies account for 58% of our India business and recorded a robust growth of 13% (vis-a-vis 8% for the market), with an improved ranking to the 4th position from the 5th position in the last year.

THERAPY	SALIENCE %		GROWTH		LUPIN RANK	
	IPM	LUPIN	IPM	LUPIN	MAT MAR'17	MAT MAR'18
Acute	65.2%	42.4%	5.6	3.9	12	11
Chronic	34.8%	57.6%	7.7	12.8	5	4



The Company's top five therapies contribute over 72% of our sales. Our focus is to consolidate our leadership in these areas of strength by launching novel molecules and building market share.

We have maintained our leadership in Anti-TB and Respiratory, where we are ranked No. 1 and No. 2 respectively. In addition to this, we have improved our ranks in the Anti-Diabetic, Neuro/CNS and Gynaecology space and achieved market growth in the Respiratory, Anti-Diabetic and Gynaecology therapeutic areas. At present, five of Lupin's brands are in the Top 300 in IPM and we continue to be the 2nd highest in revenues from new product introductions.

Domestic Market - Lupin's therapy-wise ranking

	MAT March'18 Rank	MAT March'17 Rank	Market Growth %	Lupin Growth %	Lupin MS (%)
Overall	**5**	**6**	**6.3**	**8.9**	**3.5**
Anti-TB	1	1	-3.1	-3.2	55.9
Respiratory	2	2	7.5	13.5	5.6
Cardiac	3	2	6.0	6.2	6.4
Anti-Diabetic	4	6	11.8	24.6	7.4
Neuro /CNS	7	8	3.8	3.6	2.5
Anti-Infectives	10	9	1.5	0.1	3.3
Gynaecology	9	10	4.5	13.7	3.0
Gastro-Intestinal	12	12	5.3	8.3	2.5

Source: IQVIA MAT, March 2018

Our specialized field force outperformed despite a tough environment. We strengthened our team by introducing new knowledge-based initiatives like Konnect – a platform conceptualized and curated by medical experts to provide scientifically relevant content to Medical Practitioners.

Lupin India region is poised for progress, committed to improving patient care and looks forward to yet another year of exceptional performance.

OTC – LUPINLIFE CONSUMER HEALTH CARE

The LupinLife Consumer Health Care division started operations with the pan India launch of Softovac® in Q2 FY2018. With this, Lupin successfully forayed into the fast-growing Over-the-Counter (OTC) segment in the country. Endorsed by popular movie actor Anil Kapoor, Softovac® has strengthened its dominant position in its category and is the only laxative brand to feature in The Economic Times list of Most Promising Brands for 2018.

Lupin plans to strengthen its position in the OTC segment with the launch of Corcal Bone & Beauty, a Vitamins and Minerals Supplement. The product is a unique calcium supplement for women and is positioned as a health and beauty supplement.

Asia Pacific (APAC)

CHARTING NEW PATHS

17% Contribution to Lupin's global sales

6TH Largest generic player in Japan

1ST In-house developed Biosimilar Etanercept filed

LUPIN'S APAC REGION SALES INCREASED BY 14% DURING FY2018; ACCOUNTING FOR 17% OF LUPIN'S GLOBAL SALES. SALES IN JAPAN CLOCKED AT JPY 35,478 MILLION, AN INCREASE OF 23% COMPARED TO FY2017 WHILE AUSTRALIA RECORDED A 28% GROWTH DURING FY2018.

The APAC region accounts for more than 20% of the global pharmaceutical market. Japan continues to be Lupin's 3rd largest market; however, it faces significant cost pressures due to intensified government regulation on drug pricing. Other emerging markets in the APAC region are expected to have increased pharmaceutical spends, which enables upgrading of infrastructure and improved healthcare access. The region grew by 14% over the last fiscal year, whereas Japan which constitutes the largest market declined by 1.3% according to IQVIA.

Japan

In FY2018, our Japan business contributed 13% of our global revenues. Being our largest market in the APAC region, it contributes 80% of the region's revenues. Lupin's subsidiaries in Japan, Kyowa Pharmaceutical Industry Co. Ltd., including Kyowa CritiCare Ltd. (collectively Kyowa), generated JPY 35,478 million in revenues with a growth of 23% over the previous year. We remain the 6th largest Japanese Generic player. Kyowa's strong presence in the Psychiatry and Neurology space, enabled it to successfully license and launch Bipresso™, a Specialty brand from Astellas for the treatment of Bipolar Depression.

During the year, the Generic segment grew by 11% in value, reaching 69% generic penetration on a volume basis by December 2017. We are focused on creating a quality pipeline including Biosimilars. Our joint-venture with Yoshindo (YLB) has progressed significantly with the filing of our first Biosimilar - Etanercept with the Japanese authorities in March 2018. This is a vital step to enter the Biosimilars space in Japan, which we believe is expected to grow substantially in the years to come.

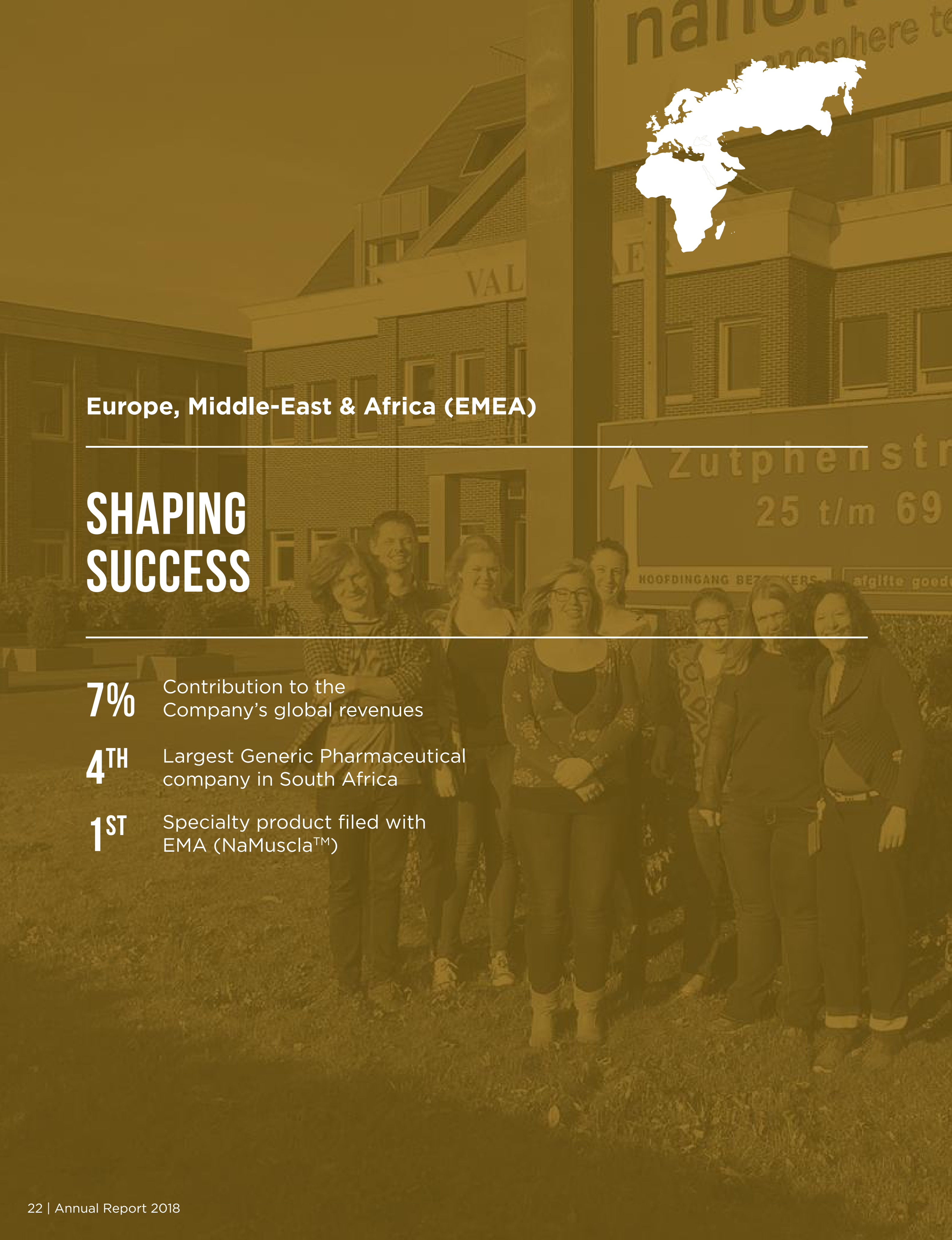
Australia

The Australian pharmaceutical market was valued at USD 13 billion in 2017 with Generics accounting for over 30% of the sales volume. Our Australian subsidiary, Generic Health Pty Limited (Generic Health), had a strong year recording revenues of AUD 43 million and reported a growth of 28%, significantly outperforming the generic market growth. Generic Health is a supplier of generic prescriptions and OTC medicines, is the 5th largest company in sales and one of the fastest growing companies amongst its peers.

The Philippines

The Philippines pharmaceutical market was valued at USD 3.5 billion in 2017, reflecting a growth rate of 8%. Lupin's subsidiary, MultiCare Pharmaceuticals Philippines Inc. (MultiCare), a premium branded generics company, generated total revenues of PHP 2,070 million, a growth of 5% resulting from the termination of low margin third-party licenses. MultiCare has a strong presence in Diabetes, Women's Health, Paediatrics, Respiratory, Central Nervous System and Oncology. MultiCare is the 19th largest pharmaceutical player in the Philippines and has moved to 4th rank from 5th amongst branded generic players (IQVIA Sales MAT, February 2018).

Note: If not specified, the data source is IQVIA MIDAS MAT Q4 2017 in USD at constant currency terms.



Europe, Middle-East & Africa (EMEA)

SHAPING SUCCESS

7% Contribution to the Company's global revenues

4TH Largest Generic Pharmaceutical company in South Africa

1ST Specialty product filed with EMA (NaMuscla™)

LUPIN'S EMEA BUSINESS COVERS THE MARKETS OF EUROPE, THE MIDDLE-EAST AND AFRICA AND HAS BEEN MAKING STEADFAST STRIDES. THE REGION RECORDED REVENUES OF ₹11,252 MILLION IN FY2018, CONTRIBUTING 7% TO THE COMPANY'S GLOBAL REVENUES. WE WILL CONTINUE TO FOCUS ON EXPANDING OUR PRESENCE IN THE TOP FIVE EUROPEAN MARKETS AND IN SOUTH AFRICA. IN PARALLEL, WE WILL ALSO FOCUS ON BUILDING A ROBUST PORTFOLIO IN THE SPECIALTY SPACE.

Europe

Lupin's Europe business recorded strong growth of 20% with sales of ₹ 5,400 million during the year. As part of our strategic vision, we have a strong focus on building a Specialty products portfolio while continuing to grow our Generics business in the region. On the Generic side, we continue to build on a meaningful portfolio of niche products while extending and deepening the relationships with our strategic partners within Europe. Our Specialty play in the Neurology space for the European region will further enhance the value of our business.

In Germany, our emphasis continues on balancing the mix of Generics and Specialty products, particularly in Neurology, where we achieved a substantial sales growth of 18% as compared to FY2017. We continue to invest in creating a quality pipeline for the European markets.

We filed two marketing authorisation applications with the EU Authorities, having received five approvals during FY2018. At present, the cumulative filings for Europe stand at 62 with 59 approvals to date.

South Africa

The South African region has shown remarkable growth in pharmaceutical sales over the years. This is primarily attributed to the Government's initiatives to improve healthcare access for its citizens as well as a favourable economic outlook across the market. The pharmaceutical market is valued at USD 3.9 billion and growing at 8% in value terms.

In FY2018, Lupin's South African subsidiary Pharma Dynamics (PD) achieved net revenues of ZAR 1.05 billion (₹ 5,231 million). According to IQVIA Health, as of March 2018, PD showed a sales growth of 10%. In addition, it is now ranked No. 4 in the prescription generic market in South Africa.

While PD has entrenched its position as the largest pharmaceutical company in the Cardiovascular Systems (CVS) therapeutic market with record sales of ZAR 536 million, it is also growing in the Central Nervous System (CNS) space. The CVS portfolio remains the largest part of its revenues and continues to outperform.

Latin America (LATAM)

EXPANDING OUR GROWTH STORY

28% Sales growth in the LATAM region

4TH Largest Ophthalmic player in Mexico

25% Sales growth in the Brazilian market

LUPIN LATIN AMERICA OPERATIONS ARE IN TWO OF THE LARGEST MARKETS IN THE REGION, BRAZIL AND MEXICO; WITH MEDQUÍMICA IN BRAZIL AND LABORATORIOS GRIN IN MEXICO. BESIDES A MEANINGFUL PHYSICAL PRESENCE IN THE MARKET, THE REGION IS SERVED BY EXPORTS FROM INDIA AS WELL AS A PARTNERSHIP WITH MERCK KGaA.

Brazil

Brazil is a high growth market, accounting for more than 35% of the region's sales and ranked as the 6th largest pharmaceutical market in the world, valued at USD 28 billion, and is projected to grow over 11%.

Lupin's Brazilian subsidiary, Medquímica was acquired in 2015 for its strong manufacturing platform and its efficient substitution generic commercial structure, with the goal to position Lupin in Brazil. It is the largest Indian company in volumes in Brazil and was ranked 2nd in value amongst its Indian peers in 2017. Medquímica grew 25% in value in FY2018, with sales of BRL 157 million, growing at double the market rate. It launched 11 products and filed 15 products for launch in the coming years. The Company also inaugurated an automated warehouse that doubles its capacity and improves its customer service benchmarks as the Company aims to increase its presence in large pharmacy chains.

Mexico

Mexico is Latin America's 2nd and the world's 11th largest pharmaceutical market, valued at USD 11.9 billion as of 2017. The Mexican pharmaceutical market is expected to grow mainly in the Antiviral, Diabetes, Oncology and Cardio-Metabolic therapeutic areas with a shift towards greater export diversity.

Laboratorios Grin, Lupin's subsidiary in Mexico, remains one of the key players in the Ophthalmic segment and continues to deliver steady growth. In the past 12 months, revenues grew at 21% year-on-year, with sales of MXP 643 million delivering a healthy increase on all profitability parameters over industry benchmarks. The growth is primarily attributed to our existing Ophthalmic portfolio and new product approvals obtained at the end of FY2017. In addition, new product launches in the area of Glaucoma, not only complemented the portfolio by covering all lines of treatment, but became the first prostaglandin offered in a new preservative-free technology.

Brazil
Medquímica is now ranked 13th in value and 5th in volume in its reference market. In value, it has improved 11 positions in the total market and 10 positions in its reference market, during the last 5 years.

Apart from our organic portfolio expansion, we are now preparing to enter the medical promotion segment through a mix of in-licensed and self-developed products in Dermatology, under the campaign 'Lupin: High-end Skin Science', opening new avenues for growth.

Mexico
Lab Grin remains No. 4 in the Ophthalmic market in terms of value and No. 2 in terms of units.

Looking ahead, apart from Ophthalmics, the product portfolio will be strengthened across diverse areas including Glaucoma, Lubricants, Supplements, CNS and Respiratory / Antibiotics.

Global Active
Pharmaceutical Ingredients

SUSTAINING STRATEGIC PARTNERSHIPS

7% Contribution to Lupin's global revenues

1ST In Anti-TB segment globally

193 Cumulative DMF filings as of 31st March, 2018

LUPIN IS ONE OF THE LEADING INDIAN PHARMACEUTICAL COMPANIES ENGAGED IN THE ACTIVE PHARMACEUTICAL INGREDIENTS (API) BUSINESS. OUR API CAPABILITIES ARE STEERED BY SUPERIOR CHEMISTRY SKILLS AND QUALITY-DRIVEN AND COST-EFFECTIVE MANUFACTURING.

Our API business has attracted new customers and expanded to more than 50 countries worldwide. Flagship products include Cephalexin, Cefaclor and Ethambutol, which are mainstay Anti-Infective and Anti-TB treatments and have registered revenues exceeding ₹ 1 billion each. During the year, we achieved a turnover of ₹ 10,931 million, a marginal decline of 4% over the last fiscal year.

With a commitment to protect the environment and improve efficiency of existing processes, we are adopting green chemistry enzymatic technologies. We intend to leverage our core fermentation technology expertise to introduce new products in the market and spur our growth. Lupin was the recipient of the Best Bulk Drug Manufacturer Award for FY2017 by UBM India Pharma Awards.

Value Added Finished Formulations Business

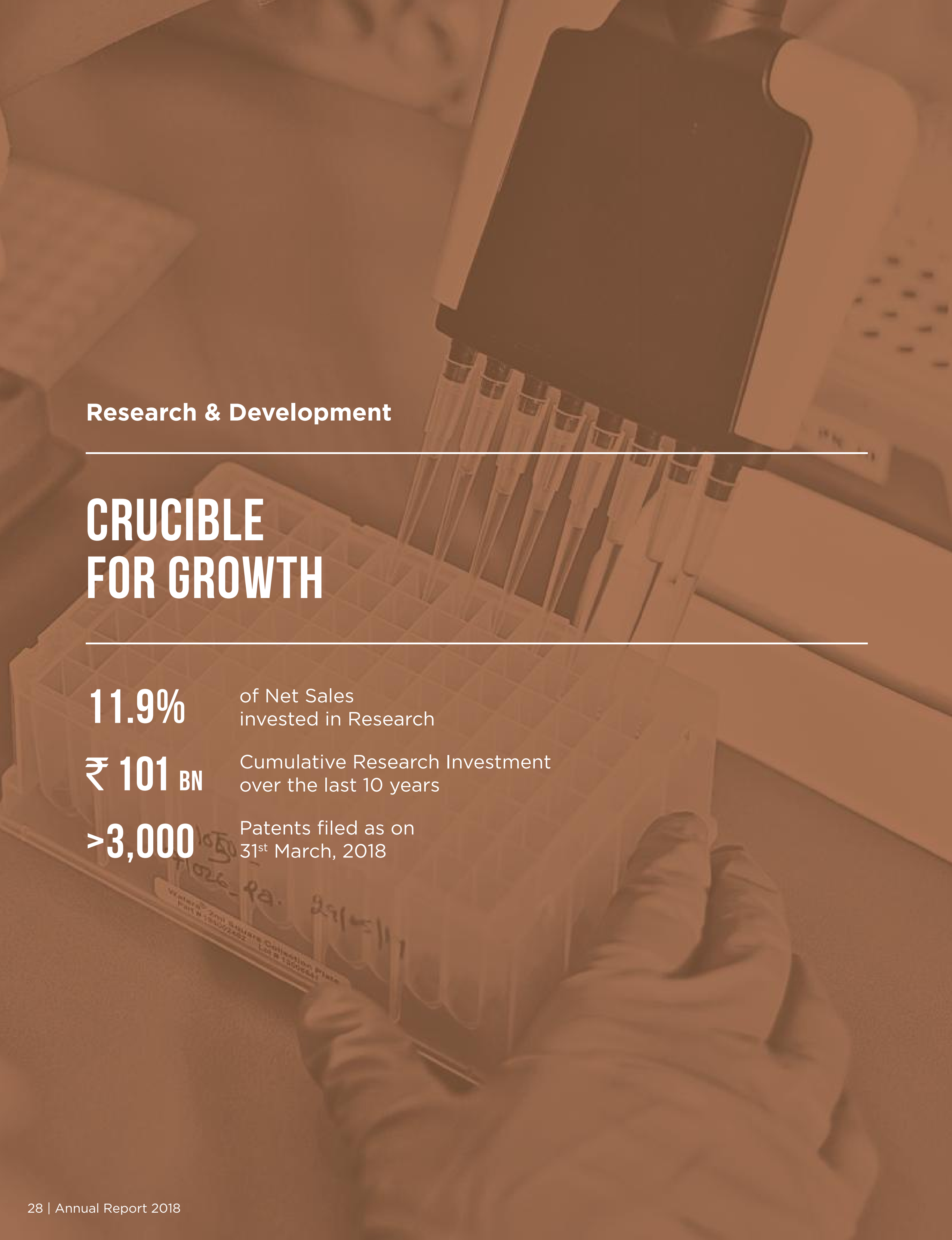
Global Institutional Business (GIB) – Saving lives in the Tuberculosis (TB) arena

Lupin retains its leadership position in the Anti-TB finished formulation supply market. We are the leading supplier to the Global Drug Facility and the Government of India. Currently, our Company is developing a range of second line Anti-TB drugs for Multi-Drug Resistant TB (MDR TB) along with a variety of child-friendly Anti-TB formulations.

Additionally, GIB is also paving the way towards introducing novel drugs in the Anti-Retroviral and Anti-Malaria space.

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

Lupin's P2P business launched several first-to-market products in India and has emerged as a strong and reliable supplier and partner. Our significant products under the P2P portfolio are Rifaximin, Acotiamide and Teneligliptin. During FY2018, the Antihistamine product Bepotastine, was launched. Acogut (Acotiamide), launched in FY2017, has been acclaimed as one of the best launched products in the Acute Care segment.



Research & Development

CRUCIBLE FOR GROWTH

11.9% of Net Sales invested in Research

₹ 101 BN Cumulative Research Investment over the last 10 years

>3,000 Patents filed as on 31st March, 2018

BACKED BY A STRONGHOLD OF 9 R&D SITES IN 6 COUNTRIES, WITH OVER 1,700 SCIENTISTS AND MORE THAN 3,000 PATENTS FILED GLOBALLY, WE ARE NOW LOOKING TO CREATE SYNERGIES - ACROSS MYRIAD MARKETS, PRODUCTS AND FORMULATIONS.

At Lupin, we are embracing advanced technologies, scientific breakthroughs and partnerships that enables us to advance research and development towards building a diversified portfolio and gain a leadership position in important new product introductions. Our R&D helps build a solid foundation as we progress to become a Complex Generics, Biosimilars and Specialty frontrunner.

Spread across 9 R&D sites in 6 countries, with over 1,700 scientists and more than 3,000 patents filed globally, we are well positioned to cater to the unique requirements of distinct markets. Our focus has been to direct R&D spends into areas that reflect the opportunities presented by the markets. The outlay of investments in R&D of ₹ 18.5 billion – which accounts for 11.9% of our sales, is a growth driver to fuel our future. Our R&D investments are calibrated for risk and appropriate returns and encompass a balance of meaningful Specialty and Complex Generics and of products for developed markets like US, Europe and Japan as well as for the emerging markets.

Building on innovation platforms, our endeavour is to shape solutions, discover ideas and explore possibilities in order to provide high quality products across the world. Our key focus areas continue to be Complex Generics, Biotechnology and Novel Drug Discovery and Development (NDDD).

Generic Pharmaceutical and API Research

For Lupin's Generic Pharmaceutical Research team at its Global R&D hub in Pune, India, FY2018 has been another year of strong performance in terms of the number of ANDA filings in US and other advanced markets. The year also marked a successful foray into the injectable space with the filing of our first injectable ANDAs in the US in addition to ANDA filings in the Oral, Ophthalmic, Dermatology and Inhalation space.

The Company's generic pipeline in the Oral Space holds key focus on developing complex products in view of upcoming patent expirations or market needs. This is complemented by a comprehensive pipeline of high entry barrier products with complexities linked with a delivery system, device design and clinical trial requirements in the inhalation and injectable space. Our constant quest is to design a balanced pipeline of products to establish Lupin as a meaningful Complex Generics player while continuing to hold its leadership generic position in markets like the US.

In process research, the Company is developing APIs for Complex Generics and is preparing for development of peptides and Hormonal APIs in the coming year. The Company is vigorously pursuing its initiative in Biocatalysis and Fermentation based processes for APIs.

The Company's Analytical Research facility is fully automated and equipped with state-of-the-art technology. Apart from the newly established Extractable & Leachable laboratory, the facility is equipped with latest equipments ranging from Differential Scanning Calorimetry, Dynamic Vapor Absorption System, Scanning Electron Microscope, Raman Spectroscopy System and Automated preparative HPLCs to name a few.

Key Highlights – FY2018

- Filed 36 ANDAs (26 Orals, 4 Injectables, 2 Dermatology, 2 Ophthalmic and 2 Inhalation), including 2 confirmed exclusive First-to-file (FTF), 6 shared FTFs and 2 First-to-market (FTM) opportunities with US FDA. During the year, Lupin received 24 ANDA approvals from the US FDA
- Filed 20 generic products in other advanced markets including the EMEA region (Europe, Middle East and Africa), APAC region (Japan & Australia), Canada and Latin America (Brazil & Mexico) and received 22 approvals in these geographies. In FY2018, the Company launched 16 new products in these markets
- Submission of 6 US DMFs, 2 EDMFs, 3 Japan DMFs. Also completed exhibit batches for 1 filing each in Japan and GIB as well as the first Oncology DMF

Biotechnology Research

Despite being a late entrant into the Biosimilars space, Lupin has made significant progress towards the development of biosimilar products with a primary focus on regulated markets. Product development to meet the highest regulatory standards has been a key focus at Lupin, leading to the establishment of strong capabilities across the value chain. Additionally, comprehensive regulatory and clinical strategies are developed, based on early advice from US FDA, EMA, Health Canada, TGA, PMDA and others to harmonize regulatory expectations across geographies and establish a totality of evidence.

Key Highlights – FY2018

- The successful completion of the Phase III Global Clinical Trial of Lupin's flagship project Etanercept was a remarkable feat. The Common Technical Document (CTD) and Application for Marketing Authorization was filed with the Japanese regulatory authority (PMDA), by Lupin's subsidiary in Japan, Kyowa Pharmaceutical. While commercialization strategies for Japan and EU will be pursued through partnerships, strategies are currently being developed for conducting US-centric studies with this product based on the complex regulatory, IP and competitive landscape. The upcoming year will entail exciting milestones for this project, with MAA filings lined up in Europe, Australia and Canada and accomplishing these would pave the path for future regulatory audits wherein Lupin Biotech will be able to showcase its capabilities to the most stringent regulators.
- Another notable development is the submission and approval of Lupin Biotech's first IND in the US for one of its late phase oncology products. The US-centric clinical strategy was designed based on US FDA's scientific advice and a clinical study with the product has been initiated.
- In FY2018, the Biotech division filed a total of 3 new patents in India and 3 PCT applications. In addition, 4 patent grants were secured, 1 in the US and 3 in South Africa. Pursuant to past patent filings, 15 applications entered the national phase in various territories.

Lupin continues to enjoy good market share in India for its first two oncology products, Lupifil® and Lupifil-P® (Biosimilars for the molecules Filgrastim and Peg-Filgrastim respectively). In parallel, CTD filing and registration of the products are being lined up for entry into semi-regulated markets. The enrichment of our early-stage pipeline is a key focus area, with a clear focus on faster development timelines and proven biosimilarity of the product. Alongside, cell line

technology platforms are continually explored in-house for selection of high producer clones. Clone development and selection was successfully completed for two of the early phase projects in the last financial year. Construction and qualification of a 200 L pilot scale mammalian cell culture facility is nearing completion and expected to boost scale-up activities for early phase products.

Lupin has taken a major initiative towards the establishment of industry academia collaboration. An agreement has been signed with CSIR-National Chemical Laboratory (CSIR-NCL, Pune) and Department of Science and Technology, (DST) Delhi for conducting research on continuous purification technology for the development of biosimilar mAbs.

We continually strive to become the partner of choice by adopting a quality framework in line with global norms, reinventing business models and adapting quickly to the changing needs of the biosimilar landscape.

Novel Drug Discovery & Development (NDDD)

The NDDD team has focused on developing a pipeline of highly differentiated and innovative new chemical entities in the therapeutic areas of Oncology, Immunology and Metabolic disorders.

Current Clinical Programs

Endocrine: Clinical Phase-I study successfully completed in Europe and the product was found to be safe and well tolerated. A Phase-II study has been initiated in India for Chronic Kidney Disease patients on dialysis and also for those not on dialysis.

Oncology: Clinical Phase-I study successfully completed in Europe on terminally-ill patients (Lung Cancer, Melanoma & Colon Cancer). A Phase-II study has commenced in India for treating a refractory type of Lung cancer which has RAS mutations for which no treatment exists worldwide.

INTELLECTUAL PROPERTY MANAGEMENT GROUP

Key Highlights – FY2018

- The Company was first-to-file with respect to generic versions of Nascobal® Nasal Spray, Triumeq® Tablets, Trintellix® Tablets, Bromsite® Ophthalmic Solution, Aptiom® Tablets, Farxiga® Tablets, Xigduo XR® Tablets and Qtern® Tablets
- Cumulative ANDA and NDA filings with US FDA now stand at 402 with 239 approvals till date. Lupin now has a total of 36 FTF ANDAs pending which includes 15 exclusive FTF opportunities
- The company settled 7 pending patent litigations during the year and received favourable decisions on Vivlodex®, Effient®, Locoid®, Axiron®

Patent Applications and Granted Patents

In FY2018, the Company filed 208 patent applications, including 53 new inventions. The cumulative total number of patents filed by Lupin in India and other countries to date is 3,045. The patent applications filed in FY2018 included 32 formulation patents, 75 API/process patents, 21 biotech patents and 80 NDDD patents. We successfully secured 63 patents, including 34 NDDD patents during the year.

Lupin Bioresearch Centre

Lupin Bioresearch Center (LBC), an integral unit of Medical Research of Lupin Limited, is continuously providing support to a variety of clinical development services. This includes the conduct of bioavailability and bioequivalence studies for the Generic and Branded products of Lupin and its subsidiary companies across the globe. In FY2018, LBC has made a rapid progress in new areas of pharmaceutical innovation for conduct of Nasogastric in-vitro studies and in-vitro and in-vivo PK studies on MDI and DPI Inhalation products. LBC is now venturing into expanding its outreach for in-vitro characterization of its ophthalmic product(s) for regulatory submissions.

In addition, LBC has always focused on compliance with regulatory requirements. In June 2017, LBC was successfully inspected by the US FDA without any 483 observations. A separate compliance and audit group (CAG) has been established in order to improve and sustain regulatory compliance for all clinical research studies. LBC, for the first time, completed 2 in-vitro studies on inhalation products and submitted the same to the US FDA. As part of Lupin's ANDA submissions program, LBC has completed 47 studies and cumulatively accounted for development of 235 regulatory-compliant analytical methods for this financial year.

Global Manufacturing & Supply Chain

INSPIRING EXCELLENCE

18 Manufacturing sites globally

₹ 74 BN Cumulative Capital Expenditure over the last 10 years

>7,700 Lupinytts engaged in Manufacturing

GLOBAL MANUFACTURING

Lupin's prowess in meeting unmet customer needs while bolstering a promising future stems from its 18 state-of-the-art manufacturing facilities spread across India, United States, Japan, Brazil and Mexico. Operational rigor coupled with strong regulatory compliance serves as a sound foundation for Lupin to deliver affordable and superior quality products worldwide.

The Company's global manufacturing philosophy is strategic yet simple: drive continuous improvement and innovation, eliminate inefficiencies, facilitate teamwork and problem solving, and encourage lean manufacturing.

Lupin's sustained growth and leadership as a global formulations and API major is a direct outcome of our unrelenting focus on competent manufacturing. Our facilities are inspected and audited regularly as a standard practice as per cGMP guidelines as laid down by leading regulatory authorities. They are also well-aligned with world-class practices that ensure that inputs reach our plants and our products reach customers 'on-demand' and 'in-time' across the world.

Highlights - FY2018

- Successfully cleared US FDA inspections at Vishakhapatnam, Aurangabad and Nagpur
- Successful inspections by other regulators such as EDQM (Europe), MHRA (UK), PMDA (Japan) and WHO

We continue to invest in expanding manufacturing capacities to support future business growth and building capabilities to support our pipeline of more complex dosage forms. We recently commenced commercial production from our green-field facility at Tottori, Japan. That apart, project work is nearing completion on the new oral solid dosage facility and sterile formulation facility at Nagpur. We have also initiated work on setting up a high potent oral solid facility at Indore.

Awards and Rewards

- QCI-DL Shah National Award for Operational Excellence, fourth time in a row
- CII National Lean Six Sigma Award for Operational Excellence in Manufacturing
- Gold Certificate in the Mega Large Business Category at the India Manufacturing Excellence Awards, conducted by Frost and Sullivan and FICCI
- Launched the robust process initiative to achieve Six Sigma level of quality in selected products at key sites with a plan to expand to all key products globally
- Trained over 50 Black Belts and over 75 Green Belts as part of the capability development initiative under 'DISHA'

Update on the US FDA Observations

Lupin received a Warning Letter from the US FDA for two of its formulation manufacturing facilities at Goa and Pithampur Unit II in the month of November 2017. In response, a detailed letter was sent to the US FDA, listing remedial actions that would be taken along with timelines. We are working closely with the assistance of external consultants to ensure successful completion of remediation activities, training of employees and reinforcement of quality systems across all our sites. Regular updates are being sent to the US FDA on the progress of the remediation measures.

GLOBAL SUPPLY CHAIN ORGANIZATION

Our Global Supply Chain Organization (GSCO) has been instrumental in our quest for supply chain excellence. The key drivers of our excellence in supply chain are our high degree of flexibility, speed, reliability and cost efficiency. We received the 'Cardinal Supply Chain Excellence' award as well as the prestigious 'Walmart Supplier of the Year' for 2017.

Highlights - FY2018

- Ensured minimum disruption to business continuity during the implementation of GST
- Improvised on the key metrics of deliverance like OTIF (On Time in Full) well above 95% in majority of our markets. Other metrics like Forecast Accuracy, Requirement vs Commitments and Adherence to Plan have also improved
- Started Global Supply Chain process implementation in Japan and Brazil subsidiaries
- Ensured quick turnaround times for the launches post product approvals, especially in the US and India regions
- Implemented a segmental approach to inventory levels to sustain the supply of key products to customers in case of disruption of supply from the vendors
- Undertook a global project to optimize inventories across various geographies

Human Resources

BUILDING OUR STRENGTH

>20,000 Lupinytts globally

>5,000 Lupinytts covered under the Lupin Stock Option Plan globally

32.6 YRS Average age of a Lupinytt

AT LUPIN, EVERY DAY BRINGS WITH IT NEW HORIZONS, NEW CHALLENGES AND NEW OPPORTUNITIES FOR LUPINYTTS TO EXCEL, OUTPERFORM AND OUTSHINE.

At Lupin, our 'people-first' approach is to engage, enable and grow each individual towards a collective purpose. It is our belief that the progress of our people and business are interlinked. In support of this philosophy, we have created a work culture that presents a unique mix of our core values and functional expertise. The heart of Lupin's success and global footprint is a pool of highly talented and motivated professionals that comprise the Lupin family.

Our 'One Lupin' culture creates a unique value proposition of innovation, high performance and continuous learning. By virtue of our progressive people-centric HR practices and compelling employee experiences, Lupin has been consistently recognized in the top ranks of Great Places to Work in India and amongst the top 15 across industries in Asia. Lupin also emerged as No. 1 in the Biotech and Pharma industry and as No. 4 amongst large organizations for the year 2017 in the survey by Great Place to Work Institute and The Economic Times respectively.

The 'Spirit of Lupin', our six core values of Integrity, Passion for Excellence, Teamwork, Entrepreneurial Spirit, Respect & Care and Customer Focus are the fundamental principles on which we have built our business. These are values that we inherited from our Founder, Dr. Desh Bandhu Gupta, which serve as a touchstone for our stellar performance.

An individual's ability to excel and contribute, consistently and exceptionally, deserves special recognition. The Partners in Progress, our Stock Option Program, is a unique recognition to high-performing employees across all bands. Our people are our competitive edge and we empower them with development initiatives taken up across business verticals, for their professional and personal advancement.

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

Corporate Social Obligation

FULFILLING DREAMS

2.5 Million families

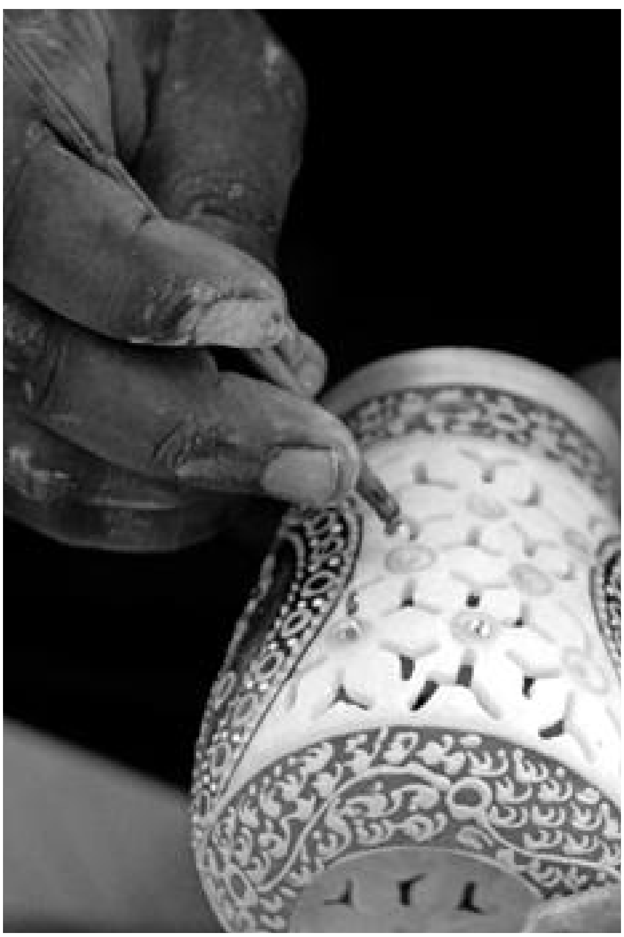
4,171 Villages

22 Districts with multiple programs

AT LUPIN, SOCIAL CONSCIOUSNESS IS OUR VERY DNA. WE HAVE THE DISTINCTION OF BEING AMONGST THE FIRST FEW TO TAKE SOCIAL WELFARE AS OUR OBLIGATION. WITH THE INSPIRATION OF OUR FOUNDER, DR. DESH BANDHU GUPTA, WE STRIVE TO ENSURE THE BENEFITS OF ECONOMIC PROGRESS AND OF SOCIAL DEVELOPMENT REACH THE OTHERWISE UNREACHABLE CORNERS OF OUR COUNTRY.

The Lupin Human Welfare & Research Foundation (LHWRF) was founded in 1988. Today it is at the forefront of development in the areas of Economic, Social, Infrastructural Development and Natural Resource Management.

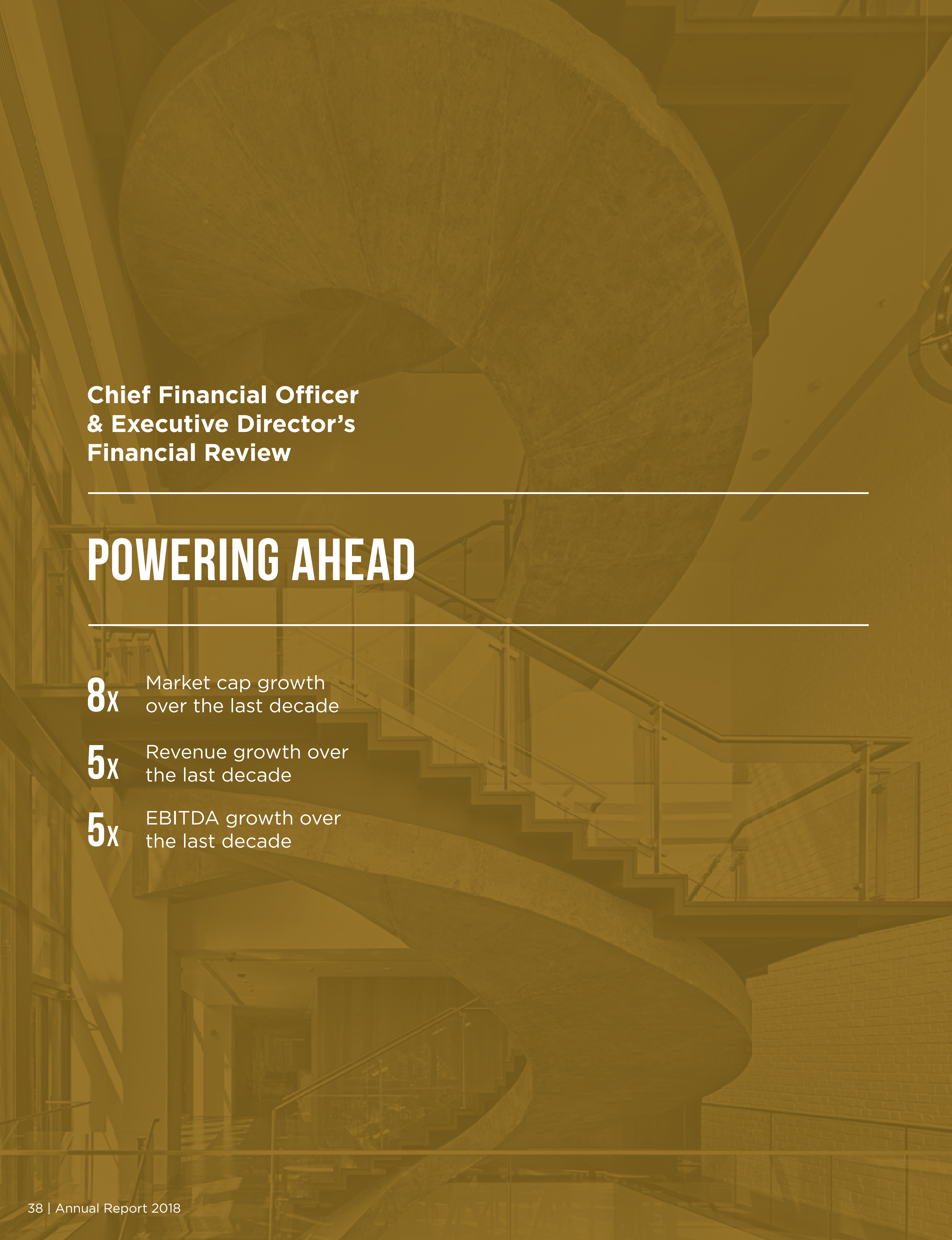
The core purpose of LHWRF is to build an efficient and sustainable model for development, which is replicable through collaboration and strategic partnerships with the private sector and government sector. With over 30 years of intense experience in some of the most backward and remote villages, LHWRF has demonstrated a successful model of CSO practice and district development that is scalable and sustainable.



Coverage: Currently, the Foundation reaches nearly 2.5 million people living in 4,171 villages located in 22 districts spread across 9 states; and operates through its 18 centres across the country – enabling us to have wide outreach and scale.

THE KEY FOCUS AREAS OF LHRWF PROGRAMS ARE:

- Transforming Agriculture
- Promoting Rural Industries
- Boosting income through livestock development
- Livelihood security through Skill and Enterprise Building
- Women Empowerment through financial inclusion and Self-Help Groups
- Enhancing Learning through providing Quality Education
- Providing Quality Health Services in remote areas
- Infrastructure development and Natural Resource Management



Chief Financial Officer & Executive Director's Financial Review

POWERING AHEAD

8x Market cap growth over the last decade

5x Revenue growth over the last decade

5x EBITDA growth over the last decade

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
Lupin Limited

BUSINESS PERFORMANCE & BALANCE SHEET HIGHLIGHTS

The generic pharmaceutical landscape has been facing significant turbulence in the recent past due to unbridled channel consolidation and competitive intensity. At this juncture, it is a must to focus on financial discipline through capital allocation and cost optimisation measures to raise shareholder returns over the mid to long term.

Our FY2018 performance was below our own expectations mainly due to the challenges in the US market. Long term, the US is still our largest growth engine but in the short term, any downturn in that market impacts the overall company performance. It is however, heartening to note that we delivered robust growth in most of our other markets. During the year, we also took important strides in our journey towards emerging as a meaningful Complex Generics and Specialty Pharmaceutical company.

On the accounting side, we recognized a non-cash impairment charge of USD 227 million (₹ 14,644 million) as a result of erosion in the value of the Gavis acquisition of 2016. This arose as a result of significant pressure in the US generic pricing especially in the opioid space (a large part of Gavis' portfolio) warranting a write down in the fair value of the asset. It should however, be noted that there are significant upsides in the acquisition that have not been factored in the recent measure because we wanted to be conservative on that front.

- The Company recorded consolidated sales of ₹ 155,598 million in FY2018 as compared to ₹ 171,198 million in FY2017
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 32,979 million in FY2018 as compared to ₹ 45,997 million in FY2017
- Profit before tax and exceptional items (PBT) was ₹ 20,076 million in FY2018 as compared to ₹ 35,349 million in FY2017
- Net profit before exceptional items was ₹ 13,934 million in FY2018 as compared to ₹ 25,575 million in FY2017
- Our Net Worth increased to ₹ 135,771 million during FY2018
- Net Debt-Equity ratio for the company stands at 0.4:1

Earnings per Share, Dividend and Taxation

The Company recorded Earnings per Share before exceptional items (EPS) of ₹ 30.83 during FY2018. Lupin's Board of Directors proposed a dividend of 250%. This allows the company to maintain the payout at the same level as in the past enabling plough-back into the core business. The Company's effective tax rate for FY2018 before exceptional items was 30.4% as compared 27.7% during FY2017.

INVESTING IN OUR FUTURE

Mergers & Acquisitions (M&A)

Our current focus on the M&A front is aligned towards specialty areas as well as identifying niche technological platforms for application across markets. After due evaluation, we have decided to deepen our presence in the Women's Health segment with focus on the US market. The company announced and completed the acquisition of Symbiomix Therapeutics, LLC in the US along with global rights for Solosec™ for USD 150 million. Solosec™ which is indicated for bacterial vaginosis has a unique proposition of one-day-one-dose treatment, whereas the current treatment is for 7 days with restrictions impinging on the quality of life. We believe that this is going to be a very promising opportunity and will enhance our Women's Health franchise in the US. For Europe and Japan, we are concentrating selectively on the Neurology and CNS space. In Japan, we acquired the exclusive rights to distribute and promote Bipresso (extended-release tablets of Quetiapine Fumarate) from Astellas. Going forward, we will continue to build, create and acquire in these areas of interest and continue to evaluate partnerships for areas such as our biosimilars program.

Capital Expenditure

Keeping the long-term vision and cost competitiveness in mind, we continue to invest judiciously in creating new manufacturing facilities as well as augmenting existing manufacturing facilities globally to aid efficiencies as well as build capacities to meet future demand. We plan to augment biosimilar capacities in line with our commercialization plans. The company also remains committed to invest in technology, automation to improve compliance and safe-guard intellectual property. The company invested ₹ 10,470 million for capital investment during FY2018.

Research & Development (R&D)

Lupin has been investing in R&D ahead of the curve to operationalize its vision to become an innovation focused pharmaceutical company. During FY2018, the Company invested ₹ 18,510 million, 11.9% of sales. We also mitigated the risk on some of these endeavours by innovative partnering arrangements with financial investors. The Company also filed its first CNS orphan drug, NaMuscla™ for the EU market during the year. We also made significant progress on our Biosimilars program with the filing of Etanercept in Japan. We continue to focus on further developing our Biosimilars program and our Novel Drug Discovery and Development pipeline.

Internal Control Systems & Information Technology (IT)

The Company continues to invest in automation of its business process and operations in order to continuously improve efficiencies and drive down costs. The Company is also investing in a digital strategy and evaluating the impact of automation and robotics. The focus of process automation is to integrate workflows in key functions such as research, technical operations, manufacturing and supply chain as well as augment their intrinsic controls with key support functions like marketing, sales, finance, regulatory affairs and HR. The enterprise-wide integrity of our data continues to be a focal point. A strong internal audit framework is key to ensuring compliance. Our audit framework monitors and controls all systems and processes and business groups ensuring compliance to financial norms and procedures, building financial control and accountability within our business ecosystem. We are ably assisted by Ernst & Young (EY) and PricewaterhouseCoopers (PwC) who support our Internal Audit function.

Risks, Concerns & Threats

The year witnessed huge volatility in global commodity prices and foreign currencies. This was further accentuated by disruptive change in our largest market, the United States and concomitant increased scrutiny over drug pricing. Disruption in the domestic market continued in the form of GST implementation and expansion of the span of price controls. During the year, stringent environmental control measures undertaken by China, a key source of raw material and intermediates for the Pharma industry, have increased pressures on input cost. A formidable financial organization built over the last decade has helped us address the challenging business environment. Bound by a strong compliance ethics, we rely heavily on risk management and forecasting frameworks to manage competitive, economic, financial, geo-political and social risks.

Our hedging strategy for the short, mid and the long-term through forward exchange contracts helped minimize forex volatility. Our continued investments in creating a global supply chain leveraging real time business intelligence, reporting and forecasting systems has helped us ensure business continuity and sustained growth to deliver value.

As an organisation, we have developed competencies and capabilities to emerge resilient in a tough industry environment. Cost-effective global procurement practices backed by our efficient global supply chain and manufacturing has enabled us to consolidate our market shares in key geographies. Our deep customer relationships with sharp focus on ensuring high service levels have contributed to fortification of our leadership position and build growth drivers for the future.

Regards,
Ramesh Swaminathan
Chief Financial Officer & Executive Director
Lupin Limited

OUR GLOBAL FOOTPRINT

Quality Manufacturing & Compliance:

India: Jammu, Goa, Pune, Ankleshwar, Vadodara, Tarapur, Mandideep, Sikkim, Indore, Nagpur, Aurangabad, & Vizag
Japan: Atsugi, Tottori & Sanda
US: New Jersey **LATAM**: Mexico & Brazil

Research:

US: New Jersey & Florida **India:** Pune & Aurangabad
Japan: Sanda & Atsugi **LATAM:** Mexico & Brazil
Europe: Netherlands

Marketing & Corporate Development:

Over 25 offices across the globe

8TH Largest generic pharmaceutical company globally by revenues

4TH Largest pharmaceutical company in the US by prescriptions

3RD Largest Indian pharmaceutical company by global revenues

6TH Largest generic pharmaceutical company in Japan

4TH Largest generic pharmaceutical company in South Africa

>100 Countries where we enhance peoples' lives through our drugs


UK
NETHERLANDS
GERMANY
INDIA:
JAMMU
GOA
PUNE
ANKLESHWAR
VADODARA
TARAPUR
MANDIDEEP
SIKKIM
INDORE
NAGPUR
AURANGABAD
VIZAG
JAPAN
ATSUGI
TOTTORI
SANDA
PHILIPPINES
SOUTH AFRICA
AUSTRALIA
Manufacturing
Research

Safe Harbor Statement: This report contains forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Many of these risks, uncertainties and other factors include failure of clinical trials, delays in development, registration and product approvals, changes in competitive environment, increased government control over pricing, fluctuations in the capital and foreign exchange markets and the ability to maintain patent and other intellectual property protection. The information presented in this release represents management's expectations and intentions as of this date. Lupin expressly disavows any obligation to update the information presented in this report.

REPORTS AND FINANCIALS

Business Overview

Statutory Reports

Financial Statements

TEN YEARS FINANCIAL SUMMARY

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at March 31,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
SOURCES OF FUNDS										
Shareholders' funds										
Equity Share Capital	828.2	889.4	892.4	893.3	895.1	896.8	899.0	901.2	903.2	904.2
Reserves & Surplus	13,420.0	24,788.9	31,918.4	39,235.6	51,146.7	68,418.9	90,833.3	110,732.5	134,072.5	134,866.4
	14,248.2	25,678.3	32,810.8	40,128.9	52,041.8	69,315.7	91,732.3	111,633.7	134,975.7	135,770.6
Non-Controlling Interest	142.5	254.9	515.1	722.9	594.5	669.4	241.0	320.8	345.2	400.8
Loans	12,232.7	11,398.5	11,623.9	16,391.0	11,644.9	6,537.4	5,371.2	71,775.2	79,660.9	71,428.0
Deferred Tax Liabilities (net)	1,387.2	1,630.4	1,791.8	1,910.1	2,336.8	2,486.6	1,527.5	3,266.8	3,948.5	2,855.3
Other Liabilities (incl. Provisions)	12,161.9	11,892.5	14,502.0	20,669.3	22,520.6	23,051.2	33,737.7	39,252.1	47,142.5	52,599.1
TOTAL	**40,172.5**	**50,854.6**	**61,243.6**	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**
APPLICATION OF FUNDS										
Fixed Assets										
Net Block	12,012.0	15,864.9	17,313.4	22,456.6	24,928.5	26,977.3	27,200.3	64,515.2	87,229.2	79,135.0
Capital Work-in-Progress (incl. Capital Advances)	2,239.7	3,578.7	5,319.3	4,973.7	3,909.0	4,110.2	6,745.3	32,145.5	24,639.0	26,555.6
	14,251.7	19,443.6	22,632.7	27,430.3	28,837.5	31,087.5	33,945.6	96,660.7	111,868.2	105,690.6
Goodwill on Consolidation	3,173.7	3,196.8	3,254.9	5,040.0	5,073.2	6,578.7	16,252.8	22,654.4	23,100.1	24,484.9
Investments	215.6	264.3	31.5	28.0	20.6	20.6	55.4	143.3	220.0	267.1
Deferred Tax Assets (net)	222.8	195.4	380.5	467.8	704.4	708.1	2,561.7	3,358.5	5,076.4	7,165.6
Other Assets										
Inventories	9,571.6	9,714.9	11,999.6	17,326.7	19,489.3	21,294.5	25,036.1	32,736.5	36,422.8	36,624.9
Receivables	9,179.7	11,265.7	12,556.4	17,800.1	21,869.9	24,641.0	26,475.2	45,487.6	43,073.4	51,922.1
Cash & Bank Balances (incl. Current Investments)	777.7	2,015.3	4,201.4	4,024.7	4,348.8	9,739.1	21,304.7	8,237.7	28,135.4	16,431.7
Others	2,779.7	4,758.6	6,186.6	7,704.6	8,794.9	7,990.8	6,978.2	16,969.9	18,176.5	20,466.9
	22,308.7	27,754.5	34,944.0	46,856.1	54,502.9	63,665.4	79,794.2	103,431.7	125,808.1	125,445.6
TOTAL	**40,172.5**	**50,854.6**	**61,243.6**	**79,822.2**	**89,138.6**	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Year ended March 31,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
INCOME										
Sales	38,428.9	48,009.5	57,421.7	70,017.2	95,235.3	111,671.2	126,932.2	137,578.7	171,198.0	155,598.4
Other Operating Income	637.1	762.5	1,121.5	1,232.1	1,796.7	1,999.3	1,703.0	4,976.7	3,745.3	2,443.1
Other Income	125.5	351.1	221.9	143.5	278.5	1,164.8	2,397.5	1,851.9	1,065.1	1,503.5
Total Revenue	**39,191.5**	**49,123.1**	**58,765.1**	**71,392.8**	**97,310.5**	**114,835.3**	**131,032.7**	**144,407.3**	**176,008.4**	**159,545.0**
EXPENSES										
Cost of Materials	16,043.1	19,694.2	22,379.3	26,039.0	35,485.0	38,173.8	41,570.4	43,325.7	50,014.3	52,744.0
Employee Benefits Expense	4,871.3	5,871.5	7,675.6	9,695.3	12,666.2	14,646.5	17,473.4	21,416.2	28,495.2	28,647.1
Manufacturing and Other Expenses	10,838.2	13,576.5	16,709.9	21,067.9	26,181.9	30,822.3	33,395.5	40,960.0	51,502.4	45,175.3
Total Expenses	**31,752.6**	**39,142.2**	**46,764.8**	**56,802.2**	**74,333.1**	**83,642.6**	**92,439.3**	**105,701.9**	**130,011.9**	**126,566.4**
Profit before Interest, Depreciation & Tax	7,438.9	9,980.9	12,000.3	14,590.6	22,977.4	31,192.7	38,593.4	38,705.4	45,996.5	32,978.6
Finance Cost	498.6	384.9	344.8	354.7	409.5	266.5	98.1	594.7	1,525.3	2,043.5
Depreciation and Amortisation	879.9	1,239.1	1,711.8	2,275.2	3,321.9	2,609.7	4,347.0	4,871.3	9,122.3	10,858.7
Profit before Exceptional Item & Tax	6,060.4	8,356.9	9,943.7	11,960.7	19,246.0	28,316.5	34,148.3	33,239.4	35,348.9	20,076.4
Exceptional Item (Impairment of Intangible Assets)	-	-	-	-	-	-	-	-	-	14,643.5
Profit before Tax	6,060.4	8,356.9	9,943.7	11,960.7	19,246.0	28,316.5	34,148.3	33,239.4	35,348.9	5,432.9
Current Tax	876.8	1,109.8	1,176.3	2,756.2	5,829.0	9,536.0	10,041.6	11,433.5	10,882.1	5,349.8
Deferred Tax	106.2	250.4	(26.5)	329.4	12.6	85.5	(337.6)	(840.1)	(1,097.0)	(2,465.2)
Net Profit before Share of Profit from Jointly Controlled Entity, Non-Controlling Interest and Share of Loss in Associates	5,077.4	6,996.7	8,793.9	8,875.1	13,404.4	18,695.0	24,444.3	22,646.0	25,563.8	2,548.3
Share of Profit from Jointly Controlled Entity	-	-	-	-	-	-	-	49.0	82.5	35.2
Share of Profit attributable to Non-Controlling Interest	28.6	111.6	148.4	198.6	262.8	331.3	411.9	87.6	71.7	70.9
Share of Loss in Associates	33.4	68.8	20.0	-	-	-	-	-	-	-
Net Profit	**5,015.4**	**6,816.3**	**8,625.5**	**8,676.5**	**13,141.6**	**18,363.7**	**24,032.4**	**22,607.4**	**25,574.6**	**2,512.6**

Notes :

i) Figures are suitably regrouped to make them comparable.

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

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their report on the business and operations of your Company for the year ended March 31, 2018.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Sales	98539.0	123980.8	155598.4	171198.0
Profit before interest, depreciation and tax	22169.8	45745.9	32978.6	45996.5
Less: Finance Costs	332.4	294.2	2043.5	1525.3
Less: Depreciation and amortisation	3898.1	3661.1	10858.7	9122.3
Profit before share of profit from Jointly Controlled Entity and exceptional items	**17939.3**	**41790.6**	**20076.4**	**35348.9**
Add: Share of Profit from Jointly Controlled Entity	-	-	35.2	82.5
Less: Exceptional Items (Impairment of intangible assets)	-	-	14643.5	-
Less: Provision for taxation (including deferred tax)	4492.7	10377.3	2884.6	9785.1
Profit after tax and before non-controlling interest	**13446.6**	**31413.3**	**2583.5**	**25646.3**
Less: Non-controlling Interest	-	-	70.9	71.7
Net Profit attributable to shareholders of the Company	**13446.6**	**31413.3**	**2512.6**	**25574.6**

Performance Review

Consolidated sales for the year ended March 31, 2018 were ₹ 155598.4 million. International business contributes 71%. Consolidated profit before interest, depreciation & amortisation, exceptional item and tax was ₹ 32978.6 million as against ₹ 45996.5 million of the previous year mainly on account of lower sales and margins in the USA. Net profit for the year after exceptional item (impairment of certain intangible assets) was ₹ 2512.6 million.

Impairment provision

On March 8, 2016, the Company, through its wholly-owned subsidiary, Lupin Inc., USA, acquired Gavis Pharmaceuticals, LLC, USA, Novel Laboratories, Inc., USA, VGS Holdings, Inc., USA, Edison Therapeutics, LLC, USA and Novel Clinical Research (India) Private Limited, India (collectively 'Gavis'), for a consideration of USD 892 million. The consideration paid was allocated between IPs for current marketed products, ANDAs filed, products under R&D, fixed assets, working capital and goodwill on acquisition. Significant pressure in the US generic pricing, particularly in the opioid space (large part of Gavis portfolio), resulted in impairment on certain intangible assets acquired as a part of Gavis acquisition. Each product in the Gavis portfolio was tested for its fair value factoring the current and expected market conditions by comparing the carrying value in the books with the value in use. The fair value was determined by an independent external valuer after taking into consideration parameters like sales growth, weighted average cost of capital, terminal growth rate etc. In line with conservative accounting principles, an impairment provision of USD 227.2 million (₹ 14643 million) was made on certain intangible assets of Gavis portfolio. Deferred tax for the year ended March 31, 2018 includes deferred tax assets of ₹ 3223 million created on the difference between tax and book value of certain intangible assets of Gavis portfolio.

Dividend

Your Directors are pleased to recommend dividend at ₹ 5/- per equity share of ₹ 2/- each, absorbing an amount of ₹ 2260.5 million. Corporate tax on proposed dividend is ₹ 464.7 million.

As stipulated by Regulation 43A(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Dividend Distribution Policy has been hosted on the website of the Company www.lupin.com, (web link: http://www.lupin.com/pdf/16/08/policy-for-dividend-distribution.pdf).

Share Capital

During the year, the paid-up equity share capital of the Company rose by ₹ 1 million consequent to the allotment of 505,981 equity shares of ₹ 2/- each to eligible employees of the Company and its subsidiaries on exercising stock options under 'Lupin Employees Stock Option Plan 2003', 'Lupin Employees Stock Option Plan 2005', 'Lupin Employees Stock Option Plan 2011', 'Lupin Employees Stock Option Plan 2014, 'Lupin Subsidiary Companies Employees Stock Option Plan 2005' and 'Lupin Subsidiary Companies Employees Stock Option Plan 2011'. Paid-up equity share capital as on March 31, 2018 was ₹ 904.2 million.

Credit Rating

ICRA Limited (ICRA) assigned the rating **'ICRA A1+'** (pronounced 'ICRA A one Plus') for the Company's short-term credit facilities of ₹ 13100 million, indicating very strong degree of safety regarding timely payment of financial obligations and **'ICRA AAA'** (pronounced 'ICRA triple A') for long-term credit facilities of ₹ 1900 million, indicating highest degree of safety regarding timely servicing of financial obligations. The outlook on the long-term rating is 'Stable'.

ICRA assigned the rating **'ICRA AAA'** to the Company's Non-Convertible Debenture programme of ₹ 1000 million, indicating highest degree of safety regarding timely servicing of financial obligations. The outlook on the rating is 'Stable'.

Goods and Services Tax (GST)

GST, which was implemented on July 1, 2017 as 'one nation one tax', is an all pervasive event. It has comprehensively impacted consumption of all goods and services, triggering a colossal change in the way business dealings take place. GST, which is still evolving, provides an opportunity to reset the way business transactions could be optimized for efficiency in cost and quality. Due to its multifaceted impact, GST has become an important factor in competitive businesses environment.

GST on API and Formulations is 18% and 12% respectively. While the headline indirect tax rate on API/Bulk drugs remains constant, the rate increased from 10.5% to 12% on Formulations. However, the increase in headline tax is likely to be offset by the tax efficiencies that may accrue on procurements.

Your Company is geared to deal with the challenges thrown up as a result of numerous amendments made by the Government viz: implementation of E-Way Bill system, matching credit concepts, anti-profiteering provisions, etc.

Acquisitions

During the year, the Company through its US subsidiary, Lupin Inc., acquired Symbiomix Therapeutics, LLC. The acquisition of Symbiomix and its Solosec™ franchise significantly expands your Company's branded women health specialty business.

Subsidiary Companies/Joint Venture

As on March 31, 2018, the Company had 33 subsidiaries and a joint venture.

On February 5, 2018, Lupin Atlantis Holdings SA, Switzerland, wholly-owned subsidiary of the Company, incorporated Lupin Europe Gmbh, Germany, for holding product registrations.

An application has been made to the Registrar of Companies, Bangalore, for removal of the name of Novel Clinical Research (India) Pvt. Ltd., wholly-owned subsidiary of the Company, from the Register of Companies w.e.f. March 27, 2018 and Order pursuant to the said application is awaited.

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 ('Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statements, performance and financial position of each subsidiary and joint venture are given in Form No. AOC - 1 as **Annexure 'A'** to this Report.

As stipulated by Regulation 46(2)(h) of the Listing Regulations, the policy for determining material subsidiaries has been hosted on the Company's website www.lupin.com (web link: http://www.lupin.com/pdf/Policy_for_determining_material_subsidiaries.pdf).

Management Discussion and Analysis

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

Corporate Governance

As stipulated by Regulation 34(3) read with Schedule V(C) of the Listing Regulations, Corporate Governance Report forms part of this Annual Report. Annexed to the said Report is the Auditors' certificate as prescribed under Schedule V(E) of the Listing Regulations certifying compliance with the conditions of corporate governance.

Business Responsibility Report

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

Corporate Social Responsibility (CSR)

In dedication of high moral values, Lupin Human Welfare and Research Foundation (LHWRF), the CSR arm of the Company, has been undertaking social responsibility activities since 1988. LHWRF forges knowledge partnerships with domain experts and reputed academic and technical institutes like IITs, to develop and deploy appropriate technologies to the rural poor. LHWRF mobilizes resources from banks and government to achieve high impact in its chosen geographic area of operations. LHWRF which operates across 18 centers has touched lives of more than 2.5 million residing in more than 4171 villages located in 62 blocks of 22 districts.

LHWRF carried out GRI 4 sustainability reporting process and it is first corporate foundation to do so in India. LHWRF possesses elaborate and well-set implementation mechanism at grass-root level and creates replicable and ever-evolving models for sustainable rural development for uplifting families living below the poverty line with a view to transform rural lives and improve Human Development Indices. LHWRF adopts a holistic development approach and focuses on rural development programmes which help promote equitable economic and social development.

Pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company ought to have spent ₹ 750.5 million on CSR activities during the year. The actual spend was ₹ 216.8 million. The Company undertakes the following CSR activities: -

- Economic Development;
- Social Development;
- Natural Resource Management;
- Rural Infrastructure Development;
- Learn and Earn Programme; and
- TB Eradication.

The Company plans to accelerate its CSR spend by setting-up a state-of-the-art JCI and NABH accredited hospital through 'Lupin Foundation', a charitable trust, set up by the Company. The proposed hospital would offer a wide mix of therapies which shall entail huge investment in land, infrastructure, medical equipments/instruments, over the next few years. The Company has also engaged services of a reputed consultancy firm for conducting preliminary feasibility study. The Company is in the process of identifying the right opportunity and is looking out for a suitable plot in Mumbai for setting-up a hospital. The Company has explored eight sites in Mumbai, keeping in mind strategic location, accessibility, presence of major hospitals/nursing homes and diagnostic/pathology centers in the vicinity, etc. While some plots were narrow or too small, others were reserved in the Development Plan or were encroached upon or had disputed titles.

In the course of business, the Company spent on a number of social causes which strictly may not qualify as CSR activities viz., 'Punarjyoti' ('Rebirth of Eyes'), campaign which promotes the noble message of eye donation after death, 'Respiratory Clinics' to increase awareness of respiratory diseases, 'Focused Learning in Interventional Pulmonology' programmes for doctors, multilingual website 'Right2breathe' to educate patients about Asthma and Allergies. With a view to provide affordable medicines to the common man, the Company consistently spends large amounts on Research & Development which, though, is for a social cause, does not qualify as a CSR activity.

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

Directors' Responsibility Statement

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

i) that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanations relating to material departures;

ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2018 and of the profit of your Company for that year;

iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

Directors

The Board places on record the invaluable contributions of Late Dr. Desh Bandhu Gupta, Founder & Chairman of the Lupin group and doyen of the Indian Pharma Industry who passed away on June 26, 2017. The exemplary vision and perseverance of Dr. Gupta helped the Company to become one of the most admired organisations. The Board appointed Mrs. Manju D. Gupta as Non-Executive Chairman of the Company, for a period of two years, effective August 11, 2017 considering her wide experience, moderating influence and quiet demeanor.

As recommended by the Nomination and Remuneration Committee, the Board, at its meeting held on May 15, 2018, re-appointed Mr. Nilesh Deshbandhu Gupta, Managing Director, for a period of five years, effective September 1, 2018, subject to approval of the Members. Mr. Gupta has been responsible for transforming the Company's research programme and expanding its manufacturing operations as also instrumental in formulating and executing the core strategy that helped the Company to emerge as a global specialty pharmaceutical major.

Pursuant to the provisions of Section 152 of the Act, Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director, retires by rotation at the forthcoming Annual General Meeting (AGM) and is eligible for re-appointment.

Pursuant to the provisions of Section 149(7) of the Act, the Independent Directors have affirmed that they meet the criteria of independence prescribed by Section 149(6) of the Act.

During the year, six Board meetings were held, on May 23, 2017, May 24, 2017, August 2, 2017, August 11, 2017, October 30, 2017 and February 6, 2018, the details of which are given in the Corporate Governance Report which forms part of this Annual Report.

Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, an annual evaluation was carried out by the Board of its own performance as also of its Committees and individual Directors. The evaluation was done by the Board after seeking inputs from all Directors, inter-alia covering different aspects viz. composition and structure of the Board, attendance including participation of the Directors at the Board and Committee meetings, observance of governance, quality of deliberations and effectiveness of the procedures adopted by the Board. In evaluating the performance of individual Directors, criteria such as qualifications, knowledge, attendance at meetings and participation in long-term strategic planning, leadership qualities, responsibilities shouldered, inter-personal relationships and analytical decision making ability were taken into consideration. In compliance with Regulation 17(10) of the Listing Regulations, the Board carried out performance evaluation of Independent Directors without the participation of the Director being evaluated.

Audit Committee

In compliance with the provisions of Section 177(8) of the Act and Regulation 18 of the Listing Regulations, the Audit Committee comprises Dr. K. U. Mada, Chairman and Mr. Dileep C. Choksi, Independent Directors and Dr. Kamal K. Sharma, Vice Chairman. The functions performed by the Audit Committee, details of meetings held and attendances thereat are given in the Corporate Governance Report, which forms part of this Annual Report. The Board has accepted all the recommendations made by the Audit Committee.

Nomination and Remuneration Policy

As stipulated by Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations, the Board has, on the recommendation of the Nomination and Remuneration Committee, framed a Policy relating to the remuneration of Directors, key managerial personnel and other employees. The Policy includes criteria for determining qualifications, positive attributes and independence of directors and other matters. The role of the Nomination and Remuneration Committee is disclosed in the Corporate Governance Report, which forms part of this Annual Report. In terms of proviso to Section 178(4) of the Act, the Nomination and Remuneration Policy has been hosted on the Company's website www.lupin.com (web link: http://www.lupin.com/pdf/18/05/nomination-and-remuneration-policy-ll.pdf).

Related Party Transactions

During the year, no transaction with related parties was in conflict with the interests of the Company. All transactions entered into by the Company with related parties during the financial year were in the ordinary course of business and on an arm's length pricing basis. The Company did not enter into any transaction with its Key Managerial Personnel. Statements of transactions with related parties are periodically placed before the Audit Committee and are approved. Material related party transactions were entered into by the Company only with its subsidiaries. As stipulated by Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of related party transactions are given in Form No. AOC - 2, as **Annexure 'C'** to this Report. In compliance with Regulation 46(2)(g) of the Listing Regulations, the policy on dealing with Related Party Transactions as approved by the Board has been hosted on the Company's website www.lupin.com and web link for the same is http://www.lupin.com/pdf/POLICY-RELATED_PARTY_TRANSACTIONS.pdf.

Risk Management

The Company has a structured approach for handling risks. It has in place a Risk Management framework which defines roles and responsibilities at various levels. Risk Management team reviews the overall risk canvas and identifies critical 'risks that matter' by assessing their probability, impact and volatility. The Risk Management Committee has a well-set monitoring process of the risk environment through reviews, discussions and deliberations and it deploys concrete mitigation plans. As stipulated by Regulation 21 of the Listing Regulations, the roles and responsibilities of the Risk Management Committee has been defined by the Board. Monitoring and reviewing the risk management plan was delegated to the Committee. Particulars of the Risk Management Committee its terms of reference, the details of meeting held and attendance thereat are given in the Corporate Governance Report, which forms part of this Annual Report.

Particulars of loans/guarantees/investments/securities

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

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

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

Human Resources

Your Company firmly believes that human resources are invaluable assets of the Company. In the surveys jointly conducted by 'Great Places to Work Institute' and 'The Economic Times', the Company continued to be ranked high on a pan-industry basis. The Company has been ranked no. 1 in the Pharmaceutical and Biotech sector and 4th Best amongst Large Employers. The Company's progressive 'people practices', deep rooted value-driven culture and employee development efforts have been the prime reasons behind these laurels.

Employees Stock Options

Pursuant to the provisions of Regulation 14(B) of SEBI (Share Based Employee Benefits) Regulations, 2014, details of stock options as on March 31, 2018 are given in **Annexure 'E'** to this Report.

Vigil Mechanism/Whistleblower Policy

As stipulated by Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has in place a vigil mechanism for Directors and employees to report concerns and provides adequate safeguards against victimization of persons who use the mechanism. The vigil mechanism provides for direct access to the Chairperson of the Audit Committee. Details of the same are covered in the Corporate Governance Report which forms part of this Annual Report. Whistleblower Policy has been hosted on Company's website www.lupin.com. Policy on Prevention of Sexual Harassment is on Company's Intranet.

Particulars of Employees Remuneration

As prescribed by Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of remuneration of employees required to be disclosed are given in **Annexure 'F'** to this Report. In terms of Rules 5(2) and 5(3) of the said Rules, statement containing particulars of remuneration of employees for the year ended March 31, 2018, which forms part of the Board Report shall be provided to Members upon written request pursuant to the second proviso of Rule 5. Particulars of remuneration of employees are available for inspection by Members at the Registered Office of the Company during business hours on all working days up to the date of the forthcoming AGM.

Auditors

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

Pursuant to the provisions of Section 40 of the Companies Amendment Act, 2017, which was notified on May 7, 2018, Members are not required to ratify appointment of Statutory Auditors at every AGM.

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

Internal Audit

Ernst & Young LLP, Mumbai, are Internal Auditors of the Company for India operations. PricewaterhouseCoopers Private Limited are Internal Auditors of the Company for international subsidiaries. The Company has appointed local Chartered Accountants firms as Internal Auditors to conduct audits of Carrying & Forwarding Agents and Central Warehouses of the Company in India.

Cost Auditors

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

In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor is required to be ratified by Members. Accordingly, an Ordinary Resolution was passed by Members at the 35th AGM, approving the remuneration payable to Mr. Shenoy.

In compliance with Section 148(6) of the Act and Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, Cost Audit Report, in Form CRA - 4 (XBRL mode), for the year ended March 31, 2017, under the head 'Drugs and Pharmaceuticals' was filed with the Central Government on October 18, 2017, well within the prescribed time.

Secretarial Audit

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Neena Bhatia, Company Secretary in Practice, was appointed to undertake Secretarial Audit of the Company for the year ended March 31, 2018. Secretarial Audit Report in prescribed Form No. MR - 3 is enclosed as **Annexure 'G'** to this Report. The Company continues to have an unqualified Secretarial Audit Report.

Compliance with the Secretarial Standards

The Company has complied with all the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

Extract of Annual Return

In compliance with provisions of Sections 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2018, in prescribed Form No. MGT - 9 is given in **Annexure 'H'** to this Report.

Acknowledgements

Your Directors commend all employees of the Company for their continued dedication, commitment, hard work and significant contributions. They also wish to express their deep gratitude to various departments of the Central and State governments, banks, financial institutions, business associates, customers, distributors, suppliers, analysts, medical professionals and members for their whole-hearted support and cooperation.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 15, 2018

ANNEXURE - 'A' TO THE DIRECTORS' REPORT

FORM NO. AOC - 1
[Pursuant to the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part 'A' Subsidiaries

(₹ in Million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of share holding
Lupin Pharmaceuticals, Inc., USA	30.06.2003	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	[Refer Note No. 13]	2177.2	52196.4	50019.2	Nil	55028.9	1346.3	399.1	947.2	Nil	100%
Kyowa Pharmaceutical Industry Co., Limited, Japan	18.10.2007	N.A.	JPY and Exchange Rate INR 61.51 for 100 JPY	33.5	11071.7	33614.3	22509.1	0.2	16983.1	1841.9	439.5	1402.4	Nil	99.82%
Pharma Dynamics (Proprietary) Limited, South Africa	01.03.2008	N.A.	ZAR and Exchange Rate INR 5.58 for ZAR 1	0.5	3961.4	4733.7	771.8	Nil	5231.0	1641.7	425.3	1216.4	Nil	100%
Hormosan Pharma GmbH, Germany	25.07.2008	N.A.	Euro and Exchange Rate INR 80.81 for 1 Euro	8.1	379.9	1696.8	1308.8	[Refer Note No. 14]	2357.3	448.2	37.6	410.6	Nil	100%
Multicare Pharmaceuticals Philippines, Inc., Philippines	26.03.2009	N.A.	PHP and Exchange Rate INR 1.25 for PHP 1	26.9	752.7	2376.3	1596.7	Nil	2465.2	221.2	81.6	139.6	Nil	51%
Generic Health Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate is INR 50.05 for 1 AUD	1344.3	(925.3)	1153.2	734.2	Nil	2167.9	222.0	(122.0)	344.0	Nil	100%
Kyowa CritiCare Co., Limited, Japan	30.11.2011	N.A.	JPY and Exchange Rate INR 61.51 for 100 JPY	124.3	1651.3	4515.2	2739.6	0.2	3714.2	(36.1)	(4.8)	(31.3)	Nil	99.82%
Lupin Holdings B.V., Netherlands	30.03.2007	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	6720.3	10353.9	17180.2	106.0	Nil	Nil	221.7	26.1	195.6	Nil	100%
Lupin Atlantis Holdings SA, Switzerland	05.06.2007	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	115.9	31555.4	83645.5	51974.2	Nil	12679.1	8590.0	Nil	8590.0	Nil	100%

(₹ in Million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of share holding
Lupin Healthcare (UK) Limited, UK [formerly known as Lupin (Europe) Limited, UK]	05.06.2009	N.A.	GBP and Exchange Rate INR 92.28 for 1 GBP	279.7	(554.6)	878.9	1153.8	Nil	628.1	(60.0)	Nil	(60.0)	Nil	100%
Lupin Australia Pty Limited, Australia	01.12.2004	N.A.	AU $ and Exchange Rate INR 50.05 for 1 AUD	33.3	(23.1)	10.7	0.5	Nil	Nil	(4.0)	Nil	(4.0)	Nil	100%
Lupin Pharma Canada Limited, Canada	18.06.2009	N.A.	CAD and Exchange Rate INR 50.65 for 1 CAD	155.5	(94.1)	1812.8	1751.4	Nil	838.2	57.2	(29.9)	87.1	Nil	100%
Lupin Mexico S.A. de C.V., Mexico	23.08.2010	N.A.	MXN $ and Exchange Rate INR 3.57 for MXN $ 1	52.2	(44.8)	7.4	[Refer Note No. 15]	Nil	Nil	(2.8)	Nil	(2.8)	Nil	100%
Bellwether Pharma Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate INR 50.05 for 1 AUD	264.5	(273.4)	Nil	8.9	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Philippines Inc., Philippines	20.12.2010	N.A.	PHP and Exchange Rate INR 1.25 for PHP 1	59.9	(21.9)	575.3	537.3	Nil	599.2	(8.6)	(2.0)	(6.6)	Nil	100%
Lupin Healthcare Limited, India	17.03.2011	N.A.	INR	26.2	55.7	81.9	[Refer Note No. 16]	22.7	Nil	1.4	Nil	1.4	Nil	100%
Generic Health SDN. BHD., Malaysia	18.05.2011	N.A.	RM and Exchange Rate INR 16.87 for RM 1	5.9	(5.3)	0.7	0.1	Nil	Nil	(0.6)	Nil	(0.6)	Nil	100%
Lupin Middle East FZ-LLC, Dubai	13.06.2012	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	32.3	(57.4)	169.0	194.1	Nil	215.1	(12.6)	Nil	(12.6)	Nil	100%
Lupin Inc., USA	27.06.2013	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	[Refer Note No. 17]	(10108.0)	54269.3	64377.3	Nil	2301.3	(770.0)	(3635.8)	2865.8	Nil	100%
Lupin GmbH, Switzerland	15.08.2013	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	1.3	136.7	245.0	107.0	Nil	492.8	30.2	11.1	19.1	Nil	100%
Nanomi B.V., Netherlands	30.01.2014	N.A.	Euro and Exchange Rate INR 80.81 for 1 Euro	1.6	(2723.8)	646.9	3369.1	Nil	Nil	(798.1)	Nil	(798.1)	Nil	100%
Laboratorios Grin, S.A. de C.V., Mexico	01.10.2014	N.A.	MXN $ and Exchange Rate INR 3.57 for MXN $ 1	854.2	729.0	2879.0	1295.8	Nil	2235.4	621.4	191.7	429.7	Nil	100%

(₹ in Million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of share holding
Medquimica Industria Farmaceutica LTDA, Brazil	24.06.2015	N.A.	BRL and Exchange Rate INR 19.65 for BRL 1	4401.3	(1224.7)	5673.7	2497.1	Nil	3146.5	(522.8)	(112.5)	(410.3)	Nil	100%
Gavis Pharmaceuticals, LLC., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	Nil	(86.1)	68.0	154.1	Nil	Nil	Nil	Nil	Nil	Nil	100%
Novel Laboratories, Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	[Refer Note No. 18]	5399.7	10210.2	4810.5	Nil	6289.4	352.2	(650.0)	1002.2	Nil	100%
Lupin Research Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	[Refer Note No. 19]	891.0	2743.0	1852.0	Nil	3323.0	(3.3)	(128.0)	124.7	Nil	100%
Lupin Pharma LLC, Russia	11.02.2016	N.A.	RUB and Exchange Rate INR 1.13 for RUB 1	0.1	(21.9)	33.7	55.5	Nil	34.0	(41.9)	3.2	(45.1)	Nil	100%
Lupin Ukraine LLC, Ukraine	06.07.2016	N.A.	UAH and Exchange Rate INR 2.45 for 1 UAH	0.3	(0.2)	0.2	0.1	Nil	0.2	1.8	0.1	1.7	Nil	100%
Lupin Latam, Inc., USA	15.12.2016	N.A.	US $ and Exchange Rate INR 65.18 for 1 US $	[Refer Note No. 20]	14.3	89.8	75.5	Nil	185.0	5.5	4.4	1.1	Nil	100%
Lupin Japan & Asia Pacific K.K., Japan	13.03.2017	N.A.	JPY and Exchange Rate INR 61.51 for 100 JPY	3.0	(13.2)	192.7	202.9	Nil	162.6	9.0	21.5	(12.5)	Nil	100%
Lupin IP Ventures Inc., USA (w.e.f. October 10, 2017)	10.10.2017	October 10, 2017 to March 31, 2018	US $ and Exchange Rate INR 65.18 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Symbiomix Therapeutics, LLC, USA (w.e.f. October 10, 2017)	10.10.2017	October 10, 2017 to March 31, 2018	US $ and Exchange Rate INR 65.18 for 1 US $	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Europe GmbH, UK (w.e.f. February 5, 2018)	05.02.2018	February 5, 2018 to March 31, 2018	Euro and Exchange Rate INR 80.81 for 1 Euro	2.0	[Refer Note No. 21]	2.0	Nil	Nil	Nil	[Refer Note No. 21]	Nil	[Refer Note No. 21]	Nil	100%

Notes:

1) The shares in Lupin Pharmaceuticals, Inc., USA are held by Lupin Inc., USA (97%) and Lupin Limited (3%).
2) The entire shareholdings of Pharma Dynamics Pty Limited, South Africa, Hormosan Pharma GmbH, Germany, Generic Health Pty Limited, Australia, Lupin Mexico S.A. de C.V., Mexico, Lupin Philippines Inc., Philippines and Generic Health SDN. BHD., Malaysia, are held by Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company.
3) The entire shareholdings of Lupin Healthcare (UK) Limited, UK , Lupin Pharma Canada Limited, Canada, Lupin Middle East FZ-LLC, Dubai, Lupin GmbH, Switzerland, Lupin Inc., USA, Nanomi B.V., Netherlands, Laboratorios Grin S.A. de C.V., Mexico, Lupin Latam, Inc., USA and Lupin Japan & Asia Pacific K.K., Japan are held by Lupin Atlantis Holdings SA, Switzerland, wholly-owned subsidiary of the Company.
4) Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company holds 99.82% shares of Kyowa Pharmaceutical Industries Co., Limited, Japan and 51% shares of Multicare Pharmaceutical Philippines Inc., Philippines.
5) The entire shareholding of Kyowa Criticare Co., Limited, Japan is held by Kyowa Pharmaceutical Industries Co., Limited, Japan, subsidiary of the Company.
6) The entire shareholding of Bellwether Pharma Pty Limited, Australia is held by Generic Health Pty Limited, Australia, wholly-owned subsidiary of the Company.
7) Lupin Atlantis Holdings SA, Switzerland holds 99.9% and Lupin Holdings B.V., Netherlands holds 0.1% ownership interest in Lupin Pharma LLC, Russia.
8) Lupin Atlantis Holdings SA, Switzerland holds 99.9% and Lupin Holdings B.V., Netherlands holds 0.1% ownership interest in Lupin Ukraine LLC, Ukraine.
9) Lupin Atlantis Holdings SA, Switzerland holds 95.44% and Lupin Holdings B.V., Netherlands holds 4.56% ownership interest in Medquimica Industria Farmaceutica LTDA, Brazil.
10) The entire shareholding of Gavis Pharmaceuticals, LLC, USA, Novel Laboratories, Inc., USA, Lupin Research Inc., USA, and Lupin IP Ventures Inc., USA are held by Lupin Inc., USA, wholly-owned subsidiary of the Company.
11) The entire shareholding of Symbiomix Therapeutics, LLC, USA is held by Lupin IP Ventures Inc., USA, wholly-owned subsidiary of the Company.
12) Lupin Mexico S.A. de C.V., Mexico, Lupin Healthcare Limited, India, Generic Health SDN. BHD., Malaysia, Lupin Europe GmbH, UK, Lupin IP Ventures Inc., USA and Sybiomix Therapeutics, LLC, USA have not yet commenced commercial opeartions.
13) Lupin Pharmaceuticals, Inc., USA has Share Capital of USD 1 i.e. ₹ 62/-.
14) Investments (other than in subsidiaries) in Hormosan Pharma GmbH, Germany is ₹ 40,404/-.
15) Total Liabilities in Lupin Mexico S.A. de C.V. Mexico is ₹ 33,921/-.
16) Total Liabilities in Lupin Healthcare Limited is ₹ 29,500/-.
17) Lupin Inc., USA has Share Capital of USD 1 i.e. ₹ 62/-.
18) Novel Laboratories, Inc., USA has Share Capital of USD 1 i.e. ₹ 67/-.
19) Lupin Research Inc., USA has Share Capital of USD 1 i.e. ₹ 67/-
20) Lupin Latam, Inc., USA has Share Capital of USD 1 i.e. ₹ 68/-.
21) Reserves and Surplus, Profit before tax and Profit after tax is ₹ 30,828/- each in Lupin Europe GmbH, UK.
22) Figures in brackets denotes the negative amounts.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Ramesh Swaminathan
Chief Financial Officer & Executive Director
(DIN: 01833346)

R. V. Satam
Company Secretary
(ACS 11973)

Mumbai, May 15, 2018

Part 'B' Joint Ventures

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

(₹ in Million)

Name of the Jointly Controlled Entity	YL Biologics Limited, Japan
1) Latest Audited Balance Sheet Date	March 31, 2018
2) Date on which Jointly Controlled Entity was acquired	April 23, 2014
3) Shares of the Jointly Controlled Entity held by the Company on the year end *(Refer note below)	
Number	450 Common Shares of JPY Nil
Amount of investment in the Jointly Controlled Entity	211.4
Extent of Holding %	45%
4) Description of how there is significant influence	N.A.
5) Reason why the Jointly Controlled Entity is not consolidated	N.A.
6) Networth attributable to Shareholding as per latest audited Balance Sheet	211.4
7) Profit/Loss for the year	
(i) Considered in Consolidation (after inter company adjustment)	35.2
(ii) Not Considered in Consolidation	43.0

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

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Ramesh Swaminathan
Chief Financial Officer & Executive Director
(DIN: 01833346)

R. V. Satam
Company Secretary
(ACS 11973)

Mumbai, May 15, 2018

ANNEXURE 'B' TO
THE DIRECTORS' REPORT

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

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

The CSR Policy aims at:

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

Weblink: http://www.lupin.com/pdf/LupinCSR-Policy.pdf

2. Composition of the CSR Committee:

i) Dr. Desh Bandhu Gupta - Chairman (up to June 26, 2017)
ii) Mrs. Manju D. Gupta - Chairman (w.e.f. August 2, 2017)
iii) Dr. Kamal K. Sharma
iv) Ms. Vinita Gupta (w.e.f. August 2, 2017)
v) Mr. Nilesh Deshbandhu Gupta
vi) Dr. Vijay Kelkar

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

The average net profit of the Company for the last three financial years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 was ₹ 37523 mn.

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

₹ 750.5 mn.

5. Details of CSR spent during the financial year:

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

₹ 750.5 mn.

(b) Amount unspent, if any:

₹ 533.7 mn.

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

(₹ in million)

1	2	3	4	5	6	7	8
Sl. No.	**CSR project/ activity identified**	**Sector in which the Project is covered**	**Projects/Programs (1) Local area or other (2) Specify the State and district where projects/ programs were undertaken**	**Amount outlay (budget) project/ program-wise**	**Amount spent on the projects/programs Sub-heads: (1) Direct Expenditure on projects/programs (2) Overheads**	**Cumulative expenditure up to the reporting period (From F.Y. 2014-15)**	**Amount spent: Direct/through implementing agency***
1.	Rural Support Programme	Social and Economic Development	Bharatpur, Alwar (Rajasthan), Pune, Sindhudurg, Nandurbar, Dhule (Maharashtra) and Rishikesh (Uttarakhand)	115.0	117.2	385.7	LHWRF*/ MSGDJSN**
2.	Learn & Earn Programme	Social and Economic Development	Goa and Tarapur (Maharashtra)	12.0	9.0	41.2	LHWRF
3.	Rural Support Programme	Social and Economic Development	Factory locations: Ankleshwar, Dabhasa (Gujarat), Aurangabad, Nagpur, Tarapur (Maharashtra), Pithampur (Madhya Pradesh), Goa, Jammu and Visakhapatnam (Andhra Pradesh)	65.0	53.5	165.4	LHWRF
4.	Tuberculosis Eradication	Health	Mumbai	10.0	7.4	47.5	LHWRF
5.	Patient Awareness Camps	Health	National level	20.0	19.1	49.0	Direct
6.	Donations for CSR	Education	National level	10.0	0.3	20.2	Direct
7.	Salary and Administrative Expenses	-	National level	13.0	10.3	35.5	Direct
			TOTAL:	**245.0**	**216.8**	**744.5**	

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

6. The actual CSR spend of the Company was less than 2% of the average net profit for the last three years. The Company plans to accelerate its CSR spend by setting-up a state-of-the-art JCI and NABH accredited hospital through 'Lupin Foundation', a charitable trust, set up by the Company. The proposed hospital would offer a wide mix of therapies which shall entail huge investment in land, infrastructure, medical equipments/instruments, over the next few years. The Company has engaged services of a reputed consultancy firm for conducting preliminary feasibility study. The Company is in the process of identifying the right opportunity and is looking out for a suitable plot in Mumbai for setting-up a hospital. The Company has explored eight sites in Mumbai, keeping in mind strategic location, accessibility, presence of major hospitals/nursing homes and diagnostic/pathology centers in the vicinity, etc. While some plots were narrow or too small, others were reserved in the Development Plan or were encroached upon or had disputed titles.

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

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Nilesh Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 15, 2018

ANNEXURE 'C' TO
THE DIRECTORS' REPORT

FORM NO. AOC - 2

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

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

1. All contracts/arrangements/transactions entered into by the Company with related parties during the year ended March 31, 2018 were at arm's length basis.

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

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in million)	Date(s) of approval by the Audit Committee/ Board	Amount paid as advances
1.	Lupin Pharmaceuticals, Inc., USA, (wholly-owned subsidiary)	Sale - Goods	Continuous	Based on Transfer Pricing Guidelines. ₹ 35236.4	August 1, 2017, August 2, 2017, October 30, 2017, February 5, 2018, February 6, 2018 and May 15, 2018.	Nil
2.	Lupin Atlantis Holdings SA, Switzerland (wholly-owned subsidiary)	Purchase - Intangible Assets	Intermittent	Negotiated Price based on independent fair valuation Report. ₹ 6199.4	October 30, 2017 and May 15, 2018.	Nil
3.	Lupin Pharmaceuticals, Inc., USA, (wholly-owned subsidiary)	Services received	Continuous	Based on Transfer Pricing Guidelines. ₹ 569.1	August 1, 2017, August 2, 2017, October 30, 2017, February 5, 2018, February 6, 2018 and May 15, 2018.	Nil
4.	Lupin Atlantis Holdings SA, Switzerland (wholly-owned subsidiary)	R &D Services rendered	Continuous	Based on Transfer Pricing Guidelines. ₹ 688.9	August 1, 2017, August 2, 2017, October 30, 2017, February 5, 2018, February 6, 2018 and May 15, 2018.	Nil
5.	Lupin Research Inc., USA, (wholly-owned subsidiary)	R &D Services received	Continuous	Based on Transfer Pricing Guidelines. ₹ 2065.3	August 1, 2017, August 2, 2017, October 30, 2017, February 5, 2018, February 6, 2018 and May 15, 2018.	Nil

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Ramesh Swaminathan
Chief Financial Officer & Executive Director
(DIN: 01833346)

R. V. Satam
Company Secretary
(ACS 11973)

Mumbai, May 15, 2018

ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

(A) Conservation of energy:

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

a) Replaced ordinary light fittings by LED ones.
b) Installed energy efficient motors.
c) Installed solar power panels.
d) Redesigned operating pumps as per head and flow.
e) Undertook periodical cleaning of heat exchangers and chemical circulations in condenser and evaporator.
f) Utilised chilled water system.
g) Improved condensate recovery.
h) Installed high efficiency blowers.
i) Recovered waste heat from air compressor and agro waste boiler.
j) Treated high salt content in waste water stream.
k) Replaced oil lubricating pumps with dry vacuum ones.
l) Replaced shell and tube condensers with finned type ones.
m) Installed automatic tube brushing system for chillers.
n) Installed magnet hydrodynamics system.

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

a) Procured electric power through open access power with generator.
b) Installed plate heat exchangers for hot water generation.
c) Installed heat pumps.
d) Installed sun pipes.
e) Installed automatic capacitor banks with filters.

(iii) capital investment on energy conservation equipments;

a) Mandideep - ₹ 10.69 million.
b) Ankleshwar - ₹ 10.24 million.
c) Pithampur - ₹ 2.26 million.
d) Pune Research Park - ₹ 2 million.
e) Mihan - ₹ 1.42 million.
f) Goa - ₹ 1.37 million.
g) Dabhasa - ₹ 0.60 million.

(B) Technology absorption:

(i) efforts made towards technology absorption;

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

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

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

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

(a) details of technology imported;

During FY 2017-18, no specific technology was imported. The Company developed technology through efforts of its in-house Research & Development.

(b) year of import;

N.A.

(c) whether the technology been fully absorbed;

N.A.

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

N.A.

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

a.	Capital	₹ 1355.0 million
b.	Recurring (excluding depreciation of ₹ 1434.8 million)	₹ 17075.7 million
	Total :	**₹ 18430.7 million**

(C) Foreign exchange earnings and outgo:

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

Foreign Exchange earned in terms of actual Inflows	₹ 53141.3 million
Foreign Exchange outgo in terms of actual Outflows	₹ 19334.7 million

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 15, 2018

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Disclosure envisaged in terms of Regulation 14(B) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the details of diluted EPS on issue of shares pursuant to all the schemes as on March 31, 2018, were as under: -

DESCRIPTION	DETAILS
Diluted earnings per share (EPS) (Consolidated) on issue of shares pursuant to all the schemes covered under the Regulations, calculated in accordance with Accounting Standard IND(AS) 33 'Earnings per share'.	Diluted earnings per share as on 31.03.2018: ₹ 5.54 No. of Options outstanding as on 31.03.2018: 4564110

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2018

The disclosure envisaged in terms of Regulation 14(C) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the particulars of Employee Stock Option Scheme (ESOS) as on March 31, 2018, were as under: -

(i) A description of each Employee Stock Option Scheme (ESOS) existed during 01.04.2017 and 31.03.2018:

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

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

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

No.	Description	Details
(ii)	**Method used to account for ESOS**	Fair Value method
(iii)	**Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.**	Not applicable

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

No.	Particulars	Details	
1.	Number of options outstanding at the beginning of the period	**Plan**	**No. of options**
		ESOP 2003	203163
		ESOP 2005	67633
		ESOP 2011	1538204
		ESOP 2014	1089976
		SESOP 2005	112613
		SESOP 2011	703392
		SESOP 2014	1036225
		Total	**4751206**

No.	Particulars	Details	
2.	Number of Options granted during the year	**Plan**	**No. of options**
		ESOP 2011	50000
		ESOP 2014	549854
		SESOP 2014	23795
		Total	**623649**
3.	Number of options forfeited / lapsed during the year	Lapsed on account of resignation of employees:	
		Plan	**No. of options**
		ESOP 2003	14975
		ESOP 2005	375
		ESOP 2011	60489
		ESOP 2014	66718
		SESOP 2005	11
		SESOP 2011	54613
		SESOP 2014	109083
		Total	**306264**
4.	Number of options vested during the year	**Plan**	**No. of options**
		ESOP 2003	34750
		ESOP 2005	5870
		ESOP 2011	354075
		ESOP 2014	305335
		SESOP 2011	155496
		SESOP 2014	348037
		Total	**1203563**
5.	Number of options exercised during the year	**Plan**	**No. of options**
		ESOP 2003	54585
		ESOP 2005	15488
		ESOP 2011	187774
		ESOP 2014	233987
		SESOP 2005	1798
		SESOP 2011	12349
		Total	**505981**
6.	Number of shares arising as a result of exercise of options	**Plan**	**No. of shares**
		ESOP 2003	54585
		ESOP 2005	15488
		ESOP 2011	187774
		ESOP 2014	233987
		SESOP 2005	1798
		SESOP 2011	12349
		Total	**505981**

No.	Particulars	Details	
7.	Money realised by exercise of options (INR), if scheme is implemented directly by the company	**Plan**	**Amount (₹)**
		ESOP 2003	18051997.00
		ESOP 2005	3581315.12
		ESOP 2011	114259319.00
		ESOP 2014	467974.00
		SESOP 2005	391658.34
		SESOP 2011	8448106.30
		Total	**145200369.76**
8.	Loan repaid by the Trust during the year from exercise price received	Not Applicable	
9.	Number of options outstanding at the end of the year	**Plan**	**No. of options**
		ESOP 2003	133603
		ESOP 2005	51770
		ESOP 2011	1341191
		ESOP 2014	1339375
		SESOP 2005	110804
		SESOP 2011	636430
		SESOP 2014	950937
		Total	**4564110**
10.	Number of options exercisable at the end of the year	**Plan**	**No. of options**
		ESOP 2003	101728
		ESOP 2005	46005
		ESOP 2011	1176343
		ESOP 2014	143522
		SESOP 2005	110804
		SESOP 2011	436429
		SESOP 2014	333328
		Total	**2348159**

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

Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	(i) Weighted average exercise price of options granted during the year whose:- a. Exercise price equals market price : ₹ 1036.21 b. Exercise price is greater than market price: N.A. c. Exercise price is less than the market price: ₹ 36.49
	(ii) Weighted average fair value of options granted during the year whose:- a. Exercise price equals market price: ₹ 337.04 b. Exercise price is greater than market price: N.A. c. Exercise price is less than the market price: ₹ 870.24

(vi) Employee-wise details of options granted to

a. Senior Managerial Personnel	(i) Dr. Kamal K. Sharma, Vice Chairman, was granted 50000 options under ESOP 2011. The exercise price of the options is ₹ 415.73. (ii) Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director, was granted 7350 options under ESOP 2014. The exercise price of the options is ₹ 2/-.

b. Employees to whom options granted amounting to 5% or more, of the total options granted during the year	(i) Dr. Kamal K. Sharma, Vice Chairman, granted 50000 options under ESOP 2011. The exercise price of the options is ₹ 415.73. (ii) Anita Schlemeier, Sr. Director, granted 3203 options under SESOP 2014. The exercise price of the options is ₹ 1407.85. (iii) Claudia Perez, Sr. Director, granted 3203 options under SESOP 2014. The exercise price of the options is ₹ 1407.85. (iv) Gislaine Trindade, Director, granted 2047 options under SESOP 2014. The exercise price of the options is ₹ 1407.85. (v) Jim Loerop, President, granted ₹ 15342 options under SESOP 2014. The exercise price of the options is ₹ 831.45.
c. Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	Nil

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

- Fair value calculated by using Black-Scholes option pricing model.
- Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.
- Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.
- Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.
- Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.
- Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

Variables	**Weighted Average Information**							
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Plan	**ESOP 2014**	**SESOP 2014**	**ESOP 2014**	**ESOP 2014**	**ESOP 2011**	**ESOP 2014**	**SESOP 2014**	**ESOP 2014**
Grant date	24.04.17	24.04.17	19.07.17	17.10.17	28.11.17	28.11.17	28.11.17	02.01.18
Risk free rate (%)	6.53	6.68	6.41	6.49	6.61	6.68	6.85	6.93
Expected life (years)	3.50	4.50	3.50	3.50	3.00	3.50	4.50	3.50
Volatility (%)	28.18	27.23	28.38	27.81	30.41	29.36	28.60	29.14
Dividend yield (%)	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Stock price (NSE closing rate) ₹	1361.50	1361.50	1172.30	1066.20	832.30	832.30	832.30	875.15
Option Fair Value ₹	**1333.97**	**431.15**	**1148.37**	**1044.30**	**483.15**	**814.86**	**285.19**	**856.91**

DETAILS OF STOCK APPRECIATION RIGHTS AS ON MARCH 31, 2018

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

(i) A description of each SAR Scheme existed during 01.04.2017 and 31.03.2018: No Scheme existed.

DETAILS RELATED TO TRUST AS ON MARCH 31, 2018

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

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

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

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

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 15, 2018

ANNEXURE-'F' TO
THE DIRECTORS' REPORT

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

Sl. No.	Name of the Director/Key Managerial Personnel and Designation	Remuneration of Director/Key Managerial Personnel for the year ended March 31, 2018 (₹ in million)	% increase in the remuneration in the year ended March 31, 2018	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Dr. Deshbandhu Gupta, *Chairman* (up to June 26, 2017)	124.44	-	308
2.	Mrs. Manju D. Gupta, *Chairman* (*Executive Director* up to August 10, 2017)	16.67*	182%*	42
3.	Dr. Kamal K. Sharma, *Vice Chairman*	187.22	-	464
4.	Mr. Nilesh Deshbandhu Gupta, *Managing Director*	90.66	10.9%	225
5.	Mr. Ramesh Swaminathan, *Chief Financial Officer & Executive Director*	69.46	30.5%	172
6.	Dr. Vijay Kelkar, *Independent Director*	3.66	-	9
7.	Mr. R. A. Shah, *Independent Director*	3.72	-	9
8.	Mr. Richard Zahn, *Independent Director*	6.72	-	17
9.	Dr. K. U. Mada, *Independent Director*	3.36	-	8
10.	Mr. Dileep C. Choksi, *Independent Director*	3.26	-	8
11.	Mr. Jean-Luc Belingard, *Independent Director*	6.64	-	16
12.	Mr. R. V. Satam, *Company Secretary*	7.89	12.9%	N.A.

*FY 2017-18 remuneration includes ₹ 12.48 million towards settlement of dues up to August 10, 2017, ₹ 2.23 million and ₹ 0.06 million towards Commission and Sitting Fees respectively as Non-Executive Director w.e.f. August 11, 2017.

i) The median remuneration of employees of the Company during the year ended March 31, 2018 was ₹ 0.40 million.
ii) During the year ended March 31, 2018, there was an increase of 5% in the median remuneration of employees.
iii) During the year ended March 31, 2018, there was an average 12% increase in the salaries of employees other than key managerial personnel.
iv) As on March 31, 2018, the Company had 17042 permanent employees.
v) We affirm that the remuneration paid is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 15, 2018

ANNEXURE 'G' TO
THE DIRECTORS' REPORT

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2018

[Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lupin Limited

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

Based on my verification of the books, papers, minutes books, forms and returns filed, and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the year ended March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner, and subject to the reporting made hereinafter: -

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the year ended March 31, 2018 according to the provisions of: -

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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

I further report that

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

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

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

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

I further report that

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

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

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

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

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

Place: Mumbai
Date: May 15, 2018

ANNEXURE 'G' - 1

(TO THE SECRETARIAL AUDIT REPORT OF LUPIN LIMITED FOR YEAR ENDED MARCH 31, 2018).

To,
The Members,
Lupin Limited

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

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

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

Place: Mumbai
Date: May 15, 2018

ANNEXURE 'H' TO
THE DIRECTORS' REPORT

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the year ended March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Lupin Pharmaceuticals, Inc., HarborPlace Tower, 111, South Calvert Street, 21st Floor, Baltimore, MD 21202, USA.	N.A. *	Subsidiary	100%	2(87)
2.	Kyowa Pharmaceutical Industry Co., Ltd., Nakanoshima Festival Tower West 27F, 3-2-4 Nakanoshima, Kita-ku, Osaka 530-0005, Japan.	N.A. *	Subsidiary	99.82%	2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	Pharma Dynamics (Proprietary) Ltd., 1st Floor, Grapevine House, Steenberg Office Park, Silverwood Close, Westlake, Cape Town, 7945, P.O. Box 30958, South Africa.	N.A. *	Subsidiary	100%	2(87)
4.	Hormosan Pharma GmbH, Hanauer Landstraße 139-143 60314 Frankfurt am Main Germany.	N.A. *	Subsidiary	100%	2(87)
5.	Multicare Pharmaceuticals Philippines, Inc., 26th Floor, Rufino Tower, Ayala Avenue, Makati City, Philippines.	N.A. *	Subsidiary	51%	2(87)
6.	Generic Health Pty Ltd., Level 1, East/1100-1102, Toorak Road, Camberwell, Victoria 3124, Australia.	N.A. *	Subsidiary	100%	2(87)
7.	Kyowa CritiCare Co., Ltd., 4-18-29, Asahicho, Atsugi-City, Kanagawa 243-0014, Japan.	N.A. *	Subsidiary	99.82%	2(87)
8.	Lupin Holdings B.V., Naritaweg 165, Telestone 8, 1043 BW Amsterdam, Netherlands.	N.A. *	Subsidiary	100%	2(87)
9.	Lupin Atlantis Holdings SA, Landis + Gyr-Strasse 1, 6300 Zug, Switzerland.	N.A. *	Subsidiary	100%	2(87)
10.	Lupin Healthcare (UK) Limited, [formerly known as Lupin (Europe) Ltd.] The Urban Building, Floor 2, 3-9 Albert Street, Slough, Berkshire, SL1 2BE, UK.	N.A. *	Subsidiary	100%	2(87)
11.	Lupin Australia Pty Ltd., Level 1, East/1100-1102, Toorak Road, Camberwell, Victoria 3124, Australia.	N.A. *	Subsidiary	100%	2(87)
12.	Lupin Pharma Canada Ltd., 15 Wertheim Crt, Suite 707 Richmond Hill, Ontario L4B 3H7, Canada.	N.A. *	Subsidiary	100%	2(87)
13.	Lupin Mexico S.A. de C.V., Gabriel Mancera 1761, Colonia De Valle, Ciudad de Mexico, c.p. 03100.	N.A. *	Subsidiary	100%	2(87)
14.	Bellwether Pharma Pty Ltd., Level 1, East/1100-1102, Toorak Road, Camberwell, Victoria 3124, Australia.	N.A. *	Subsidiary	100%	2(87)
15.	Lupin Philippines, Inc., 1135 Chino Roces Avenue, Makati City, 1231, Philippines.	N.A. *	Subsidiary	100%	2(87)
16.	Lupin Healthcare Ltd., Kalpataru Inspire, 3rd Floor Off Western Express Highway, Santacruz (East), Mumbai - 400 055.	U24100MH2011PLC214885	Subsidiary	100%	2(87)
17.	Generic Health SDN. BHD., Upper Penthouse, Wisma RKT, No.2, Jalan Raja Abdulla, Off Jalan Sultan Ismail, 50300 Kuala Lumpur, Malaysia.	N.A. *	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
18.	Lupin Middle East FZ-LLC, Executive Office No. 9, Floor No. 1, Block No. 03, Dubai International Academic City, P.O. Box - 345029, Dubai, U.A.E.	N.A. *	Subsidiary	100%	2(87)
19.	Lupin Inc., HarborPlace Tower, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A. *	Subsidiary	100%	2(87)
20.	Lupin GmbH, Landis + Gyr-Strasse 1, 6300 Zug, Switzerland.	N.A. *	Subsidiary	100%	2(87)
21.	Nanomi B.V., Zutphenstraat 51, 7575 EJ OLDEN ZAAL, Netherlands.	N.A. *	Subsidiary	100%	2(87)
22.	Laboratorios Grin, S.A. de C.V., Rodriguez Saro#630, Col Del Valle , Ciudad de Mexico, CP 03100, RFC LGR8309144M3.	N.A. *	Subsidiary	100%	2(87)
23.	Medquimica Industria Farmaceutica LTDA, Rua Fernando Lamarca, 255 - Distrito Industrial, Juiz de Fora, Minas Gerais, Brazil 36092-030.	N.A. *	Subsidiary	100%	2(87)
24.	Gavis Pharmaceuticals, LLC, 400 Campus Drive, Somerset, New Jersey-00873-1145, USA.	N.A. *	Subsidiary	100%	2(87)
25.	Novel Laboratories, Inc., 400 Campus Drive, Somerset, New Jersey-00873-1145, USA.	N.A. *	Subsidiary	100%	2(87)
26.	Novel Clinical Research (India) Pvt. Ltd., Kalpataru Inspire, 3rd Floor Off Western Express Highway, Santacruz (East), Mumbai - 400 055. (Application made to the Registrar of Companies, Bangalore, for removal of name of the company from the Register of Companies w.e.f. March 27, 2018).	U73100KA2012FTC067065	Subsidiary	100%	2(87)
27.	Lupin Research Inc., HarborPlace Tower, 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A. *	Subsidiary	100%	2(87)
28.	Lupin Pharma LLC, Russian Federation, 1 17246, Moscow, Nauchny proezd 17, Premises XXXIV, Rooms 1 - 14. Russia.	N.A. *	Subsidiary	100%	2(87)
29.	Lupin Ukraine LLC, 02121, Kuiv Kharkov Highway 201 - 203, 2” A” Ukraine.	N.A. *	Subsidiary	100%	2(87)
30.	Lupin Latam, Inc., 5801, Pelican Bay Boulevard - suite 500 Naples, Florida 34108, USA.	N.A. *	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
31.	Lupin Japan & Asia Pacific K.K., Toranoman Hills, Mori Tower, 1-23-3, Toranoman, Minato-ku, Tokyo 105-630, Japan.	N.A. *	Subsidiary	100%	2(87)
32.	Saker Merger Sub LLC, (w.e.f. April 07, 2017 up to October 10, 2017) Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, USA.	N.A. *	Subsidiary	100%	2(87)
33.	Lupin IP Ventures Inc., (w.e.f. October 10, 2017) 5801 Pelican Bay Blvd, Suite 500 Naples, FL 34108, USA.	N.A. *	Subsidiary	100%	2(87)
34.	Symbiomix Therapeutics, LLC, (w.e.f. October 10, 2017) 111 South Calvert Street, 21st floor, Baltimore, MD 21202, USA.	N.A. *	Subsidiary	100%	2(87)
35.	Lupin Europe GmbH, LLC, (w.e.f. February 5, 2018) Hanauer Landstraße 139-143 60314 Frankfurt am Main Germany.	N.A. *	Subsidiary	100%	2(87)

*Incorporated outside India.

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

i) Category-wise Shareholding:

	Category of shareholders	No. of Shares held at the beginning of the year as on 01.04.2017				No. of Shares held at the end of the year as on 31.03.2018				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individuals / HUF	6115295	0	6115295	1.36	5635201	0	5635201	1.25	- 0.11
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	203937918	0	203937918	45.16	205608135	0	205608135	45.48	0.32
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1):	**210053213**	**0**	**210053213**	**46.52**	**211243336**	**0.00**	**211243336**	**46.73**	**0.21**
(2)	**Foreign**									
(a)	NRIs - Individuals	803800	0	803800	0.18	1286394	0	1286394	0.28	0.10
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2):	**803800**	**0**	**803800**	**0.18**	**1286394**	**0**	**1286394**	**0.28**	**0.10**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**210857013**	**0**	**210857013**	**46.70**	**212529730**	**0**	**212529730**	**47.01**	**0.31**
(B)	**Public shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	24318679	30700	24349379	5.39	28725143	30200	28755343	6.36	0.97
(b)	Banks / FI	1416875	3900	1420775	0.31	1749641	3900	1753541	0.39	0.07
(c)	Central Government	1051013	0	1051013	0.23	890149	0	890149	0.20	- 0.04
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	15496672	100	15496772	3.43	23070684	100	23070784	5.10	1.67
(g)	FIIs	143920974	3600	143924574	31.88	114784774	3600	114788374	25.39	- 6.48
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
	Alternate Investment Funds	-	-	-	-	692161	-	692161	0.15	0.15
	Foreign Bodies	5015	0	5015	0.00	5015	0	5015	0.00	0.00
	Sub Total: (B)(1)	**186209228**	**38300**	**186247528**	**41.24**	**169917567**	**37800**	**169955367**	**37.59**	**- 3.65**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
	i) Indian	4803489	26700	4830189	1.07	7116923	21200	7138123	1.58	0.51
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	27837773	1655978	29493751	6.53	41330498	1405210	42735708	9.45	2.92
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13580951	0	13580951	3.01	13936363	0	13936363	3.08	0.07
(c)	Others (specify)									
	Non-Resident Indians	3039315	21500	3060815	0.68	2603942	21400	2625342	0.58	- 0.10
	Foreign Nationals	148720	0	148720	0.03	118751	0	118751	0.03	0.00
	Clearing Members	1009542	0	1009542	0.22	629593	0	629593	0.14	- 0.08
	Trusts	2348360	0	2348360	0.52	2413873	0	2413873	0.53	0.01
	Sub Total: (B)(2)	**52768150**	**1704178**	**54472328**	**12.06**	**68149943**	**1447810**	**69597753**	**15.39**	**3.33**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**238977378**	**1742478**	**240719856**	**53.30**	**238067510**	**1485610**	**239553120**	**52.98**	**- 0.32**
	TOTAL (A) + (B)	**449834391**	**1742478**	**451576869**	**100.00**	**450597240**	**1485610**	**452082850**	**100.00**	**0.00**
(C)	**Shares held by Custodians for GDRs and ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL: (A) + (B) + (C)	**449834391**	**1742478**	**451576869**	**100.00**	**450597240**	**1485610**	**452082850**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 01.04.2017			No. of Shares held at the end of the year as on 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Zyma Laboratories Ltd.	55658383	12.33	0.00	0	0.00	0.00	- 12.33
2.	Rahas Investments Pvt. Ltd.	46083534	10.21	0.00	0	0.00	0.00	- 10.21
3.	Visiomed Investments Pvt. Ltd.	44102333	9.77	0.00	0	0.00	0.00	- 9.77
4.	Lupin Holdings Pvt. Ltd.	40828758	9.04	0.00	0	0.00	0.00	- 9.04
5.	Lupin Investments Pvt. Ltd.	15401910	3.41	0.00	205608135	45.48	0.00	42.07
6.	Manju D. Gupta	3491820	0.77	0.00	3871162	0.86	0.00	0.08
7.	D. B. Gupta	1310330	0.29	0.00	0	0.00	0.00	- 0.29
8.	Rahas Mercantile Pvt. Ltd.	1863000	0.41	0.0	0	0.00	0.00	- 0.41
9.	Desh Bandhu Gupta	647580	0.14	0.00	647580	0.14	0.00	0.00
10.	Nilesh Deshbandhu Gupta	625240	0.14	0.00	901064	0.20	0.00	0.06
11.	Anuja Gupta	622320	0.14	0.00	725705	0.16	0.00	0.02
12.	Richa Gupta	129880	0.03	0.00	233265	0.05	0.00	0.02
13.	Vinita Gupta	51600	0.01	0.00	327424	0.07	0.00	0.06
14.	Kavita Gupta	27600	0.01	0.00	200170	0.04	0.00	0.04
15.	Veda Nilesh Gupta	12475	0.00	0.00	14675	0.00	0.00	0.00
16.	Shefali Nath	250	0.00	0.00	550	0.00	0.00	0.00
	Total:	**210857013**	**46.69**	**0**	**212529730**	**47.01**	**0**	**0.32**

iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 01.04.2017			No. of Shares held at the end of the year as on 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Zyma Laboratories Ltd.	55658383	12.33	0.00	0	0.00	0.00	- 12.33
2.	Rahas Investments Pvt. Ltd.	46083534	10.21	0.00	0	0.00	0.00	- 10.21
3.	Visiomed Investments Pvt. Ltd.	44102333	9.77	0.00	0	0.00	0.00	- 9.77
4.	Lupin Holdings Pvt. Ltd.	40828758	9.04	0.00	0	0.00	0.00	- 9.04
5.	Lupin Investments Pvt. Ltd.	15401910	3.41	0.00	205608135	45.48	0.00	42.07
6.	Manju D. Gupta	3491820	0.77	0.00	3871162	0.86	0.00	0.08
7.	D.B. Gupta	1310330	0.29	0.00	0	0.00	0.00	- 0.29
8.	Rahas Mercantile Pvt. Ltd.	1863000	0.41	0.00	0	0.00	0.00	- 0.41
9.	Desh Bandhu Gupta	647580	0.14	0.00	647580	0.14	0.00	0.00
10.	Nilesh Deshbandhu Gupta	625240	0.14	0.00	901064	0.20	0.00	0.06
11.	Anuja Gupta	622320	0.14	0.00	725705	0.16	0.00	0.02
12.	Richa Gupta	129880	0.03	0.00	233265	0.05	0.00	0.02
13.	Vinita Gupta	51600	0.01	0.00	327424	0.07	0.00	0.06
14.	Kavita Gupta	27600	0.01	0.00	200170	0.04	0.00	0.04
15.	Veda Nilesh Gupta	12475	0.00	0.00	14675	0.00	0.00	0.00
16.	Shefali Nath	250	0.00	0.00	550	0.00	0.00	0.00
	Total:	**210857013**	**46.69**	**0**	**212529730**	**47.01**	**0**	**0.32**

iv) **Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholder			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Increase/ decrease and reason* for the same	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**Life Insurance Corporation of India**	**At the beginning of the year**	**-**	**3682929**	**0.82**	**-**	**-**
		14.07.2017	1700	-	-	3684629	0.82
		25.08.2017	1152957	-	-	4837586	1.07
		01.09.2017	109503	-	-	4947089	1.09
		08.09.2017	263707	-	-	5210796	1.15
		15.09.2017	1087852	-	-	6298648	1.39
		22.09.2017	1949407	-	-	8248055	1.83
		30.09.2017	1727639	-	-	9975694	2.21
		06.10.2017	1936788	-	-	11912482	2.64
		13.10.2017	180920	-	-	12093402	2.68
		10.11.2017	2300	-	-	12095702	2.68
		22.12.2017	2400	-	-	12098102	2.68
		09.02.2018	2000	-	-	12100102	2.68
		At the end of the year	**-**	**-**	**-**	**12100102**	**2.68**
2.	**Rakesh Jhunjhunwala**	**At the beginning of the year**	**-**	**7793105**	**1.73**	**-**	**-**
		14.04.2017	225000	-	-	8018105	1.78
		28.04.2017	- 125000	-	-	7893105	1.75
		26.05.2017	- 25000	-	-	7868105	1.74
		02.06.2017	40000	-	-	7908105	1.75
		09.06.2017	- 40000	-	-	7868105	1.74
		30.06.2017	100000	-	-	7968105	1.76
		07.07.2017	- 250000	-	-	7718105	1.71
		25.07.2017	965000	-	-	8683105	1.92
		04.08.2017	- 135000	-	-	8548105	1.89
		20.10.2017	- 50000	-	-	8498105	1.88
		03.11.2017	150000	-	-	8648105	1.91
		10.11.2017	- 20000	-	-	8628105	1.91
		17.11.2017	52500	-	-	8680605	1.92
		24.11.2017	18000	-	-	8698605	1.92
		At the end of the year	**-**	**-**	**-**	**8698605**	**1.92**

Sl. No.	Name of the Shareholder			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Increase/ decrease and reason* for the same	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	**ICICI Prudential Mutual Funds**	**At the beginning of the year**	**-**	**5132830**	**1.14**	**-**	**-**
		07.04.2017	- 206549	-	-	4926281	1.09
		14.04.2017	- 171667	-	-	4754614	1.05
		21.04.2017	- 63608	-	-	4691006	1.04
		28.04.2017	- 322787	-	-	4368219	0.97
		05.05.2017	320211	-	-	4688430	1.04
		12.05.2017	155966	-	-	4844396	1.07
		19.05.2017	14012	-	-	4858408	1.08
		26.05.2017	170036	-	-	5028444	1.11
		02.06.2017	610214	-	-	5638658	1.25
		09.06.2017	174950	-	-	5813608	1.29
		16.06.2017	520	-	-	5814128	1.29
		23.06.2017	363254	-	-	6177382	1.37
		30.06.2017	1056168	-	-	7233550	1.60
		07.07.2017	1373048	-	-	8606598	1.91
		14.07.2017	175396	-	-	8781994	1.94
		21.07.2017	- 598	-	-	8781396	1.94
		25.07.2017	66283	-	-	8847679	1.96
		27.07.2017	108893	-	-	8956572	1.98
		04.08.2017	1643035	-	-	10599607	2.35
		11.08.2017	153842	-	-	10753449	2.38
		18.08.2017	672	-	-	10754121	2.38
		25.08.2017	412212	-	-	11166333	2.47
		01.09.2017	- 528173	-	-	10638160	2.35
		08.09.2017	96	-	-	10638256	2.35
		15.09.2017	284	-	-	10638540	2.35
		22.09.2017	54402	-	-	10692942	2.37
		30.09.2017	- 447426	-	-	10245516	2.27
		06.10.2017	- 1215	-	-	10244301	2.27
		13.10.2017	26012	-	-	10270313	2.27
		20.10.2017	- 283	-	-	10270030	2.27
		27.10.2017	- 781320	-	-	9488710	2.10
		31.10.2017	- 331527	-	-	9157183	2.03
		03.11.2017	- 17762	-	-	9139421	2.02
		10.11.2017	- 1312577	-	-	7826844	1.73
		17.11.2017	- 122222	-	-	7704622	1.70
		24.11.2017	17841	-	-	7722463	1.71
		01.12.2017	- 193023	-	-	7529440	1.67
		08.12.2017	45214	-	-	7574654	1.68
		15.12.2017	- 1116465	-	-	6458189	1.43

Sl. No.	Name of the Shareholder			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Increase/ decrease and reason* for the same	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		22.12.2017	- 234035	-	-	6224154	1.38
		30.12.2017	287276	-	-	6511430	1.44
		05.01.2018	- 3772	-	-	6507658	1.44
		12.01.2018	1068	-	-	6508726	1.44
		19.01.2018	328	-	-	6509054	1.44
		26.01.2018	- 76000	-	-	6433054	1.42
		02.02.2018	- 4601	-	-	6428453	1.42
		09.02.2018	- 766	-	-	6427687	1.42
		16.02.2018	943	-	-	6428630	1.42
		23.02.2018	- 483	-	-	6428147	1.42
		02.03.2018	- 727	-	-	6427420	1.42
		09.03.2018	369759	-	-	6797179	1.50
		16.03.2018	143765	-	-	6940944	1.54
		23.03.2018	127834	-	-	7068778	1.56
		31.03.2018	2939	-	-	7071717	1.56
		At the end of the year	**-**	**-**	**-**	**7071717**	**1.56**
4.	**Government Pension Fund Global**	**At the beginning of the year**	**-**	**1396874**	**0.31**	**-**	**-**
		14.04.2017	- 214892	-	-	1181982	0.26
		21.04.2017	- 107924	-	-	1074058	0.24
		28.04.2017	- 481402	-	-	592656	0.13
		05.05.2017	- 115066	-	-	477590	0.11
		26.05.2017	523906	-	-	1001496	0.22
		02.06.2017	1310834	-	-	2312330	0.51
		23.06.2017	308677	-	-	2621007	0.58
		21.07.2017	180897	-	-	2801904	0.62
		27.07.2017	185945	-	-	2987849	0.66
		22.09.2017	106553	-	-	3094402	0.68
		30.09.2017	569490	-	-	3663892	0.81
		06.10.2017	155596	-	-	3819488	0.85
		13.10.2017	240903	-	-	4060391	0.90
		20.10.2017	277604	-	-	4337995	0.96
		27.10.2017	177359	-	-	4515354	1.00
		10.11.2017	- 601017	-	-	3914337	0.87
		17.11.2017	653900	-	-	4568237	1.01
		24.11.2017	397707	-	-	4965944	1.10
		01.12.2017	597913	-	-	5563857	1.23
		02.03.2018	223682	-	-	5787539	1.28
		09.03.2018	94500	-	-	5882039	1.30
		At the end of the year	**-**	**-**	**-**	**5882039**	**1.30**

Sl. No.	Name of the Shareholder			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Increase/ decrease and reason* for the same	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	**Comgest Growth PLC**	**At the beginning of the year**	**-**	**0**	**0.00**	**-**	**-**
		07.07.2017	266150	-	-	266150	0.06
		14.07.2017	1398968	-	-	1665118	0.37
		21.07.2017	271186	-	-	1936304	0.43
		27.07.2017	250000	-	-	2186304	0.48
		04.08.2017	882683	-	-	3068987	0.68
		11.08.2017	107670	-	-	3176657	0.70
		25.08.2017	423955	-	-	3600612	0.80
		01.09.2017	403751	-	-	4004363	0.89
		08.09.2017	143907	-	-	4148270	0.92
		22.09.2017	383343	-	-	4531613	1.00
		At the end of the year	**-**	**-**	**-**	**4531613**	**1.00**
6.	**Fidelity Investment Trust Fidelity Series Emerging Markets Fund**	**At the beginning of the year**	**-**	**4265699**	**0.94**	**-**	**-**
		13.10.2017	206955	-	-	4472654	0.99
		At the end of the year	**-**	**-**	**-**	**4472654**	**0.99**
7.	**Franklin Templeton Mutual Funds**	**At the beginning of the year**	**-**	**2440624**	**0.54**	**-**	**-**
		07.04.2017	230366	-	-	2670990	0.59
		21.04.2017	69965	-	-	2740955	0.61
		28.04.2017	- 34	-	-	2740921	0.61
		05.05.2017	- 68	-	-	2740853	0.61
		12.05.2017	- 34	-	-	2740819	0.61
		19.05.2017	- 34	-	-	2740785	0.61
		26.05.2017	- 308	-	-	2740477	0.61
		02.06.2017	650215	-	-	3390692	0.75
		09.06.2017	- 99	-	-	3390593	0.75
		16.06.2017	150000	-	-	3540593	0.78
		23.06.2017	- 33	-	-	3540560	0.78
		30.06.2017	- 100	-	-	3540460	0.78
		07.07.2017	- 230	-	-	3540230	0.78
		04.08.2017	48	-	-	3540278	0.78
		11.08.2017	19937	-	-	3560215	0.79
		18.08.2017	100000	-	-	3660215	0.81
		25.08.2017	65	-	-	3660280	0.81
		01.09.2017	80000	-	-	3740280	0.83
		08.09.2017	128	-	-	3740408	0.83
		15.09.2017	- 130	-	-	3740278	0.83
		22.09.2017	- 62	-	-	3740216	0.83

Sl. No.	Name of the Shareholder	Date	Increase/ decrease and reason* for the same	No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		30.09.2017	- 480	-	-	3739736	0.83
		06.10.2017	50	-	-	3739786	0.83
		20.10.2017	- 73	-	-	3739713	0.83
		03.11.2017	- 30	-	-	3739683	0.83
		10.11.2017	- 342	-	-	3739341	0.83
		30.12.2017	- 59	-	-	3739282	0.83
		05.01.2018	- 203	-	-	3739079	0.83
		12.01.2018	350000	-	-	4089079	0.90
		19.01.2018	49954	-	-	4139033	0.92
		26.01.2018	- 91	-	-	4138942	0.92
		02.02.2018	49157	-	-	4188099	0.93
		09.02.2018	149942	-	-	4338041	0.96
		23.02.2018	- 60	-	-	4337981	0.96
		31.03.2018	79756	-	-	4417737	0.98
		At the end of the year	**-**	**-**	**-**	**4417737**	**0.98**
8.	**Government of Singapore**	**At the beginning of the year**	**-**	**7519881**	**1.67**		
		07.04.2017	- 39669	-	-	7480212	1.66
		14.04.2017	- 262346	-	-	7217866	1.60
		21.04.2017	- 99405	-	-	7118461	1.58
		28.04.2017	- 39239	-	-	7079222	1.57
		05.05.2017	- 136532	-	-	6942690	1.54
		12.05.2017	51789	-	-	6994479	1.55
		19.05.2017	57800	-	-	7052279	1.56
		26.05.2017	- 340271	-	-	6712008	1.49
		02.06.2017	- 302652	-	-	6409356	1.42
		09.06.2017	10623	-	-	6419979	1.42
		16.06.2017	15224	-	-	6435203	1.42
		23.06.2017	- 843	-	-	6434360	1.42
		07.07.2017	54276	-	-	6488636	1.44
		14.07.2017	52409	-	-	6541045	1.45
		21.07.2017	10160	-	-	6551205	1.45
		27.07.2017	- 37228	-	-	6513977	1.44
		04.08.2017	- 1441114	-	-	5072863	1.12
		11.08.2017	15559	-	-	5088422	1.13
		18.08.2017	- 2858	-	-	5085564	1.13
		25.08.2017	47500	-	-	5133064	1.14
		01.09.2017	- 64491	-	-	5068573	1.12
		08.09.2017	- 119063	-	-	4949510	1.10
		15.09.2017	- 65175	-	-	4884335	1.08

Sl. No.	Name of the Shareholder			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Increase/ decrease and reason* for the same	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		22.09.2017	- 56903	-	-	4827432	1.07
		30.09.2017	- 59948	-	-	4767484	1.06
		06.10.2017	- 9855	-	-	4757629	1.05
		13.10.2017	22841	-	-	4780470	1.06
		20.10.2017	- 5914	-	-	4774556	1.06
		27.10.2017	- 2443	-	-	4772113	1.06
		03.11.2017	27480	-	-	4799593	1.06
		10.11.2017	- 91266	-	-	4708327	1.04
		17.11.2017	- 61000	-	-	4647327	1.03
		24.11.2017	- 122025	-	-	4525302	1.00
		01.12.2017	- 212652	-	-	4312650	0.95
		08.12.2017	- 94542	-	-	4218108	0.93
		05.01.2018	78351	-	-	4296459	0.95
		19.01.2018	65891	-	-	4362350	0.96
		26.01.2018	42185	-	-	4404535	0.97
		02.02.2018	- 117470	-	-	4287065	0.95
		09.02.2018	- 78123	-	-	4208942	0.93
		16.02.2018	- 276217	-	-	3932725	0.87
		23.02.2018	- 219622	-	-	3713103	0.82
		02.03.2018	- 81248	-	-	3631855	0.80
		09.03.2018	- 57279	-	-	3574576	0.79
		31.03.2018	26306	-	-	3600882	0.80
		At the end of the year	**-**	**-**	**-**	**3600882**	**0.80**
9.	**Vanguard Emerging Markets Stock Index Fund**	**At the beginning of the year**	**-**	**3621374**	**0.80**	**-**	**-**
		07.04.2017	43600	-	-	3664974	0.81
		28.04.2017	4000	-	-	3668974	0.81
		05.05.2017	32000	-	-	3700974	0.82
		12.05.2017	10000	-	-	3710974	0.82
		19.05.2017	21600	-	-	3732574	0.83
		02.06.2017	8800	-	-	3741374	0.83
		07.07.2017	14000	-	-	3755374	0.83
		14.07.2017	10000	-	-	3765374	0.83
		04.08.2017	8800	-	-	3774174	0.84
		11.08.2017	11600	-	-	3785774	0.84
		01.09.2017	14400	-	-	3800174	0.84
		08.09.2017	20400	-	-	3820574	0.85
		15.09.2017	18400	-	-	3838974	0.85
		06.10.2017	12000	-	-	3850974	0.85
		13.10.2017	12400	-	-	3863374	0.86

Sl. No.	Name of the Shareholder	Date	Increase/ decrease and reason* for the same	No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		20.10.2017	9200	-	-	3872574	0.86
		27.10.2017	8400	-	-	3880974	0.86
		22.12.2017	- 93053	-	-	3787921	0.84
		26.01.2018	18847	-	-	3806768	0.84
		02.02.2018	16842	-	-	3823610	0.85
		23.03.2018	- 84198	-	-	3739412	0.83
		31.03.2018	- 19500	-	-	3719912	0.82
		At the end of the year	**-**	**-**	**-**	**3719912**	**0.82**
10.	**ICICI Prudential Life Insurance Company Limited**	**At the beginning of the year**	**-**	**3485050**	**0.77**	**-**	
		07.04.2017	45208	-	-	3530258	0.78
		14.04.2017	528586	-	-	4058844	0.90
		21.04.2017	160296	-	-	4219140	0.94
		28.04.2017	169084	-	-	4388224	0.97
		05.05.2017	175758	-	-	4563982	1.01
		12.05.2017	334394	-	-	4898376	1.09
		19.05.2017	276087	-	-	5174463	1.15
		26.05.2017	943966	-	-	6118429	1.36
		02.06.2017	230246	-	-	6348675	1.41
		09.06.2017	23408	-	-	6372083	1.41
		16.06.2017	4674	-	-	6376757	1.41
		23.06.2017	13776	-	-	6390533	1.42
		30.06.2017	- 70564	-	-	6319969	1.40
		07.07.2017	2730	-	-	6322699	1.40
		14.07.2017	222190	-	-	6544889	1.45
		21.07.2017	- 2680	-	-	6542209	1.45
		25.07.2017	- 1545	-	-	6540664	1.45
		27.07.2017	- 40032	-	-	6500632	1.44
		04.08.2017	525483	-	-	7026115	1.56
		11.08.2017	- 274308	-	-	6751807	1.50
		18.08.2017	1845	-	-	6753652	1.50
		25.08.2017	13844	-	-	6767496	1.50
		01.09.2017	- 30640	-	-	6736856	1.49
		08.09.2017	52954	-	-	6789810	1.50
		15.09.2017	51209	-	-	6841019	1.52
		22.09.2017	1442	-	-	6842461	1.52
		30.09.2017	97174	-	-	6939635	1.54
		06.10.2017	42266	-	-	6981901	1.55
		13.10.2017	1321	-	-	6983222	1.55
		20.10.2017	11012	-	-	6994234	1.55
		27.10.2017	1180	-	-	6995414	1.55

Sl. No.	Name of the Shareholder			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Increase/ decrease and reason* for the same	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		31.10.2017	- 150882	-	-	6844532	1.52
		03.11.2017	- 56430	-	-	6788102	1.50
		10.11.2017	- 3429475	-	-	3358627	0.74
		17.11.2017	- 18776	-	-	3339851	0.74
		24.11.2017	496	-	-	3340347	0.74
		01.12.2017	- 677	-	-	3339670	0.74
		08.12.2017	- 74545	-	-	3265125	0.72
		15.12.2017	1477	-	-	3266602	0.72
		22.12.2017	29193	-	-	3295795	0.73
		30.12.2017	24913	-	-	3320708	0.74
		05.01.2018	404034	-	-	3724742	0.83
		12.01.2018	- 19486	-	-	3705256	0.82
		19.01.2018	- 4410	-	-	3700846	0.82
		26.01.2018	- 432	-	-	3700414	0.82
		02.02.2018	600	-	-	3701014	0.82
		09.02.2018	- 103717	-	-	3597297	0.80
		16.02.2018	- 11465	-	-	3585832	0.79
		23.02.2018	- 213235	-	-	3372597	0.75
		02.03.2018	- 52772	-	-	3319825	0.74
		09.03.2018	2328	-	-	3322153	0.74
		16.03.2018	- 44275	-	-	3277878	0.73
		23.03.2018	- 20656	-	-	3257222	0.72
		31.03.2018	- 172347	-	-	3084875	0.68
		At the end of the year	**-**	**-**	**-**	**3084875**	**0.68**

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

v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Director / Key Managerial Personnel			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Reason for increase / decrease	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**Dr. D. B. Gupta**	**At the beginning of the year**	**-**	**1957910**	**0.43**	**-**	**-**
		28.11.2017	Inter-se Transfer (-) 1310330	-	-	647580	0.14
		At the end of the year	**-**	**-**	**-**	**647580**	**0.14**
2.	**Mrs. Manju D. Gupta**	**At the beginning of the year**	**-**	**3491820**	**0.77**	**-**	**-**
		28.11.2017	Inter-se Transfer (+) 379342	-	-	3871162	0.86
		At the end of the year	**-**	**-**	**-**	**3871162**	**0.86**
3.	**Dr. Kamal K. Sharma**	**At the beginning of the year**	**-**	**232400**	**0.05**	**-**	**-**
		18.07.2017	Market Sale (-) 5000	-	-	227400	0.05
		19.07.2017	Market Sale (-) 5000	-	-	222400	0.05
		20.07.2017	Market Sale (-) 2500	-	-	219900	0.05
		04.10.2017	Market Sale (-) 10000	-	-	209900	0.05
		05.10.2017	Market Sale (-) 10000	-	-	199900	0.04
		06.10.2017	Market Sale (-) 10000	-	-	189900	0.04
		09.10.2017	Market Sale (-) 10000	-	-	179900	0.04
		10.10.2017	Market Sale (-) 10000	-	-	169900	0.04
		At the end of the year	**-**	**-**	**-**	**169900**	**0.04**
4.	**Ms. Vinita Gupta**	**At the beginning of the year**	**-**	**51600**	**0.01**	**-**	**-**
		29.11.2017	Inter-se Transfer (+) 275824	-	-	327424	0.07
		At the end of the year	**-**	**-**	**-**	**327424**	**0.07**

Sl. No.	Name of the Director / Key Managerial Personnel			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Reason for increase / decrease	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	**Mr. Nilesh Deshbandhu Gupta**	**At the beginning of the year**	**-**	**625240**	**0.14**	**-**	**-**
		29.11.2017	Inter-se Transfer (+) 275824	-	-	901064	0.20
		At the end of the year	**-**	**-**	**-**	**901064**	**0.20**
6.	**Mr. Ramesh Swaminathan**	**At the beginning of the year**	**-**	**6197**	**0.00**	**-**	**-**
		09.06.2017	Market Sale (-) 2500	-	-	3697	0.00
		04.09.2017	Market Sale (-) 3000	-	-	697	0.00
		At the end of the year	**-**	**-**	**-**	**697**	**0.00**
7.	**Dr. Vijay Kelkar**	**At the beginning of the year**	**-**	**-**	**-**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**-**	**-**
8.	**Mr. R. A. Shah**	**At the beginning of the year**	**-**	**32000**	**0.01**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**32000**	**0.01**
9.	**Mr. Richard Zahn**	**At the beginning of the year**	**-**	**-**	**-**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**-**	**-**
10.	**Dr. K. U. Mada**	**At the beginning of the year**	**-**	**4000**	**0.00**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**4000**	**0.00**
11.	**Mr. Dileep C. Choksi**	**At the beginning of the year**	**-**	**-**	**-**	**-**	**-**
		At the end of the year	**-**	**-**	**-**	**-**	**-**

Sl. No.	Name of the Director / Key Managerial Personnel			No. of Shares held at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Reason for increase / decrease	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
12.	**Mr. Jean-Luc Belingard**	**At the beginning of the year**	-	-	-	-	-
		At the end of the year	-	-	-	-	-
13.	**Mr. R. V. Satam**	**At the beginning of the year**	-	**683**	**0.00**	-	-
		24.11.2017	Allotment under ESOPs: (+) 737	-	-	1420	0.00
		At the end of the year	-	-	-	**1420**	**0.00**

V. INDEBTEDNESS

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

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	970.0	4964.9	-	**5934.9**
(ii) Interest due but not paid	-	-	-	**-**
(iii) Interest accrued but not due	-	1.0	-	**1.0**
Total: (i) + (ii) + (iii)	**970.0**	**4965.9**	**-**	**5935.9**
Change in Indebtedness during the financial year				
• Addition, Net	-	-	-	**-**
• Reduction, Net	(887.9)	(4876.6)	-	**(5764.5)**
Net Change	**(887.9)**	**(4876.6)**	**-**	**(5764.5)**
Indebtedness at the end of the financial year				
(i) Principal Amount	82.1	88.9	-	**171.0**
(ii) Interest due but not paid	-	-	-	**-**
(iii) Interest accrued but not due	-	0.4	-	**0.4**
Total: (i) + (ii) + (iii)	**82.1**	**89.3**	**-**	**171.4**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
		Dr. Desh Bandhu Gupta (up to June 26, 2017)	Dr. Kamal K. Sharma	Mr. Nilesh Deshbandhu Gupta	Mrs. Manju D. Gupta (up to August 10, 2017)	Mr. Ramesh Swaminathan	
1)	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	75.07	117.70	67.48	14.13	33.99	**308.37**
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961.	3.87	2.98	2.33	0.25	5.06	**14.49**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961.	-	-	-	-	-	**-**
2)	Stock Options	-	30.58	-	-	8.82	**39.4**
3)	Sweat Equity	-	-	-	-	-	**-**
4)	Commission	45.50	-	-	-	-	**45.50**
	- as % of profit	1%	-	-	-	-	**-**
	- others	-	-	-	-	-	**-**
5)	Others - Performance-linked Incentive	-	35.96	20.85	-	21.59	**78.4**
	Total (A)	**124.44**	**187.22**	**90.66**	**14.38**	**69.46**	**486.16**
	Ceiling as per the Act	₹ 1845.9 million (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).					

B. Remuneration to other directors:

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1)	**Independent Directors**	**Dr. Vijay Kelkar**	**Mr. R. A. Shah**	**Mr. Richard Zahn**	**Dr. K. U. Mada**	**Mr. Dileep C. Choksi**	**Mr. Jean-Luc Belingard**	
	• Fee for attending Board/ Committee Meetings	0.16	0.22	0.20	0.36	0.26	0.12	**1.32**
	• Commission	3.50	3.50	6.52	3.00	3.00	6.52	**26.04**
	• Others	-	-	-	-	-	-	**-**
	Total (B)(1)	**3.66**	**3.72**	**6.72**	**3.36**	**3.26**	**6.64**	**27.36**
2)	**Other Non-Executive Directors**	**Mrs. Manju D. Gupta (w.e.f. August 11, 2017)**						
	• Fee for attending Board/ Committee Meetings	0.06	-	-	-	-	-	**0.06**
	• Commission	2.23	-	-	-	-	-	**2.23**
	• Others	-	-	-	-	-	-	**-**
	Total (B)(2)	**2.29**	**-**	**-**	**-**	**-**	**-**	**2.29**
	Total (B) = (B)(1) + (B)(2)	**5.95**	**3.72**	**6.72**	**3.36**	**3.26**	**6.64**	**29.65**
	Overall Ceiling as per the Act	₹ 184.6 million (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).						
	Total Managerial Remuneration (A)+(B)	**₹ 515.81 million**						

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

(₹ in million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. R. V. Satam, Company Secretary
1)	**Gross Salary**	
	(a) Salary as per provisions of Section 17(1) of the Income Tax Act, 1961.	4.81
	(b)Value of perquisites under Section 17(2) of the Income Tax Act, 1961.	0.87
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961.	-
2)	**Stock Options**	1.24
3)	**Sweat Equity**	-
4)	**Commission**	
	- as % of profit	-
	- others, specify	-
5)	**Others (Performance-linked Incentive)**	0.97
	Total (C)	**7.89**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

VII. PENALTIES / PUNISHMEN

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

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 15, 2018

CORPORATE GOVERNANCE REPORT

[1] Company's Philosophy on Corporate Governance:

In line with the vision and values of revered (Late) Dr. Desh Bandhu Gupta, Founder and Chairman of the Company, the Corporate Governance philosophy is based on the ideology of integrity, accountability, transparency, fairness and professionalism. The Company has been striving assiduously to adopt the best practices of Corporate Governance so as to maximize the long-term value to its stakeholders. The Company firmly believes that Corporate Governance is about doing the 'right things' in the 'right manner' at the 'right time'. It remains committed to set the highest standards of Corporate Governance in form letter and spirit.

The Directors of the Company, who are well-known experts in their fields bring in a wide range of skills and expertise. The Company is of the firm belief that an active, independent and well-informed Board is integral to attain the best of standards in Corporate Governance. The Board has a balanced combination of executive, non-executive and independent directors which also includes two women directors having rich experience and relevant knowledge. The Company is in compliance with the recommendations of the Uday Kotak Committee on Corporate Governance accepted by the Securities and Exchange Board of India ('SEBI'). The Company has also complied with all mandatory, and some of the non-mandatory requirements as well, prescribed by the Listing Obligations and Disclosure Requirements Regulations, 2015, ('Listing Regulations').

The Codes of Conduct adopted by Directors, Senior Management and Independent Directors are hosted on the website of the Company www.lupin.com. In compliance with Regulation 26(3) of the Listing Regulations, all Directors and Senior Management personnel have affirmed their compliance with the applicable Codes for the year ended March 31, 2018. Mr. Nilesh Deshbandhu Gupta, Managing Director, has given the requisite declaration to this effect.

The Company promotes a culture of open deliberations, transparency and impartiality. It does not tolerate corrupt and immoral practices. The Company adheres to the well-accepted norms of ethical, moral and legal conduct in its business operations. As a testament of its robust corporate governance practices and ethical conduct of business, the Company instituted **P.L.E.D.G.E.** (**P**reparing **L**upin **E**mployees to **D**emonstrate **G**overnance and **E**thical Conduct). **P.L.E.D.G.E.** is an initiative encompassing three important policies viz. Code of Conduct, Whistleblower Policy and Prevention of Workplace Harassment, including sexual harassment at workplace. This initiative empowers employees to report unethical practices, adopts specified mechanisms to deal with workplace harassment and ensures swift redressal. Employees are at liberty to raise their concerns without any fear of retaliation or retribution and report to the Office of Ombudsperson potential issues concerning fraudulent business practices, discriminative or gender-biased misconduct, unethical behavior or violation of the Company's Policies or the Code of Conduct. During the year, the Office of the Ombudsperson received 22 minor complaints which were examined, investigated and satisfactorily resolved by the team of Strategic Business Unit Heads/Officers, appointed by the Ombudsperson by taking requisite actions within the stipulated time-frame. In compliance with the provisions of The Sexual Harassment at The Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, the Company has setup an Internal Committee to investigate and resolve cases pertaining to sexual harassment of women at workplace. During the year, the Company conducted workshops on gender sensitization for Managers as a preventive measure. The Company did not receive any complaint of sexual harassment during the year.

The Company has sound systems of internal checks and balances which are regularly evaluated and updated. An information security initiative 'Kavach' was implemented Pan India to address information security concerns and create awareness. Kavach broadly encompasses information protection through various policies, procedures and appropriate technology solutions. The matters were resolved by evaluating the information security risks to business processes. The Company has been accredited ISO/IEC 27001:2013 certification for Information Security Management Systems at select locations at Head Office, Pune Research Park, manufacturing facilities at Biotech, Mandideep and Indore. These certification and surveillance audits were conducted by external certifying body 'Intertek' .

The Company has complied with Chapter IV of the Listing Regulations on Corporate Governance.

A detailed Management Discussion and Analysis report forms part of this Annual Report.

[2] Board of Directors:

The Board comprised eleven Directors of whom, two are executive promoter-directors, one non-executive promoter-director, two professional executive directors and six independent directors which is in compliance with Regulation 17 of the Listing Regulations and the provisions of Section 149 of the Companies Act, 2013 ('Act') and the Rules made thereunder. Regulation 17 of the Listing Regulations mandates that the Board shall have at least one woman director; the Company has already two women directors. The requisite particulars are given below: -

Sl. No.	Name of the director	Whether Promoter/ Executive/ Independent	No. of Board Meetings during the year		Attendance at the last AGM	Number of directorships of other companies	Member/ Chairman of committees other than the Company
			Held	Attended			
1.	Late Dr. Desh Bandhu Gupta, *Chairman* (upto 26.06.2017)	P. & E.D.	2	2	N.A.	11	-
2.	Mrs. Manju D. Gupta, *Chairman* (w.e.f. 11.08.2017)	P. & N.E.D.	6	6	Yes	5	-
3.	Dr. Kamal K. Sharma, *Vice Chairman*	E.D.	6	6	Yes	6	-
4.	Ms. Vinita Gupta, *Chief Executive Officer*	P. & E.D.	6	6	Yes	13	-
5.	Mr. Nilesh Deshbandhu Gupta, *Managing Director*	P. & E.D.	6	6	Yes	8	-
6.	Mr. Ramesh Swaminathan, *Chief Financial Officer & Executive Director*	E.D.	6	6	Yes	4	-
7.	Dr. Vijay Kelkar	I. N-E.D.	6	3	Yes	8	6/2
8.	Mr. R. A. Shah	I. N-E.D.	6	6	Yes	11	9/5
9.	Mr. Richard Zahn	I. N-E.D.	6	6	Yes	1	-
10.	Dr. K. U. Mada	I. N-E.D.	6	5	Yes	1	1/-
11.	Mr. Dileep C. Choksi	I. N-E.D.	6	6	Yes	11	7/4
12.	Mr. Jean-Luc Belingard	I.N-E.D.	6	6	No	5	-

Notes:

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

(b) Mrs. Manju D. Gupta is wife of Late Dr. Desh Bandhu Gupta, Ms. Vinita Gupta their daughter and Mr. Nilesh Deshbandhu Gupta their son.

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

(d) No Independent Director is Member of more than ten committees or Chairman of more than five committees across all public companies in which they are directors.

(e) Membership/Chairmanship of Committees includes only Audit Committee and Stakeholders Relationship Committee.

Board Meetings

The Board of Directors evaluates the effectiveness of the Company's management policies, asset optimization, risks and opportunities, financial performance and provides strategic direction. The Board has constituted various Committees required under the Acts and Rules. The Board and its Committees play a pivotal role in overseeing that the management serves long-term objectives and enhances stakeholder value. The Board is regularly apprised of the key business developments and detailed presentations are made at meetings by the wholetime directors and the business/functional heads on key subjects. Board Meeting dates are finalized in consultation with all the Directors. In compliance with the Secretarial Standards, agenda together with notes thereon for meetings of the Board and Committees are circulated at least seven days in advance. Material information is incorporated in the agenda notes which facilitates meaningful and focused discussions at meetings of Directors. The Board Members are free to express their views and bring up matters for discussions at meetings. Directors keep the Company informed of the Board/Committee positions held by them and their shareholdings in other companies as also notify promptly any changes therein. The Minutes of Board meetings are circulated to all Directors within 30 days of the meeting and are confirmed at the following meeting in compliance with the Secretarial Standards. Actions taken/Status report on decisions taken or recommendations made by Directors at meetings are placed at the following subsequent meeting. Copies of Minutes of the Board Meetings of subsidiaries, minutes of the various Committees constituted by these Boards, compliance reports filed by them with regulatory authorities and certificates confirming compliance with the applicable laws are tabled at Board meetings. The Company arranges for video conferencing in case a Director wishes to attend any meeting through that mode.

Details of Board Meetings

Pursuant to the provisions of Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations, Board meetings shall be held at least four times in a year and the time-gap between two consecutive meetings shall not be more than 120 days. In compliance with the provisions, during the year, six Board meetings were held, viz. on May 23, 2017, May 24, 2017, August 2, 2017, August 11, 2017, October 30, 2017 and February 6, 2018 and the time-gap between two consecutive meetings was not more than 120 days. The Board also passed two resolutions by circulation, vide Circulars dated September 25, 2017 and March 20, 2018.

Brief profiles, other directorships and committee memberships etc. of directors seeking appointment/re-appointment at the 36th Annual General Meeting.

Mr. Nilesh Deshbandhu Gupta

Mr. Nilesh Deshbandhu Gupta is a chemical engineer from the University Department of Chemical Technology, Mumbai, and a graduate with honours from the Wharton School, U.S.A. Mr. Gupta has not only been responsible for transforming the Company's research programme and expanding its manufacturing operations but has also been instrumental in formulating and executing the core strategy that has helped the Company to emerge as a global specialty pharmaceutical major.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
Kyowa Pharmaceutical Industry Co. Ltd., Japan Lupin Healthcare Limited Novel Clinical Research (India) Private Limited* Element119 Leasing and Finance Private Limited Synchem Properties Private Llimited Zyma Properties Private Limited Lupin Investments Private Limited Polynova Industries Limited	-

* Pursuant to the provisions of Section 248 of the Act, the Company has applied to the Registrar of Companies, Bangalore, ('ROC') for removal of the name of the company from the Register of Companies w.e.f. March 27, 2018. As at March 31, 2018, Order of the ROC is awaited.

Mr. Ramesh Swaminathan

Mr Ramesh Swaminathan joined the Company on July 4, 2007 as President - Finance & Planning. He has experience of about three decades. On October 27, 2015, Mr. Ramesh was elevated to the Board and designated as Chief Financial Officer & Executive Director. Mr Ramesh is a member of Institute of Chartered Accountants of India, Institute of Cost and Works Accountants of India, Institute of Company Secretaries of India and Chartered Institute of Management Accountants, U.K. He is Lord Chevening scholar at the UK for Management Studies and has also done his Senior Management Programme from INSEAD, France. Prior to joining the Company, he was with Henkel, Germany, as the Regional Financial Controller and has worked with companies, such as VST Industries, SPIC group and Standard Chartered Bank.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
Kyowa Pharmaceutical Industry Co., Ltd., Japan Hormosan Pharma GmbH, Germany Laboratorios Grin, S.A. de C.V., Mexico Medquimica Industria Farmaceutica LTDA, Brazil	-

[3] Audit Committee:

The Audit Committee comprises Dr. K. U. Mada and Mr. Dileep C. Choksi, independent directors and Dr. Kamal K. Sharma, Vice Chairman. Dr. Mada, an eminent economist and development banker with long experience of handling company managements and project development, is the Chairman. Mr. Choksi, a Chartered Accountant, Cost Accountant and holder of law degree, possesses valuable experience in consulting and advising large and multinational companies on taxation, management and complex financial issues. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. The composition and the charter of the Audit Committee are in line with provisions of Section 177 of the Act and Regulation 18(1) of the Listing Regulations. The Audit Committee addresses matters pertaining to appropriateness of audit test checks, reliability of financial statements, adequacy of provisions for liabilities, reviewing the governance systems and supervising internal financial controls. The Committee lays emphasis on adequate disclosures and compliance with relevant statutes. Dr. Mada attended the 35th Annual General Meeting of the Company held on August 2, 2017. All Members of the Committee are financially literate and have accounting or related financial management expertise as mandated by Regulation 18(1)(c) of the Listing Regulations. The Audit Committee acts as a link between the statutory, internal and cost auditors and the Board. Internal Auditor makes presentations on audit findings at the meetings of the Audit Committee. The meetings of the Audit Committee are attended by the Chief Financial Officer & Executive Director, President - Finance, Head of Accounts and Head of Internal Audit. The Cost Auditor attends the Audit Committee meeting at which, the Cost Audit Report is tabled.

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

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

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

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

4) Examining and reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to: -

- **a)** matters required to be included in the Directors' Responsibility Statement included in the Board's Report in terms of Section 134(3)(c) of the Act;
- **b)** changes, if any, in accounting policies and practices and reasons therefor;
- **c)** major accounting entries involving estimates based on the exercise of judgment by management;
- **d)** significant adjustments made in the financial statements arising out of audit findings, if any;
- **e)** compliance with listing and other legal requirements relating to financial statements;
- **f)** disclosure of related party transactions; and
- **g)** modified opinion(s) in the draft audit report, if any.

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

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

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

8) Scrutinising inter-corporate loans and investments.

9) Evaluating internal financial controls and risk management systems.

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

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

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

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

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

15) Reviewing the functioning of Whistle Blower mechanism.

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

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

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

19) Carrying out such other functions as may be mentioned in the terms of reference of the Audit Committee.

In addition to the above, the Committee reviews the management discussion and analysis, statement of related party transactions, including granting omnibus approvals, management letters/internal audit reports relating to observations on internal controls, etc.

Details of Audit Committee Meetings

In compliance with Regulation 18(2)(a) of the Listing Regulations, Audit Committee meetings are held more than the prescribed minimum of four times in a year and the time-gap between two meetings is not more than 120 days. During the year, six Audit Committee meetings were held on May 23, 2017, August 1, 2017, September 25, 2017, October 30, 2017, February 5, 2018 and March 20, 2018, the attendance at the meetings, was as under: -

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

[4] Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises independent directors, Dr. Vijay Kelkar, Chairman and Dr. K. U. Mada, Member. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee.

The Stakeholders' Relationship Committee evaluates related activities viz. dematerialization and transfer of shares in physical mode, dividend disbursement and activities related to the Investor Education & Protection Fund, management of employee stock options plans and adherence to regulatory compliances to ensure that the highest standards of service levels are maintained. It supports team members to provide prompt and qualitative services and expeditious redressal of investors' grievances.

During the year, the Company received and resolved 46 complaints from shareholders relating to transfer of shares, non-receipt of annual report, non-receipt of dividends etc. As on March 31, 2018, no complaint remained pending/unattended. During the year, no share transfers/complaints remained pending for over 15 days.

Details of Stakeholders' Relationship Committee Meetings

During the year, two meetings of the Stakeholders' Relationship Committee were held on September 29, 2017 and March 20, 2018, whereat the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. Vijay Kelkar, *Chairman*	2	2
b.	Dr. K. U. Mada	2	2

[5] Nomination and Remuneration Committee:

In compliance with the provisions of Section 178(1) of the Act and Regulation 19(1) of the Listing Regulations, the Nomination and Remuneration Committee ('NRC') comprises Dr. K. U. Mada, Mr. R. A. Shah and Mr. Richard Zahn, all independent directors. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. As stipulated under Regulation 19(2) of the Listing Regulations, Dr. Mada, Chairman of the Committee, is an Independent Director. In compliance with the provisions of Regulation 19(3), Dr. Mada attended the 35th Annual General Meeting of the Members held on August 2, 2017.

Role of the NRC:

The terms of reference of the NRC are in consonance with provisions of Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, which is as follows: -

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

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

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

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

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

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

7) administration of the Employees Stock Option Plans.

Remuneration of Executive Directors:

Remuneration of Executive Directors at the time of appointment/re-appointment is approved by Members. Annual revisions and performance-linked incentives within the limits approved by the Members are approved by the Nomination and Remuneration Committee ('NRC') in line with Company's annual increment cycle. While deciding the remunerations, NRC ensures that they are reasonable and sufficient to attract, retain, reward and motivate the best and qualified managerial personnel. Remunerations are approved by the NRC after considering various factors viz: experience, expertise, qualifications, position, leadership qualities, responsibilities shouldered by the individual, profits earned by the

Company and volume of its business. Remuneration limits are in line with what were prescribed by Section 197, Schedule V, Part II, Section I of the Act and the Rules made thereunder. The Company follows a market-linked remuneration policy. Executive Directors are not paid sitting fees for attending Board/Committee meetings.

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

₹ in million

Name of the director	Salary	Perquisites	Stock Options	Commission	Others (Performance-Linked Incentive)	Total
Dr. Desh Bandhu Gupta, *Chairman* (up to June 26, 2017)	75.07	3.87	-	45.50	-	**124.44**
Mrs. Manju D. Gupta, *Executive Director* (up to August 10, 2017)	14.13	0.25	-	-	-	**14.38**
Dr. Kamal K. Sharma, *Vice Chairman*	117.70	2.98	30.58	-	35.96	**187.22**
Ms. Vinita Gupta, *Chief Executive Officer*	123.30	-	-	-	48.90	**172.20**
Mr. Nilesh Deshbandhu Gupta, *Managing Director*	67.48	2.33	-	-	20.85	**90.66**
Mr. Ramesh Swaminathan, *Chief Financial Officer & Executive Director*	33.99	5.06	8.82	-	21.59	**69.46**

Note: Ms. Vinita Gupta, is an employee of Lupin Gmbh, Switzerland, wholly-owned subsidiary of the Company.

Remuneration of Non-Executive Directors:

Non-Executive Directors receive remuneration by way of sitting fees for attending Board and Committee meetings and Commission. The Board is authorised to decide upon the eligibility criteria and the quantum of commission payable to each non-executive director. At the 33rd Annual General Meeting held on July 23, 2015, the Members approved payment of commission to non-executive directors, not exceeding in the aggregate 0.5% p.a. of the net profit of the Company, computed in the manner laid down under Sections 197, 198 and other applicable provisions of the Act, for a period of five years commencing from April 1, 2015. An amount of ₹ 28.27 million has been provided towards commission payable to non-executive directors for the year 2017-18 which would be paid after the Members approve the audited accounts for the year ended March 31, 2018, at the forthcoming Annual General Meeting.

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

Name of the Director	No. of Equity Shares held as on March 31, 2018	Remuneration for 2017-18 (₹ in million)		
		Sitting Fees	Commission	Total
Mrs. Manju D. Gupta, *Chairman* (w.e.f. August 11, 2017)	3,871,162	0.06	2.23	**2.29**
Dr. Vijay Kelkar, *Independent Director*	-	0.16	3.50	**3.66**
Mr. R. A. Shah, *Independent Director*	32,000	0.22	3.50	**3.72**
Mr. Richard Zahn, *Independent Director*	-	0.20	6.52	**6.72**
Dr. K. U. Mada, *Independent Director*	4,000	0.36	3.00	**3.36**
Mr. Dileep C. Choksi, *Independent Director*	-	0.26	3.00	**3.26**
Mr. Jean-Luc Belingard, *Independent Director*	-	0.12	6.52	**6.64**

Details of the Nomination and Remuneration Committee Meetings

During the year, four meetings of the Nomination and Remuneration Committee were held on August 2, 2017, August 10, 2017, October 17, 2017 and November 28, 2017 and the attendance was as under: -

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

The Committee passed by circulation, four Resolutions dated April 25, 2017, July 19, 2017, July 26, 2017 and January 2, 2018.

[6] Corporate Social Responsibility Committee:

Late Dr. Desh Bandhu Gupta, Chairman, Dr. Kamal K. Sharma, Mr. Nilesh Deshbandhu Gupta and Dr. Vijay Kelkar were Members of the Corporate Social Responsibility Committee. On the demise of Dr. Gupta, Mrs. Manju D. Gupta was appointed as Member/Chairman and Ms. Vinita Gupta as Member of the Committee w.e.f. August 2, 2017. Mrs. Manju D. Gupta, is Non-Executive Director, Dr. Vijay Kelkar, Independent Director and Dr. Kamal K. Sharma, Ms. Vinita Gupta and Mr. Nilesh Deshbandhu Gupta are Executive Directors. The composition of the Committee is in compliance with the provisions of Section 135(1) of the Act. The terms of reference of the Committee broadly comprises:

- Monitoring the implementation of Corporate Social Responsibility Policy from time to time; and
- Recommending and approving the amount of expenditure incurred on Corporate Social Responsibility activities.

Details of the Corporate Social Responsibility Committee Meeting.

During the year, two meetings of the Corporate Social Responsibility Committee were held on April 21, 2017 and November 2, 2017 and the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. Desh Bandhu Gupta, *Chairman* (up to June 26, 2017)	1	1
b.	Mrs. Manju D. Gupta, *Chairman* (w.e.f. August 2, 2017)	1	1
c.	Dr. Kamal K. Sharma	2	2
d.	Ms. Vinita Gupta (w.e.f. August 2, 2017)	1	1
e.	Mr. Nilesh Deshbandhu Gupta	2	2
f.	Dr. Vijay Kelkar	2	2

[7] Risk Management Committee:

As stipulated by Regulation 21 of the Listing Regulations, the Board constituted Risk Management Committee comprising Dr. Kamal K. Sharma, Vice Chairman, Ms. Vinita Gupta, Chief Executive Officer, Mr. Nilesh Deshbandhu Gupta, Managing Director, Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director and Mr. Sunil Makharia, President - Finance. The Company has a structured approach for handling risks and has in place a Risk Management framework which defines roles and responsibilities at various levels. Risk Management process encompasses and reviews the overall risk canvas and identifies critical 'risks that matter' by assessing their probability, impact and volatility. The Risk Management Committee has a robust monitoring process of the risk environment through reviews, discussions and deliberations and deploys concrete mitigation plans.

Details of the Risk Management Committee Meeting.

On October 30, 2017, a meeting of the Risk Management Committee was held, the attendance of which was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. Kamal K. Sharma	1	1
b.	Ms. Vinita Gupta	1	1
c.	Mr. Nilesh Deshbandhu Gupta	1	1
d.	Mr. Ramesh Swaminathan	1	1
e.	Mr. Sunil Makharia	1	1

[8] Independent Directors' Meeting:

In compliance with the provisions of Section 149(8) read with Clause VII of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors was held on March 20, 2018. Mr. R. A. Shah, chaired the meeting, which was held without the presence of any non-independent director. The meeting was attended by all the independent directors except Mr. Jean-Luc Belingard to whom leave of absence was granted. The meeting reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole after taking into account views of executive and non-executive directors. The independent directors expressed satisfaction about the quality, quantity and timeliness of flow of information between the Management and the Board. The Company had been following most of the guidelines contained in SEBI Circular No. SEBI/HO/CFD/CMD/CIR/ P/2017/004 dated January 5, 2017. The independent directors expressed satisfaction with the composition and overall functioning of the Board and its committees, candidness with which the Board deliberates on various business matters, open and frank manner in which the Management discusses agenda items and robustness of evaluation process. The Company effectively implemented the suggestions made by the independent directors.

[9] Performance evaluation of Independent Directors:

As stipulated under Regulation 17(10) of the Listing Regulations, the Board carried out performance evaluation of Independent Directors without the participation of the director being evaluated. The performance was evaluated based on criteria, such as qualifications, knowledge, attendance at meetings and participation in long-term strategic planning, leadership qualities, responsibilities shouldered, inter-personal relationships and analytical decision-making ability. The Board acknowledged that Independent Directors were a diversified group of recognised professionals with competence and integrity and who expressed their opinions freely as well as exercised their own judgements. Independent Directors comprise an eminent Solicitor with high legal acumen and long experience in dealing with large domestic and multinational companies who acts as a discussion - facilitator; an internationally-renowned Economist well versed in macro-economics, developmental and fiscal issues in Government and international institutions contributing significantly on issues of concern; an Economist-turned-development banker with diverse experience of handling company managements engaged in setting-up projects and well-versed in development banking; an eminent Chartered Accountant with valuable experience in consulting and advising large and multinational companies on taxation, management and complex financial issues which include inter-company issues; American and French nationals having considerable hands-on experiences at the highest levels in internationally-renowned pharmaceutical companies have international perspectives and bring to bear upon global trends into Board deliberations. There were no conflicts of interest of the Independent Directors with the Company.

[10] Familiarisation Programme for Independent Directors:

As stipulated by Regulation 25(7) of the Listing Regulations, the Company regularly familiarises Independent Directors in order to provide them with an in-depth understanding of the Company and the pharmaceutical industry as a whole. At the time of their appointment, Independent Directors are advised of their rights, duties, roles and responsibilities by issue of a formal letter of appointment inter alia covering the terms and conditions of their engagement. Presentations are made at meetings of Directors on financial/business performance of the Company and environment health and safety measures undertaken at different plant locations. Independent Directors are familarised with the business model, strategies, policies, operations, procedures, risk assessment and risk minimization procedures, including the functional relationships with Company's subsidiaries. Articles and write-ups about the Company published in leading business magazines and newspapers are also circulated to Independent Directors. The Company regularly apprises Independent Directors about material information disseminated to the Stock Exchanges. Independent Directors are invited to attend the annual Investors meet which provides them an opportunity to interact with analysts, investors and financial advisors. As stipulated by Regulation 46 of the Listing Regulations, the Familiarisation Programme formulated by the Company for Independent Directors has been hosted on the Company's website www.lupin.com the web link for which is http://www.lupin.com/pdf/Familiarisation Programme_for_Independent_Directors_LL.pdf.

[11] General Body Meetings:

Details of the last three Annual General Meetings: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
2014 - 15	Wednesday, July 23, 2015, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Eight Special Resolutions as under, were passed for: • re-appointments of Dr. Desh Bandhu Gupta, Executive Chairman and Mrs. Manju D. Gupta, Executive Director, for a period of five years w.e.f. January 1, 2016; • re-appointments of Dr. Vijay Kelkar, Mr. R. A. Shah, Mr. Richard Zahn, Dr. K. U. Mada and Mr. Dileep C. Choksi as Independent Directors for a period of five years from the conclusion of the 33rd AGM till the conclusion of 38th AGM; and • Issue of Securities.
2015 - 16	Wednesday, August 3, 2016, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	-
2016 - 17	Wednesday, August 2, 2017, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	One Special Resolution was passed for garnting loans and/or provide guarantees/securities and/or make investments for amounts exceeding 60% of the paid-up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding ₹ 50000 million over and above the aggregate of free reserves and securities premium account.

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

During the year, Members approved the re-appointment and payment of remuneration of Dr. Kamal K. Sharma as Vice Chairman, for a period of one year effective September 29, 2017. A Special Resolution had been passed by Postal Ballot, the result of which was declared on September 28, 2017. Ms. Neena Bhatia, practicing Company Secretary, had acted as the Scrutiniser for conducting the postal ballot. Procedures prescribed by Section 110 of the Act read with Rule 22 of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, had been followed for conducting the ballot. The Company had offered e-voting facility to its shareholders through the e-voting system of the National Securities Depository Limited (NSDL). Results of the postal ballot together with the Scrutinizer's Report were published in the newspapers and hosted on the Company's website www.lupin.com.

[12] Related party transactions and other disclosures:

All transactions entered into by the Company with related parties during the financial year were in the ordinary course of business and on an arm's length pricing basis. Statements of transactions with related parties are periodically placed before the Audit Committee and they are approved in compliance with the provisions of Sections 177(4)(iv) and 188 of the Act and Regulation 23(2) of the Listing Regulations. During the year, no transaction with related parties was in conflict with the interests of the Company. During the year, the Company did not have any material non-listed Indian subsidiary as defined in Regulation 24 of the Listing Regulations. The Company entered into material-related party transactions only with its subsidiaries. The Company has framed a policy for determining material subsidiaries, which has been hosted on the Company's website (weblink: http://www.lupin.com/pdf/ Policy_for_determining_material_subsidiaries.pdf).

In compliance with Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(3) of the Listing Regulations, the Audit Committee granted omnibus approval to transactions likely to be entered into by the Company with related parties during the financial year 2017-18. The Committee reviewed, on a quarterly basis, details of the transactions entered by the Company pursuant to each of the omnibus approvals given.

During the year, M/s. Crawford Bayley & Co., Solicitors & Advocates, of which Mr. R. A. Shah, Independent Director, is a senior partner, was paid professional fees of ₹ 0.16 million, which constitutes less than one percent of the total revenues of the firm and an insignificant fraction of the Company's turnover. Apart from sitting fees, commission and professional fees, there was no pecuniary transaction with Independent directors of the Company which had potential conflict of interest with the Company. Details of transactions with related parties are disclosed in the notes that form part of the financial statements which is in compliance with Ind AS 24.

Particulars of transactions with related parties in which directors were interested were recorded in Form No. MBP - 4 'Register of Contracts with related party and contracts and Bodies etc.', maintained pursuant to the provisions of Section 189(1) of the Act and the Rules made thereunder. They were also placed before Board meetings and signed by the Directors present. In compliance with the provisions of Section 189(1) of the Act and Rules made thereunder, the Company had formulated a policy on materiality of Related Party Transactions as also on dealing with Related Party Transactions. The policy was approved by the Board and has been hosted on the Company's website www.lupin.com and web link thereto is http://www.lupin.com/pdf/POLICY-RELATED_PARTY_ TRANSACTIONS.pdf.

[13] Means of communication:

In compliance with the Listing Regulations, unaudited quarterly financial results are announced within 45 days from the end of the quarter and audited annual financial results within 60 days from the end of the financial year. Quarterly and annual financial results are electronically submitted on the online Portals - 'BSE Corporate Compliance & Listing Centre' (Listing Centre) and 'Electronic Application Processing System' (NEAPS) of BSE and NSE respectively, within 30 minutes of their approval by the Board. The Company communicates with its investors and stakeholders through varied channels of communication, such as press releases, annual reports, hosting relevant information on its website and dissemination of information on online portal of BSE and NSE. Quarterly and annual consolidated financial results are also published in the prescribed format in 'The Economic Times' (all editions) and Marathi translation thereof in 'The Maharashtra Times' (Mumbai edition) newspapers. Quarterly shareholding patterns and corporate governance reports are regularly filed with the Listing Centre and NEAPS in XBRL mode. Press releases, schedule of analysts and investors meets and presentations made thereat are displayed on the Company's website, after submitting to BSE and NSE. Unpublished price sensitive information is not discussed at presentations made at analysts and investors meets.

Information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations, including material information having a bearing on the performance/operations of the Company or other price sensitive information, are promptly disclosed by the Company to BSE and NSE. The policy for determining materiality of events for the purpose of making disclosures to the Stock Exchanges and such disclosures are also available on the Company's website. As a good corporate practice, black-out period is announced a week before the date of the Board meeting at which financial results are to be considered, during which, Directors and Senior Management personnel are advised not to communicate with investors/analysts as also the media. The Company has complied with requirements of BSE, NSE, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and that no penalties have been imposed nor any strictures passed against the Company. Pursuant to Regulation 9 of the Listing Regulations, a policy on preservation of documents and archival policy has been hosted on the Company's website.

[14] General Members' information:

INVESTORS' SERVICES

Earlier, the Investors' Services Department of the Company, managed in-house, all activities related to shares of the Company. In order to avail of advanced software systems in an efficient and cost-effective manner, the Board appointed Link Intime India Pvt. Ltd. ('Link Intime') as the Registrar and Share Transfer Agent (RTA) for managing activities related to shares of the Company. Link Intime are leaders in the corporate registry business and have the best facilities and infrastructure, with vast client-base. They use the most modern technology and has a well-trained and professional team of domain experts.

We are confident that Link Intime will continue to render best of services to the shareholders of the Company. It can be approached for any query or assistance through letter, telephone, e-mail or in person at Link Intime India Pvt. Ltd. Unit: Lupin Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, Tel: +91 22 4918 6270, Toll Free No.: 1800 1020 878, E-mail: rnt.helpdesk@linkintime.co.in

ANNUAL GENERAL MEETING

The 36th Annual General Meeting will be held at 2.30 p.m. on Wednesday, August 8, 2018, at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.

FINANCIAL CALENDAR

First quarter results	:	July/August 2018
Second quarter results	:	October/November 2018
Third quarter results	:	January/February 2019
Annual results	:	April/May 2019
Annual General Meeting	:	July/August 2019

BOOK CLOSURE

The Register of Members and the Share Transfer Register will remain closed from Wednesday, August 1, 2018 to Wednesday, August 8, 2018, (both days inclusive).

Dividend for the year ended March 31, 2018, if declared, at the Annual General Meeting, shall be paid to:

a) beneficial owners at the end of business day on Tuesday, July 31, 2018, as per lists furnished by NSDL and CDSL, in respect of shares held in electronic form; and
b) persons whose names appear on the Register of Members as at the end of the business day on Tuesday, July 31, 2018, in respect of shares held in physical form.

DIVIDEND PAYMENT DATE

Dividend, if declared, shall be paid within five working days from the date of the Annual General Meeting. Dividend shall be remitted electronically i.e. through NECS/NEFT etc., wherever bank details of shareholders are available with the Company, and in other cases, through physical warrants, payable at par.

SHARES LISTED AT

The equity shares of the Company are listed at: -

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai Samachar Marg,
Mumbai - 400 001.

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

Annual Listing fees for the year 2018-19 have been paid to the BSE and the NSE.

STOCK CODES

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

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN, an unique identification number allotted to dematerialised scrip has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN of the equity shares of the Company is **INE 326A 01037**.

CORPORATE IDENTITY NUMBER (CIN)

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

EXCLUSIVE E-MAIL ID FOR COMMUNICATION OF INVESTORS' GRIEVANCES

Pursuant to Regulation 6(2)(d) of the Listing Regulations, the following email ID has been designated exclusively for communicating investors' grievances:

rnt.helpdesk@linkintime.co.in

MARKET PRICE DATA

The market price data covering the year April 2017 to March 2018 is given below: -

	BSE				NSE			
	(₹)		(₹)		(₹)		(₹)	
MONTH	**High**	**Date**	**Low**	**Date**	**High**	**Date**	**Low**	**Date**
Apr-2017	1465.00	07.04.17	1319.60	28.04.17	1457.05	05.04.17	1318.70	28.04.17
May-2017	1360.00	02.05.17	1080.00	29.05.17	1354.00	02.05.17	1080.10	29.05.17
Jun-2017	1194.00	15.06.17	1048.60	27.06.17	1194.00	15.06.17	1047.60	27.06.17
Jul-2017	1176.00	19.07.17	1030.00	31.07.17	1229.00	10.07.17	1030.00	31.07.17
Aug-2017	1060.00	03.08.17	920.00	21.08.17	1060.00	03.08.17	917.55	10.08.17
Sep-2017	1044.00	22.09.17	961.15	08.09.17	1044.70	22.09.17	960.20	08.09.17
Oct-2017	1090.00	30.10.17	991.15	26.10.17	1090.00	30.10.17	990.30	26.10.17
Nov-2017	1070.35	03.11.17	815.10	30.11.17	1069.60	03.11.17	815.00	30.11.17
Dec-2017	900.00	29.12.17	807.00	06.12.17	899.90	29.12.17	806.25	06.12.17
Jan-2018	968.15	25.01.18	870.10	04.01.18	970.00	25.01.18	870.05	04.01.18
Feb-2018	886.95	01.02.18	782.10	07.02.18	886.25	01.02.18	781.80	07.02.18
Mar-2018	824.00	01.03.18	727.05	26.03.18	824.25	01.03.18	727.10	26.03.18

DEMATERIALISATION OF SHARES AND LIQUIDITY

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

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

During the year, the Company has electronically confirmed demat requests for 261130 equity shares. As on March 31, 2018, 99.67% of the equity share capital of the Company was held in dematerialised form.

Company's shares are fairly liquid on the bourses and are traded actively at the BSE and the NSE. Trading data of the same for the year April 2017 to March 2018 is as under: -

(Value in million. ₹)

Month	BSE		NSE		Total	
	Shares	Value (₹)	Shares	Value (₹)	Shares	Value (₹)
Apr - 2017	1325443	1854.80	15606550	21772.73	16931993	23627.53
May - 2017	3833851	4629.16	42987991	52095.91	46821842	56725.07
Jun - 2017	2145453	2412.42	35678844	39649.99	37824297	42062.41
Jul - 2017	4267642	4709.52	37129102	41009.36	41396744	45718.88
Aug - 2017	4844702	4772.16	49017621	48490.72	53862323	53262.88
Sep - 2017	3455147	3458.62	35622934	35739.32	39078081	39197.94
Oct - 2017	2166759	2246.16	27515701	28552.45	29682460	30798.61
Nov - 2017	8560523	7404.30	74633171	64460.74	83193694	71865.04
Dec - 2017	5823582	4855.05	36259292	31045.73	42082874	35900.78
Jan - 2018	3860916	3526.94	38129156	34822.15	41990072	38349.09
Feb - 2018	3034579	2500.57	34192732	28123.37	37227311	30623.94
Mar - 2018	1758204	1349.18	24047895	18467.54	25806099	19816.72
Total	**45076801**	**43718.88**	**450820989**	**444230.01**	**495897790**	**487948.89**

PERFORMANCE IN COMPARISON WITH BROAD BASED INDICES

Lupin share price compared with S&P BSE Sensex and Nifty 50 (Month-end closing) during the year April 2017 to March 2018: -

Month	BSE		NSE	
	Lupin share price (₹)	S&P BSE Sensex	Lupin share price (₹)	Nifty 50
Apr - 2017	1337.80	29918.40	1338.35	9304.05
May - 2017	1161.20	31145.80	1161.00	9621.25
Jun - 2017	1060.40	30921.61	1059.85	9520.90
Jul - 2017	1032.00	32514.94	1032.00	10077.10
Aug - 2017	981.55	31730.49	979.45	9917.90
Sep - 2017	1013.25	31283.72	1014.00	9788.60
Oct - 2017	1027.45	33213.13	1028.05	10335.30
Nov - 2017	819.00	33149.35	817.70	10226.55
Dec - 2017	884.65	34056.83	885.10	10530.70
Jan - 2018	883.65	35965.02	883.75	11027.70
Feb - 2018	819.45	34184.04	819.95	10492.85
Mar - 2018	736.40	32968.68	735.85	10113.70

EVOLUTION OF SHARE CAPITAL

Particulars of Equity Share Capital of the Company: -

Year	Allotment of shares (of the face value of ₹ 10/- each)	Total issued	
		No. of shares during the year	Capital at the end of the year (₹)
2001 - 02	40141134 shares upon amalgamation*	40141134	401411340
2006 - 07	11360 shares under ESOP (Pre - Bonus) 40152494 shares as bonus (in the ratio of 1:1) 39576 shares under ESOP (Post - Bonus)	40203430	803445640
2007 - 08	1656100 shares upon conversion of FCCB 80231 shares under ESOP	1736331	820808950
2008 - 09	571069 shares upon conversion of FCCB 167586 shares under ESOP	738655	828195500
2009 - 10	5816742 shares upon conversion of FCCB 307541 shares under ESOP	6124283	889438330
2010 - 11	170691 shares under ESOP (Pre Sub-division) **Allotment of shares (of the face value of ₹ 2/-each)** 628569 shares under ESOP (Post Sub-division)	1482024	892402378
2011 - 12	440492 shares under ESOP	440492	893283362
2012 - 13	887812 shares under ESOP	887812	895058986
2013 - 14	846311 shares under ESOP	846311	896751608
2014 - 15	1112531 shares under ESOP	1112531	898976670
2015 - 16	1094634 shares under ESOP	1094634	901165938
2016 - 17	993900 shares under ESOP	993900	903153738
2017 - 18	505981 shares under ESOP	505981	904165700

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

SHARE TRANSFER SYSTEM

The Board has constituted a Share Transfer Committee comprising Mrs. Manju D. Gupta, or in her absence, Dr. Kamal K. Sharma, as the Chairman of the Committee and Mr. Nilesh Deshbandhu Gupta and Dr. K. U. Mada as the Members.

The equity shares of the Company are being traded compulsorily in demat form and they are transferable through the depository system. The transfer of shares in physical form are placed before the Share Transfer Committee for its approval. The Committee met 24 times during the year to approve the transfer of 25550 equity shares in physical form.

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

SHARE ALLOTMENT COMMITTEE

The Board has delegated powers to the Allotment Committee of Directors to allot the shares of the Company. Mrs. Manju D. Gupta, or in her absence, Dr. Kamal K. Sharma, is the Chairman of the Committee and Mr. Nilesh Deshbandhu Gupta, a Member.

The Allotment Committee met 13 times during the year. It approved allotment of 505981 shares to the employees of the Company and those of its subsidiaries, upon their exercising the vested options granted to them under various Stock Option Plans of the Company.

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

UNCLAIMED SHARES

As on April 1, 2017, 377900 shares pertaining to 1417 shareholders remained outstanding as unclaimed in the 'Lupin Limited - Unclaimed Suspense Account'.

During the year, 30 shareholders have claimed 8950 shares which were transferred by the Company in the name of the respective claimant shareholders after due verification of the claim documents submitted by them.

Further, 232500 shares pertaining to 1168 shareholders were transferred to the IEPF authority in terms of Section 124(6) of the Companies Act, 2013.

As on March 31, 2018, the balance in the Unclaimed Suspense Account was 136450 shares of 219 shareholders, the voting rights in respect of which shall remain frozen till the claim of the rightful shareholders is approved by the Company.

SHAREHOLDING PROFILE AS ON MARCH 31, 2018

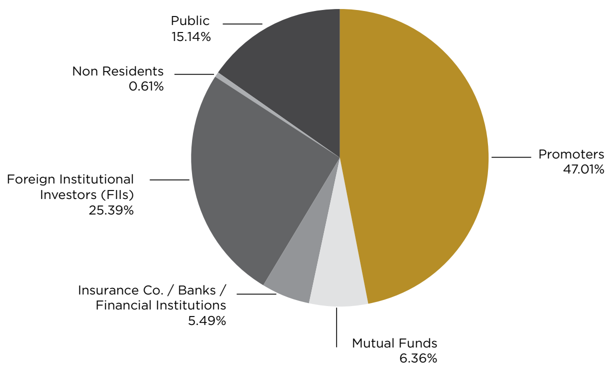
i. Distribution of Shareholding

Shareholding range (No. of shares)	Shareholders		Shareholding	
	Numbers	%	Numbers	%
1 - 500	344746	95.49	22093888	4.89
501 - 1000	7883	2.18	5904298	1.31
1001 - 2000	5160	1.43	7007905	1.55
2001 - 3000	1034	0.29	2587444	0.57
3001 - 4000	395	0.11	1400934	0.31
4001 - 5000	292	0.08	1361546	0.30
5001 - 10000	530	0.15	3790463	0.84
10001 and above	978	0.27	407936372	90.23
Total	**361018**	**100.00**	**452082850**	**100.00**

ii. Shareholding Pattern

Category	As on 31.03.2018		As on 31.03.2017	
	No. of shares	%	No. of shares	%
Promoters	212529730	47.01	210857013	46.69
Mutual Funds	28755343	6.36	24349379	5.39
Insurance Cos./ Banks/ Financial Institutions	24824325	5.49	16917547	3.75
Foreign Institutional Investors (FIIs)	114788374	25.39	143924574	31.87
Foreign Bodies	5015	0.00	5015	0.00
Non Residents	2744093	0.61	3209535	0.71
Public	68435970	15.14	52313806	11.59
Total	**452082850**	**100.00**	**451576869**	**100.00**

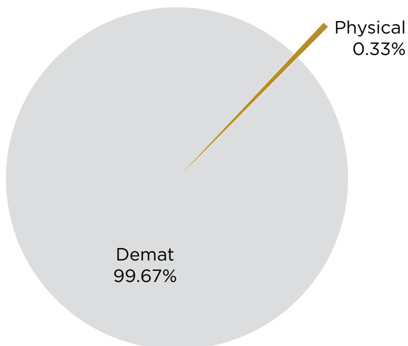
Shareholding Pattern as on March 31, 2018



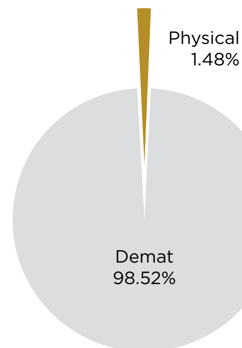
iii. Shareholding Profile

	Demat		Physical		Total
	(nos.)	%	(nos.)	%	(nos.)
Shareholding	450597240	99.67	1485610	0.33	452082850
Shareholders	355665	98.52	5353	1.48	361018

Shareholding



Shareholders



iv. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	18536	5.13	Madhya Pradesh	9290	2.57
Assam	1550	0.43	Maharashtra	120318	33.33
Bihar	2854	0.79	North Eastern States	341	0.09
Chhattisgarh	1382	0.38	Orissa	3209	0.89
Delhi	20936	5.80	Punjab	5858	1.62
Goa	1080	0.30	Rajasthan	12125	3.36
Gujarat	45070	12.48	Tamilnadu	21542	5.97
Haryana	7992	2.21	Telangana	668	0.19
Himachal Pradesh	758	0.21	Uttarakhand	6007	1.66
Jammu and Kashmir	723	0.20	Uttar Pradesh	15603	4.32
Jharkhand	5336	1.48	West Bengal	23771	6.58
Karnataka	24915	6.90	Others	3134	0.87
Kerala	8020	2.22	**Total**	**361018**	**100.00**

DIVIDEND PROFILE

Particulars of dividend declared by the Company: -

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

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has been maintaining the highest ethical standards by implementing a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code prescribes the procedures to be followed while dealing in the shares of the Company and is applicable to promoters, directors, auditors, employees of the Company and their immediate relatives.

The Code restricts the said persons to deal in the shares of the Company while in the possession of any unpublished price sensitive information. They are also prohibited from dealing in the shares of the Company during the trading window closure periods announced by the Company, from time to time.

The Code has been disseminated through the Company's intranet for easy access and increased awareness.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, an audit of share Capital of the Company is conducted for each calendar quarter, by a practicing Company Secretary, with a view to reconcile the total admitted capital with NSDL and CDSL and those held in physical form with the total issued, paid up and listed capital of the Company.

The audit report, inter alia, confirms that the Register of Members is duly updated and that demat/remat requests were confirmed to the depositories within stipulated time. Details of changes in the share capital during the quarter are also covered in the report.

The Reconciliation of Share Capital Audit Report is submitted with BSE and NSE and is also placed before the meetings of the Board of Directors and the Stakeholders' Relationship Committee.

UNCLAIMED DIVIDENDS

Dividends declared by the Company up to the financial year 2009-10 which remained unclaimed/unpaid were transferred to the Investor Education and Protection Fund (IEPF), pursuant to the relevant provisions, as and when the same were due.

As a proactive measure to safeguard interests of the shareholders, the Company sends personalized reminders to the shareholders concerned to claim their unpaid dividends before transferring the same to IEPF.

The unclaimed/unpaid dividends for the year 2010-11 onwards will be transferred to the IEPF, as given below: -

Financial Year	Date of Declaration	Due date for transfer to IEPF
2010 - 11	27.07.2011	01.09.2018
2011 - 12	24.07.2012	29.08.2019
2012 - 13	07.08.2013	12.09.2020
2013 - 14 (Interim)	03.02.2014	11.03.2021
2013 - 14 (Final)	30.07.2014	04.09.2021
2014 - 15	23.07.2015	28.08.2022
2015 - 16	03.08.2016	08.09.2023
2016 - 17	02.08.2017	07.09.2024

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

OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS

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

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

PLANT LOCATIONS

The Company's plants are located at: -

i)	T-142, MIDC Industrial Estate, Tarapur Industrial Area, Boisar, Dist. Thane, Maharashtra - 401 506.	vi)	EPIP, SIDCO Industrial Complex, Bari Brahmana, Jammu - 181 133.	xi)	Plot #130, Road #11, J. N. Pharma City, Parwada, Visakhapatnam, Andhra Pradesh - 531019.
ii)	198-202, New Industrial Area II,Mandideep, Dist. Raisen, Madhya Pradesh - 462 046.	vii)	Gat No. 1156, Village Ghotawade, Taluka Mulshi, Dist. Pune, Maharashtra - 411 042.	xii)	4thÂ Mile, Bhasmey, Karmarey- Bhasmey Block, Duga Ilaka, East Sikkim, Sikkim - 737132.
iii)	124, GIDC Industrial Estate, Ankleshwar, Gujarat - 393 002.	viii)	Block 21, Dabhasa, Padra Taluka, Vadodara, Gujarat - 391 440.	xiii)	Kyowa Pharmaceutical Industry Co. Ltd., 11-1 Techno Park, Sanda, Hyogo 669 - 1339, Japan.
iv)	A-28/1, MIDC Area, Chikalthana, Aurangabad, Maharashtra - 431 001.	ix)	Plot Nos. M-1, M-2, M-2A, and M-3A, Special Economic Zone, Phase-II, Misc. Zone, Apparel Park, Pithampur, Dist. Dhar, Madhya Pradesh - 454 775		Kyowa Pharmaceutical Industry Co. Ltd., 3-201-2, Minami-Yoshikata, Tottori - City, Tottori, 680 - 0843, Japan.
v)	B-15, Phase I-A, Verna Industrial Area, Verna Salcette, Goa - 403 722.	x)	Plot 6A, Sector-17, Special Economic Zone, Mihan Notified Area, Nagpur - 441 108.	xiv)	Kyowa CritiCare Co., Ltd., Post code 243-0014 4-18-29, Asahi-cho, Atsugi city, Kanagawa prefecture Japan.

xv)	Laboratorios Grin S.A. de C.V., Rodriguez Saro#630, Col Del Valle , Mexico DF , CP 03100, RFC LGR8309144M3.	xvi)	Medquimica Industria Farmaceutica LTDA, RUA FERNANDO LAMARCA, 255 - Bairro Distrito Industrial Juiz de Fora, Minas Gerais, CEP 36092-030, Brazil.	xvii)	Novel Laboratories Inc., 400, Campus Drive, Somerset, New Jersey - 00873 - 1145, USA.

ADDRESS FOR CORRESPONDENCE

Members may address their queries/communications to:

Registrar and Share Transfer Agent:
Link Intime India Pvt. Ltd.
Unit: Lupin Limited
C 101, 247 Park, LBS Marg,
Vikhroli (West),
Mumbai - 400 083.
Tel: +91 22 4918 6270
Toll Free No.: 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board of Directors

Nilesh Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 15, 2018

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

We, Mr. Nilesh Deshbandhu Gupta, Managing Director and Mr. Ramesh Swaminathan, Chief Financial Officer & Executive Director do hereby certify to the Board that: -

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2018 and that to the best of our knowledge and belief: -

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

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

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

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

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

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

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

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

For LUPIN LIMITED

NILESH DESHBANDHU GUPTA
MANAGING DIRECTOR
(DIN: 01734642)

For LUPIN LIMITED

RAMESH SWAMINATHAN
CHIEF FINANCIAL OFFICER & EXECUTIVE DIRECTOR
(DIN: 01833346)

Mumbai, May 15, 2018

DECLARATION FOR COMPLIANCE WITH THE CODES OF CONDUCT

I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Codes of Conduct as applicable to them for the year ended March 31, 2018.

For LUPIN LIMITED

NILESH DESHBANDHU GUPTA
MANAGING DIRECTOR
(DIN: 01734642)

Mumbai, May 15, 2018

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF
LUPIN LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 21 August 2017.

2. This report contains details of compliance of conditions of Corporate Governance by Lupin Limited ('the Company') for the year ended 31 March 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2018.

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

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Mumbai, May 15, 2018

BUSINESS RESPONSIBILITY REPORT

The Company firmly believes in giving back to the society and ensure its all-round progress which can be achieved only if all the sections of the community flourish. In compliance with Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared the Business Responsibility Report as under: -

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	:	L24100MH1983PLC029442
2.	**Name of the Company**	:	Lupin Limited
3.	**Registered address**	:	Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.
4.	**Website**	:	www.lupin.com
5.	**E-mail id**	:	hosecretarial@lupin.com
6.	**Financial Year reported**	:	Year ended March 31, 2018.

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Industrial Group	Description
210	Manufacture of Pharmaceuticals.

As per National Industrial Classification - Ministry of Statistics and Programme Implementation.

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

Cardiovascular, Anti-Infective and Diabetology.

9. Total number of locations where business activity is undertaken by the Company:

a. Number of International Locations:

The Company has 32 international subsidiaries located in 16 countries and a Joint Venture in Japan. The Company has Representative Offices in China, Ukraine, Kazakhstan, Vietnam and Moscow of which offices in Ukraine, and Kazakhstan are under liquidation. The Company has six manufacturing plants located in 4 countries. The Company has three research facilities in the US, two in Japan and one each in The Netherlands, Mexico and Brazil.

b. Number of National Locations:

The Company has 12 plants situated at Aurangabad, Tarapur, Pune and Nagpur in Maharashtra, Ankleshwar and Dabhasa in Gujarat, Mandideep and Pithampur in Madhya Pradesh, Visakhapatnam in Andhra Pradesh, Sikkim, Goa and Jammu.

The Company has four R&D Centres namely Research Park, Biotech Centre and Bio-Research Centre at Pune and one at Aurangabad. The Registered and Corporate offices are housed in Mumbai. The Company has 28 Carrying & Forwarding Agents and seven Central Warehouses across India.

10. Markets served by the Company - Local/State/National/International:

In addition to serving the Indian market, the Company exports to about 76 countries worldwide.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Share Capital:** ₹ 904.2 million.
2. **Total Turnover:** ₹ 98539.0 million (Standalone).
3. **Total profit after taxes:** ₹ 13446.6 million (Standalone).
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** The total CSR spend for the year was ₹ 216.8 million which is 0.58% of the average net profit of the Company for the last three years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

5. **List of activities in which expenditure in 4 above has been incurred:**

In accordance with its CSR policy, the Company undertook various initiatives to enrich lives of the rural poor and marginalized sections of the society. These initiatives can be broadly grouped as: -

a. **Economic Development**

Varied interventions aimed at increasing productivity, technology infusion and diversification were undertaken in various sectors viz. agriculture, animal husbandry, rural industries and skill enhancement. These interventions resulted in income enhancement of the targeted poor families in the project areas.

b. **Social Development**

Social development programmes were undertaken with an aim of improving key human development indicators viz. health and education apart from women empowerment. In the health sector focus was on delivering quality health services in remote areas. Various initiatives in the education sector included, improved learning levels and imparting effective education.

c. **Natural Resource Management**

Land and water are critical natural resources that drive the rural economy and their conservation ensures sustainability. Conservation of natural resources was achieved through construction of check dams, farm ponds, renovation of defunct lakes, soil and water conservation measures etc. These activities enhanced availability and accessibility of water thereby improving the quality of life.

d. **Rural Infrastructure Development**

Numerous infrastructure development activities were carried out to boost the rural economy and enhance quality of life. Activities comprised development of chaurahas and crossroads, construction of internal roads, economic housing for the rural poor, school infrastructure, sanitation facilities etc.

e. **Learn and Earn Programme**

In line with the Company's philosophy to share and care, it has in place 'Learn & Earn' programme which aims to provide opportunities to deserving students, particularly from small towns and rural areas for pursuing higher education with apprenticeship. The purpose is to provide an opportunity to young, bright minds to dream, dare and do what they are capable of doing.

f. **TB Eradication**

Realising the responsibility that comes with being the world's largest manufacturer of anti-TB drugs, the Company has undertaken a public health initiative named 'Lupin's Initiative for Management of India's Tuberculosis'. The overall goal of the initiative is to support the National Strategic Plan for TB control and contribute to the vision of universal access for quality diagnosis and treatment for TB patients.

SECTION C: OTHER DETAILS

1. **Does the Company have Subsidiary Companies?**

As on March 31, 2018, the Company had 33 subsidiaries.

2. **Do the Subsidiary Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary companies:**

Of the 33 subsidiaries, 32 were incorporated outside India, which comply with the regulatory requirements of their respective countries and have independent business responsibility initiatives. Lupin Healthcare Limited, the only Indian subsidiary has not commenced commercial operations.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

Though suppliers, distributors, etc. do not directly participate in the BR initiatives of the Company, they support the same.

SECTION D: BR INFORMATION

1. **Details of Director responsible for BR:**

a) **Details of the Director responsible for implementation of the BR policies:**

1) **DIN :** 01734642

2) **Name:** Mr. Nilesh Deshbandhu Gupta

3) **Designation:** Managing Director

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

Sl. No.	Particulars	Details
1.	**DIN**	01734642
2.	**Name**	Mr. Nilesh Deshbandhu Gupta
3.	**Designation**	Managing Director
4.	**Telephone number**	+91 22 6640 2222
5.	**E-mail id**	hosecretarial@lupin.com

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N):

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of employees	Stakeholder engagement CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1.	**Do you have policies for...**	Y	Y	Y	Y	Y (The policy is broadly covered in various HR policies and practices as also codes of conduct)	Y	N	Y	Y
2.	**Has the policy being formulated in consultation with the relevant stakeholders?**	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	**Does the policy conform to any national/international standards? If yes, specify.**	Y	Y	Y	Y	Y	Y	-	Y	Y
		The policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4.	**Has the policy been approved by the Board? If yes, has it been signed by MD/CEO/appropriate Board Director?**	Y (Signed by the MD)	Y (Signed by the QA Head)	Y (Signed by the HR Head)	Y (Signed by the CSR Head)	Y (Signed by the HR Head)	Y (Signed by the MD)	-	Y (Signed by the CSR Head)	Y (Signed by the Marketing Head)
5.	**Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	**Indicate the link for the policy to be viewed online**	*	@	@	@	*	@	-	*	*
7.	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	Y	Y	Y	Y	Y	Y	-	Y	Y
8.	**Does the Company have in-house structure to implement the policy/policies?**	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	**Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	Y	Y	Y	N	Y	Y	-	Y	Y

*URL: http://www.lupin.com
@ https://lupinworld.sharepoint.com/sites/Intranet/en-in

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

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

3. **Governance related to BR:**

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Annually.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company does not publish a BR or a Sustainability Report. The CSR arm of the Company, Lupin Human Welfare and Research Foundation carried out GRI 4 sustainability reporting process.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

The Company has been striving assiduously to adopt the best practices of Corporate Governance so as to maximize the long-term value to its stakeholders. The Company firmly believes that Corporate Governance is about doing the 'right things' in the 'right manner' at the 'right time'. It remains committed to set the highest standards of Corporate Governance in form letter and spirit. Codes of Conduct adopted by Directors, Senior Management and Independent Directors are hosted on the website of the Company www.lupin.com. The Company promotes a culture of open deliberations, transparency and impartiality. It does not tolerate corrupt and immoral practices. The Company adheres to the well-accepted norms of ethical, moral and legal conduct in its business operations. The Company instituted an initiative encompassing three important policies viz. Code of Conduct, Whistleblower Policy and Prevention of Workplace Harassment including sexual harassment at workplace. This initiative empowers employees to report unethical practices, adopts specified mechanisms to deal with workplace harassment and ensures swift redressal. Employees are at liberty to raise their concerns without any fear of retaliation or retribution and report to the Office of Ombudsperson potential issues concerning fraudulent business practices, discriminative or gender-biased misconduct, unethical behavior or violation of the Company's Policies or the Code of Conduct.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

During the year, the Office of the Ombudsperson received 22 minor complaints which were examined, investigated and satisfactorily resolved by the team of Strategic Business Unit Heads/Officers, appointed by the Ombudsperson by taking requisite actions within the stipulated time-frame.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   i 'Tonact' (Atorvastatin) for reducing Cholesterol.
   ii. 'Gluconorm' (Metformin) an Anti-Diabetes drug.
   iii. 'Rablet' (Rabeprazole) an Anti-Ulcer Drug for treatment of hyperacidity.

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

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

   The Company manufactures and distributes a varied range of generics, branded formulations and APIs at its top-class manufacturing facilities. Since consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

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

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

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

   The Company has formulated standard operating procedures for approving vendors. Materials, (local as also imported) are procured from approved vendors. Quality assurance teams conduct periodic vendor audits, especially those supplying key materials. Annual freight contracts are entered into with leading transporters for movement of materials. The Company has enduring business relations with regular vendors and receives their unrelenting support.

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

   The Company continues to procure goods and avail services from local and small vendors, particularly those situated near its manufacturing facilities. The Company offers technical support to vendors and guides them in developing products. Procurement of goods from local vendors helps the Company save on transportation and inventory carrying costs.

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

   The Company has a mechanism of recycling and reuse wherein, it actively and continually promotes the concept of recovery, reuse and recycling. About 63% of the waste water generated in plants, is recovered, recycled and reused thereby reducing usage of fresh water. Steam condensate is recovered and reused resulting in reduction in the use of fresh water. Treated waste water is used in place of fresh water for gardening Company premises.

   About 57% of incinerable waste generated at plants is sent for co-processing in cement kilns and utilization in other industry. In cement plant high calorific incinerable hazardous wastes are used in place of fossil fuels. Most of the solvents are recycled and reused.

Principle 3

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

   17042 permanent employees as on March 31, 2018.

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

   5513 as on March 31, 2018.

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

   957 as on March 31, 2018.

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

   5 as on March 31, 2018.

5. **Do you have an employee association that is recognized by management?**

   The Company's plants and offices are situated at multiple locations, thus there are unions and association of employees at the respective locations.

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

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

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

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

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

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

   (b) **Permanent Women Employees: -** About 85% of permanent women employees are trained in safety. No discrimination is made while imparting training to women employees vis-a-vis their male counterparts. While induction safety training is imparted to newly recruited women employees, other trainings like first aid etc. are imparted periodically.

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

   (d) **Employees with Disabilities:-** No discrimination is being made while imparting training to differently abled employees vis-a-vis their fellow employees.

Principle 4

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

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

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.**
   The Company's ophthalmology division, 'Lupin Blue Eyes' is associated with Eye Bank Association of India (EBAI) in a unique co-campaign called 'Punarjyoti' (literally meaning 'Rebirth of Eyes'). The campaign promotes the noble message of pledging donation of eyes after death in a simple, yet effective manner. The eye drop pack contains an insert encouraging eye donation and the process of pledging along with helpline numbers in Hindi and English language. Lupin Blue Eyes has tied-up with EBAI and provided a toll-free number which any person can SMS to obtain the local helpline number in his/her area which helps in easing the eye donation process. In line with the Company's philosophy of contributing to the well-being of patients, the Company initiated different programmes with a view to create awareness about various diseases. A dedicated multilingual website 'Right2breathe' to educate about Asthma and allergies was developed. The Company conducted parental education programmes for pediatric asthma, 'paramedics' and spirometry technician training. The Company continued with its commitment towards TB eradication by developing a unique mobile application 'Fight TB' which is a one stop solution to doctors treating Tuberculosis. Over 1000 respiratory clinics were established across the country to increase awareness of respiratory diseases. 'Synox' division of the Company conducted Arogya CV risk screening programs and Diabetes detection camps. 'Diabetes educators' were appointed to provide coaching to patients on 'Insulin administration' and addressing patient queries related to Diabetes. 'Connect to Cure' programs were regularly conducted by the Cardiovascular and Neurology teams of the Company through various mediums with a view to improve patient awareness on hypertension and its comorbidities. 'Respira' division brings the best of academics in the field of pulmonology. The academic platform in association with 'Revolution in Advanced Lung Management' has grown to be a landmark initiative.The Company is taking more initiatives to bring out the best of advanced Pulmonology. With a view to make it clinically meaningful, 'Focused Learning in Interventional Pulmonology' programme was introduced with leading doctors on Board. The course which is certified by the Academy of Pulmonary Sciences (India) is segregated into Basic, Intermediate and Advanced, based on interest/experience in bronchoscopy. 'Arogya Lifestyle Camps' strive to educate patients about lifestyle diseases by providing them with AROGYA booklet on diet tips in regional languages. Free camps were provided to Hypothyroidism patients. Medical camps were conducted for screening and diagnosis of various therapy areas like Asthma, COPD, Lipids, Anemia, Diabetes, Hypertension, Uric Acid, Bone Mineral Density, etc. Heart failure clinics across the country were identified in collaboration with doctors in order to create awareness of heart failure management. The Company created webinar platforms with unrestricted patient/public login to disseminate patient awareness on cardiovascular diseases.

Principle 5

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

   The Company remains committed to respect and protect human rights. Code of conduct and human resource practices of the Company covers the said aspects. The Company does not hire child labour, forced labour or involuntary labour and never discriminates between its employees. This policy extends to the entire Lupin Group.

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

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

Principle 6

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

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

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

   The Company focusses and accords topmost priority to conservation and optimum utilization of natural resources. The Environment, Health and Safety policy of the Company (web link: http://home.lupinworld.com) lays emphasis on operating in environmentally responsible manner by initiating energy efficient measures in order to eliminate waste.

   At some of its plant locations, the Company installed solar power panels to reduce dependency on conventional sources of energy. The Company is also exploring possibilities of increasing generation of solar power and its usage.

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

   The Company has an internal/external mechanism, whereby all new facilities and products are assessed for risks which include environmental impact assessments and development of environmental management plans. The said plans are regularly reviewed during internal meetings. The Company received the prestigious International Sustainability Rating System (ISRS) certification after audit by external independent agencies. The Company continues to be the first in the pharmaceutical industry in India to have received the certification for three of its units. These sites are audited every year by the external independent agency.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The Company plans to go for co-generation plant on agro-based fuel.

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

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

   - Replaced ordinary light fittings by LED ones.
   - Installed energy efficient motors.
   - Installed solar power panels.
   - Redesigned operating pumps as per head and flow.
   - Undertook periodical cleaning of heat exchangers and chemical circulations in condenser and evaporator,
   - Utilised chilled water system.
   - Improved condensate recovery.
   - Installed high efficiency blowers.
   - Recovered waste heat from air compressor and agro waste boiler.
   - Treated high salt content in waste water stream.
   - Replaced oil lubricating pumps with dry vacuum ones.
   - Replaced shell and tube condensers with finned type ones.
   - Installed automatic tube brushing system for chillers.
   - Installed magnet hydrodynamics system.

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

   Yes and both internal and approved external agencies monitor the same.

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

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

Principle 7

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

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

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

   (b) Confederation of Indian Industry (CII);

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

   (d) Indian Pharmaceutical Alliance (IPA);

   (e) Indian Drugs Manufacturers Association (IDMA);

   (f) Bulk Drugs Manufacturers Association (BDMA);

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

   (h) Bombay Chamber of Commerce and Industry; and

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

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

   The Company continues to advocate at various forums about measures to be undertaken with a view to address basic issues related to improvement of public health and promotes balanced and sustainable economic development. Continuous efforts are made to promote the use of generic medicines in order to make medical treatment affordable to the under-privileged sections of the society. The Company supports the government in its efforts to harness the country's innovation capabilities and suggests measures to encourage investments in R&D.

Principle 8

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

   Lupin Human Welfare and Research Foundation (LHWRF), the CSR arm of the Company, has been undertaking various social responsibility activities since 1988. LHWRF has touched lives of more than 2.5 million residing in more than 4171 villages located in 62 blocks of 22 districts. The CSR activities broadly cover: -

   Economic Development Programmes

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

   Social Development Programmes

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

   Rural infrastructure Development Programmes

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

   Natural Resource Management

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

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

   The CSR activities of the Company are implemented mainly through LHWRF which operates across 18 centers in India. LHWRF possesses elaborate and well-set implementation mechanism at grass-root level and creates replicable and ever-evolving models for sustainable rural development for uplifting families living below the poverty line with a view to transform rural lives and improve Human Development Indices. LHWRF mobilizes resources from banks and government to achieve high impact in its chosen geographic area of operations.

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

   LHWRF carried out GRI 4 sustainability reporting process and it is first corporate foundation to do so in India. The Company regularly conducts impact assessment of its CSR initiatives through qualitative feedbacks collected from the beneficiaries of projects. Several projects are undertaken in partnership with government and semi-government agencies that have their own monitoring mechanisms and impact assessment systems. A robust internal M & E system has been established.

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

   During the year an amount of ₹ 216.8 million was spent on various community development projects viz. economic advancement through Education and training, Agricultural development, Animal husbandry, Women empowerment, Community health management, Infrastructure development, Natural resource management, Promotion of rural industries and Learn & Earn activities.

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

   Most of the activities undertaken by the Company are demand based. Only those activities are undertaken in which beneficiaries are prepared to share a part of the project cost thereby ensuring that stakes are built in only those activities, benefits of which flow sustainably. Various initiatives aimed at productivity enhancement, income generation, livelihood development and technological infusion have struck cord with the rural community and have been accepted on wider scale.

Principle 9

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

   As on March 31, 2018, about 1% of customer complaints received during the year, were pending, which have since been resolved.

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

   The Company complies with all the legal statutes with respect to display of product information on labels.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.**

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

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

   Consumer surveys are regularly carried out by the Company at doctor level.

For and on behalf of the Board of Directors

Nilesh Deshbandhu Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 15, 2018

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LUPIN LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Lupin Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and a joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including a joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS 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 Group and its joint venture to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and a joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/financial information/consolidated financial statement/consolidated financial information of 33 subsidiaries and 1 (one) joint venture, whose financial statements/financial information/consolidated financial statements/consolidated financial information reflect total assets of ₹ 281,702 million as at 31 March 2018, total revenues of ₹ 125,080 million and net cash inflows amounting to ₹ 7,836 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 35 million for the year ended 31 March, 2018, as considered in the consolidated Ind AS financial statements, in respect of a joint venture whose financial statement/financial information have not been audited by us. These financial statements/financial information/ consolidated financial statements/consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its joint venture and our report in terms of Section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries and its joint venture is based solely on the reports of the other auditors.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and its joint venture, as noted in the 'other matter' 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 Ind AS financial statements;

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

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards 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 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

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

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

   i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and a joint venture. Refer Note 38 to the consolidated Ind AS financial statements;

   ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 69 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its joint venture;

   iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2018; and

   iv) The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 has not been made since they do not pertain to the financial year ended 31 March 2018.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Place: Mumbai
Dated: May 15, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2018 ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Lupin Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statement of the Holding Company and its subsidiary company incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statement criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary company incorporated in India, internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 statement was 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 system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 subsidiary company incorporated in India, 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 internal financial controls system with reference to financial statement.

Meaning of Internal Financial Controls with reference to financial statement

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

Inherent Limitations of Internal Financial Controls With reference to financial statement

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

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India have in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at 31 March 2018 based on the internal control with reference to financial statement criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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 statement insofar as it relates to subsidiary company which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Place: Mumbai
Dated: May 15, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

	Note	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	49,074.2	46,362.9
b. Capital Work-in-Progress		9,563.1	7,149.8
c. Goodwill on Consolidation	49	24,484.9	23,100.1
d. Other Intangible Assets	3	30,060.8	40,866.3
e. Intangible Assets Under Development		16,418.9	14,180.8
f. Investment accounted for using equity method	4	211.4	164.3
g. Financial Assets			
(i) Non-Current Investments	5	55.7	55.7
(ii) Non-Current Loans	6	829.2	765.2
(iii) Other Non-Current Financial Assets	7	41.9	12.4
h. Deferred Tax Assets (Net)	45	7,165.6	5,076.4
i. Non-Current Tax Assets (Net)		1,464.3	1,048.4
j. Other Non-Current Assets	8	1,588.4	7,761.2
		140,958.4	146,543.5
Current Assets			
a. Inventories	9	36,624.9	36,422.8
b. Financial Assets			
(i) Current Investments	10	2,348.6	21,141.3
(ii) Trade Receivables	11	51,922.1	43,073.4
(iii) Cash and Cash Equivalents	12	13,941.1	6,818.3
(iv) Other Bank Balances	13	139.2	163.4
(v) Current Loans	14	199.0	158.6
(vi) Other Current Financial Assets	15	4,364.9	3,765.4
c. Current Tax Assets (Net)		8.0	308.8
d. Other Current Assets	16	12,461.6	7,677.3
e. Assets Classified as Held for Sale	67	86.0	-
		122,095.4	119,529.3
	TOTAL	**263,053.8**	**266,072.8**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	17	904.2	903.2
b. Other Equity	18	134,866.4	134,072.5
Equity attributable to Owners of the Company		135,770.6	134,975.7
c. Non-Controlling Interest	51	400.8	345.2
		1,36,171.4	1,35,320.9
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	19	64,245.0	56,477.8
(ii) Trade Payables	20	37.1	59.0
(iii) Other Non-Current Financial Liabilities	21	3,476.7	4,764.8
b. Non-Current Provisions	22	3,568.5	3,087.3
c. Deferred Tax Liabilities (Net)	45	2,855.3	3,948.5
d. Other Non-Current Liabilities	23	1,744.3	1,208.6
		75,926.9	69,546.0
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	24	4,517.6	23,043.3
(ii) Trade Payables	25	25,754.0	25,889.0
(iii) Other Current Financial Liabilities	26	12,827.2	5,663.9
b. Other Current Liabilities	27	2,344.4	915.8
c. Current Provisions	28	4,651.6	4,713.8
d. Current Tax Liabilities (Net)		860.7	980.1
		50,955.5	61,205.9
	TOTAL	**263,053.8**	**266,072.8**

See accompanying notes forming part of the consolidated financial statements

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note	**For the Current Year ended 31.03.2018 ₹ in million**	For the Previous Year ended 31.03.2017 ₹ in million
INCOME:			
Revenue from Operations	29	158,041.5	174,943.3
Other Income	30	1,503.5	1,065.1
Total Income		**159,545.0**	**176,008.4**
EXPENSES:			
Cost of Materials Consumed	31	29,554.3	29,486.6
Purchases of Stock-in-Trade		21,561.9	23,906.5
Changes in Inventories	32	1,627.8	(3,378.8)
of Finished Goods, Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	33	28,647.1	28,495.2
Finance Costs	34	2,043.5	1,525.3
Depreciation and Amortisation Expense	2&3	10,858.7	9,122.3
Other Expenses	35	45,175.3	51,502.4
Total Expenses		**139,468.6**	**140,659.5**
Profit before Share of Profit of Jointly Controlled Entity and Exceptional items		**20,076.4**	**35,348.9**
Share of Profit from Jointly Controlled Entity (net of tax)		35.2	82.5
Profit before Exceptional items and Tax		**20,111.6**	**35,431.4**
Exceptional items (impairment of intangible assets)	55	14,643.5	-
Profit before Tax		**5,468.1**	**35,431.4**
Tax Expense:	45		
- Current Tax (net)		5,349.8	10,882.1
- Deferred Tax (net)		(2,465.2)	(1,097.0)
Total Tax Expense		**2,884.6**	**9,785.1**
Profit for the year		**2,583.5**	**25,646.3**
Less : Share of profit attributable to Non-Controlling Interest		70.9	71.7
Profit for the year attributable to Owners of the Company		**2,512.6**	**25,574.6**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be re-classified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		25.2	(417.2)
(ii) Income tax relating to items that will not be re-classified to profit or loss:	45	4.2	130.2
(B) (i) Items that will be re-classified subsequently to profit or loss:			
(a) The effective portion of gain & losses on hedging instruments in a cash flow hedge		(456.9)	275.3
(b) Exchange differences in translating the financial statements of foreign operations		1,665.3	233.0
(ii) Income tax relating to items that will be re-classified to profit or loss	45	142.1	(83.0)
Other Comprehensive Income / (Loss) for the year, net of tax		**1,379.9**	**138.3**
Less : Share of Other Comprehensive Income / (Loss) attributable to Non-Controlling Interest		15.9	(20.0)
Other Comprehensive Income / (Loss) for the year attributable to Owners of the Company		**1,364.0**	**158.3**
Total Comprehensive Income attributable to:			
Owners of the Company		3,876.6	25,732.9
Non-Controlling Interest		86.8	51.7
Total Comprehensive Income for the year		**3,963.4**	**25,784.6**
Earnings per equity share (in ₹)	41		
Basic		**5.56**	**56.69**
Diluted		**5.54**	**56.46**
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

Venkataraman Vishwanath
Partner
Membership No. 113156

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital [Refer note 17]

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	451,576,869	903.2	450,582,969	901.2
Changes in equity share capital during the year	505,981	1.0	993,900	2.0
Balance at the end of the reporting year	**452,082,850**	**904.2**	**451,576,869**	**903.2**

B. Other Equity [Refer note 18] **(₹ in million)**

Particulars	Reserves and Surplus								Other items of Other Comprehensive Income				
	Capital Reserve	Capital Redemption Reserve	Legal Reserve	Securities Premium Account	Employees Stock Options Outstanding	General Reserve	Retained Earnings	Amalgamation Reserve	Foreign Currency Translation Reserve	Effective portion of Cash Flow Hedges	Remeasurements of the net Defined Benefit Plans	Non-Controlling Interest	Total Other Equity
Balance as at 31.03.2016	**263.9**	**126.5**	**-**	**6,780.9**	**1,143.8**	**16,535.2**	**85,577.9**	**317.9**	**(124.8)**	**160.6**	**(49.4)**	**320.8**	**111,053.3**
Profit for the year	-	-	-	-	-	-	25,574.6	-	-	-	-	71.7	25,646.3
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	236.1	492.2	(270.1)	(20.0)	438.2
Final dividend on Equity Shares	-	-	-	-	-	-	(3,382.4)	-	-	-	-	-	(3,382.4)
Corporate Tax on Dividend	-	-	-	-	-	-	(688.6)	-	-	-	-	-	(688.6)
Transfer to legal reserve	-	-	0.3	-	-	-	(0.3)	-	-	-	-	-	-
Addition on allotment of shares	-	-	-	770.9	-	-	-	-	-	-	-	-	770.9
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(25.3)	(25.3)
Transfer to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	2.0	(2.0)	-
Share based payment to employees	-	-	-	-	593.7	25.5	-	-	-	-	-	-	619.2
Others	-	-	-	-	-	-	(13.9)	-	-	-	-	-	(13.9)
Balance as at 31.03.2017	**263.9**	**126.5**	**0.3**	**7,551.8**	**1,737.5**	**16,560.7**	**107,067.3**	**317.9**	**111.3**	**652.8**	**(317.5)**	**345.2**	**134,417.7**
Profit for the period	-	-	-	-	-	-	2,512.6	-	-	-	-	70.9	2,583.5
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	1,667.5	(313.4)	11.3	15.9	1,381.3
Final dividend on Equity Shares	-	-	-	-	-	-	(3,388.1)	-	-	-	-	-	(3,388.1)
Corporate Tax on Dividend	-	-	-	-	-	-	(689.7)	-	-	-	-	-	(689.7)
Addition on allotment of shares	-	-	-	577.6	-	-	-	-	-	-	-	-	577.6
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(31.2)	(31.2)
Share based payment to employees	-	-	-	-	376.3	39.8	-	-	-	-	-	-	416.1
Balance as at 31.03.2018	**263.9**	**126.5**	**0.3**	**8,129.4**	**2,113.8**	**16,600.5**	**105,502.1**	**317.9**	**1,778.8**	**339.4**	**(306.2)**	**400.8**	**135,267.2**

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

		For the Current Year Ended 31.03.2018 ₹ in million	For the Previous Year Ended 31.03.2017 ₹ in million
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	5,468.1	35,431.4
	Adjustments for:		
	Depreciation and Amortisation Expense	10,858.7	9,122.3
	Loss / (Profit) on sale / write-off of Property, Plant and Equipment (Net)	(188.7)	75.6
	Finance Costs	2,043.5	1,525.3
	Net Gain on Sale of Current Investments	(383.9)	(7.8)
	Interest on Deposits with Banks	(132.4)	(108.9)
	Dividend on Current Investments	(275.1)	(489.7)
	Dividend on Non-current Investment	-	(0.1)
	Provision for Doubtful Trade Receivables / Advances / Deposits	138.5	160.9
	Unrealised Gain on Mutual Fund Investments (net)	(56.5)	-
	Provisions / Credit balances no longer required Written Back	(16.8)	(107.3)
	Expenses on Employees Stock Options / Stock Appreciation Rights	849.5	965.6
	Impairment of Intangible Assets / Intangible Assets Under Development	14,675.0	106.2
	Share of Profit from Jointly Controlled Entities	(35.2)	(82.5)
	Unrealised Exchange loss on revaluation (Net)	345.7	987.8
	Operating Cash flows before Working Capital Changes	33,290.4	47,578.8
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Non-Current Loans	(55.5)	(247.4)
	Other Non-Current Financial Assets	(29.5)	(12.4)
	Other Non-Current Assets	3,454.7	(1,065.7)
	Inventories	172.7	(3,715.3)
	Trade Receivables	(8,880.7)	973.2
	Current Loans	(21.6)	133.6
	Other Current Financial Assets	(1,064.7)	(3,205.9)
	Other Current Assets	(4,694.5)	4,198.6
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-current Trade Payables	(21.9)	(68.6)
	Other Non-Current Financial liabilities	(3,810.9)	1,215.2
	Non-Current Provisions	433.4	1,457.9
	Other Non-Current liabilities	517.8	116.6
	Trade Payables	(283.9)	6,099.6
	Other Current Financial liabilities	2,795.5	(3,088.5)
	Other Current Liabilities	1,404.6	(113.9)
	Current Provisions	(109.8)	2,369.2
	Cash Generated from Operations	23,096.2	52,625.0
	Net Income tax paid	(5,584.3)	(11,489.9)
	Net Cash Flow generated / (used in) from Operating Activities	**17,511.9**	**41,135.1**
B.	**Cash Flow from Investing Activities**		
	Capital expenditure on Property, Plant and Equipment, including capital advances	(15,534.2)	(26,367.9)
	Proceeds from sale of Property, Plant and Equipment	636.3	361.3
	Purchase of Non-Current Investments	-	(5.0)
	Net Gain on sale of Current Investments	383.9	7.8
	Proceeds from sale of Non-curent investment	-	4.5
	Bank balances not considered as Cash and Cash Equivalents (net)	33.8	126.2
	Interest on Deposits with Banks	132.4	108.9
	Dividend on Current Investments	275.1	489.7
	Dividend on Non-Current Investments	-	0.1
	Net Cash used in Investing Activities	**(14,072.7)**	**(25,274.4)**

	For the Current Year Ended 31.03.2018 ₹ in million	For the Previous Year Ended 31.03.2017 ₹ in million
C. Cash Flow from Financing Activities		
Proceeds from / Repayment of Non-Current Borrowings (net)	9,723.4	3,426.6
Proceeds from / Repayment of Current Borrowings (net)	(18,676.5)	6,052.3
Proceeds from issue of equity shares (ESOPs)	1.0	2.0
Securities Premium Received (ESOPs)	144.2	424.5
Finance Costs	(2,040.0)	(1,507.4)
Dividend paid	(3,383.4)	(3,377.6)
Corporate Tax on Dividend	(689.7)	(688.6)
Net Cash flow generated from Financing Activities	**(14,920.9)**	**4,331.8**
Net increase / (decrease) in Cash and Cash Equivalents	**(11,481.7)**	**20,192.5**
Cash and Cash Equivalents as at the beginning of the year	27,994.7	7,802.2
Cash and Cash Equivalents taken over on acquisition of subsidiary companies	-	-
Cash and Cash Equivalents as at the end of the year	**16,512.9**	**27,994.7**
Cash and Cash equivalents Comprise:		
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet [Refer note 12]	13,941.1	6,818.3
Unrealised loss / (gain) on foreign currency Cash and Cash Equivalents	223.2	35.1
Add : Current investments considered as part of Cash and Cash Equivalents [Refer Note 10]	2,348.6	21,141.3
Cash and Cash Equivalents as restated as at the year end	**16,512.9**	**27,994.7**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".
2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place : Mumbai
Dated : May 15, 2018

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1A. SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of preparation

i) These consolidated financial statements (hereinafter referred to as 'consolidated financial statements') of Lupin Limited ('the Company') and its subsidiaries and its Jointly controlled entity (hereinafter referred to as 'the Group'), have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These consolidated financial statements were authorized for issue by the Company's Board of Directors on May 15, 2018.

Functional and Presentation Currency

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

Basis of measurement

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

Use of Estimates and Judgements

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

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

- Measurement of defined benefit obligations (Refer note n)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note q)
- Recognition of deferred tax assets (Refer note k)
- Measurement of consideration and assets acquired as part of business combination (Refer note j)
- Useful lives of property, plant and equipment and intangibles (Refer note c & d)
- Impairment of assets (Refer note g)
- Goodwill impairment (Refer note g)
- Impairment of financial assets (Refer note i)
- Share-based payment transactions (Refer note o)

b) Principles of Consolidation:

Subsidiaries

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

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

Joint ventures (equity accounted investees)

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

Transactions eliminated on consolidation

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

Non-controlling interests ("NCI")

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

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

c) Property, Plant and Equipment & Depreciation:

I. *Recognition and Measurement:*

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

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

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

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

II. *Subsequent Expenditure:*

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

III. *Depreciation:*

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

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

Particulars	Estimated Useful Life
Leasehold Land	Over the period of lease
Plant and Equipment	10 to 15 years
Office Equipment (Desktop)	4 years
Certain assets provided to employees	3 years

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

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

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

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

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

d) Intangible assets:

I. Recognition and Measurement:

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

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

II. Subsequent Expenditure:

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

III. Amortisation:

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

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

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

e) Non-current assets held for sale:

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

f) Research and Development:

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

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

g) Impairment of assets:

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

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

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

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

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

Goodwill impairment

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

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

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

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

h) Foreign Currency Transactions/Translations:

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

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

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

iv) In case of long term monetary items outstanding as at March 31, 2016, exchange differences arising on settlement/restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in foreign operations, where such amortisation is taken to Foreign Currency Translation Reserve (FCTR) until disposal/recovery of the net investment. The unamortised exchange difference is carried under Reserves and Surplus as Foreign Currency Monetary Item Translation Difference Account (FCMITDA) net of the tax effect thereon, where applicable.

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

i) Financial Instruments:

I. Financial Assets

Classification

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

Initial recognition and measurement

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

Financial assets at amortised cost

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

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Equity investments

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

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

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

Derecognition

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

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

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

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

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

Impairment of financial assets

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

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

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

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

II. Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Embedded derivatives

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Hedge Accounting

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

III. Measurement

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

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

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

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

j) Business combinations:

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

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

iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (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) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

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

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

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

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

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

ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

k) Income tax:

Income tax expense comprises current tax and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

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

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

i) has a legally enforceable right to set off the recognised amounts; and
ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

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

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

i) When the Group is able to control the timing of the reversal of the temporary difference; and
ii) it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset only if:

i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

l) Inventories:

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

m) Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty upto June 30, 2017 which is now subsumed in Goods and Services Tax (GST) and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

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

Interest income is recognised with reference to the Imputed Interest Rate method.

Dividend from investments is recognised as revenue when right to receive is established.

n) Employee Benefits:

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

o) Share-based payment transactions:

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

p) Leases:

Determining whether an arrangement contains a lease

An arrangement, which is not in the legal form of a lease, should be accounted for as a lease,if:

i) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
ii) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Assets given under finance leases are recognised as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Consolidated Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

q) Provisions and Contingent Liabilities:

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

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

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

i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or
ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

r) Borrowing costs:

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

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

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

s) Government Grants:

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

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

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

t) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

u) Insurance claims:

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

v) Goods and Services tax input credit:

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

w) Segment reporting:

The Group operates in one reportable business segment i.e. “Pharmaceuticals”.

x) Operating cycle:

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

1B. RECENT ACCOUNTING PRONOUNCEMENTS:

Ind AS 115 Revenue from Contract with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 ‘Revenue from Contracts with Customers’ (New Revenue Standard), which replaces Ind AS 11 ‘Construction Contracts’ and Ind AS 18 ‘Revenue’. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options - Retrospective Method and Cumulative Effect Method - with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Also, Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company has evaluated the effect of these on the financial statements and the impact is not expected to be material.

The amendments will come into force from April 1, 2018.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Gross Block					Accumulated Depreciation and Impairment Loss						Net Block
	As at 01.04.2017	Additions	Translation Adjustments	Disposals*	As at 31.03.2018	As at 01.04.2017	For the Period	Impairment Loss	Translation Adjustments	Disposals*	As at 31.03.2018	As at 31.03.2018
Freehold Land	**3,096.8**	**310.0**	**91.6**	**44.3**	**3,454.1**	**-**	**-**	**-**	**-**	**-**	**-**	**3,454.1**
	3,050.2	*86.2*	*(39.6)*	-	*3,096.8*	-	-	-	-	-	-	*3,096.8*
Leasehold Land	**535.7**	**504.9**	**-**	**43.5**	**997.1**	**17.8**	**8.8**	**-**	**-**	**2.0**	**24.6**	**972.5**
	484.6	*50.8*	*0.3*	-	*535.7*	*9.2*	*8.6*	-	-	-	*17.8*	*517.9*
Buildings	**15,776.9**	**631.6**	**134.8**	**76.5**	**16,466.8**	**852.7**	**636.7**	**-**	**12.6**	**22.9**	**1,479.1**	**14,987.7**
	9,224.4	*6,710.9*	*(155.7)*	*2.7*	*15,776.9*	*354.8*	*505.9*	-	*(7.5)*	*0.5*	*852.7*	*14,924.2*
Leasehold Improvements	**1,300.0**	**69.0**	**15.0**	**-**	**1,384.0**	**252.9**	**211.6**	**-**	**5.4**	**-**	**469.9**	**914.1**
	879.3	*451.6*	*(30.9)*	-	*1,300.0*	*80.9*	*179.1*	-	*(7.1)*	-	*252.9*	*1,047.1*
Plant and Equipment	**30,590.7**	**5,643.4**	**568.2**	**226.0**	**36,576.3**	**6,549.7**	**4,079.4**	**-**	**128.6**	**142.1**	**10,615.6**	**25,960.7**
	21,586.3	*9,517.4*	*(293.3)*	*219.7*	*30,590.7*	*3,067.9*	*3,586.5*	-	*(54.4)*	*50.3*	*6,549.7*	*24,041.0*
Furniture and Fixtures	**1,757.6**	**510.7**	**59.1**	**46.6**	**2,280.8**	**469.4**	**353.7**	**-**	**25.2**	**36.3**	**812.0**	**1,468.8**
	1,121.6	*904.9*	*(24.4)*	*244.5*	*1,757.6*	*248.6*	*306.5*	-	*(9.8)*	*75.9*	*469.4*	*1,288.2*
Vehicles	**278.1**	**90.8**	**(3.0)**	**27.5**	**338.4**	**93.1**	**65.6**	**-**	**(0.9)**	**20.3**	**137.5**	**200.9**
	243.5	*76.6*	*(15.9)*	*26.1*	*278.1*	*49.9*	*64.1*	-	*(5.0)*	*15.9*	*93.1*	*185.0*
Office Equipment	**1,912.3**	**294.7**	**4.1**	**24.8**	**2,186.3**	**651.0**	**445.0**	**-**	**0.1**	**23.0**	**1,073.1**	**1,113.2**
	999.2	*955.5*	*(13.4)*	*29.0*	*1,912.3*	*293.0*	*390.9*	-	*(6.2)*	*26.7*	*651.0*	*1,261.3*
Assets under Lease:												
- Plant and Equipment	**15.1**	**-**	**-**	**15.1**	**-**	**15.1**	**-**	**-**	**-**	**15.1**	**-**	**-**
	15.3	-	*(0.2)*	-	*15.1*	*9.7*	*5.9*	-	*(0.5)*	-	*15.1*	-
- Vehicles	**1.5**	**1.3**	**0.4**	**-**	**3.2**	**0.1**	**0.7**	**-**	**0.2**	**-**	**1.0**	**2.2**
	1.4	*1.5*	*0.1*	*1.5*	*1.5*	*0.3*	*0.5*	-	-	*0.7*	*0.1*	*1.4*
Total	**55,264.7**	**8,056.4**	**870.2**	**504.3**	**63,687.0**	**8,901.8**	**5,801.5**	**-**	**171.2**	**261.7**	**14,612.8**	**49,074.2**
	37,605.8	*18,755.4*	*(573.0)*	*523.5*	*55,264.7*	*4,114.3*	*5,048.0*	-	*(90.5)*	*170.0*	*8,901.8*	*46,362.9*

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

b) Previous year figures are given in italics below current year figures in each class of assets.

* Disposals include Assets classified as held for sale (Refer note 1A (e) and 67).

3. OTHER INTANGIBLES ASSETS - ACQUIRED

(₹ in million)

Particulars	Gross Block					Accumulated Amortisation and Impairment Loss						Net Block
	As at 01.04.2017	Additions	Translation Adjustments	Disposals	As at 31.03.2018	As at 01.04.2017	For the Period	Impairment Loss*	Translation Adjustments	Disposals	As at 31.03.2018	As at 31.03.2018
Computer Software	**618.5**	**192.1**	**23.4**	**2.7**	**831.3**	**273.2**	**153.1**	**-**	**10.7**	**2.3**	**434.7**	**396.6**
	501.6	*135.8*	*(15.9)*	*3.0*	*618.5*	*126.7*	*155.9*	-	*(8.6)*	*0.8*	*273.2*	*345.3*
Trademarks and Licences	**885.2**	**72.1**	**(9.8)**	**19.2**	**928.3**	**201.0**	**117.1**	**-**	**(1.0)**	**15.6**	**301.5**	**626.8**
	634.1	*249.9*	*9.2*	*8.0*	*885.2*	*119.3*	*114.2*	-	*(27.9)*	*4.6*	*201.0*	*684.2*
Dossiers/Marketing rights	**44,084.5**	**5,295.5**	**(655.0)**	**57.9**	**48,667.1**	**4,247.7**	**4,787.0**	**10,382.9**	**225.6**	**13.5**	**19,629.7**	**29,037.4**
	30,724.8	*14,694.9*	*(1,242.5)*	*92.7*	*44,084.5*	*590.8*	*3,804.2*	-	*(132.4)*	*14.9*	*4,247.7*	*39,836.8*
Total	**45,588.2**	**5,559.7**	**(641.4)**	**79.8**	**50,426.7**	**4,721.9**	**5,057.2**	**10,382.9**	**235.3**	**31.4**	**20,365.9**	**30,060.8**
	31,860.5	*15,080.6*	*(1,249.2)*	*103.7*	*45,588.2*	*836.8*	*4,074.3*	-	*(168.9)*	*20.3*	*4,721.9*	*40,866.3*

a) Previous year figures are given in italics below current year figures in each class of assets.

* Impairment Loss (Refer note 55)

4. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

	Number	Face Value	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unquoted				
	Number	**Face Value**		
- Investments accounted for using equity method				
In Jointly Controlled Entity:				
- YL Biologics Ltd., Japan	450	JPY	211.4	164.3
	(450)	*		
		Total	**211.4**	**164.3**

* Shares do not have face value

i) Investment in shares are fully paid up		
ii) Aggregate amount of unquoted investments	211.4	164.3
iii) Aggregate amount for impairment in value of investments	-	-

5. NON-CURRENT INVESTMENTS

	Number	Face Value	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unquoted				
a) In Equity Instruments (Fair value through Profit or Loss):				
- Biotech Consortium India Ltd., India	50,000 (50,000)	₹ 10	0.5	0.5
- Enviro Infrastructure Co. Ltd., India	100,000 (100,000)	₹ 10	1.0	1.0
- Bharuch Enviro Infrastructure Ltd., India [31.03.2018 - ₹ 45,850/-, 31.03.2017 - ₹ 45,850/-]	4,585 (4,585)	₹ 10		
- Narmada Clean Tech Ltd., India	1,145,190 (1,145,190)	₹ 10	11.5	11.5
- Tarapur Environment Protection Society, India	72,358 (72,358)	₹ 100	7.2	7.2
- Sai Wardha Power Ltd., India	3,007,237 (3,007,237)	₹ 10	30.1	30.1
- Japan Medical Products Exporter's Association, Japan [31.03.2018 - ₹ 30,775/-, 31.03.2017 - ₹ 29,000/-]	10 (10)	JPY 5,000		
- The Pharmaceuticals and Medical Devices Agency, Japan	30 (30)	JPY 10,000	0.2	0.2
- Osaka Fire Mutual Aid Association, Japan [31.03.2018 - ₹ 615/-, 31.03.2017 - ₹ 580/-]	10 (10)	JPY 100		
- Frankfurter Volksbank eG Bank, Germany [31.03.2018 - ₹ 40,404/-, 31.03.2017 - ₹ 34,647/-]	10 (10)	Eur 50		
- Atsugi Gas Corporation, Japan	600 (600)	JPY *	0.2	0.2
b) In Bonds (Fair value through Profit or Loss):				
- National Highways Authority of India, India	500 (500)	₹ 10,000	5.0	5.0
c) In Government Securities (Fair value through Profit or Loss):				
- National Saving Certificates [Deposited with Government Authority] [31.03.2018 - ₹ 6,000/-, 31.03.2017 - ₹ 6,000/-]				
		Total	**55.7**	**55.7**

* Shares do not have face value

i) All investments in shares are fully paid up		
ii) Aggregate amount of unquoted investments	55.7	55.7
iii) Aggregate amount for impairment in value of investments	-	-

6. NON-CURRENT LOANS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unsecured, considered good unless otherwise stated		
Security Deposits		
- with Related Parties [Refer note 65(C)]	43.4	43.4
- with Others	674.1	689.4
Loans to Employees	49.0	2.4
Advance to Vendors	62.7	30.0
Total	**829.2**	**765.2**

7. OTHER NON-CURRENT FINANCIAL ASSETS

Mark to Market Derivative Assets	0.4	-
Earmarked Bank Deposits against guarantees & other commitments	2.8	12.4
Other Non-Current Financial Assets (includes miscellaneous receivables, etc.)	38.7	-
Total	**41.9**	**12.4**

8. OTHER NON-CURRENT ASSETS

Capital Advances	573.6	3,308.4
Advances other than Capital Advances		
With Government Authorities (Drawback / Customs and Excise duties receivable)	606.0	628.5
Advance against investments	356.9	3,757.1
Prepaid Expenses	51.9	67.2
Total	**1,588.4**	**7,761.2**

9. INVENTORIES

Raw Materials	8,297.1	7,233.9
Packing Materials	1,931.3	1,548.9
Work-in-Process	5,699.8	4,906.0
Finished Goods	7,783.7	8,011.6
Stock-in-Trade	7,636.1	10,398.9
Consumable Stores and Spares	1,313.3	1,134.4
Goods-in-Transit		
- Raw Materials	475.5	253.1
- Packing Materials	31.7	39.4
- Stock-in-Trade	3,434.9	2,865.7
- Consumable Stores and Spares	21.5	30.9
Total	**36,624.9**	**36,422.8**

During the year, the Group recorded inventory write-downs of ₹ 2,577.8 million (previous year ₹ 1,681.4 million). These adjustments were included in cost of material consumed and changes in inventories.

10. CURRENT INVESTMENTS

	Number of Units	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unquoted (Fair value through Profit and Loss)			
- In Mutual Funds	**Number of Units**		
- Reliance Floating Rate Fund Short Term Plan - Growth Plan	38,030,622 (-)	1,042.2	-
- Aditya Birla Sun Life Cash Plus Daily Dividend-Regular Plan-Reinvestment	1,615,176 (-)	162.0	-
- Aditya Birla Sun Life Savings Fund - Growth	66,340 (-)	22.7	-
- Axis Liquid Fund - Daily Dividend Reinvestment	1,120,111 (1,479,006)	1,121.7	1,480.3
- Reliance Medium Term Fund Daily Dvidend Plan	- (29,480,054)	-	504.0
- Baroda Pioneer Liquid Fund-Plan A Daily Dividend Reinvestment	- (499,798)	-	500.4
- Birla Sun Life Savings Fund - Daily Dividend-Regular Plan - Reinvestment	- (14,789,683)	-	1,485.4
- Kotak Treasury Advantage Fund Daily Dividend Regular Plan	- (170,846,685)	-	1,722.1
- Kotak Floater Short Term Daily Dividend Regular Plan	- (551,234)	-	557.6
- Reliance Liquid Fund Treasury Plan Daily Dividend Option Dividend Reinvestment	- (1,396,383)	-	2,134.7
- ICICI Prudential Flexible Income Daily Dividend	- (27,563,892)	-	2,914.5
- ICICI Prudential Flexible Income Weekly Dividend	- (13,265,043)	-	1,400.7
- Kotak Low Duration Fund Standard Weekly Dividend Regular Plan	- (1,031,414)	-	1,047.7
- HDFC Floating Rate Income Fund Short Term Plan Dividend Reinvestment Daily	- (177,002,896)	-	1,784.3
- Reliance Money Manager Fund Daily Dividend Plan	- (1,025,655)	-	1,033.3
- Axis Banking & PSU Debt Fund -Daily Dividend	- (603,901)	-	608.8
- Reliance Floating Rate Fund Short Term Plan Daily Dividend Plan	- (49,693,136)	-	502.9
- Birla Sun Life Floating Rate Long Term - Daily Dividend - Regular Plan	- (24,331,993)	-	2,453.3
- Birla Sun Life Floating Rate Long Term - Weekly Dividend - Regular Plan	- (10,095,918)	-	1,011.3
Total		**2,348.6**	**21,141.3**
a) Aggregate amount of unquoted investments		2,348.6	21,153.8
b) Unrealised Loss on Mutual Fund Investments (net) as adjusted above		-	12.5

11. TRADE RECEIVABLES

		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unsecured			
- Considered Good		51,934.5	43,084.2
- Considered Doubtful		294.5	307.6
		52,229.0	43,391.8
Less: Provision for:			
- Good Trade Receivables		12.4	10.8
- Doubtful Trade Receivables		294.5	307.6
		306.9	318.4
(Refer note 60 for information about credit risk and market risk for trade receivables.)	**Total**	**51,922.1**	**43,073.4**

12. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")			
Bank Balances			
- In Current Accounts (including money-in-transit)		9,679.5	5,368.6
- In EEFC Account		67.2	33.0
- In Deposit Accounts		4,129.4	1,199.6
Cheques on hand		9.7	196.8
Cash on hand		55.3	20.3
	Total	**13,941.1**	**6,818.3**

13. OTHER BANK BALANCES

Earmarked Balances with Banks			
- Unpaid dividend accounts		42.2	37.5
- Deposits against guarantees and other commitments		30.8	124.7
Bank Deposits maturing more than 3 months but less than 12 months		66.2	1.2
	Total	**139.2**	**163.4**

14. CURRENT LOANS

(Financial assets stated at cost)			
Unsecured, considered good unless otherwise stated			
Security Deposits		172.7	132.2
Other Loans and Advances		26.3	26.4
(includes Loans to employees, etc.)			
	Total	**199.0**	**158.6**

15. OTHER CURRENT FINANCIAL ASSETS

Receivables from Related Parties [Refer note 65(C)]		5.3	6.5
Mark to Market Derivative Assets		85.8	551.0
Export Benefits receivable		3,390.0	2,943.4
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)		224.5	141.9
Other Current Financial Assets		659.3	122.6
(includes Interest receivables, etc.)			
	Total	**4,364.9**	**3,765.4**

16. OTHER CURRENT ASSETS

Advances other than Capital Advances			
Prepaid Expenses		901.1	1,022.7
Advance to Employees		125.4	80.2
Advance to Vendors			
- Considered Good		885.7	1,100.5
- Considered Doubtful		42.8	26.9
		928.5	1,127.4
Less: Provision for Doubtful Advances		42.8	26.9
		885.7	1,100.5
Advance against investments		3,154.5	221.4
Export Benefits receivable		1,034.9	451.5
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)		6,309.4	4,564.4
Assets Recoverable From Customers		45.8	32.2
Other Current Assets		4.8	204.4
(Includes miscellaneous receivables, etc.)			
	Total	**12,461.6**	**7,677.3**

17. EQUITY SHARE CAPITAL

a) Equity Share Capital

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	452,082,850	904.2	451,576,869	903.2
Total	**452,082,850**	**904.2**	**451,576,869**	**903.2**

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	451,576,869	903.2	450,582,969	901.2
Equity Shares issued during the year pursuant to exercise of ESOPs	505,981	1.0	993,900	2.0
Equity Shares outstanding at the end of the year	**452,082,850**	**904.2**	**451,576,869**	**903.2**

c) Rights attached to Equity Shares

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

During the year ended March 31, 2018, the amount of dividend per equity share distributed to equity shareholders is ₹ 7.5 (previous year ended March 31, 2017, ₹ 7.5).

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

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Lupin Investments Pvt. Limited	205,608,135	45.48	-	-
Zyma Laboratories Limited	-	-	55,658,383	12.33
Rahas Investments Pvt. Limited	-	-	46,083,534	10.21
Visiomed Investments Pvt. Limited	-	-	44,102,333	9.77
Lupin Holdings Pvt. Limited	-	-	40,828,758	9.04

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Lupin Employees Stock Option Plan 2003	133,603	0.3	203,163	0.4
Lupin Employees Stock Option Plan 2005	51,770	0.1	67,633	0.1
Lupin Employees Stock Option Plan 2011	1,428,016	2.9	1,615,790	3.2
Lupin Employees Stock Option Plan 2014	2,975,445	6.0	3,209,432	6.4
Lupin Subsidiary Companies Employees Stock Option Plan 2005	110,804	0.2	112,613	0.2
Lupin Subsidiary Companies Employees Stock Option Plan 2011	710,130	1.4	722,479	1.4
Lupin Subsidiary Companies Employees Stock Option Plan 2014	1,125,000	2.3	1,125,000	2.3

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

Particulars	As at 31.03.2018 Aggregate No. of Shares	As at 31.03.2017 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	4,553,357	4,935,188

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

18. OTHER EQUITY

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Legal Reserve		
Opening Balance as per last Balance Sheet	0.3	-
Add : Additions during the year	-	0.3
Balance as at the year end	0.3	0.3
Securities Premium Account		
Opening Balance as per last Balance Sheet	7,551.8	6,780.9
Add : Additions during the year*	577.6	770.9
Balance as at the year end	8,129.4	7,551.8
Employees Stock Options Outstanding [Refer note 43]		
Opening Balance as per last Balance Sheet	1,737.5	1,143.8
Add : Amortisation during the year	849.5	965.6
Less : Exercised during the year	433.4	346.4
Less : Transfer to General Reserve	39.8	25.5
Balance as at the year end	2113.8	1737.5
General Reserve		
Opening Balance as per last Balance Sheet	16,560.7	16,535.2
Add : Transfer from share based payments	39.8	25.5
Balance as at the year end	16,600.5	16,560.7
Retained Earnings		
Opening Balance as per last Balance Sheet	107,067.3	85,577.9
Add : Profit for the year	2,512.6	25,574.6
Less : Transfer to Legal Reserve	-	0.3
Less : Others	-	13.9
Less : Final Dividend on Equity Shares [Refer note 17 (c)]	3,388.1	3,382.4
Less : Corporate Tax on Dividend**	689.7	688.6
Balance as at the year end	105,502.1	107,067.3
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Other Comprehensive Income		
Foreign Currency Translation Reserve [Refer note 53]		
Opening Balance as per last Balance Sheet	111.3	(124.8)
Add / (Less) : Additions during the year	1,667.5	236.1
Balance as at the year end	1,778.8	111.3
Cash Flow Hedge Reserve [Refer note 62(c)]		
Opening Balance as per last Balance Sheet	652.8	160.6
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding	(314.8)	192.3
[net of deferred tax of ₹(142.1) million (31.03.2017 - ₹ 83.0 million)]		
Add / (Less) : Hedge Ineffectiveness recognised in Statement of Profit and Loss	1.4	299.9
Balance as at the year end	339.4	652.8
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(317.5)	(49.4)
Add / (Less) : Additions during the year	11.3	(270.1)
Add : Transfer to Non-Controlling Interest	-	2.0
Balance as at the year end	(306.2)	(317.5)
Total	**134,866.4**	**134,072.5**

* Represents amount received on allotment of 505,981 (previous year 993,900) Equity Shares of the face value of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 43]

** Represents Corporate Tax on Final Dividend ₹ 689.5 million (previous year ₹ 688.0 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.2 million (previous year ₹ 0.6 million).

Nature of Reserves

a) Capital Reserve

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

b) Capital Redemption Reserve

This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) Securities Premium

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

d) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

e) Amalgamation Reserve

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

f) Cash Flow Hedge Reserve

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

g) Legal Reserve

This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of few subsidiaries.

h) Foreign Currency Translation Reserve

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

19. NON-CURRENT BORROWINGS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
[Refer note 26]		
Secured		
Term Loans from Banks	4,478.8	2,170.5
Long Term Maturities of Finance Lease Obligations [Refer note 42]	1.5	1.0
	4,480.3	2,171.5
Unsecured		
Term Loans from Banks	59,723.9	54,217.4
Deferred Sales Tax Loan from Government of Maharashtra	9.9	16.7
Term Loans from Council for Scientific and Industrial Research (CSIR)	30.9	61.9
Term Loans from Department of Science and Technology (DST)	-	10.3
	59,764.7	54,306.3
Total	**64,245.0**	**56,477.8**

a) Secured Term Loans of a subsidiary company located in Brazil carries fixed interest rate of 12.82% p.a. and floating interest rate of TJLP plus 6.60% p.a. Loan is secured against mortgage of immovable property of that subsidiary company. Loan of ₹ 38.9 million is repayable till June 15, 2022.

b) Secured Term Loans of a subsidiary company located in Japan aggregating to ₹ 4,449.2 million carries interest rate in the range of 0.27% to 0.31% p.a. Two loans are repayable in quarterly installments of ₹ 233.4 million commencing from April 2018. Loan is secured against mortgage of immovable property of that subsidiary company.

c) Unsecured Term Loans of a subsidiary company located in Japan aggregating to ₹ 10,673.5 million carries interest rate in the range of 0.20% to 0.38% p.a. and ₹ 14,260.3 million is guaranteed by the Company / subsidiary of the Company. Five loans are repayable in quarterly installments of ₹ 383.5 million commencing from April 2018 and three loans is repayable in monthly installments of ₹ 15.3 million commencing from April 2019.

d) Unsecured Term Loan of ₹ 43,908.8 million of a subsidiary company located in Switzerland carries fixed interest rate of 0.30% p.a. (paid upfront for average period of 5 years) and a floating interest rate of 0.95% p.a. plus LIBOR. Loan has been guaranteed by the Company. Loan is repayable in three annual installments of ₹ 14,773 million starting from May 02, 2020 till May 02, 2022. After the year end, this loan has been transferred to a subsidiary company located in U.S.A.

e) Unsecured Term Loan of ₹ 7,748.7 million of a subsidiary company located in USA carries fixed interest rate of 0.30% p.a. (paid upfront for average period of 5 years) and a floating interest rate of 0.95% p.a. plus LIBOR, which has been guaranteed by the Company. The Loan is repayable in three annual installment of ₹ 2,607 million commencing from May 02, 2020 till May 02, 2022.

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

g) Term Loans from CSIR carry interest of 3.00% p.a. and is payable in 2 annual installments of ₹ 30.9 million each alongwith interest.

h) Finance lease obligations to Financial Institutions represents present value of minimum lease rentals payable and are secured by hypothecation of concerned plant, machinery, equipments and vehicles.

i) Term Loans from DST carry interest of 3.00% p.a. and is payable in 1 annual installment of ₹ 10.4 million each alongwith interest.

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

20. TRADE PAYABLES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Trade Payables	37.1	59.0
Total	**37.1**	**59.0**

21. OTHER NON-CURRENT FINANCIAL LIABILITIES

Payable for Capital Expenditure	2,525.0	2.2
Payable for Purchase of Non-Current Investment	904.9	4,708.4
Employee Benefits Payables	46.8	54.2
Total	**3,476.7**	**4,764.8**

22. NON-CURRENT PROVISIONS

Provisions for Employee Benefits [Refer note 28]		
Gratuity [Refer note 44]	1,351.6	1,055.6
Retirement Benefits	772.7	707.7
Compensated Absences	726.3	644.3
Other Provisions		
Asset Retirement Obligation	66.1	31.2
Others	651.8	648.5
Total	**3,568.5**	**3,087.3**

23. OTHER NON-CURRENT LIABILITIES

Deferred Revenue	1,694.5	1,073.1
Other Payables	49.8	135.5
(Includes Miscellaneous payables etc.)		
Total	**1,744.3**	**1,208.6**

24. CURRENT BORROWINGS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Secured		
Loans from Banks	2,484.6	13,152.2
	2,484.6	13,152.2
Unsecured		
Loans from Banks	2,033.0	9,891.1
	2,033.0	9,891.1
Total	**4,517.6**	**23,043.3**

a) Secured Loans aggregating ₹ 82.1 million comprises of Cash Credit, Current Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit and are secured by hypothecation of inventories and trade receivables and all other moveable assets, including current assets at godowns, depots, in course of transit or on high seas and a second charge on immovable properties and moveable assets of the Company both present and future. Foreign currency loans carry interest rate at LIBOR plus market driven margin and those in Indian Rupees carry interest rate in the range of 8.25% to 11.70% p.a.

b) Secured Loans of ₹ 276.3 million being loans availed by a subsidiary company located in Australia and carries interest rate in the range of 2.66% to 2.91% p.a. and is secured by fixed and floating charge over all assets of the said subsidiary and are guaranteed by the Company.

c) Secured Loans of ₹ 449.2 million being loans availed by a subsidiary company located in Philippines are secured by way of hypothecation of trade receivables of the said subsidiary and carries interest rate in the range of 3.50% to 5.00% p.a.

d) Secured Loan of ₹ 420.3 million being loan availed by a subsidiary company located in Brazil are secured by way of hypothecation of trade receivables and immovable property of the said subsidiary and carries fixed interest rate in the range of 8.95 % to 12.82 % p.a and variable interest rate in the range of CDI Plus 4.80% to 14.40% p.a.

e) Secured Loan of ₹ 1230.2 million being loan availed by a subsidiary company located in Japan are secured by way of hypothecation of immovable property of the said subsidiary and carries interest rate of 0.28% to 0.31% p.a.

f) Secured Loan of ₹ 26.5 million being loan availed by a subsidiary company located in Netharland are secured by way of hypothecation of immovable property of the said subsidiary and carries interest rate of 4.35%.

g) Unsecured Loans of ₹ 413.1 million being loans availed by subsidiary company located in Brazil carries interest rate in the range of 4.80% to 14.40% p.a.

h) Unsecured Loans aggregating to ₹ 1353.2 million availed by the subsidiary companies located in Japan carries interest rate in the range of 0.28% to 0.31% p.a.

i) Unsecured Loans of ₹ 266.7 million availed by a subsidiary company located in Germany carries interest rate of 0.60% p.a. and guaranteed by the Company.

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

25. TRADE PAYABLES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Acceptances	3,370.2	2,571.7
Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises [Refer note 59]	1,063.8	828.8
- Total outstanding dues of Others	21,320.0	22,488.5
Total	**25,754.0**	**25,889.0**

26. OTHER CURRENT FINANCIAL LIABILITIES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Current Maturities of Non-Current Borrowings [Refer note 19]		
- Term Loans from Banks	2,616.4	89.7
- Current Maturities of Finance Lease Obligations [Refer note 42]	0.9	0.4
- Deferred Sales Tax Loan from Government of Maharashtra	6.8	8.4
- Term Loans from CSIR	30.9	30.9
- Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	35.5	32.0
Unpaid Dividend*	42.2	37.5
Mark to Market Derivative Liabilities	-	266.0
Payable for Capital Expenditure	2,905.8	1,138.0
Payable for Purchase of Non-Current Investment	3,748.0	171.9
Trade Deposits received	548.9	476.4
Employee Benefits Payables	2,874.2	3,393.5
Other Payables	7.2	8.8
(Includes retention money, etc.)		
Total	**12,827.2**	**5,663.9**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

27. OTHER CURRENT LIABILITIES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Statutory Dues Payables (includes GST, Excise Duty, Provident Fund, Withholding Taxes etc.)	1,852.2	762.4
Deferred Revenue	229.0	110.6
Advances from customers	243.8	27.1
Other Payables	19.4	15.7
Total	**2,344.4**	**915.8**

28. CURRENT PROVISIONS

Provisions for Employee Benefits [Refer note 22]		
Gratuity [Refer note 44]	251.4	291.0
Retirement Benefits	124.9	115.6
Compensated Absences	489.4	499.6
Other Provisions		
For Sales Returns [Refer note 56]	3,785.9	3,807.6
Total	**4,651.6**	**4,713.8**

29. REVENUE FROM OPERATIONS

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
Sale		
Goods [Refer note 66]	154,574.2	170,134.1
Research Services	1,024.2	1,063.9
	155,598.4	171,198.0
Other Operating Revenue		
Export Benefits and Other Incentives	2,238.8	3,480.4
Service Charges	-	43.5
Insurance Claims	51.8	53.9
Business Compensation and Settlement Income	29.1	128.3
Miscellaneous Income	123.4	39.2
	2,443.1	3,745.3
Total	**158,041.5**	**174,943.3**

30. OTHER INCOME

Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	132.4	108.9
Other Interest	63.2	60.1
Income on Financial Assets carried at fair value through Profit or loss		
Dividend on Mutual Fund Investments	275.1	489.7
Dividend on Non-Current Investment from Others	-	0.1
Net gain on Sale of Mutual Fund Investments	383.9	7.8
Unrealised Gain on Mutual Fund Investments (net)	56.5	-
Net gain on Foreign Currency Transactions	19.3	-
Exchange Rate Difference (net)	80.9	71.8
Provisions / Credit balances no longer required written back	16.8	107.3
Profit on Sale of Property, Plant & Equipment / Intangible Assets (net)	188.7	-
Other Non-Operating Income (including interest on income tax refund)	286.7	219.4
Total	**1,503.5**	**1065.1**

31. COST OF MATERIALS CONSUMED

Raw Materials Consumed	24,071.9	24,812.5
Packing Materials Consumed	5,482.4	4,674.1
Total	**29,554.3**	**29,486.6**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Opening Stock:		
Finished Goods	8,011.6	7,063.5
Stock-in-Trade	13,264.7	11,042.1
Work-in-Process	4,906.0	4,697.9
	26,182.3	22,803.5
Less:		
Closing Stock:		
Finished Goods	7,783.7	8,011.6
Stock-in-Trade	11,071.0	13,264.7
Work-in-Process	5,699.8	4,906.0
	24,554.5	26,182.3
Changes In Inventories:		
Finished Goods	227.9	(948.1)
Stock-in-Trade	2,193.7	(2,222.6)
Work-in-Process	(793.8)	(208.1)
Total	**1,627.8**	**(3,378.8)**

33. EMPLOYEE BENEFITS EXPENSE

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
Salaries and Wages	23,985.8	23,853.8
Contribution to Provident and Other Funds	2,155.3	1,953.9
Retirement Benefits Expense	206.1	134.8
Share based payment expense [Refer note 43]	849.5	965.6
Staff Welfare Expenses	1,450.4	1,587.1
Total	**28,647.1**	**28,495.2**

34. FINANCE COSTS

Interest on Financial Liabilities - borrowings carried at amortised cost	1,423.4	1,121.2
Net Interest on net defined benefit liability	160.5	115.2
Other Borrowing Costs (includes bank charges, etc.)	455.1	276.5
Interest on Income Tax	4.5	12.4
Total	**2,043.5**	**1,525.3**

35. OTHER EXPENSES

Processing Charges	1,684.3	1,614.4
Stores and Spares Consumed	4,739.7	6,018.3
Repairs and Maintenance:		
- Buildings	451.6	499.6
- Plant and Machinery	1,446.6	1,303.3
- Others	1,600.2	1,480.0
Rent	489.5	504.7
Rates and Taxes	1,581.9	1,829.5
Insurance	575.9	541.7
Power and Fuel	4,338.8	3,778.6
Contract Labour Charges	1,583.5	1,520.4
Excise Duty (net) [Refer note 54]	76.0	1,269.5
Selling and Promotion Expenses	8,170.4	7,382.0
Commission, Brokerage and Discount	1,191.1	1,198.6
Freight and Forwarding	2,111.4	1,914.2
Lease Rent and Hire Charges [Refer note 42]	1,412.3	1,295.0
Postage and Telephone Expenses	498.6	486.1
Travelling and Conveyance	2,709.0	2,959.2
Legal and Professional Charges	4,931.0	5,445.3
[Net of recoveries of ₹ 328.2 million (previous year ₹ nil)]		
Donations	54.3	78.4
Clinical and Analytical Charges	3,886.9	5,591.8
Loss on Sale / Write-off of Property, Plant & Equipment / Intangible Assets (net)	-	75.6
Bad Trade Receivables / Advances / Deposits written off	79.7	50.7
[Net of provision of earlier years adjusted ₹ 53.8 million (previous year ₹ 268.7 million)]		
Provision for Doubtful Trade Receivables / Advances / Deposits (net)	58.8	160.9
Provision for Impairment of Intangible Assets/ Intangible Assets Under Development [Refer note 55]	31.5	106.2
Unrealised Loss on Mutual Fund Investments (net)	-	12.5
Corporate Social Responsibility Expenses [Refer note 57]	216.8	196.8
Directors Sitting Fees	1.4	1.2
Net loss on Foreign Currency Transactions	-	799.0
Business Compensation and Settlement Expenses	33.2	2,032.9
Miscellaneous Expenses	1,220.9	1,356.0
Total	**45,175.3**	**51,502.4**

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

Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2018	As at 31.03.2017
Lupin Pharmaceuticals, Inc.	USA	100%[1]	100%[1]
Kyowa Pharmaceutical Industry Co., Limited	Japan	99.82%[2]	99.82%[2]
Kyowa CritiCare Co., Limited	Japan	99.82%[3]	99.82%[3]
Hormosan Pharma GmbH	Germany	100%[2]	100%[2]
Pharma Dynamics (Proprietary) Limited	South Africa	100%[2]	100%[2]
Lupin Australia Pty Limited	Australia	100%	100%
Lupin Holdings B.V.	Netherlands	100%	100%
Lupin Atlantis Holdings SA	Switzerland	100%	100%
Multicare Pharmaceuticals Philippines Inc.	Philippines	51%[2]	51%[2]
Generic Health Pty Limited	Australia	100%[2]	100%[2]
Bellwether Pharma Pty Limited	Australia	100%[4]	100%[4]
Lupin Healthcare (UK) Limited [formerly Lupin (Europe) Limited]	UK	100%[5]	100%[5]
Lupin Pharma Canada Limited	Canada	100%[5]	100%[5]
Lupin Healthcare Limited	India	100%	100%
Lupin Mexico S.A. de C.V.	Mexico	100%[2]	100%[2]
Lupin Philippines Inc.	Philippines	100%[2]	100%[2]
Generic Health SDN. BHD.	Malaysia	100%[2]	100%[2]
Lupin Middle East FZ-LLC	UAE	100%[5]	100%[5]
Lupin GmbH	Switzerland	100%[5]	100%[5]
Lupin Inc.	USA	100%[5]	100%[5]
Nanomi B.V.	Netherlands	100%[5]	100%[5]
Laboratorios Grin S.A. de C.V.	Mexico	100%[5]	100%[5]
Medquímica Indústria Farmacêutica LTDA	Brazil	100%[6]	100%[6]
Lupin Pharma LLC	Russia	100%[6]	100%[6]
Gavis Pharmaceuticals, LLC	USA	100%[7]	100%[7]
VGS Holdings, Inc., (upto February 24, 2017)	USA	-	-
Novel Laboratories, Inc.	USA	100%[7]	100%[7]
Novel Clinical Research (India) Private Limited (upto March 27, 2018)*	India	-	100%
Edison Therapeutics, LLC, (upto February 24, 2017)	USA	-	-
Lupin Research Inc.	USA	100%[7]	100%[7]
YL Biologics Limited	Japan	45%[8]	45%[8]
Lupin Ukraine LLC (w.e.f. July 6, 2016)	Ukraine	100%[6]	100%[6]
Lupin Latam, Inc. (w.e.f. December 15, 2016)	USA	100%[5]	100%[5]
Lupin Japan & Asia Pacific K.K. (w.e.f. March 13, 2017)	Japan	100%[5]	100%[5]
Lupin Europe GmbH (w.e.f. February 5, 2018)	Germany	100%[5]	-
Saker Merger Sub LLC (from April 7, 2017 and upto October 10,2017)	USA	-	-
Symbiomix Therapeutics, LLC (w.e.f. October 10, 2017)	USA	100%[9]	-
Lupin IP Ventures Inc. (w.e.f. October 10, 2017)	USA	100%[7]	-

1 97% interest held through Lupin Inc., USA.
2 Ownership interest held through Lupin Holdings B.V., Netherlands.
3 Ownership interest held through Kyowa Pharmaceutical Industry Co., Limited, Japan.
4 Wholly owned subsidiary of Generic Health Pty Limited, Australia.
5 Ownership interest held through Lupin Atlantis Holdings SA, Switzerland.
6 Ownership interest held through Lupin Atlantis Holdings SA, Switzerland and Lupin Holdings B.V., Netherlands.
7 Wholly owned subsidiaries of Lupin Inc., USA.
8 Jointly Controlled Entity of Lupin Atlantis Holdings SA, Switzerland (with Yoshindo Inc., Japan having 55% share of interest).
9 Wholly owned subsidiary of Lupin IP Ventures Inc., USA.

* Pursuant to the provisions of Section 248 of the Companies Act, 2013 read with Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, Novel Clinical Research (India) Private Limited has applied for the removal of its name from the Register of Companies w.e.f. March 27, 2018 with the Registrar of Companies, Bangalore, and the order pursuant to such application is awaited as at March 31, 2018.

37. COMMITMENTS:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Tangible assets ₹ 2562.7 million (previous year ₹ 5396.1 million) and Intangible assets ₹ 94.5 million (previous year ₹ 667.9 million).
b) Other commitments – Non-cancellable operating and finance leases (Refer note 42).
c) There are no capital commitments at the jointly controlled entity of the Group as at 31.03.2018.
d) The Group is committed to operationally, technically and financially support the operations of its subsidiaries.
e) Dividends proposed of ₹ 5/- (previous year ₹ 7.5) per equity share before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 2260.5 million (previous year ₹ 3386.8 million)

38. CONTINGENT LIABILITIES:

	Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
a)	Income tax demands/matters on account of deductions/disallowances for earlier years, pending in appeals [including ₹ 42.7 million (previous year ₹ 284.9 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the Company]. Amount paid there against and included under “Current Tax Assets (Net)” ₹ nil million (previous year ₹ 264.8 million) and “Non-current Tax Assets (Net)” ₹ 330.3 million (previous year ₹ 146.9 million).	952.1	1125.6
b)	Customs duty, Excise duty, Service tax and Sales tax demands, for input tax credit disallowances and demand for Entry Tax are in appeals and pending decisions. Amount paid there against and included under note 14 “Current Loans” ₹ 23.4 million (previous year ₹ 23.6 million) and under note 6 “Non-Current Loans” ₹ nil (previous year ₹ nil).	163.3	155.6
c)	Claims against the Company not acknowledged as debts (excluding interest where the amount is unascertainable) for transfer charges of land, octroi duty, local body tax, employee claims, power, trade marks, pricing, indemnity, stamp duty and price reported under Medicaid for one subsidiary. Amount paid there against without admitting liability and included under note 14 “Current Loans” ₹ 115.9 million (previous year ₹ 118.1 million).	5410.0	5354.8
d)	Financial guarantees aggregating to ₹ 8081.7 million (previous year ₹ nil) given to third party on behalf of subsidiaries for contractual obligations.	-	-

e) During the year ended 31.03.2015, the Company received a notice from the European Commission for alleged breach of the EU Antitrust Rules, whereby it has sought to levy a fine of Euro 40.0 million (₹ 3232.3 million) on the Company in respect of an agreement entered into by the Company with Laboratories Servior, France, for sale of certain patent applications and IPs for the product Perindopril which the European Commission considered as anti-competitive. The Company, based on facts of the matter and legal advice received does not agree with the said notice/demand and is of the view that it has a strong case to defend itself. Accordingly, the Company has filed an appeal before the European General Court. A bank guarantee (excluding interest) of Euro 40.0 million equivalent to ₹ 3232.3 million (previous year Euro 40.0 million equivalent to ₹ 2771.7 million) has been furnished to the European Commission.

There are no contingent liabilities at the jointly controlled entity of the Group as at 31.03.2018.

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

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

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

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

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Opening balance	273.0	231.3
Incurred during the year:		
Salaries, allowances and contribution to funds	120.8	145.4
Legal and Professional Charges	6.1	1.7
Travelling and Conveyance	18.0	18.5
Power and fuel	-	150.0
Others	111.5	69.9
Total incurred during the year	256.4	385.5
Less: Capitalised during the year	102.0	343.8
Closing balance	**427.4**	**273.0**

40. OPERATING SEGMENTS:

A. Basis for segmentation

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

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

B. Geographic information

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

a) Revenue from external customers

Particulars	**Year ended 31.03.2018 ₹ in million**	Year ended 31.03.2017 ₹ in million
India	47844.1	45857.7
USA	64747.7	81449.2
Japan	20893.6	17955.8
Others	24556.1	29680.6
	158041.5	**174943.3**

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

Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
India	44026.8	37994.5
USA	41836.8	17964.5
Japan	25645.1	24071.9
Others	22030.7	61259.5
	133539.5	**141290.4**

C. Major customer

Revenue from the largest customer based in USA represented ₹ 11235.9 million (previous year ₹ 13570.6 million) out of the Group's total revenues.

41. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

Particulars	**Year Ended 31.03.2018**	Year Ended 31.03.2017
Net Profit after non-controlling interest attributable to equity shareholders (₹ in million)	2512.6	25574.6
Weighted average number of Equity Shares:		
- Basic	451847593	451121270
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1481004	1845914
- Diluted	453328597	452967184
Earnings per Share (in ₹)		
- Basic	5.56	56.69
- Diluted	5.54	56.46

42. a) The Group procures equipments, vehicles and office premises under operating leases. The initial tenure of the lease is generally between 12 months to 60 months. The lease rentals are included in 'Lease Rent and Hire Charges' in the Consolidated Statement of Profit and Loss (Refer note 35) for the year are ₹ 1304.4 million (previous year ₹ 1208.9 million). The contingent rent recognised in the Statement of Profit and Loss for the year is ₹ nil (previous year ₹ nil). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

Particulars	**As at 31.03.2018 in million**	As at 31.03.2017 ₹ in million
Not later than one year	982.8	937.9
Later than one year but not later than five years	1929.9	2267.9
Later than five years	450.7	341.0
Total	**3363.4**	**3546.8**

b) A subsidiary located in South Africa has future obligations under finance lease arrangements to procure Vehicles which are as under:

(₹ in million)

Particulars	**As at 31.03.2018**		
	Present Value of minimum lease payment	Future Interest Cost	Minimum lease payment
Not later than one year	0.9	0.1	1.0
Later than one year but not later than five years	1.4	0.1	1.5
Later than five years	-	-	-
Total	**2.3**	**0.2**	**2.5**

(₹ in million)

Particulars	As at 31.03.2017		
	Present Value of minimum lease payment	Future Interest Cost	Minimum lease payment
Not later than one year	0.4	0.1	0.5
Later than one year but not later than five years	1.0	0.1	1.1
Later than five years	-	-	-
Total	**1.4**	**0.2**	**1.6**

43. SHARE-BASED PAYMENT ARRANGEMENTS:

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 with an exercise period of ten years from the respective grant dates.

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

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3540762	114.6-2037.5	1088.7	7.3
Add : Options granted during the year	23795	831.5-1407.9	1036.2	9.5
Less : Options lapsed during the year	246039	138.6-2037.5	1323.4	NA
Less : Options exercised during the year	271994	114.6-1164.8	532.1	NA
Options outstanding at the year end	3046524	114.6-2037.5	1119.1	6.4
Exercisable at the end of the period	2063215	114.6-2037.5	975.0	5.7

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3371309	86.0-2037.5	796.9	6.6
Add : Options granted during the year	1357195	1441.0-1521.7	1495.2	9.4
Less : Options lapsed during the year	319230	414.0-2037.5	1361.9	NA
Less : Options exercised during the year	868512	86.0-1368.1	490.9	NA
Options outstanding at the year end	3540762	114.6-2037.5	1088.7	7.3
Exercisable at the end of the period	1571038	114.6-2037.5	753.7	5.6

The weighted average grant date fair value of fair market value of the options granted under Category A during the years ended March 31, 2018 and 2017 was ₹ 337.0 and ₹ 494.7 per option, respectively.

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

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1060444	2.0	2.0	8.9
Add : Options granted during the year	549854	2.0	2.0	9.6
Less : Options lapsed during the year	57503	2.0	2.0	NA
Less : Options exercised during the year	233987	2.0	2.0	NA
Options outstanding at the year end	1318808	2.0	2.0	8.7
Exercisable at the end of the period	134944	2.0	2.0	7.7

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	696073	2.0	2.0	9.3
Add : Options granted during the year	533693	2.0	2.0	9.5
Less : Options lapsed during the year	43934	2.0	2.0	NA
Less : Options exercised during the year	125388	2.0	2.0	NA
Options outstanding at the year end	1060444	2.0	2.0	8.9
Exercisable at the end of the period	75650	2.0	2.0	8.2

The weighted average grant date fair value of par value of the options granted under Category B during the years ended March 31, 2018 and 2017 was ₹ 905.4 and ₹ 1417.6 per option, respectively.

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

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	150000	720.5-891.5	778.9	8.6
Add : Options granted during the year	50000	415.7	415.7	9.7
Less : Options lapsed during the year	-	-	-	NA
Less : Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	8.1
Exercisable at the end of the period	150000	720.5-891.5	778.9	7.6

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	100000	724.7-891.5	808.1	9.1
Add : Options granted during the year	50000	720.5	720.5	9.6
Less : Options lapsed during the year	-	-	-	NA
Less : Options exercised during the year	-	-	-	NA
Options outstanding at the year end	150000	720.5-891.5	778.9	8.6
Exercisable at the end of the period	100000	724.7-891.5	808.1	3.8

The weighted average grant date fair value of discounted fair market value options granted under Category C during the years ended March 31, 2018 and 2017 was ₹ 483.2 and ₹ 808.8 per option, respectively.

The weighted average share price during the year ended March 31, 2018 and 2017 was ₹ 1010.3 and ₹ 1516.0 per share respectively.

Valuation of stock options

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

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

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

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

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

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

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

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

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

Weighted average information – 2017-18

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 24, 2017	1407.9	6.7	4.5	27.2	0.6	1361.5	431.2
B	April 24, 2017	2.0	6.5	3.5	28.2	0.6	1361.5	1334.0
B	July 19, 2017	2.0	6.4	3.5	28.4	0.6	1172.3	1148.4
B	October 17, 2017	2.0	6.5	3.5	27.8	0.6	1066.2	1044.3
A	November 28, 2017	831.5	6.9	4.5	28.6	0.6	832.3	285.2
B	November 28, 2017	2.0	6.7	3.5	29.4	0.6	832.3	814.9
C	November 28, 2017	415.7	6.6	3.0	30.4	0.6	832.3	483.2
B	January 2, 2018	2.0	6.9	3.5	29.1	0.6	875.2	856.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	337.0	1020.3
B	905.4	924.6
C	483.2	832.3

Weighted average information – 2016-17

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 1, 2016	1479.3	7.8	4.5	30.6	0.7	1464.9	533.2
A	April 1, 2016	1479.3	7.8	3.8	27.0	0.7	1464.9	450.8
A	April 1, 2016	1479.3	7.8	4.5	30.6	0.7	1464.9	533.2
A	April 1, 2016	1479.3	7.8	3.8	27.0	0.7	1464.9	450.8
B	August 25, 2016	2.0	7.3	3.5	27.3	0.6	1522.2	1489.0
A	August 25, 2016	1521.7	7.3	3.8	27.1	0.6	1522.2	467.2
A	August 25, 2016	1521.7	7.4	4.5	30.4	0.6	1522.2	552.2
A	August 25, 2016	1521.7	7.3	3.8	27.1	0.6	1522.2	467.2
A	August 25, 2016	1521.7	7.4	4.5	30.4	0.6	1522.2	552.2
B	January 3, 2017	2.0	7.3	3.5	28.5	0.6	1505.5	1472.7
A	January 3, 2017	1505.8	7.4	4.5	27.2	0.6	1505.5	515.9
A	January 3, 2017	1505.8	7.4	4.5	27.2	0.6	1505.5	515.9
A	January 24, 2017	1483.3	7.4	4.5	27.1	0.6	1504.7	524.1
B	June 9, 2016	2.0	7.3	3.5	27.4	0.6	1427.2	1396.0
C	November 16, 2016	720.5	7.3	3.0	27.7	0.6	1407.1	808.8
A	November 16, 2016	1441.0	7.4	4.5	30.6	0.6	1407.5	498.3
B	November 16, 2016	2.0	7.3	3.5	27.3	0.6	1407.5	1376.6

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	494.7	1488.8
B	1417.6	1449.3
C	808.8	1407.1

44. POST-EMPLOYMENT BENEFITS:

(i) Defined Contribution Plans:

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

The Group recognised ₹ 880.3 million (previous year ₹ 787.6 million) for superannuation contribution and other retirement benefit contribution in the Consolidated Statement of Profit and Loss.

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

The Company recognised ₹ 243.0 million (previous year ₹ 231.9 million) for provident and pension fund contributions in the Consolidated Statement of Profit and Loss.

(ii) Defined Benefit Plan:

a) The Company

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

(i) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

(ii) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	131.3	124.1	104.2	90.9
	Past service cost	211.2	-	(211.2)	-
	Interest cost	91.4	75.6	82.8	50.9
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	16.2	32.2	34.3	43.6
	- Due to experience assumption	29.9	72.8	(83.3)	251.6
	Benefits paid	(135.3)	(83.5)	-	-
	PVO at the beginning of the year	1235.6	1014.4	1120.3	683.3
	PVO at the end of the year	1580.3	1235.6	1047.1	1120.3
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	(1.7)	11.7	-	-
	Interest Income	74.6	63.7	-	-
	Contributions by the employer	74.7	162.7	-	-
	Benefits paid	(132.5)	(83.5)	-	-
	Fair value of plan assets at the beginning of the year	1009.3	854.7	-	-
	Fair value of plan assets at the end of the year	1024.4	1009.3	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	1580.3	1235.6	1047.1	1120.3
	Fair Value of plan assets at the end of the year	1024.4	1009.3	-	-
	Funded status	(555.9)	(226.3)	(1047.1)	(1120.3)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(555.9)	(226.3)	(1047.1)	(1120.3)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	131.3	124.1	104.2	90.9
	Past service cost	211.2	-	(211.2)	-
	Interest cost	16.7	11.9	82.8	50.9
	Total expense recognised in the Statement of Profit and Loss	359.2*	136.0*	(24.2)*	141.8*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	16.2	32.2	34.3	43.6
	- Due to experience assumption	29.9	72.8	(83.3)	251.6
	Return on plan assets excluding net interest	1.7	(11.7)	-	-
	Total amount recognised in OCI	47.8	93.3	(49.0)	295.2
VI)	**Category of assets as at the end of the year:**				
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	1024.4	1009.3	NA	NA
VII)	**Actual return on the plan assets:**	72.9	75.4	NA	NA

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08			
	Discount rate (%)	7.8	7.4	7.8	7.4
	Salary escalation rate (%)	9.0 for first two years and 6.0 thereafter	9.0 for first year and 6.0 thereafter	9.0 for first two years and 6.0 thereafter	9.0 for first year and 6.0 thereafter
	Average Remaining Service (years)	11.9	12.4	11.9	12.4
	Employee Attrition Rate (%) up to 5 years above 5 years	 15.0 5.0	 15.0 5.0	 15.0 5.0	 15.0 5.0
IX)	**Estimate of amount of contribution in immediate next year**	239.1	222.4	NA	NA

* ₹ 2.9 million (previous year ₹ 35.0 million) capitalised as pre-operative expenses, out of above amount.

X)

(₹ in million)

Gratuity (Funded)	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience adjustment					
- On plan liabilities	29.9	72.8	25.4	(15.3)	32.6
- On plan assets	-	-	-	2.0	4.2
Present value of benefit obligation	1580.2	1235.6	1014.4	868.4	652.4
Fair value of plan assets	1024.4	1009.3	854.7	660.8	580.9
Excess of (obligation over plan assets) /plan assets over obligation	(555.9)	(226.3)	(159.7)	(207.6)	(71.5)

XI) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2018**
1 year	415.9
2 to 5 years	971.5
6 to 10 years	1140.2
More than 10 years	3328.5

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

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

(₹ in million)

Gratuity (Funded)	**2017-2018**		2016-2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(194.3)	224.1	(177.9)	206.1
Future salary growth (1% movement)	224.5	(198.0)	206.2	(181.1)

B) The provident fund plan of the Company, except at two plants, is operated by “Lupin Limited Employees Provident Fund Trust” (“Trust”), a separate legal entity. Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee’s salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Board of Trustees administer the contributions made by the Company to the schemes and also defines the investment strategy to act in the best interest of the plan participants.

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 "Employee Benefits". As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund as at March 31, 2018 and based on the same, there is no shortfall towards interest rate obligation.

b) Kyowa Pharmaceutical Industry Co., Limited, Japan

The Group's subsidiary at Japan has retirement plan to cover all its employees. The plan consist of a defined benefit non funded pension plan (referred as "plan").

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

The most recent actuarial valuation of the present value of the defined benefit obligation for retirement benefits were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Retirement allowances for directors are provided for liability of the amount that would be required if all directors retired at the balance sheet date.

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

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2018 ₹ in million	As on 31.03.2017 ₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	30.5	28.0
	Past service cost	-	-
	Interest cost	1.5	0.8
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	(2.9)	(0.3)
	- Due to Finance Assumption	3.1	(9.8)
	- Due to Experience	2.8	4.9
	Benefits paid	(11.4)	(2.6)
	Foreign exchange translation difference	14.2	(4.6)
	PVO at the beginning of the year	213.4	197.0
	PVO at the end of the year	251.2	213.4
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	251.2	213.4
	Fair Value of plan assets at the end of the year	-	-
	Funded status	(251.2)	(213.4)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(251.2)	(213.4)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	30.5	28.0
	Past service cost	-	-
	Net interest	1.5	0.8
	Total expense recognised in the Consolidated Statement of Profit and Loss	32.0	28.8
IV)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the period		
	- Due to Demographic Assumption	(2.9)	(0.3)
	- Due to Finance Assumption	3.1	(9.8)
	- Due to Experience	2.8	4.9
	Return on plan assets excluding net interest	-	-
	Total amount recognised in OCI	3.0	(5.2)
V)	**Assumptions used in accounting for the retirement benefit plan:**		
	Mortality (%)	Rate stipulated in the Financial Management Standard of the Employees' Pension Fund	
	Discount rate (%)	0.6	0.7
	Salary escalation rate (%)	NA	NA
	Average Remaining Service (years)	13.8	14.8
	Employee attrition rate (%)	From 0.3 to 6.1 depending on age bracket	From 0.3 to 5.9 depending on age bracket

VI)

(₹ in million)

	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience adjustment					
- On plan liabilities	2.8	4.9	2.4	7.8	3.9
- On plan assets	-	-	-	-	-
Present value of benefit obligation	251.2	213.4	197.0	146.6	138.5
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets)/plan assets over obligation	(251.2)	(213.4)	(197.0)	(146.6)	(138.5)

VII) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2018**
First year	12.7
Second year	10.7
Third year	21.6
Fourth year	18.2
Fifth year	21.4
Beyond five years	111.5

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

(₹ in million)

	2017-2018		2016-2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.25% movement)	(8.2)	8.6	(7.3)	7.6
Future salary growth (%)	NA	NA	NA	NA

Liability of lump sum retirement benefit as above along with liability for retirement benefits of directors ₹ 44.9 million (previous year ₹ 37.4 million) is shown under "Non-Current Provisions" (Refer note 22).

c) Kyowa CritiCare Co., Limited, Japan

The Group's another subsidiary at Japan has retirement plan to cover its employees.

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

The most recent actuarial valuation of the present value of the defined benefit obligation for retirement benefits were carried out as at March 31, 2018. 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	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2018 ₹ in million	As on 31.03.2017 ₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	28.2	29.3
	Past service cost	-	-
	Interest cost	0.6	0.3
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	0.4	0.2
	- Due to Finance Assumption	-	(2.4)
	- Due to Experience	1.9	2.5
	Benefits paid	(7.4)	(5.3)
	Foreign exchange translation difference	20.7	(6.6)
	PVO at the beginning of the year	320.2	302.2
	PVO at the end of the year	364.6	320.2
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	364.6	320.2
	Fair Value of plan assets at the end of the year	-	-
	Funded status	(364.6)	(320.2)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(364.6)	(320.2)
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	28.2	29.3
	Past service cost	-	-
	Net interest	0.6	0.3
	Total expense recognised in the Consolidated Statement of Profit and Loss	28.8	29.6
IV)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the period		
	- Due to Demographic Assumption	0.4	0.2
	- Due to Finance Assumption	-	(2.4)
	- Due to Experience	1.9	2.5
	Total amount recognised in OCI	2.3	0.3
V)	**Assumptions used in accounting for the Retirement Benefit plan:**		
	Mortality %	0.1	0.1
	Discount rate (%)	0.2	0.2
	Salary escalation rate (%)	NA	NA
	Average Remaining Service (years)	9.5	8.8
	Employee attrition rate (%)	7.2	7.2

VI)

(₹ in million)

	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience adjustment					
- On plan liabilities	2.3	0.3	12.0	0.8	(5.9)
- On plan assets	-	-	-	-	-
Present value of benefit obligation	364.6	320.2	302.2	234.6	268.9
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets)/plan assets over obligation	(364.6)	(320.2)	(302.2)	(234.6)	(268.9)

VII) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2018**
First year	41.7
Second year	53.3
Third year	45.1
Fourth year	30.7
Fifth year	36.9
Beyond five years	134.8

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.

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

(₹ in million)

	2017-2018		2016-2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.25% movement)	(6.3)	6.4	(5.5)	5.7

Liability of lump sum retirement benefit as above along with liability for retirement benefits of directors ₹ nil (previous year ₹ nil) is shown under “Non-Current Provisions” (Refer note 22).

In addition to above plan, the company is a member of Tokyo Pharmaceutical Industry Employee Pension Fund. This multi-employer pension plan does not permit us to reasonably calculate the value of the pension assets based on our contribution. As a result, this multi-employer pension plan is excluded from the calculation of projected benefit obligation. The required contribution to this plan along with the contribution under the retirement plan is charged to Statement of Profit and Loss amounting to ₹ 11.1 million (previous year ₹ 20.8 million).

d) Multicare Pharmaceuticals Philippines Inc., Philippines

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for retirement benefit were carried out as at March 31, 2018. 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	Lump sum Retirement Benefits (funded)	
		As on 31.03.2018 ₹ in million	As on 31.03.2017 ₹ in million
I)	**Reconciliation in present value of obligations (‘PVO’) – defined benefit obligation:**		
	Current service cost	21.4	10.8
	Past service cost	-	-
	Interest cost	4.9	3.7
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	(26.2)	3.1
	- Due to Experience	(10.8)	28.6
	Benefits paid	(0.5)	(9.6)
	Foreign exchange translation difference	(3.2)	(10.0)
	PVO at the beginning of the year	99.6	73.0
	PVO at the end of the year	85.2	99.6
II)	**Change in fair value of plan assets:**		
	Return on Plan Assets excluding interest income	1.5	(1.2)
	Interest income	-	1.6

Sr. No.	Particulars	Lump sum Retirement Benefits (funded)	
		As on 31.03.2018 ₹ in million	As on 31.03.2017 ₹ in million
	Contributions by the employer	-	8.4
	Contributions by the employee	-	-
	Benefits paid	(0.5)	(9.6)
	Foreign exchange translation difference	(1.2)	(3.2)
	Fair value of plan assets at the beginning of the year	29.7	33.7
	Fair value of plan assets at the end of the year	29.5	29.7
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	85.2	99.6
	Fair Value of plan assets at the end of the year	29.5	29.7
	Funded status	(55.7)	(69.9)
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(55.7)	(69.9)
IV)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	21.4	10.8
	Past service cost	-	-
	Net interest	3.6	2.1
	Total expense recognised in the Consolidated Statement of Profit and Loss	25.0	12.9
V)	**Other Comprehensive Income:**		
	Actuarial loss/(gain) recognised for the period		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	(26.2)	3.1
	- Due to Experience	(10.8)	28.6
	Return on plan assets excluding net interest	-	1.2
	Total amount recognised in OCI	(37.0)	32.9
VI)	**Category of assets as at the end of the year:**		
	Cash & Cash Equivalents	9.7%	0.5%
	Equity Instruments	6.4%	6.6%
	Debt Instruments - Government Bonds	22.9%	22.8%
	Debt Instruments - Other Bonds	23.6%	23.9%
	Unit Investment Trust Funds	37.4%	46.2%
VII)	**Actual return on the plan assets**	1.4	0.5
VIII)	**Assumptions used in accounting for the Retirement Benefit plan:**		
	Mortality %	Rates stipulated in 2001 CSO Table	
	Discount rate (%)	7.2	5.0
	Salary escalation rate (%)	7.0	7.0
	Average Remaining Service (years)	25.8	26.7
	Employee attrition rate (%)	Nil	Nil

iX)

(₹ in million)

	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience adjustment					
- On plan liabilities	(10.8)	28.6	5.3	(6.0)	(1.7)
- On plan assets	-	-	-	1.2	₹ 22674
Present value of benefit obligation	85.2	99.6	73.0	55.7	52.8
Fair value of plan assets	29.5	29.7	33.7	34.4	30.7
Excess of (obligation over plan assets)/ plan assets over obligation	(55.7)	(69.9)	(39.3)	(21.3)	(22.1)

X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2018
First year	3.6
Second year	2.3
Third year	3.9
Fourth year	34.4
Fifth year	2.7
Beyond five years	35.3

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

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

(₹ in million)

	2017-2018		2016-2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(11.1)	9.4	(17.3)	14.3
Future salary growth (1% movement)	10.1	(8.8)	15.7	(13.3)

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

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation for retirement benefits were carried out as at March 31, 2018. 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	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2018 ₹ in million	As on 31.03.2017 ₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**		
	Current service cost	1.2	1.5
	Past service cost	-	15.1
	Interest cost	1.5	0.9
	Actuarial loss/(gain)		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	7.6	(0.2)
	Benefits paid	-	(16.6)
	Foreign exchange translation difference	0.8	(1.5)
	PVO at the beginning of the year	14.7	15.5
	PVO at the end of the year	25.8	14.7
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	25.8	14.7
	Fair Value of plan assets at the end of the year	-	-
	Funded status	-	-
	Unrecognised actuarial gain/(loss)	-	-
	Net liability recognised in the Consolidated Balance Sheet	(25.8)	(14.7)

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2018 ₹ in million	As on 31.03.2017 ₹ in million
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	1.2	1.5
	Past service cost	-	15.1
	Net interest	1.5	0.9
	Total expense recognised in the Consolidated Statement of Profit and Loss	2.7	17.5
IV)	**Other Comprehensive Income:**		
	Actuarial gain/(loss) recognised for the period		
	- Due to Demographic Assumption	-	-
	- Due to Finance Assumption	-	-
	- Due to Experience	7.6	(0.2)
	Total amount recognised in OCI	7.6	(0.2)
V)	**Assumptions used in accounting for the plan:**		
	Mortality (%)	Experience Social insurance by gender	
	Discount rate (%)	7.9	7.9
	Salary escalation rate (%)	5.6	5.3
	Average Remaining Service (years)	9.5	14.0
	Employee attrition rate (%)	24.1	21.1

VI)

(₹ in million)

	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience adjustment					
- On plan liabilities	7.6	(0.2)	(0.2)	12.7	#
- On plan assets	-	-	-	-	#
Present value of benefit obligation	25.8	14.7	15.5	12.7	#
Fair value of plan assets	-	-	-	-	#
Excess of (obligation over plan assets)/plan assets over obligation	25.8	(14.7)	(15.5)	(12.7)	#

Information is not available, hence not disclosed.

VII) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2018**
First year	4.2
Second year	4.3
Third year	4.1
Fourth year	4.8
Fifth year	5.0
Beyond five years	29.6

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.

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

(₹ in million)

	2017-2018		2016-2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(1.7)	1.9	(0.8)	0.9
Future salary growth (1% movement)	1.2	(1.1)	0.5	(0.5)

45. INCOME TAXES:

a) Tax expense recognised in profit and loss:

Particulars	**Year ended 31.03.2018 ₹ in million**	Year ended 31.03.2017 ₹ in million
Current Tax Expense for the year	5600.2	11656.9
Tax expense w/back of prior years	(250.4)	(514.7)
Fringe Benefit Tax w/back of prior years	-	(260.1)
Net Current Tax Expense	5349.8	10882.1
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	(2465.2)	(1097.0)
Tax expense for the year	**2884.6**	**9785.1**

b) Tax expense recognised in other comprehensive income**:**

Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	4.2	130.2
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	142.1	(83.0)
Total	**146.3**	**47.2**

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets. During the year, the company has recognized deferred tax asset of ₹ 687.8 million (previous year ₹ 3.0 million) on unused tax loss. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the company will realize the benefits of those recognized deductible differences and tax loss carry forwards.

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

As on March 31, 2018, tax liability with respect to the dividends proposed before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 464.7 million (previous year ₹ 689.5 million).

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

Particulars	**Year ended 31.03.2018 ₹ in million**	Year ended 31.03.2017 ₹ in million
Profit before tax before jointly controlled entity but including exceptional item	5432.9	35348.9
Tax using the Company's domestic tax rate (March 31, 2018: 34.61%, March 31, 2017: 34.61%)	1880.3	12234.3
Tax effect of:		
Differences in tax rates of foreign jurisdictions	472.8	1209.6
Effect on deferred Tax balance due to the change in income tax rate	1020.9	27.4
Recognition of deferred tax asset on previous year's tax losses	(85.8)	-
Current year losses/deductible expenditure for which no deferred tax asset was recognised	329.3	859.5
Change in tax base due to intra-group asset purchase arrangement	(3573.9)	-
Non-deductible expenses	5730.7	497.5
Incremental deduction on account of Research and Development costs	(1459.3)	(3322.4)
Exemption of profit link incentives	(827.1)	(624.4)
Investment Allowance	(19.0)	(227.7)
Other exempt income	(96.3)	(193.8)
Foreign exchange differences	16.2	115.5
Others	(253.8)	(15.6)
Current and Deferred Tax expense (excluding prior year taxes) as per note 45(a)	**3135.0**	**10559.9**

d) Movement in deferred tax balances:

(₹ in million)

Particulars	As at 01.04.2017	Recognised in/under				**As at 31.03.2018**
	Net balance	Profit or Loss	OCI	Business Combination / Asset Acquisition	FCTR	Net balance
Deferred Tax Assets/(Liabilities)						
Property, plant and equipment	(5043.0)	252.7	-	-	274.3	(4516.0)
Intangibles assets/Intangibles assets under development	(1141.4)	4048.3	-	-	32.9	2939.8
Cash Flow Hedge Reserve	(75.3)	2.7	142.1	-	-	69.5
Operating Tax loss and interest loss carry forward	-	322.5	-	461.2	19.5	803.2
Government Grants	79.7	51.4	-	-	(27.1)	104.0
Provision for Obsolete inventory	90.4	52.1	-	-	1.0	143.5
Litigation Reserve	245.1	(85.2)	-	-	0.4	160.3
Provision for Expenses	279.5	25.8	-	-	(33.9)	271.4
Deferred Income	401.7	(58.0)	-	-	-	343.7
Provision of claims	539.5	(539.5)	-	-	-	-
Provision for Employee Benefit	995.9	76.3	4.2	-	(103.3)	973.1
Provision for Doubtful Trade Receivables/ Provision for Bad Debts	1158.7	(357.3)	-	-	2.5	803.9
Unrealised Profits on Unsold inventories	3351.9	(1789.1)	-	-	-	1562.9
Others	245.2	462.5	-	31.0	(87.6)	651.1
Net Deferred tax assets / (liabilities)	**1127.9**	**2465.2**	**146.3**	**492.2**	**78.7**	**4310.3**

(₹ in million)

Particulars	As at 01.04.2016	Recognised in/under				As at 31.03.2017
	Net balance	Profit or Loss	OCI	Business Combination / Asset Acquisition	FCTR	Net balance
Deferred Tax Assets/(Liabilities)						
Property, plant and equipment	(2848.4)	(2253.1)	-	110.2	(51.7)	(5043.0)
Intangibles assets/Intangibles assets under development	(1875.1)	746.8	-	(160.0)	146.9	(1141.4)
Cash Flow Hedge Reserve	(96.4)	104.1	(83.0)	-	-	(75.3)
Reserve for Deferred Capital Gain	(13.3)	13.3	-	-	-	-
Litigation Reserve	-	253.6	-	-	(8.5)	245.1
Provision of claims	-	539.5	-	-	-	539.5
Government Grants	-	62.2	-	-	17.5	79.7
Provision for Obsolete inventory	-	146.4	-	1.6	(57.6)	90.4
Provision for Expenses	69.4	247.3	-	-	(37.2)	279.5
Provision for Price Differential	107.8	(107.8)	-	-	-	-
Trade Receviables/Provision for Bad Debts	125.5	1084.7	-	-	(51.5)	1158.7
Deferred Income	351.8	49.9	-	-	-	401.7
Provision for Employee Benefits	709.5	133.9	131.9	-	20.6	995.9
Unrealised Profits on Unsold inventories	2535.3	816.6	-	-	-	3351.9
Others	1025.6	(740.6)	(1.7)	-	(38.3)	245.2
Net Deferred tax assets / (liabilities)	**91.7**	**1097.0**	**47.2**	**(48.2)**	**(59.8)**	**1127.9**

Reflected in the balance sheet as follows:

Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
Deferred Tax Asset	7165.6	5076.4
Deferred Tax Liability	(2855.3)	(3948.5)
Deferred Tax Asset/(Liabilities)(net)	**4310.3**	**1127.9**

e) Operating loss carry forward consists of business losses, capital losses, unabsorbed depreciation and unabsorbed interest carry-forwards. Deferred tax assets have not been recognized on operating losses of ₹ 12554.9 million (previous year ₹ 20379.1 million) because it is not probable that future profits will be available against which the Group can use the benefits therefrom. A portion of this total loss can be carried indefinitely, and the remaining amounts expire at various dates ranging from 2021 through 2027 (previous year from 2019 through 2035). Also, deferred tax assets to the extent of ₹ 2211.1 million on difference between tax and book value of certain intangible assets/intangible assets under development of Gavis has not been recognised on conservative basis(refer note 55).

46. The aggregate amount of revenue expenditure incurred by the Group during the year on Research and Development and shown in the respective heads of account is ₹ 18510.4 million (previous year ₹ 23100.9 million).

47. a) During the year, the Company has made additional Capital Contribution of ₹ 3283.5 million (previous year ₹ 10610.4 million) in Lupin Atlantis Holdings SA, Switzerland (LAHSA), a wholly owned subsidiary.

b) During the year, Novel Clinical Research (India) Private Limited, India (Novel India), wholly owned subsidiary of the Company had applied for removal of its name from the Register of Companies w.e.f. March 27, 2018 with the Registrar of Companies, Bangalore, and the order pursuant to such application is awaited as at March 31, 2018. The Company has written-off its investment of ₹ 0.1 million in Novel India (previous year, 100% shareholding of Novel India was transferred from Novel Laboratories Inc., USA to the Company for ₹ 0.1 million).

c) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands (LHBV), acquired/subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 0.8 million (previous year ₹ 1.0 million).

ii) Additional investment in Lupin Ukraine LLC, Ukraine at a total cost of ₹ nil (previous year ₹ 269/- for 0.01% equity stake).

d) During the year, the Company, through its wholly owned subsidiary LAHSA acquired/subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Lupin Inc., USA at a total cost of ₹ 3294.3 million (previous year ₹ 5319.6 million) as additional paid-in capital – securities premium.

ii) Additional investment in Lupin Pharma LLC, Russia at a total cost of ₹ nil (previous year ₹ 33.7 million as capital contribution for 99.99% equity stake).

iii) Additional investment in Lupin Pharma Canada Ltd., Canada (LPCL) at a total cost of ₹ nil (previous year ₹ 250.8 million for 100% equity stake transferred from LHBV).

iv) Additional investment in Lupin Healthcare (UK) Limited, UK [formerly Lupin (Europe) Limited, UK] at a total cost of ₹ nil (previous year ₹ 259.7 million).

v) Additional investment in Lupin Ukraine LLC, Ukraine at a total cost of ₹ nil (previous year ₹ 0.3 million for 99.99% equity stake).

vi) Additional investment in Lupin Japan & Asia Pacific, Japan at a total cost of ₹ nil (previous year ₹ 2.9 million for 100% equity stake).

vii) Additional investment in Lupin Latam, Inc., USA at a total cost of ₹ 12.9 million as capital contribution (previous year ₹ 68/- for 100% equity stake).

viii) Additional investment in Medquimica Industria Farmaceutica LTDA, Brazil (MQ) at a total cost of ₹ nil (previous year ₹ 268.8 million resulting into LAHSA's equity stake in MQ equal to 95.44%).

ix) 100% equity stake in Lupin Europe GmbH at total cost of ₹ 2.0 million (previous year ₹ nil).

e) During the current year, Lupin Inc., USA (LINC), a wholly owned subsidiary of LAHSA, has made additional capital contribution in Lupin Research Inc., USA at a total cost of ₹ 769.1 million (previous year ₹ nil).

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.

48. During the year, the Company through its wholly owned subsidiary, Lupin Inc., USA, acquired the entire share capital of Symbiomix Therapeutics LLC (Symbiomix) for a consideration of ₹ 8075.2 million. The arrangement has been classified as an asset acquisition resulting in acquisition of the Intellectual Property (IP) developed by Symbiomix and accordingly, the consideration paid has been attributed towards the cost of such intangible asset and other insignificant assets and liabilities.

49. GOODWILL ON CONSOLIDATION:

Impairment testing of Goodwill

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

Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
South Africa	6734.7	5855.7
Germany	307.1	263.3
Philippines	245.5	254.6
Australia	384.8	381.2
Netherlands	765.0	656.0
Brazil	1237.0	1295.8
Mexico	4041.3	3915.6
United States of America	6197.4	6166.5
Japan	4572.1	4311.4
Total	**24484.9**	**23100.1**

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 included specific estimates for ten years developed using internal forecasts, and a terminal growth rate thereafter. The planning horizon reflects the assumptions for short-to-midterm market developments.

The average growth rates used in extrapolating cash flows beyond the planning period ranged from -5% to +2% for the year ended March 31, 2018, from -3% to +2% for the year ended March 31, 2017.

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 6% to 15% for the year ended March 31, 2018, from 6% to 10% for the year ended March 31, 2017.

The Group believes that any reasonable possible change, basis the sensitivity analysis performed, in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

50. a) The Company through LAHSA holds 100% equity stake at a cost of ₹ 279.7 million (previous year ₹ 279.7 million) in Lupin Healthcare UK Ltd (formerly Lupin (Europe) Limited, UK (LEL). The said subsidiary has incurred losses during the year and has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and LEL's projections / plans for introducing new products (including products from the Company) in the UK Market in the near future, growth in the turnover and profitability is expected, which would result in improvement in net worth, over a period of time.

b) The Company through LAHSA holds 100% equity stake at a cost of ₹ 857.0 million (previous year ₹ 857.0 million) in Nanomi B.V., Netherlands (Nanomi). Nanomi has incurred losses during the year and has negative net worth as at the end of the year. Considering Nanomi's research work, the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

c) The Company through Lupin Inc., USA (LINC) holds 100% equity stake at a cost of ₹ 4091.0 million (previous year ₹ 4091.0 million) in Gavis Pharmaceuticals, LLC, USA (Gavis). The net worth of Gavis is negative as at the end of the year. Considering the financial, technical and operational support from the Company and other strategic plan for Gavis in the near future, the Company is of the view that this would lead to an improvement in net worth over a period of time.

d) Further, net worth of Pharma Dynamics (Proprietary) Limited, Lupin Mexico S.A. de C.V., Generic Health Pty Limited, Generic Health SDN. BHD., Laboratorios Grin S.A. de C.V., Lupin Pharma Canada Limited, Medquimica Industria Farmaceutica LTDA, Brazil, Lupin Ukraine LLC, Ukraine, Lupin Philippines Inc., Philippines and Lupin Australia Pty Limited, is substantially less than the carrying amount of investments made by the Company directly or through its subsidiaries. During the year Lupin Middle East FZ-LLC, Nanomi B.V., Lupin Pharma LLC, Lupin Healthcare UK Ltd (formerly Lupin (Europe) Limited), Lupin Japan & Asia Pacific K.K. has suffered losses and net worth is negative. During the year Medquimica Industria Farmaceutica LTDA, Brazil and Lupin Philippines Inc., Philippines have suffered losses. Also, net worth of Bellwether Pharma Pty Ltd., is negative.

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

51. NON-CONTROLLING INTEREST REPRESENTS THE NON-CONTROLLING'S SHARE IN EQUITY OF THE SUBSIDIARIES AS BELOW:

Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
Multicare Pharmaceuticals Philippines Inc., Philippines		
- Share in Equity Capital	13.2	13.2
- Share in Reserves and Surplus	357.4	318.1
- Share in Other Comprehensive Income	9.9	(3.3)
	380.5	328.0
Kyowa Pharmaceutical Industry Co., Limited, Japan (Consolidated)		
- Share in Equity Capital	0.1	0.1
- Share in Reserves and Surplus	19.0	16.6
- Share in Other Comprehensive Income	1.2	0.5
	20.3	17.2
Total	**400.8**	**345.2**

Given that non-controlling interest in subsidiaries and interest in jointly controlled entity are not material to the Group, hence other disclosures are not given.

52. AUDITORS' REMUNERATION:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Payment to Auditors of the Company and its subsidiaries:		
a) As Auditors	131.9	149.4
b) for other services including Taxation matters and certifications	60.5	62.2
c) Reimbursement of out-of-pocket expenses	3.8	2.6
Total	**196.2**	**214.2**

53. a) Foreign Currency Translation Reserve (Refer note 18) represents the net exchange difference on translation of net investment in foreign operations located at Japan, Australia, Germany, South Africa, Philippines, Mexico, Switzerland, Brazil, USA, Netherlands, UAE and Canada from their local currency to the Indian currency. Consequently, in accordance with the Indian Accounting Standard 21 (Ind AS 21) "The Effects of Changes in Foreign Exchange Rates", the exchange rate difference on translation of ₹ 1667.5 million (previous year ₹ 236.1 million) is credited during the year to such reserve.

b) From January 1, 2017, functional currency of LPCL and LME has been changed from ₹ to Canadian Dollar and US Dollar respectively, based on the methods of operations, financing models, management's autonomy and their relationship with Lupin Limited, the ultimate holding company. Accordingly, LPCL and LME have applied the translation procedures in accordance with the Indian Accounting Standard 21 (Ind AS 21) 'The Effects of Changes in Foreign Exchange Rates' and the resulting net exchange difference is accumulated in the Foreign Currency Translation Reserve. Had LPCL and LME applied the translation procedure applicable for a foreign operation, from the earliest period presented, the Net profit after tax for the previous year would be higher by ₹ 6.7 million and the corresponding Shareholders' Funds as at the previous year-end would be higher by ₹ 0.1 million.

54. Excise duty (Refer note 35) includes ₹ 165.8 million (previous year ₹ 49.0 million) credit being net impact of the excise duty provision on opening and closing stock.

55. As per annual impairment review practice, the impairment loss recognized in the consolidated statement of profit and loss in relation to certain intangible assets/intangible assets under development are as under:

Intangible assets - ₹ 10382.9 million (previous year ₹ nil)
Intangible assets under development - ₹ 4260.6 million (previous year ₹ nil)

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

The impairment has been determined by considering each individual intangible asset as a cash generating unit (CGU). Recoverable amount (i.e. higher of value in use and fair value less cost to sell) of each individual CGU was compared to carrying value and impairment amount was arrived as follows:

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

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

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

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

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

The projected cashflows are discounted at post-tax rate ranging from 6% to 15%. Further, the budgeted EBITA growth rate is 5.5% and the terminal growth rate is considered at -5%.

The cashflow projections include specific estimates for the period of ten years and a terminal growth rate thereafter. The management has considered ten year growth rate since the same appropriately reflects the period over which the future benefits of the intangibles will accrue to the Company.

Deferred tax for the current year includes deferred tax assets of ₹ 3223.3 million created on difference between tax and book value of certain intangible assets/intangible assets under development of Gavis.

In addition to above, due to change in business circumstances in certain geographies, management has decided to discontinue further development of certain Intangible assets under development amounting to ₹ 31.5 million (previous year ₹ 106.2 million). Consequently, the same have been impaired during the current year.

56. As per best estimates of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Carrying amount at the beginning of the year	3807.6	1826.2
Add : Additional Provisions made during the year	4328.5	6119.5
Less : Amounts used/utilised during the year	4367.9	4042.9
Add/(Less) : Exchange Difference during the year	17.7	(95.2)
Carrying amount at the end of the year	3785.9	3807.6

57. The aggregate amount of cash expenditure incurred during the year on Corporate Social Responsibility (CSR) is ₹ 216.8 million (previous year ₹ 196.8 million) and is shown separately under note 35 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Donations	187.4	171.5
Employee Benefits Expense	10.3	9.3
Others – Patient Awareness, etc.	19.1	16.0
Total	**216.8**	**196.8**

The amount required to be spent by the company during the year is ₹ 750.5 million (previous year ₹ 662.5 million). No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure.

58. During the year, Kyowa Pharmaceutical Industry Co., Limited and Kyowa CritiCare Co., Limited has incurred ₹ nil (previous year ₹ 8.2 million) on interest on loan taken specifically against the construction of the Fixed Assets. The above amount is recorded under Capital Work in Progress/Property, plant and equipment.

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

	Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	1063.8 (interest ₹ nil)	828.8 (interest ₹ nil)
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

60. FINANCIAL INSTRUMENTS:

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

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

Fair value hierarchy

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

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

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

(₹ in million)

As at 31.03.2018	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments – others	55.7	-	-	55.7	-	-	55.7*	55.7
Non-Current Loans								
- Security Deposit	-	-	717.5	717.5	-	-	-	-
- Others	-	-	111.7	111.7	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	0.4	-	0.4	-	0.4	-	0.4
- Others	-	-	41.5	41.5	-	-	-	-
Current Investments	2348.6	-	-	2348.6	2348.6	-	-	2348.6
Trade Receivables	-	-	51922.1	51922.1	-	-	-	-
Cash and Cash Equivalents	-	-	13941.1	13941.1	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	139.2	139.2	-	-	-	-
Current Loans	-	-	199.0	199.0	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	0.4	85.4	-	85.8	-	85.8	-	85.8
- Others	-	-	4279.1	4279.1	-	-	-	-
	2404.7	**85.8**	**71351.2**	**73841.7**	**2348.6**	**86.2**	**55.7**	**2490.5**
Financial liabilities								
Non-Current Borrowings	-	-	64245.0	64245.0	-	-	-	-
Trade Payables	-	-	37.1	37.1	-	-	-	-
Other Non-Current Financial Liabilities	-	-	3476.7	3476.7	-	-	-	-
Current Borrowings	-	-	4517.6	4517.6	-	-	-	-
Trade Payables	-	-	25754.0	25754.0	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	12827.2	12827.2	-	-	-	-
	-	**-**	**110857.6**	**110857.6**	**-**	**-**	**-**	**-**

(₹ in million)

As at 31.03.2017	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments	55.7	-	-	55.7	-	-	55.7*	55.7
Non-Current Loans								
- Security Deposit	-	-	732.8	732.8	-	-	-	-
- Others	-	-	32.4	32.4	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	12.4	12.4	-	-	-	-
Current Investments	21141.3	-	-	21141.3	21141.3	-	-	21141.3
Trade Receivables	-	-	43073.4	43073.4	-	-	-	-
Cash and Cash Equivalents	-	-	6818.3	6818.3	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	163.4	163.4	-	-	-	-
Current Loans	-	-	158.6	158.6	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	1.9	549.1	-	551.0	-	551.0	-	551.0
- Others	-	-	3214.4	3214.4	-	-	-	-
	21198.9	**549.1**	**54205.7**	**75953.7**	**21141.3**	**551.0**	**55.7**	**21748.0**
Financial liabilities								
Non-Current Borrowings	-	-	56477.8	56477.8	-	-	-	-
Trade Payables	-	-	59.0	59.0	-	-	-	-
Other Non-Current Financial Liabilities	-	-	4764.8	4764.8	-	-	-	-
Current Borrowings	-	-	23043.3	23043.3	-	-	-	-
Trade Payables	-	-	25889.0	25889.0	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	266.0	-	-	266.0	-	266.0	-	266.0
- Others	-	-	5397.9	5397.9	-	-	-	-
	266.0	**-**	**115631.8**	**115897.8**	**-**	**266.0**	**-**	**266.0**

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

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

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

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

C. Financial risk management:

The Group has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

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

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

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

i. Credit risk:

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

Trade receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As at March 31, 2018, the carrying amount of the Group's largest customer (a wholesaler based in North America) was ₹ 16562.6 million (previous year ₹ 15918.0 million)

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

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Not past due but impaired	10.9	10.8
Neither past due not impaired	44172.1	32149.8
Past due not impaired		
- 1-180 days	6521.3	9329.8
- 181-365 days	852.5	944.6
- more than 365 days	376.2	649.2
Past due impaired		
- 1-180 days	55.0	42.4
- 181-365 days	26.3	71.7
- more than 365 days	214.7	193.5
Total	**52229.0**	**43391.8**

Expected credit loss assessment

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

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

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

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Balance as at the beginning of the year	318.4	456.3
Impairment loss recognised (net)	40.5	134.0
Amounts written off	(53.8)	(268.7)
Exchange differences	1.8	(3.2)
Balance as at the year end	306.9	318.4

The impairment loss at March 31, 2018 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents
As at the year end, the Group held cash and cash equivalents of ₹ 13941.1 million (previous year ₹ 6818.3 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
The Group limits its exposure to credit risk by generally investing in liquid securities and 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, which carry no/low mark to market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

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

(₹ in million)

As at 31.03.2018	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	66910.4	67404.5	2665.3	2724.4	59925.9	2088.9
Interest Payables	35.5	1452.8	263.4	459.2	705.2	25.0
Trade Payables Non-Current	37.1	37.1	-	18.0	19.1	-
Other Non-Current Financial Liabilities	3476.7	4537.7	158.2	386.9	1805.5	2187.1
Current Borrowings	4517.6	4517.6	4517.6	-	-	-
Trade Payables Current	25754.0	25754.0	25754.0	-	-	-
Other Current Financial Liabilities	10126.3	10126.3	10126.3	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled) - Buy						
- Outflow	-	-	-	-	-	-
- Inflow		-	-	-	-	-
Total	**110857.6**	**113830.0**	**43484.8**	**3588.5**	**62455.7**	**4301.0**

(₹ in million)

As at 31.03.2017	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	56617.6	57261.2	139.8	1050.3	38634.2	17436.9
Interest Payables	32.0	784.8	210.0	176.8	366.3	31.7
Trade Payables Non-Current	59.0	59.0	-	33.0	26.0	-
Other Non-Current Financial Liabilities	4764.9	4764.9	-	3768.7	964.8	31.4
Current Borrowings	23043.3	23043.3	23043.3	-	-	-
Trade Payables Current	25889.0	25889.0	25889.0	-	-	-
Other Current Financial Liabilities	5226.0	5226.0	5226.0	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled) - Buy						
- Outflow	266.0	4563.3	4563.3	-	-	-
- Inflow		4280.1	4280.1	-	-	-
Total	**115897.8**	**117028.2**	**54508.1**	**5028.8**	**39991.3**	**17500.0**

iii. Market Risk:

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

Currency risk

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

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

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

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

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2018**	As at 31.03.2017	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 96.0	USD 96.0	Sell

In addition to the above, the Group has entered into foreign currency forward contract (buy) aggregating USD nil (with cross currency INR) (previous year USD 66.0 million with cross currency INR) for purposes other than hedging.

Exposure to Currency risk

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

(₹ in million)

Particulars	**As at 31.03.2018**				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	43124.4	1049.3	242.7	27.7	2321.8
Non-current Loan	-	3191.9	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	-	-	-	-
Current Loans	-	-	-	-	-
Current Financial Assets	-	0.3	-	-	-
Other current assets	-	73.9	-	-	0.2
Cash and cash equivalents	553.7	145.4	-	30.4	123.3
Other current financial assets	248.6	3.6	0.7	24.1	1.4
	43926.7	4464.4	243.4	82.2	2446.7
Financial liabilities					
Trade Payables	6208.1	513.7	120.3	88.1	256.3
Non-Current Financial Liabilities	-	-	-	-	-
Other non-current Liabilities	-	-	-	-	-
Current Financial Liabilities	3910.5	-	-	-	-
Current Liabilities	33.5	1.9	-	-	23.7
Current Tax Liabilities	-	65.2	-	-	0.1
Cash and cash equivalents	206.3	-	1.9	-	-
Long Term Borrowings	1096.0	-	-	-	-
Other financial Liabilities	10.9	-	-	-	-
Current Borrowings	-	-	-	-	-
	11465.3	580.8	122.2	88.1	280.1
Net statement of financial position exposure	**32461.3**	**3883.5**	**121.2**	**(5.9)**	**2166.5**

(₹ in million)

Particulars	As at 31.03.2017				
	USD	EURO	GBP	JPY	Others
Financial assets					
Trade Receivables	33725.7	964.5	303.2	136.1	1034.7
Non-current Loan	-	1965.6	-	-	-
Non-current Financial Assets	-	-	-	-	-
Non-current other Assets	-	-	-	-	-
Current Loans	-	-	-	-	-
Current Financial Assets	-	-	-	-	-
Other current assets	-	27.9	-	-	25.1
Cash and cash equivalents	1795.0	44.7	-	108.4	94.0
Other current financial assets	-	221.4	-	-	9.7
	35520.7	3224.1	303.2	244.5	1163.5
Financial liabilities					
Trade Payables	5015.4	388.4	97.2	143.5	2052.5
Non-Current Financial Liabilities	-	937.8	-	-	-
Other non-current Liabilities	-	-	-	-	-
Current Financial Liabilities	2.3	171.9	-	-	0.2
Current Liabilities	-	26.0	-	-	40.7
Current Tax Liabilities	-	5.3	-	-	-
Cash and cash equivalents	-	-	-	-	-
Long Term Borrowings	852.5	-	-	-	-
Other financial Liabilities	40.5	-	-	-	-
Current Borrowings	4560.5	-	-	-	-
	10471.2	1529.4	97.2	143.5	2094.4
Net statement of financial position exposure	**25049.5**	**1694.7**	**206.0**	**101.0**	**(929.9)**

Sensitivity analysis

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

(₹ in million)

March 31, 2018	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(324.6)	324.6	(62.6)	62.6
EUR	(38.8)	38.8	-	-
GBP	(1.2)	1.2	-	-
JPY	0.1	(0.1)	-	-
Others	(21.7)	21.7	-	-
	(386.3)	**386.3**	**(62.6)**	**62.6**

(₹ in million)

March 31, 2017	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(250.5)	250.5	(62.3)	62.3
EUR	(16.9)	16.9	-	-
GBP	(2.1)	2.1	-	-
JPY	(1.0)	1.0	-	-
Others	9.3	(9.3)	-	-
	(261.2)	**261.2**	**(62.3)**	**62.3**

Interest rate risk

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

Exposure to interest rate risk

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

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Non-Current Borrowings		
Fixed rate borrowings	941.2	1031.0
Variable rate borrowings	65969.2	55586.6
	66910.4	56617.6
Current Borrowings		
Fixed rate borrowings	1123.6	781.4
Variable rate borrowings	3394.0	22261.9
	4517.6	23043.3
Total	**71428.0**	**79660.9**

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

(₹ in million)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
March 31, 2018		
Variable-rate borrowings	(693.6)	693.6
March 31, 2017		
Variable-rate borrowings	(778.5)	778.5

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

Commodity rate risk

The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As of March 31, 2018 and March 31, 2017 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

61. 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 and obligations under finance leases, less cash and cash equivalents, other bank 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 at March 31, 2018 was as follows:

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Total borrowings	71428.0	79660.9
Less : Cash and cash equivalent	13941.1	6818.3
Less : Other Bank Balances*	142.0	175.8
Less : Current Investments	2348.6	21141.3
Adjusted net debt	54996.3	51525.5
Total equity	135770.6	134975.7
Adjusted net debt to total equity ratio	0.41	0.38

* includes earmarked bank deposits against guarantees & other commitments of ₹ 2.8 million (previous year ₹ 12.4 million) classified as Other Non-Current Financial Assets.

62. HEDGE ACCOUNTING:

The Company's risk management policy is to hedge above 15% of its estimated net foreign currency exposure in respect of highly probable forecast sales over the following 12-18 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 12-18 months from the reporting date. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

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

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

a. Disclosure of effects of hedge accounting on financial position:

(₹ in million)

As at 31.03.2018									
Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	86.0	85.8	-	Other current financial assets	April 2018 – August 2019	1:1	67.82	90.2	(90.6)
	10.0	0.4	-	Other non-current financial assets					

(₹ in million)

As at 31.03.2017									
Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	96.0	551.0	-	Other current financial assets	April 2017 - March 2018	1:1	72.55	580.8	(578.8)

b. Disclosure of effects of hedge accounting on financial performance:

(₹ in million)

As at 31.03.2018					
	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	369.1	1.4	Other Expenses - Net loss on Foreign Currency Transactions	833.9	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2017	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	891.2	1.1	Other Expenses - Net loss on Foreign Currency Transactions	315.0	Revenue from operations - Sale of goods

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

(₹ in million)

Movements in cash flow hedging reserve	
Balance at 1 April, 2016	**160.6**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	891.2
Less : Amounts re-classified to profit or loss	316.0
Less : Deferred tax	83.0
As at March 31, 2017	**652.8**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	369.1
Less : Amounts re-classified to profit or loss	824.6
Less : Deferred tax	(142.1)
As at March 31, 2018	**339.4**

63. OFF-SETTING OR SIMILAR AGREEMENTS:

The recognised financial instruments that are offset in balance sheet:

(₹ in million)

As at 31.03.2018	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	86.2	-	86.2	-	86.2
Trade and other receivables	43478.2	(10002.4)	33475.8	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	(10002.4)	10002.4	-	-	-

(₹ in million)

As at 31.03.2017	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	551.0	-	551.0	-	551.0
Trade and other receivables	45390.2	(20894.0)	24496.2	-	-
Financial liabilities					
Derivative instruments	(266.0)*	-	(266.0)	-	(266.0)
Trade and other payables	(20894.0)	20894.0	-	-	-

Offsetting arrangements:

i) Trade receivables and payables
The Company has certain customers which are also supplying materials. The Group also gives rebates and discount to customers. Under the terms of agreement, the amounts payable by the Company are offset against receivables and only net amounts are settled.

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

* During the previous year, the Company has entered into foreign currency forward contracts (buy) for purposes other than hedging.

64. ADDITIONAL INFORMATION AS REQUIRED BY PART III OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013.

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of consolidated total comprehensive income	₹ in million
Parent								
Lupin Ltd	115.9	157849.6	535.2	13446.6	(23.3)	(317.7)	331.3	13128.9
Indian Subsidiaries								
Lupin Healthcare Limited, India	0.1	81.8	0.1	1.4	-	-	0.0	1.4
Novel Clinical Research (India) Private Limited, India (upto March 27, 2018)	-	-	0.0	0.0	-	-	0.0	0.0
Foreign Subsidiaries								
Lupin Pharmaceuticals, Inc., USA	1.6	2177.2	37.7	947.2	(4.2)	(57.7)	22.4	889.5
Kyowa Pharmaceutical Industry Co., Limited, Japan	8.2	11105.2	55.8	1402.3	16.0	218.5	40.9	1620.8
Kyowa CritiCare Co., Limited, Japan	1.3	1775.6	(1.2)	(31.3)	4.6	63.2	0.8	31.9
Hormosan Pharma GmbH, Germany	0.3	388.0	16.3	410.6	(3.6)	(49.7)	9.1	360.9
Pharma Dynamics (Proprietary) Limited, South Africa	2.9	3961.9	48.4	1216.4	24.4	333.1	39.1	1549.5
Lupin Australia (Pty) Limited, Australia	0.0	10.2	(0.2)	(4.0)	-	-	(0.1)	(4.0)
Lupin Holdings B.V., Netherlands	12.5	17074.2	7.8	195.7	(2.7)	(36.4)	4.0	159.3
Lupin Atlantis Holdings SA, Switzerland	23.3	31671.2	341.9	8590.0	32.8	447.3	228.0	9,037.3
Multicare Pharmaceuticals Philippines Inc., Philippines	0.6	779.6	5.6	139.6	2.3	31.1	4.3	170.7
Lupin Healthcare (UK) Limited, UK [formerly Lupin (Europe) Limited]	(0.2)	(274.9)	(2.4)	(60.0)	0.1	1.1	(1.5)	(58.9)
Lupin Pharma Canada Limited, Canada	0.0	61.4	3.5	87.1	(1.2)	(16.4)	1.8	70.7
Generic Health Pty Limited, Australia	0.3	410.1	13.7	344.0	(0.3)	(3.6)	8.6	340.4
Bellwether Pharma Pty Limited, Australia	-	-	-	-	-	-	-	-
Lupin Mexico S.A. de C.V., Mexico	0.0	7.4	(0.1)	(2.8)	-	-	(0.1)	(2.8)
Lupin Philippines Inc., Philippines	0.0	38.0	(0.3)	(6.6)	0.0	0.1	(0.2)	(6.5)
Generic Health SDN. BHD., Malaysia	0.0	0.6	(0.0)	(0.6)	-	-	(0.0)	(0.6)
Lupin Middle East FZ-LLC, UAE	(0.0)	(25.1)	(0.5)	(12.6)	0.0	0.3	(0.3)	(12.3)
Lupin GmbH, Switzerland	0.1	138.0	0.8	19.2	-	-	0.5	19.2
Lupin Inc., USA	(7.4)	(10108.0)	114.1	2865.8	(19.4)	(264.8)	65.6	2601.0
Nanomi B.V., Netherlands	(2.0)	(2722.3)	(31.7)	(798.1)	(23.6)	(321.9)	(28.3)	(1120.0)
Laboratorios Grin S.A. de C.V., Mexico	1.2	1583.2	17.1	429.7	4.8	66.1	12.5	495.8
Lupin Pharma LLC, Russia	(0.0)	(21.8)	(1.8)	(45.2)	-	-	(1.1)	(45.2)
Medquimica Industria Farmaceutica LTDA, Brazil	2.3	3176.6	(16.3)	(410.3)	(11.3)	(154.4)	(14.2)	(564.7)
Lupin Research Inc., USA	0.7	891.0	5.0	124.7	(0.2)	(2.7)	3.1	122.0
Gavis Pharmaceuticals, LLC., USA	(0.1)	(86.1)	-	-	(2.2)	(30.5)	(0.8)	(30.5)
Lupin Europe GmbH, Germany (w.e.f. February 5, 2018)	0.0	2.0	0.0	0.0	-	-	0.0	0.0
Novel Laboratories, Inc., USA	4.0	5399.7	39.9	1002.2	2.0	26.6	26.0	1028.8

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of consolidated total comprehensive income	₹ in million
Lupin Ukraine LLC, Ukraine (w.e.f. July 6, 2016)	0.0	0.1	0.1	1.7	-	-	0.0	1.7
Lupin Latam, Inc., USA (w.e.f. December 15, 2016)	0.0	14.3	0.0	1.1	-	-	0.0	1.1
Lupin Japan & Asia Pacific K.K., Japan (w.e.f. March 13, 2017)	(0.0)	(10.2)	(0.5)	(12.5)	-	-	(0.3)	(12.5)
Saker Merger Sub LLC, USA (from April 7, 2017 and upto October 10, 2017)	-	-	-	-	-	-	-	-
Symbiomix Therapeutics LLC, USA (w.e.f. October 10, 2017)	-	-	-	-	-	-	-	-
Lupin IP Ventures Inc., USA (w.e.f. October 10, 2017)	-	-	-	-	-	-	-	-
Non-Controlling Interests in the Subsidiaries								
Multicare Pharmaceuticals Philippines Inc., Philippines	(0.3)	(380.5)	(2.7)	(68.4)	(1.1)	(15.2)	(2.1)	(83.6)
Kyowa Pharmaceutical Industry Co., Limited, Japan (consolidated)	(0.0)	(20.3)	(0.1)	(2.5)	(0.1)	(0.7)	(0.1)	(3.2)
Foreign Jointly Controlled Entity (to the extent of shareholding)								
YL Biologics Ltd., Japan	-	-	1.4	35.2			0.9	35.2
Total Eliminations/Consolidation Adjustments	(65.3)	(88776.3)	(1086.6)	(27293.0)	106.2	1448.3	(649.8)	(25757.9)
Total	**100.0**	**136171.4**	**100.0**	**2512.6**	**100.0**	**1364.0**	**100.0**	**3963.4**

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

65. RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

A. Relationships –

Category I: Entity having significant influence over the Company:

Lupin Investments Pvt. Limited (w.e.f. July 28, 2017)

Category II: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category III: Key Management Personnel (KMP)

Dr. D. B. Gupta (upto June 26, 2017)	Chairman
Mrs. Manju D. Gupta (w.e.f. August 11, 2017)	Chairman
Dr. Kamal K. Sharma	Vice Chairman
Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh Deshbandhu Gupta	Managing Director
Mrs. Manju D. Gupta (upto August 10, 2017)	Executive Director
Mr. Ramesh Swaminathan	Chief Financial Officer & Executive Director
Mr. R.V. Satam	Company Secretary

Non-Executive Directors

Dr. Vijay Kelkar
Mr. R. A. Shah
Mr. Richard Zahn
Dr. K. U. Mada
Mr. Dileep C. Choksi
Mr. Jean-Luc-Belingard

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

Mrs. Kavita Gupta (Daughter of Chairman)
Dr. Anuja Gupta (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Mrs. Pushpa Khandelwal (Sister of Chairman) (upto June 26, 2017)
Mrs. Shefali Nath Gupta (Wife of Managing Director)
Ms. Veda Nilesh Gupta (Daughter of Managing Director)
BS Merc Private Limited (upto July 28, 2017)
D. B. Gupta (HUF)
Lupin Human Welfare and Research Foundation
Lupin Foundation
Lupin International Pvt. Limited (upto September 21, 2016)
Lupin Investments Pvt. Limited (upto July 27, 2017)
Lupin Holdings Pvt. Limited (upto July 28, 2017)
Matashree Gomati Devi Jana Seva Nidhi
Polynova Industries Limited
Rahas Investments Pvt. Limited (upto July 28, 2017)
Synchem Investments Pvt. Limited (upto September 21, 2016)
Visiomed Investments Pvt. Limited (upto July 28, 2017)
Zyma Laboratories Limited (upto July 28, 2017)
Zyma Properties Pvt. Limited (formerly known as Visiomed Properties Pvt. Limited)
Concept Pharmaceuticals Limited (upto June 26, 2017)
Shuban Prints
TeamLease Services Limited

B. Transactions with the related parties:

Sr. No.	Transactions	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
1.	Rent Expenses		
	Others	70.5	77.8
2.	Expenses Recovered/Rent Received		
	Jointly Controlled Entity	120.3	149.6
	Others	3.2	2.8
3.	Remuneration Paid		
	Key Management Personnel	666.3	987.8
4.	Purchases of Goods/Materials		
	Others	63.4	164.2
5.	Commission & Sitting Fees to Non-Executive Directors		
	Key Management Personnel	29.7	27.1
6.	Donations Paid		
	Others	213.1	203.4
7.	Dividend Paid		
	Entity having significant influence over the company	1530.2	-
	Key Management Personnel	42.8	44.2
	Others	12.2	1543.9
8.	Services Received (Expense)		
	Jointly Controlled Entity	586.1	922.9
	Others	50.9	46.4
9.	Expenses Reimbursed		
	Others	2.9	11.5

Compensation paid to Key Management Personnel	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
Short-term employee benefits	516.9	890.8
Post-employment benefits	108.8	40.8
Share based payments	40.6	56.2
Total	**666.3**	**987.8**

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (previous year ₹ nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C. Balances due from/to the related parties:

Sr. No.	Balances	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
1.	Deposits paid under Leave and License arrangement for premises		
	Others	43.4	43.4
2.	Trade Receivables		
	Jointly Controlled Entity	140.7	-
3.	Trade Payables		
	Jointly Controlled Entity	58.8	46.0
	Others	11.9	4.6
4.	Advance to Vendors		
	Jointly Controlled Entity	6.4	-
	Others	4.2	-
5.	Commission Payable		
	Key Management Personnel	45.5	428.6
6.	Expenses Receivable		
	Jointly Controlled Entity	0.9	6.5
	Others	0.2	-
7.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1

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

66. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise has been subsumed into GST. In accordance with Ind AS 18 and Schedule III to the Companies Act, 2013, levies like GST, VAT etc. are not part of revenue, unlike Excise Duty, which was presented as part of revenue. Accordingly, the figures for the year ended 31 March 2018 are not comparable with the previous year, to that extent. The following additional information is being provided to facilitate such understanding:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Revenue from Operations – Sale of Goods & Research Services	155598.4	171198.0
Excise duty on sale	(276.2)	(1086.7)
Revenue from Operations excluding excise duty on sale	155322.2	170111.3

67. ASSETS CLASSIFIED AS HELD FOR SALE:

During the year, the Company has entered into a Memorandum of Understanding (MOU) to sell a parcel of land along with the related manufacturing facility (collectively referred to as “Facility”) in Ankleshwar, Gujarat for a consideration in excess of the carrying value of the Facility. The Company is in the process of seeking necessary regulatory approvals and the sale is expected to be completed by June 30, 2018. Upon completion of the terms, the Facility shall be transferred to the buyer. Accordingly, the Facility has been presented as current assets held for sale (refer note 2). There was no indicator/trigger to assess for its impairment.

The value associated to the Facility as of March 31, 2018 is as follows:

(₹ in million)

Particulars	Carrying value
Land	41.6
Buildings	32.5
Plant and Equipment	11.9
Total non-current asset held for sale	**86.0**

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

(₹ in million)

Particulars	April 1, 2017	Cash Flows	Non-Cash Changes			**March 31, 2018**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	0.1	29.5	-	-	-	29.6
Long Term Maturities of Finance Lease Obligations	1.0	0.5	-	-	-	1.5
Unsecured						
Term Loans from Banks	56387.8	7215.9	-	569.4	-	64173.1
Deferred Sales Tax Loan from Government of Maharashtra	16.7	(6.8)	-	-	-	9.9
Term Loans from Council for Scientific and Industrial Research (CSIR)	61.9	(31.0)	-	-	-	30.9
Term Loans from Department of Science and Technology (DST)	10.3	(10.3)	-	-	-	-
Current maturities of Non-Current Borrowings	139.8	2525.6	-	-	-	2665.4
Current Borrowings						
Secured						
Loans from banks	1907.3	(591.4)	-	-	-	1315.9
Unsecured						
Loans from banks	21136.0	(18085.1)	-	150.8	-	3201.7
Interest accrued but not due on Borrowings	32.0	(2040.0)	2043.5	-	-	35.5
Total Liabilities from financing activities	**79692.9**	**(10993.1)**	**2043.5**	**720.2**	**-**	**71463.5**

69. The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable loss. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the consolidated financial statements.

70. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signature to note 1 to 70

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place : Mumbai
Dated : May 15, 2018

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LUPIN LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Lupin Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 36 to the standalone Ind AS financial statements;

      ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 59 to the standalone Ind AS financial statements;

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv) The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 has not been made since they do not pertain to the financial year ended 31 March 2018.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Place : Mumbai
Dated : May 15, 2018

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2018

(Referred to our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / share certificate / other documents evidencing title and provided to us, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in Note 2 to the standalone Ind AS financial statements, are held in the name of the Company, except for the following:

(₹ in million)

Particulars of the land and building	Gross Block (as at 31 March, 2018)	Net Block (as at 31 March, 2018)	Remarks
Freehold land located in Maharashtra admeasuring 7 Hectare and 70.91 Acre	29.6	29.6	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court.
Freehold building located in Maharashtra admeasuring 8038 sqft	133.9	93.5	The title deeds are in the name of erstwhile Company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court.

Immovable properties of land whose title deeds have been pledged as security for loans taken in earlier years are held in the name of the Company based on the confirmations directly received by us from the lenders.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in Note 2 to the standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

(₹ in million)

Particulars of the building	Gross Block (as at 31 March, 2018)	Net Block (as at 31 March, 2018)	Remarks
Leasehold building located in Delhi admeasuring 1628 sqft	2.8	2.4	The title deeds are in the name of erstwhile Company that was amalgamated with the Company pursuant to the Scheme of amalgamation sanctioned by the Hon'ble Bombay High Court.

In respect of immovable properties of land and buildings which are disclosed as fixed asset in the standalone Ind AS financial statements, the original documents for the following assets are not available for verification.

(₹ in million)

Particulars of the land and building	**Gross Block (as at 31 March, 2018)**	**Net Block (as at 31 March, 2018)**
Building located in Maharashtra	7.5	5.3
Land located in Uttarakhand	0.3	0.3

(ii) Inventories, apart from goods in transit and inventories lying with outside parties, have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable. Inventories lying with outside parties has been substantially confirmed by them as at the year-end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the investments made and guarantees provided, as applicable. The Company has not granted any loans or provided any security to the parties covered under Section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Value added tax, Sales tax, Service tax, duty of Customs, duty of Excise, Goods and Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Value added tax, Sales tax, Service tax, duty of Customs, duty of Excise, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax, Value added tax, Service tax, duty of Customs, duty of Excise, Goods and Service tax and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or government. The Company has not taken any loans or borrowings from financial institutions and has not issued any debentures.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the Management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act read with the relevant rules issued thereunder.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Place : Mumbai
Dated : May 15, 2018

ANNEXURE – I TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2018

Amounts of dues of Income tax, Sales tax, Value added tax, Service tax, duty of Customs, duty of Excise which have not been deposited with the appropriate authorities on account of any dispute

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount demanded (₹ in million)	Amount unpaid (₹ in million)
Income tax Act, 1961	Income tax	Commissioner of Income tax (Appeals)	2004-2015	952.1	622.0
Central Excise Act, 1944	Excise duty Debonding matters	Customs, Excise, and Service Tax Appellate Tribunal (CESTAT)	2010, 2011 and 2012	581.6	13.4
	Excise duty -Others	Customs, Excise, and Service Tax Appellate Tribunal (CESTAT)	Various	52.9	49.6
	Excise duty -Others	Commissioner Appeals	Various	98.8	98.8
	Excise duty -Others	Commissioner	Various	6.9	6.9
	Excise duty -Others	Joint Commissioner	Various	26.4	10.0
	Excise duty -Others	Additional Commissioner	2001-04	7.7	7.7
	Excise duty -Others	Assistant Commissioner	2004-05 & 2011	5.6	5.6
	Service Tax Matters	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	Various	55.6	55.3
		Commissioner Appeals	2006	0.2	0.2
	Service Tax Matters	Commissioner	2005-08	7.4	7.4
Central and various States' Sales Tax Acts and various States' Value Added Tax Acts	Sales tax, Value added tax	Sales Tax Tribunal	2000-01, 2003-04, 2004-05, 2005-06, 2009-10, 2010-11	32.3	26.7
		Supreme Court	2000-01, 2002-03, 2003-04, 2005-06	7.8	0.5
		High Court	2002-03, 2004-05	11.6	5.3
		Commissioner of Sales Tax (Appeal)	2001-02, 2002-03, 2004-05, 2005-09, 2012-13, 2014-15	2.1	2.0
		Joint Commissioner	2001-02, 2013-14, 2015-16	7.7	7.5
		Deputy Commissioner	1994-95, 2000-01, 2013-14	6.6	6.6
		Additional Commissioner	1994-95, 2010-11, 2012-13, 2015-16	18.1	15.6
		Assistant Commissioner	2000-01, 2003-04	0.5	0.1
The Customs Act 1962	Customs duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2010-2011	0.8	0.8

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2018 ON STANDALONE IND AS FINANCIAL STATEMENT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Lupin Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 was 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 system 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to 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 control 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Place : Mumbai
Dated : May 15, 2018

BALANCE SHEET AS AT MARCH 31, 2018

	Note	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	30,272.3	29,929.8
b. Capital Work-in-Progress		8,499.9	4,807.6
c. Intangible Assets	3	3,134.3	195.4
d. Intangible Assets Under Development		3,210.5	-
e. Financial Assets			
(i) Non-Current Investments			
- In Subsidiaries	4	51,247.3	47,963.9
- In Others	4	55.3	55.3
(ii) Non-Current Loans	5	616.9	535.2
(iii) Other Non-Current Financial Assets	6	3.2	12.4
f. Non-Current Tax Assets (Net)		1,464.3	307.7
g. Other Non-Current Assets	7	1,131.5	2,167.4
		99,635.5	85,974.7
Current Assets			
a. Inventories	8	21,800.2	21,256.6
b. Financial Assets			
(i) Current Investments	9	2,325.9	21,120.0
(ii) Trade Receivables	10	49,463.1	39,024.5
(iii) Cash and Cash Equivalents	11	1,056.7	1,580.1
(iv) Other Bank Balances	12	52.9	148.3
(v) Current Loans	13	176.3	150.0
(vi) Other Current Financial Assets	14	4,044.8	3,985.4
c. Current Tax Assets (Net)		-	267.0
d. Other Current Assets	15	8,168.6	4,975.8
e. Assets Classified as Held for Sale	57	86.0	-
		87,174.5	92,507.7
	TOTAL	**186,810.0**	**178,482.4**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	16	904.2	903.2
b. Other Equity	17	156,945.4	146,899.2
		157,849.6	147,802.4
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	18	40.8	88.9
(ii) Trade Payables	19	31.6	45.4
(iii) Other Non-Current Financial Liabilities	20	48.3	56.4
b. Non-Current Provisions	21	2,062.9	1,678.6
c. Deferred Tax Liabilities (Net)	45	2,583.3	2,102.1
d. Other Non-Current Liabilities	22	831.4	1,052.5
		5,598.3	5,023.9
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	23	82.1	5,796.2
(ii) Trade Payables	24	14,278.7	14,784.9
(iii) Other Current Financial Liabilities	25	6,031.3	2,653.8
b. Other Current Liabilities	26	1,231.9	597.2
c. Current Provisions	27	1,470.4	1,404.7
d. Current Tax Liabilities (Net)		267.7	419.3
		23,362.1	25,656.1
	TOTAL	**186,810.0**	**178,482.4**
See accompanying notes forming part of the financial statements			

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note	**For the Current Year ended 31.03.2018 ₹ in million**	For the Previous Year ended 31.03.2017 ₹ in million
INCOME:			
Revenue from Operations	28	1,00,881.8	1,27,531.5
Other Income	29	1,311.2	884.7
Total Income		**102,193.0**	**128,416.2**
EXPENSES:			
Cost of Materials Consumed	30	22,595.3	22,068.2
Purchases of Stock-in-Trade		11,301.5	13,202.1
Changes in Inventories	31	846.7	(1,852.6)
of Finished Goods, Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	32	14,416.4	14,030.3
Finance Costs	33	332.4	294.2
Depreciation and Amortisation Expense	2&3	3,898.1	3,661.1
Other Expenses	34	30,863.3	35,222.3
Total Expenses		**84,253.7**	**86,625.6**
Profit before Tax		**17,939.3**	**41,790.6**
Tax Expense	45		
- Current Tax (Net)		3,865.7	9,493.4
- Deferred Tax (Net)		627.0	883.9
Total Tax Expense		**4,492.7**	**10,377.3**
Profit for the year		**13,446.6**	**31,413.3**
Other Comprehensive Income / (Loss)			
(A) (i) Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		1.2	(388.5)
(ii) Income tax relating to items that will not be reclassified to profit or loss:	45	1.0	134.5
(B) (i) Items that will be reclassified subsequently to profit or loss:			
(a) The effective portion of gain & losses on hedging instruments in a cash flow hedge		(464.7)	275.3
(ii) Income tax relating to items that will be reclassified to profit or loss:	45	144.8	(83.0)
Other Comprehensive Income / (Loss) for the year, net of tax		**(317.7)**	**(61.7)**
Total Comprehensive Income for the year		**13,128.9**	**31,351.6**
Earnings per equity share (in ₹)	42		
Basic		**29.76**	**69.63**
Diluted		**29.66**	**69.35**
Face Value of Equity Share (in ₹)		2.00	2.00
See accompanying notes forming part of the financial statements			

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital [Refer note 16]

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	451,576,869	903.2	450,582,969	901.2
Changes in equity share capital during the year	505,981	1.0	993,900	2.0
Balance at the end of the reporting year	**452,082,850**	**904.2**	**451,576,869**	**903.2**

B. Other Equity [Refer note 17] **(₹ in million)**

Particulars	Reserves and Surplus							Other items of Other Comprehensive Income		
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employees Stock Options Outstanding	General Reserve	Retained Earnings	Amalgamation Reserve	Effective portion of Cash Flow Hedge	Remeasurements of the net Defined Benefit Plans	Total Other Equity
Balance as at 31.03.2016	**263.9**	**126.5**	**6,781.0**	**1,143.8**	**16,535.1**	**92,899.5**	**317.9**	**187.9**	**(26.1)**	**118,229.5**
Profit for the year	-	-	-	-	-	31,413.3	-	-	-	31,413.3
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	191.2	(254.0)	(62.8)
Final dividend on Equity Shares	-	-	-	-	-	(3,382.4)	-	-	-	(3,382.4)
Corporate Tax on Dividend	-	-	-	-	-	(688.6)	-	-	-	(688.6)
Addition on allotment of shares	-	-	770.9	-	-	-	-	-	-	770.9
Share based payment to employees	-	-	-	593.7	25.6	-	-	-	-	619.3
Balance as at 31.03.2017	**263.9**	**126.5**	**7,551.9**	**1,737.5**	**16,560.7**	**120,241.8**	**317.9**	**379.1**	**(280.1)**	**146,899.2**
Profit for the year	-	-	-	-	-	13,446.6	-	-	-	13,446.6
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	(318.5)	2.2	(316.3)
Final dividend on Equity Shares	-	-	-	-	-	(3,388.1)	-	-	-	(3,388.1)
Corporate Tax on Dividend	-	-	-	-	-	(689.7)	-	-	-	(689.7)
Addition on allotment of shares	-	-	577.6	-	-	-	-	-	-	577.6
Share based payment to employees	-	-	-	376.3	39.8	-	-	-	-	416.1
Balance as at 31.03.2018	**263.9**	**126.5**	**8,129.5**	**2,113.8**	**16,600.5**	**129,610.6**	**317.9**	**60.6**	**(277.9)**	**156,945.4**

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
A. Cash Flow from Operating Activities		
Profit before Tax	17,939.3	41,790.6
Adjustments for:		
Depreciation and Amortisation Expense	3,898.1	3,661.0
Loss / (Profit) on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	26.6	50.8
Net Gain on sale of Current Investments	(383.9)	(7.8)
Finance Costs	332.4	294.2
Interest on Deposits with Banks	(7.5)	(72.0)
Dividend on Current Investments	(274.8)	(488.6)
Dividend on Non-Current Investment from Subsidiary company	(14.5)	(30.5)
Provision for Doubtful Trade Receivables /Advances/ Deposits (net)	(12.5)	(161.6)
Bad Trade Receivables / Advances / Deposits written off	7.0	4.0
Expenses on Employees Stock Options / Stock Appreciation Rights	643.2	738.0
Unrealised Exchange loss / (gain) on revaluation (net)	345.7	987.8
Operating Cash flows before Working Capital Changes	22,499.1	46,765.9
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(543.6)	(2,117.0)
Trade Receivables	(10,889.4)	5,311.9
Current Loans	(26.3)	(30.1)
Non-Current Loans	(81.7)	(145.1)
Other Current Financial Asset	(318.3)	(3,033.2)
Other Current Asset	(3,464.4)	1,854.5
Other Non-Current Assets	47.7	198.1
Other Non-Current Financial Assets	9.2	(12.4)
Adjustments for increase / (decrease) in operating liabilities:		
Current Trade Payable	(391.5)	3,574.6
Non-Current Trade Payable	(13.8)	(11.6)
Other Current Financial Liabilities	(475.8)	329.3
Other Current Liabilities	634.7	(104.9)
Other Non-Current Liabilities	(221.1)	120.4
Other Non-Current Financial Liabilities	(7.4)	(8.5)
Current Provisions	65.7	297.2
Non-Current Provisions	229.4	347.8
Cash Generated from Operations	7,052.5	53,336.9
Net Income tax paid	(4,902.3)	(9,816.0)
Net Cash Flow from Operating Activities	**2,150.2**	**43,520.9**
B. Cash Flow from Investing Activities		
Capital expenditure, including capital advances	(9,103.8)	(9,626.4)
Proceeds from sale of Property, Plant and Equipments / Intangible Assets	13.2	216.6
Purchase of Non-Current Investment in subsidiaries	(3,283.4)	(10,610.5)
Purchase of Non-Current Investment in others	-	(5.0)
Sale of Non-Current Investment - Others	-	4.5
Net Gain on sale of Current Investments	383.9	7.8
Bank balances not considered as Cash and Cash Equivalents (net)	95.4	16.4
Dividend on Current Investments	274.8	488.6
Dividend on Non-Current Investment from Subsidiary company	14.5	30.5
Interest on Deposits with Banks	7.5	72.0
Net Cash Used in Investing Activities	**(11,597.9)**	**(19,405.5)**

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
C. Cash Flow from Financing Activities		
Repayment of Non Current Borrowings (net)	(49.7)	(50.7)
Proceeds from / (Repayment of) Current Borrowings (net)	(5,714.1)	2,273.3
Proceeds from issue of equity shares (ESOPs)	1.0	2.0
Securities Premium Received (ESOPs)	144.2	424.6
Finance Costs	(178.1)	(183.2)
Dividends paid	(3,383.4)	(3,377.6)
Corporate Tax on Dividend	(689.7)	(688.6)
Net Cash (Used) / generated in Financing Activities	**(9,869.8)**	**(1,600.2)**
Net (decrease) / Increase in Cash and Cash Equivalents	**(19,317.5)**	**22,515.2**
Cash and Cash Equivalents as at the beginning of the year	22,700.1	184.9
Cash and Cash Equivalents as at the end of the year	**3,382.6**	**22,700.1**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet (Refer note 11)	1,056.7	1,580.1
Add : Current investments considered as part of Cash and Cash Equivalents (Refer note 9)	2,325.9	21,120.0
Cash and Cash Equivalents as restated as at the year end	**3,382.6**	**22,700.1**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".
2. Cash comprises cash on hand and current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place : Mumbai
Dated : May 15, 2018

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1A. OVERVIEW:

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

1B. SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of preparation

i) These standalone financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements were authorized for issue by the Company's Board of Directors on May 15, 2018.

Functional and Presentation Currency

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

Basis of measurement

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

Use of Estimates and Judgements

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

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

- Measurement of defined benefit obligations (Refer note l)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note o)
- Recognition of deferred tax assets (Refer note i)
- Useful lives of property, plant and equipment and intangibles (Refer note b & c)
- Impairment of assets (Refer note f)
- Impairment of financial assets (Refer note h)
- Share-based payment transactions (Refer note m)

b) Property, Plant and Equipment & Depreciation:

I. Recognition and Measurement:

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

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

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

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

II. Subsequent Expenditure

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

III. Depreciation

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

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

Particulars	**Estimated Useful Life**
Leasehold Land	Over the period of lease
Plant and Equipment	10 to 15 years
Office Equipment (Desktop)	4 years
Certain assets provided to employees	3 years

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

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

c) Intangible assets:

I. Recognition and Measurement:

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

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

II. Subsequent Expenditure

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

III. Amortisation

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

Particulars	**Estimated Useful Life**
Computer Software	5 to 6 years
Trademark and Licenses	4 to 5 years
Dossiers/Marketing Rights	10 years

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

d) Non-current assets held for sale:

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

e) Research and Development:

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

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

f) Impairment of assets:

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

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

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

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

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

g) Foreign Currency Transactions/Translations:

i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.

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

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

iv) In case of long term monetary items outstanding as at March 31, 2016, exchange differences arising on settlement/ restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

h) Financial Instruments:

I. Financial Assets

Classification

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

Initial recognition and measurement

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

Financial assets at amortised cost

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Equity investments

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

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

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

Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
ii) trade receivables.

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

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

II. Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Embedded derivatives

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Hedge Accounting

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

III. Measurement

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

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

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

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

i) Income tax:

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

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

Current tax assets and liabilities are offset only if, the Company:
i) has a legally enforceable right to set off the recognised amounts; and
ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

The Company recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:
i) When the Company is able to control the timing of the reversal of the temporary difference; and
ii) it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset only if:
i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

j) Inventories:

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

k) Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty upto June 30, 2017 which is now subsumed in Goods and Service Tax (GST) and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

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

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

Dividend from investments is recognised as revenue when right to receive is established.

l) Employee Benefits:

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

m) Share-based payment transactions:

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

n) Leases:

Determining whether an arrangement contains a lease

An arrangement, which is not in the legal form of a lease, should be accounted for as a lease, if:

i) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
ii) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease. Payments made under operating leases are recognised in Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

o) Provisions and Contingent Liabilities:

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

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

p) Borrowing costs:

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

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

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

q) Government Grants:

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

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

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

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

r) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

s) Insurance claims:

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

t) Goods and Services tax input credit:

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

u) Segment reporting:

The Company operates in one reportable business segment i.e. "Pharmaceuticals".

v) Operating cycle:

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

1C. RECENT ACCOUNTING PRONOUNCEMENTS:

Ind AS 115 Revenue from Contract with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company has evaluated the effect of these on the financial statements and the impact is not expected to be material.

The amendments will come into force from April 1, 2018.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 01.04.2017	Additions	Disposals*	**As at 31.03.2018**	As at 01.04.2017	For the Period	Disposals*	**As at 31.03.2018**	**As at 31.03.2018**
Freehold Land	**551.5**	**310.0**	**-**	**861.5**	**-**	**-**	**-**	**-**	**861.5**
	468.3	*83.2*	-	*551.5*	-	-	-	-	*551.5*
Leasehold Land	**535.6**	**504.9**	**43.5**	**997.0**	**17.6**	**8.8**	**2.0**	**24.4**	**972.6**
	484.8	*50.8*	-	*535.6*	*9.0*	*8.6*	-	*17.6*	*518.0*
Buildings	**11,025.6**	**590.0**	**43.3**	**11,572.3**	**660.8**	**463.6**	**5.4**	**1,119.0**	**10,453.3**
	7,491.3	*3,535.1*	*0.8*	*11,025.6*	*278.3*	*382.6*	*0.1*	*660.8*	*10,364.8*
Leasehold Improvements	**229.1**	**37.6**	**-**	**266.7**	**41.1**	**58.1**	**-**	**99.2**	**167.5**
	-	*229.1*	-	*229.1*	-	*41.1*	-	*41.1*	*188.0*
Plant and Equipment	**21,560.5**	**2,475.1**	**121.8**	**23,913.8**	**5,042.4**	**2,767.8**	**83.7**	**7,726.5**	**16,187.3**
	16,381.4	*5,335.4*	*156.3*	*21,560.5*	*2,364.9*	*2,720.4*	*42.9*	*5,042.4*	*16,518.1*
Furniture and Fixtures	**929.4**	**113.5**	**22.5**	**1,020.4**	**190.7**	**127.7**	**18.3**	**300.1**	**720.3**
	603.2	*545.1*	*218.9*	*929.4*	*108.2*	*148.9*	*66.4*	*190.7*	*738.7*
Vehicles	**67.1**	**4.3**	**-**	**71.4**	**13.4**	**9.6**	**-**	**23.0**	**48.4**
	64.9	*12.1*	*9.9*	*67.1*	*8.6*	*10.1*	*5.3*	*13.4*	*53.7*
Office Equipment	**1,473.8**	**178.1**	**21.4**	**1,630.5**	**476.8**	**313.2**	**20.9**	**769.1**	**861.4**
	776.7	*718.3*	*21.2*	*1,473.8*	*223.2*	*278.6*	*25.0*	*476.8*	*997.0*
Total	**36,372.6**	**4,213.5**	**252.5**	**40,333.6**	**6,442.8**	**3,748.8**	**130.3**	**10,061.3**	**30,272.3**
	26,270.6	*10,509.1*	*407.1*	*36,372.6*	*2,992.2*	*3,590.3*	*139.7*	*6,442.8*	*29,929.8*

a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).
b) Additions to Property, Plant and Equipment include items aggregating ₹ 963.2 million (previous year ₹ 5,329.0 million) located at Research and Development Centers of the Company.
c) Previous year figures are given in italics below current year figures in each class of assets.
* Disposals include Assets classified as held for sale [Refer note 1B (d) and 57]

3. INTANGIBLES ASSETS - ACQUIRED

(₹ in million)

Particulars	Gross Block				Accumulated Amortisation				Net Block
	As at 01.04.2017	Additions	Disposals	**As at 31.03.2018**	As at 01.04.2017	For the Period	Disposals	**As at 31.03.2018**	**As at 31.03.2018**
Computer Software	**134.8**	**39.9**	**-**	**174.7**	**67.7**	**30.7**	**-**	**98.4**	**76.3**
	129.6	*5.2*	-	*134.8*	*31.6*	*36.1*	-	*67.7*	*67.1*
Trademarks and Licences	**182.8**	**63.0**	**12.5**	**233.3**	**54.5**	**51.3**	**8.9**	**96.9**	**136.4**
	92.7	*90.1*	-	*182.8*	*19.8*	*34.7*	-	*54.5*	*128.3*
Dossiers / Marketing rights	**-**	**2,988.9**	**-**	**2,988.9**	**-**	**67.3**	**-**	**67.3**	**2,921.6**
	-	-	-	-	-	-	-	-	-
Total	**317.6**	**3,091.8**	**12.5**	**3,396.9**	**122.2**	**149.3**	**8.9**	**262.6**	**3,134.3**
	222.3	*95.3*	-	*317.6*	*51.4*	*70.8*	-	*122.2*	*195.4*

a) Previous year figures are given in italics below current year figures in each class of assets.

4. NON-CURRENT INVESTMENTS

			As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unquoted				
a. In Subsidiary Companies (at Cost)				
Equity Instruments	**Number**	**Face Value**		
- Lupin Holdings B.V., Netherlands	105,829 (105,829)	Euro 1,000	6,720.3	6,720.3
- Lupin Pharmaceuticals, Inc., USA	30 (30)	USD 0.001	13.8	13.8
- Lupin Australia Pty Ltd., Australia	800,000 (800,000)	AUD *	33.3	33.3
- Lupin Healthcare Ltd., India (Including 6 shares held by nominees)	2,616,677 (2,616,677)	₹ 10	81.7	81.7
- Lupin Atlantis Holdings SA, Switzerland	2,486 (2,486)	CHF 1,000	2,993.7	2,993.7
- Novel Clinical Research (India) Pvt. Ltd., India	- (10,000)		-	0.1
Capital Contributions:				
- Lupin Holdings B.V., Netherlands			6,385.5	6,385.5
- Lupin Atlantis Holdings SA, Switzerland [Refer note 37 (a)]			35,019.0	31,735.5
			51,247.3	47,963.9
b. In Others (Fair Value through Profit or Loss)				
i) Equity Instruments				
- Biotech Consortium India Ltd., India	50,000 (50,000)	₹ 10	0.5	0.5
- Enviro Infrastructure Co. Ltd., India	100,000 (100,000)	₹ 10	1.0	1.0
- Bharuch Enviro Infrastructure Ltd., India [31.03.2018 - ₹ 45,850, 31.03.2017 - ₹ 45,850/-]	4,585 (4,585)	₹ 10		
- Narmada Clean Tech Ltd., India	1,145,190 (1,145,190)	₹ 10	11.5	11.5
- Tarapur Environment Protection Society, India	72,358 (72,358)	₹ 100	7.2	7.2
- Sai Wardha Power Ltd., India	3,007,237 (3,007,237)	₹ 10	30.1	30.1
ii) Bonds				
- National Highways Authority of India, India	500 (500)	₹ 10,000	5.0	5.0
iii) Government Securities				
- National Saving Certificates [Deposited with Government Authority]				
[31.03.2018- ₹ 6,000, 31.03.2017 - ₹ 6,000]				
			55.3	55.3
		Total	**51,302.6**	**48,019.2**

* Shares do not have face value

i) All investments in shares are fully paid up

ii) All investments are stated at cost

iii) All the above subsidiaries are directly or indirectly, wholly owned by the Company

iv) Aggregate amount of unquoted investments	51,302.6	48,019.2
v) Aggregate amount for impairment in value of investments	-	-

5. NON-CURRENT LOANS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unsecured, considered good unless otherwise stated		
Security Deposits		
- With Related Parties [Refer note 54 (C)]	43.4	43.4
- Others	524.5	489.4
Loans to Employees	49.0	2.4
Total	**616.9**	**535.2**

6. OTHER NON-CURRENT FINANCIAL ASSETS

Mark to Market Derivative Assets	0.4	-
Earmarked Bank Deposits against guarantees and other commitments	2.8	12.4
Total	**3.2**	**12.4**

7. OTHER NON-CURRENT ASSETS

Capital Advances	506.9	1,495.1
Advances other than Capital Advances		
With Government Authorities (Drawback / Customs and Excise duties receivable)	588.8	618.3
Prepaid Expenses	35.8	54.0
Total	**1,131.5**	**2,167.4**

8. INVENTORIES

Raw Materials	6,268.8	5,470.3
Packing Materials	1,179.8	893.3
Work-in-Process	4,519.7	4,047.5
Finished Goods	5,104.9	5,178.6
Stock-in-Trade	3,048.2	4,267.5
Consumable Stores and Spares	1,216.5	1,079.3
Goods-in-Transit		
- Raw Materials	414.3	225.7
- Packing Materials	26.5	37.9
- Stock-in-Trade	-	25.9
- Consumable Stores and Spares	21.5	30.6
Total	**21,800.2**	**21,256.6**

During the year, the Company recorded inventory write-downs of ₹ 1,401.0 million (previous year ₹ 749.5 million).These adjustments were included in cost of material consumed and changes in inventories.

9. CURRENT INVESTMENTS

	Number of Units	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unquoted (Fair value through Profit or Loss)			
- **In Mutual Funds**			
- Reliance Floating Rate Fund Short Term Plan - Growth Plan	38,030,622 (-)	1,042.2	-
- Aditya Birla Sun Life Cash Plus Daily Dividend-Regular Plan-Reinvestment	1,615,176 (-)	162.0	-
- Axis Liquid Fund - Daily Dividend Reinvestment	1,120,111 (1,479,006)	1,121.7	1,480.3
- Reliance Medium Term Fund Daily Dvidend Plan	- (29,480,054)	-	504.0
- Baroda Pioneer Liquid Fund-Plan A Daily Dividend Reinvestment	- (499,798)	-	500.4
- Birla Sun Life Savings Fund - Daily Dividend-Regular Plan - Reinvestment	- (14,577,804)	-	1,464.2
- Kotak Treasury Advantage Fund Daily Dividend Regular Plan	- (170,846,685)	-	1,722.1
- Kotak Floater Short Term Daily Dividend Regular Plan	- (551,234)	-	557.6
- Reliance Liquid Fund Treasury Plan Daily Dividend Option Dividend Reinvestment	- (1,396,383)	-	2,134.7
- ICICI Prudential Flexible Income Daily Dividend	- (27,563,892)	-	2,914.5
- ICICI Prudential Flexible Income Weekly Dividend	- (13,265,043)	-	1,400.7
- Kotak Low Duration Fund Standard Weekly Dividend Regular Plan	- (1,031,414)	-	1,047.7
- HDFC Floating Rate Income Fund Short Term Plan Dividend Reinvestment Daily	- (177,002,896)	-	1,784.3
- Reliance Money Manager Fund Daily Dividend Plan	- (1,025,655)	-	1,033.3
- Axis Banking & PSU Debt Fund -Daily Dividend	- (603,901)	-	608.7
- Reliance Floating Rate Fund Short Term Plan Daily Dividend Plan	- (49,693,136)	-	502.9
- Birla Sun Life Floating Rate Long Term - Daily Dividend - Regular Plan	- (24,331,993)	-	2,453.3
- Birla Sun Life Floating Rate Long Term - Weekly Dividend - Regular Plan	- (10,095,918)	-	1,011.3
Total		**2,325.9**	**21,120.0**

a) Aggregate amount of unquoted investments	2,325.9	21,132.4
b) Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	12.4

10. TRADE RECEIVABLES

		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unsecured			
- Considered Good		49,469.9	39,031.8
- Considered Doubtful		175.3	187.3
		49,645.2	39,219.1
Less : Provision for:			
- Good Trade Receivables		6.8	7.3
- Doubtful Trade Receivables		175.3	187.3
		182.1	194.6
[Refer note 50 for information about credit risk and market risk of trade receivables]	**Total**	**49,463.1**	**39,024.5**

Trade receivables include debts due from subsidiary companies ₹ 41,182.5 million (previous year ₹ 31,533.9 million) [Refer note 54 (C)]

11. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")			
Bank Balances			
- In Current Accounts (including money-in-transit)		978.1	1,492.8
- In EEFC Account		67.2	33.0
Cheques on hand		7.4	48.8
Cash on hand		4.0	5.5
	Total	**1,056.7**	**1,580.1**

12. OTHER BANK BALANCES

Earmarked Balances with Banks			
- Unpaid dividend accounts		42.2	37.5
- Deposits against guarantees and other commitments		10.7	109.6
Bank Deposits maturing more than 3 months but less than 12 months		-	1.2
	Total	**52.9**	**148.3**

13. CURRENT LOANS

(Financial assets stated at cost)			
Unsecured, considered good unless otherwise stated			
Security Deposits		151.1	123.6
Other Loans		25.2	26.4
(includes Loans to employees, etc.)			
	Total	**176.3**	**150.0**

14. OTHER CURRENT FINANCIAL ASSETS

Receivables from Related Parties [Refer note 54 (C)]		282.7	345.3
Mark to Market Derivative Assets		85.8	551.0
Export Benefits receivable		3,390.0	2,943.4
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)		224.5	141.9
Other Current Financial Assets		61.8	3.8
(includes Interest receivables, etc.)			
	Total	**4,044.8**	**3,985.4**

15. OTHER CURRENT ASSETS

Advances other than Capital Advances			
Prepaid Expenses		357.6	332.9
Advance to Employees		94.3	62.0
Advance to Vendors			
- Considered Good		561.1	682.2
- Considered Doubtful		42.8	26.9
		603.9	709.1
Less : Provision for Doubtful Advances		42.8	26.9
		561.1	682.2
Export Benefits receivable		1,034.9	451.5
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)		6,074.9	3,415.0
Assets Recoverable From Customers		45.8	32.2
	Total	**8,168.6**	**4,975.8**

16. EQUITY SHARE CAPITAL

a) Equity Share Capital

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	452,082,850	904.2	451,576,869	903.2
Total	**452,082,850**	**904.2**	**451,576,869**	**903.2**

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	451,576,869	903.2	450,582,969	901.2
Equity Shares issued during the year pursuant to exercise of ESOPs	505,981	1.0	993,900	2.0
Equity Shares outstanding at the end of the year	**452,082,850**	**904.2**	**451,576,869**	**903.2**

c) Rights attached to Equity Shares

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

During the year ended March 31, 2018, the amount of dividend per equity share distributed to equity shareholders is ₹ 7.5 (previous year ended March 31, 2017, ₹ 7.5).

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

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

Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Lupin Investments Pvt. Limited	205,608,135	45.48	-	-
Zyma Laboratories Limited	-	-	55,658,383	12.33
Rahas Investments Pvt. Limited	-	-	46,083,534	10.21
Visiomed Investments Pvt. Limited	-	-	44,102,333	9.77
Lupin Holdings Pvt. Limited	-	-	40,828,758	9.04

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option Plan 2003	133,603	0.3	203,163	0.4
Lupin Employees Stock Option Plan 2005	51,770	0.1	67,633	0.1
Lupin Employees Stock Option Plan 2011	1,428,016	2.9	1,615,790	3.2
Lupin Employees Stock Option Plan 2014	2,975,445	6.0	3,209,432	6.4
Lupin Subsidiary Companies Employees Stock Option Plan 2005	110,804	0.2	112,613	0.2
Lupin Subsidiary Companies Employees Stock Option Plan 2011	710,130	1.4	722,479	1.4
Lupin Subsidiary Companies Employees Stock Option Plan 2014	1,125,000	2.3	1,125,000	2.3

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

Particulars	**As at 31.03.2018 Aggregate No. of Shares**	As at 31.03.2017 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	4,553,357	4,935,188

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

17. OTHER EQUITY

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Securities Premium Account		
Opening Balance as per last Balance Sheet	7,551.9	6,781.0
Add : Additions during the year*	577.6	770.9
Balance as at the year end	8,129.5	7,551.9
Employees Stock Options Outstanding [Refer note 43]		
Opening Balance as per last Balance Sheet	1,737.5	1,143.8
Add : Amortisation during the year	849.5	965.6
Less : Exercised during the year	433.4	346.3
Less : Transfer to General Reserve	39.8	25.6
Balance as at the year end	2,113.8	1,737.5
General Reserve		
Opening Balance as per last Balance Sheet	16,560.7	16,535.1
Add : Transfer from share based payments	39.8	25.6
Balance as at the year end	16,600.5	16,560.7
Retained Earnings		
Opening Balance as per last Balance Sheet	120,241.8	92,899.5
Add : Profit for the year	13,446.6	31,413.3
Less : Final Dividend on Equity Shares [Refer note 16 (c)]	3,388.1	3,382.4
Less : Corporate Tax on Dividend **	689.7	688.6
Balance as at the year end	129,610.6	120,241.8
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Other Comprehensive Income		
Cash Flow Hedge Reserve [Refer note 52 (c)]		
Opening Balance as per last Balance Sheet	379.1	187.9
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding	(319.9)	192.3
[net of deferred tax of ₹ (144.8) million (previous year ₹ 83.0 million)]		
(Less) / Add : Hedge Ineffectiveness recognised in Statement of Profit and Loss	1.4	(1.1)
Balance as at the year end	60.6	379.1
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(280.1)	(26.1)
Add / (Less) : Additions during the year	2.2	(254.0)
Balance as at the year end	(277.9)	(280.1)
Total	**156,945.4**	**146,899.2**

* Represents amount received on allotment of 505,981 (previous year 993,900) Equity Shares of the face value of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 43]

** Represents Corporate Tax on Final Dividend ₹ 689.5 million (previous year ₹ 688.0 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.2 million (previous year ₹ 0.6 million).

Nature of Reserves

a) Capital Reserve

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

b) Capital Redemption Reserve

This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) Securities Premium

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

d) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

e) Amalgamation Reserve

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

f) Cash Flow Hedge Reserve

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

18. NON-CURRENT BORROWINGS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
[Refer note 25]		
Term Loans - from other parties		
Unsecured		
Deferred Sales Tax Loan from Government of Maharashtra	9.9	16.7
Term Loans from Council for Scientific and Industrial Research (CSIR)	30.9	61.9
Term Loans from Department of Science and Technology (DST)	-	10.3
Total	**40.8**	**88.9**

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

b) Term Loans from CSIR carry interest of 3.00% p.a. and is payable in 2 annual installments of ₹ 30.9 million each alongwith interest.

c) Term Loans from DST carry interest of 3.00% p.a. and is payable in 1 annual installment of ₹ 10.4 million each alongwith interest.

d) The Company has not defaulted on repayment of loans and interest during the year.

19. TRADE PAYABLES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Trade Payables	31.6	45.4
Total	**31.6**	**45.4**

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

Payable for Capital Expenditure	1.5	2.2
Employee Benefits Payables	46.8	54.2
Total	**48.3**	**56.4**

21. NON-CURRENT PROVISIONS

Provisions for Employee Benefits [Refer note 27]		
Gratuity [Refer note 44 (ii) A]	1,351.6	1,055.6
Compensated Absences	711.3	623.0
Total	**2,062.9**	**1,678.6**

22. OTHER NON-CURRENT LIABILITIES

Deferred Revenue	831.4	1,052.5
Total	**831.4**	**1,052.5**

23. CURRENT BORROWINGS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Secured		
Loans from Banks	82.1	970.0
	82.1	970.0
Unsecured		
Loans from Banks	-	4,826.2
	-	4,826.2
Total	**82.1**	**5,796.2**

a) Secured loans comprise of Cash Credit, Current Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit and are secured by hypothecation of inventories and trade receivables, and all other moveable assets, including current assets at godowns, depots, in course of transit or on high seas and a second charge on immovable properties and moveable assets of the Company both present and future. It includes foreign currency loans of ₹ nil (previous year ₹ 454.0 million)

b) Unsecured loans comprise of Current Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit. It includes Foreign Currency Loan of ₹ nil (previous year ₹ 3,826.2 million)

c) Foreign Currency loans carry interest rate at LIBOR plus market driven margins and those in Indian Rupees carry interest rate at MCLR plus market driven margins.

d) The Company has not defaulted on repayment of loans and interest during the year.

24. TRADE PAYABLES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Acceptances	1,692.6	1,016.1
Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises [Refer note 48]	1,063.8	828.8
- Total outstanding dues of Others	11,522.3	12,940.0
Total	**14,278.7**	**14,784.9**

25. OTHER CURRENT FINANCIAL LIABILITIES

Current Maturities of Non - Current Borrowings [Refer note 18]		
- Deferred Sales Tax Loan from Government of Maharashtra	6.8	8.4
- Term Loans from CSIR	30.9	30.9
- Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	0.4	1.0
Unpaid Dividend*	42.2	37.5
Mark to Market Derivative Liabilities	-	266.0
Payable for Capital Expenditure	4,604.4	487.6
Trade Deposits received	184.7	151.2
Employee Benefits Payables	1,146.1	1,654.7
Other Payables	5.4	6.1
(Includes retention money, etc.)		
Total	**6,031.3**	**2,653.8**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

26. OTHER CURRENT LIABILITIES

Statutory Dues Payables (includes GST, Excise Duty, Provident Fund, Withholding Taxes etc.)	883.9	453.5
Deferred Revenue	124.8	107.4
Advances from customers	223.2	36.3
Total	**1,231.9**	**597.2**

27. CURRENT PROVISIONS

Provisions for Employee Benefits [Refer note 21]		
Gratuity [Refer note 44 (ii) A]	251.4	291.0
Compensated Absences	211.6	277.3
Other Provisions		
For Sales Returns [Refer note 49]	1,007.4	836.4
Total	**1,470.4**	**1,404.7**

28. REVENUE FROM OPERATIONS

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
Sale		
Goods [Refer note 56]	96,802.5	122,369.5
Research Services	1,736.5	1,611.3
	98,539.0	1,23,980.8
Other Operating Revenue		
Export Benefits and Other Incentives	2,238.8	3,480.4
Insurance Claims	19.4	51.2
Miscellaneous Income	84.6	19.1
	2,342.8	3,550.7
Total	**100,881.8**	**127,531.5**

29. OTHER INCOME

Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	7.5	72.0
Other Interest	38.2	38.9
Dividend on Non-Current Investment from Subsidiary company	14.5	30.5
Income on Financial Assets carried at fair value through profit or loss		
Dividend on Mutual Fund Investments	274.8	488.6
Net gain on Sale of Mutual Fund Investments	383.9	7.8
Unrealised Gain on Mutual Fund Investments (net)	55.4	-
Net gain on Foreign Currency Transactions	281.4	-
Other Non-Operating Income (including interest on income tax refunds)	255.5	246.9
Total	**1,311.2**	**884.7**

30 COST OF MATERIALS CONSUMED

Raw Materials Consumed	19,202.0	19,122.8
Packing Materials Consumed	3,393.3	2,945.4
Total	**22,595.3**	**22,068.2**

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Opening Stock:		
Finished Goods	5,178.6	4,776.7
Stock-in-Trade	4,293.4	2,935.1
Work-in-Process	4,047.5	3,955.1
	13,519.5	11,666.9
Less:		
Closing Stock:		
Finished Goods	5,104.9	5,178.6
Stock-in-Trade	3,048.2	4,293.4
Work-in-Process	4,519.7	4,047.5
	12,672.8	13,519.5
Changes In Inventories:		
Finished Goods	73.7	(401.9)
Stock-in-Trade	1,245.2	(1,358.3)
Work-in-Process	(472.2)	(92.4)
Total	**846.7**	**(1,852.6)**

32. EMPLOYEE BENEFITS EXPENSE

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
Salaries and Wages	11,765.9	11,407.9
Contribution to Provident and Other Funds	1,039.3	945.2
Gratuity Expense	92.4	21.6
Share Based Payments Expense [Refer note 43]	643.2	738.0
Staff Welfare Expenses	875.6	917.6
Total	**14,416.4**	**14,030.3**

33. FINANCE COSTS

Interest on Financial Liabilities - borrowing carried at amortised cost	44.4	100.1
Net Interest on net defined benefit liability	154.9	111.2
Other Borrowing Costs (includes bank charges, etc.)	133.1	82.9
Total	**332.4**	**294.2**

34. OTHER EXPENSES

Processing Charges	1,084.6	1,046.0
Stores and Spares Consumed	3,932.6	4,699.0
Repairs and Maintenance:		
- Buildings	264.8	263.5
- Plant and Machinery	978.5	874.4
- Others	1,151.6	1,086.2
Rent	258.1	256.8
Rates and Taxes	900.7	1,030.9
Insurance	375.3	341.9
Power and Fuel	3,813.2	3,342.3
Contract Labour Charges	1,108.8	978.5
Excise Duty (net) [Refer note 55]	76.0	1,269.5
Selling and Promotion Expenses	4,689.0	5,145.1
Commission, Brokerage and Discount	856.5	891.3
Freight and Forwarding	562.7	551.6
Lease Rent and Hire Charges [Refer note 41]	833.5	757.1
Postage and Telephone Expenses	272.1	270.2
Travelling and Conveyance	1,745.8	1,841.4
Legal and Professional Charges	3,646.8	3,906.8
[Net of recoveries of ₹ 15.3 million (previous year ₹ nil)]		
Donations	41.8	69.7
Clinical and Analytical Charges	3,422.9	3,355.0
Loss on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	26.6	50.8
Bad Trade Receivables / Advances / Deposits written off	7.0	4.0
[Net of provision of earlier years adjusted ₹ 32.0 million (previous year ₹ 241.0 million)]		
Provision for Doubtful Trade Receivables / Advances / Deposits (net)	32.9	120.3
Unrealised Loss on Mutual Fund Investments (net)	-	12.4
Corporate Social Responsibility Expenses [Refer note 47]	216.8	196.8
Directors Sitting Fees	1.4	1.2
Net loss on Foreign Currency Transactions	-	871.3
Business Compensation and Settlement Expenses	18.6	1,343.8
Miscellaneous Expenses	544.7	644.5
Total	**30,863.3**	**35,222.3**

35. COMMITMENTS:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 1824.7 million (previous year ₹ 3655.4 million).
b) Letters of comfort for support in respect of a subsidiary in the previous year. The Company considers its investments in subsidiary as strategic and long-term in nature. The Company is committed to operationally, technically and financially support the operations of its subsidiary.
c) Other commitments – Non-cancellable operating leases (Refer note 41).
d) Dividends proposed of ₹ 5/- (previous year ₹ 7.5) per equity share before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 2260.5 million (previous year ₹ 3386.8 million)

36. CONTINGENT LIABILITIES:

	Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
a)	Income tax demands/matters on account of deductions/disallowances for earlier years, pending in appeals [including ₹ 42.7 million (previous year ₹ 284.9 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the Company]. Amount paid there against and included under "Current Tax Assets (Net)" ₹ nil (previous year ₹ 264.8 million) and "Non-current Tax Assets (Net)" ₹ 330.3 million (previous year ₹ 146.9 million).	952.1	1125.6
b)	Customs duty, Excise duty, Service tax and Sales tax demands, for input tax credit disallowances and demand for Entry Tax are in appeals and pending decisions. Amount paid there against and included under note 13 "Current Loans" ₹ 23.4 million (previous year ₹ 23.6 million).	163.3	155.6
c)	Claims against the Company not acknowledged as debts (excluding interest where the amount is unascertainable) for transfer charges of land, octroi duty, local body tax, employee claims, power, trade marks, pricing, indemnity and stamp duty. Amount paid there against without admitting liability and included under note 13 "Current Loans" ₹ 115.9 million (previous year ₹ 118.1 million).	782.6	750.4
d)	Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of a subsidiary aggregating ₹ nil (previous year ₹ 129.1 million).	-	83.9
e)	Outstanding credit facilities against corporate guarantees given in respect of credit facilities sanctioned by bankers of subsidiary companies for the purpose of acquisitions, working capital and other business requirements aggregating ₹ 71808.2 million (previous year ₹ 69522.8 million).	66719.6	66303.4
f)	Financial guarantees aggregating to ₹ 8081.7 million (previous year ₹ nil) given to third party on behalf of subsidiaries for contractual obligations	-	-
g)	During the year ended 31.03.2015, the Company received a notice from the European Commission for alleged breach of the EU Antitrust Rules, whereby it has sought to levy a fine of Euro 40.0 million (₹ 3232.3 million) on the Company in respect of an agreement entered into by the Company with Laboratories Servior, France, for sale of certain patent applications and IPs for the product Perindopril which the European Commission considered as anti-competitive. The Company, based on facts of the matter and legal advice received does not agree with the said notice/demand and is of the view that it has a strong case to defend itself. Accordingly, the Company has filed an appeal before the European General Court. A bank guarantee (excluding interest) of Euro 40.0 million equivalent to ₹ 3232.3 million (previous year Euro 40.0 million equivalent to ₹ 2771.7 million) has been furnished to the European Commission.		

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

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

The Company is involved in various legal proceedings, including claims against the Company pertaining to Income tax, Excise, Customs, Sales/VAT tax, product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability where applicable, in the financial statements. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences, the ultimate disposition of these matters will not have material adverse effect on its financial statements.

37. a) During the year, the Company has made additional Capital Contribution of ₹ 3283.5 million (previous year ₹ 10610.4 million) in Lupin Atlantis Holdings SA, Switzerland (LAHSA), a wholly owned subsidiary.

b) During the year, Novel Clinical Research (India) Private Limited, India (Novel India), wholly owned subsidiary of the Company had applied for removal of its name from the Register of Companies w.e.f. March 27, 2018 with the Registrar of Companies, Bangalore, and the order pursuant to such application is awaited as at March 31, 2018. The Company has written-off its investment of ₹ 0.1 million in Novel India (previous year, 100% shareholding of Novel India was transferred from Novel Laboratories Inc., USA to the Company for ₹ 0.1 million).

c) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands (LHBV), acquired/ subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 0.8 million (previous year ₹ 1.0 million).

ii) Additional investment in Lupin Ukraine LLC, Ukraine at a total cost of ₹ nil (previous year ₹ 269/- for 0.01% equity stake).

d) During the year, the Company, through its wholly owned subsidiary LAHSA acquired/subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Lupin Inc., USA at a total cost of ₹ 3294.3 million (previous year ₹ 5319.6 million) as additional paid-in capital – securities premium.

ii) Additional investment in Lupin Pharma LLC, Russia at a total cost of ₹ nil (previous year ₹ 33.7 million as capital contribution for 99.99% equity stake).

iii) Additional investment in Lupin Pharma Canada Ltd., Canada (LPCL) at a total cost of ₹ nil (previous year ₹ 250.8 million for 100% equity stake transferred from LHBV).

iv) Additional investment in Lupin Healthcare (UK) Limited, UK [formerly Lupin (Europe) Limited, UK] at a total cost of ₹ nil (previous year ₹ 259.7 million).

v) Additional investment in Lupin Ukraine LLC, Ukraine at a total cost of ₹ nil (previous year ₹ 0.3 million for 99.99% equity stake).

vi) Additional investment in Lupin Japan & Asia Pacific, Japan at a total cost of ₹ nil (previous year ₹ 2.9 million for 100% equity stake).

vii) Additional investment in Lupin Latam, Inc., USA at a total cost of ₹ 12.9 million as capital contribution (previous year ₹ 68/- for 100% equity stake).

viii) Additional investment in Medquimica Industria Farmaceutica LTDA, Brazil (MQ) at a total cost of ₹ nil (previous year ₹ 268.8 million resulting into LAHSA's equity stake in MQ equal to 95.44%).

ix) 100% equity stake in Lupin Europe GmbH at a total cost of ₹ 2.0 million (previous year ₹ nil).

e) During the current year, Lupin Inc., USA (LINC), a wholly owned subsidiary of LAHSA, made additional investment in Lupin Research Inc., USA at a total cost of ₹ 769.1 million as capital contribution (previous year ₹ nil).

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

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

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Opening balance	273.0	231.3
Incurred during the year:		
Salaries, allowances and contribution to funds	120.8	145.4
Legal and Professional Charges	6.1	1.7
Travelling and Conveyance	18.0	18.5
Power and fuel	-	150.0
Others	111.5	69.9
Total incurred during the year	256.4	385.5
Less: Capitalised during the year	102.0	343.8
Closing balance	**427.4**	**273.0**

39. SEGMENT REPORTING:

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in these standalone financial statements.

40. AUDITORS' REMUNERATION:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Payment to Auditors*:		
a) As Auditors	13.0	13.0
b) For other services including Certification	4.5	4.5
c) Reimbursement of out-of-pocket expenses	1.0	0.5
Total	**18.5**	**18.0**

* Excluding GST, Service tax and Swachh Bharat Cess

41. The Company procures equipments, vehicles and office premises under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is generally between 12 months to 60 months. The lease rentals are included in 'Lease Rent and Hire Charges' in the Statement of Profit and Loss (Refer note 34) for the year are ₹ 736.4 million (previous year ₹ 652.8 million). The contingent rent recognised in the Statement of Profit and Loss for the year is ₹ nil (previous year ₹ nil). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
Not later than one year	688.7	583.4
Later than one year but not later than five years	1212.5	1380.8
Later than five years	25.7	26.4
Total	**1926.9**	**1990.6**

42. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

Particulars	**Year Ended 31.03.2018**	Year Ended 31.03.2017
Profit attributable to Equity Shareholders (₹ in million)	13446.6	31413.3
Weighted average number of Equity Shares:		
- Basic	451847593	451121270
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1481004	1845914
- Diluted	453328597	452967184
Earnings per Share (in ₹)		
- Basic	29.76	69.63
- Diluted	29.66	69.35

43. SHARE-BASED PAYMENT ARRANGEMENTS:

Employee stock options – equity settled

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

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

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

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3540762	114.6-2037.5	1088.7	7.3
Add : Options granted during the year	23795	831.5-1407.9	1036.2	9.5
Less : Options lapsed during the year	246039	138.6-2037.5	1323.4	NA
Less : Options exercised during the year	271994	114.6-1164.8	532.1	NA
Options outstanding at the year end	3046524	114.6-2037.5	1119.1	6.4
Exercisable at the end of the period	2063215	114.6-2037.5	975.0	5.7

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3371309	86-2037.5	796.9	6.6
Add : Options granted during the year	1357195	1441-1521.7	1495.2	9.4
Less : Options lapsed during the year	319230	414-2037.5	1361.9	NA
Less : Options exercised during the year	868512	86-1368.1	490.9	NA
Options outstanding at the year end	3540762	114.6-2037.5	1088.7	7.3
Exercisable at the end of the period	1571038	114.6-2037.5	753.7	5.6

The weighted average grant date fair value of fair market value of the options granted under Category A during the years ended March 31, 2018 and 2017 was ₹ 337.0 and ₹ 494.7 per option, respectively.

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

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1060444	2.0	2.0	8.9
Add : Options granted during the year	549854	2.0	2.0	9.6
Less : Options lapsed during the year	57503	2.0	2.0	NA
Less : Options exercised during the year	233987	2.0	2.0	NA
Options outstanding at the year end	1318808	2.0	2.0	8.7
Exercisable at the end of the period	134944	2.0	2.0	7.7

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	696073	2.0	2.0	9.3
Add : Options granted during the year	533693	2.0	2.0	9.5
Less : Options lapsed during the year	43934	2.0	2.0	NA
Less : Options exercised during the year	125388	2.0	2.0	NA
Options outstanding at the year end	1060444	2.0	2.0	8.9
Exercisable at the end of the period	75650	2.0	2.0	8.2

The weighted average grant date fair value of par value of the options granted under Category B during the years ended March 31, 2018 and 2017 was ₹ 905.4 and ₹ 1417.6 per option, respectively.

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

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	150000	720.5-891.5	778.9	8.6
Add : Options granted during the year	50000	415.7	415.7	9.7
Less : Options lapsed during the year	-	-	-	NA
Less : Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	8.1
Exercisable at the end of the period	150000	720.5-891.5	778.9	7.6

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	100000	724.7-891.5	808.1	9.1
Add : Options granted during the year	50000	720.5	720.5	9.6
Less : Options lapsed during the year	-	-	-	NA
Less : Options exercised during the year	-	-	-	NA
Options outstanding at the year end	150000	720.5-891.5	778.9	8.6
Exercisable at the end of the period	100000	724.7-891.5	808.1	3.8

The weighted average grant date fair value of discounted fair market value options granted under Category C during the years ended March 31, 2018 and 2017 was ₹ 483.2 and ₹ 808.8 per option, respectively.

The weighted average share price during the year ended March 31, 2018 and 2017 was ₹ 1010.3 and ₹ 1516.0 per share respectively.

Valuation of stock options

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

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

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

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

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

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

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

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

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

Weighted average information – 2017-18

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 24, 2017	1407.9	6.7	4.5	27.2	0.6	1361.5	431.2
B	April 24, 2017	2.0	6.5	3.5	28.2	0.6	1361.5	1334.0
B	July 19, 2017	2.0	6.4	3.5	28.4	0.6	1172.3	1148.4
B	October 17, 2017	2.0	6.5	3.5	27.8	0.6	1066.2	1044.3
A	November 28, 2017	831.5	6.9	4.5	28.6	0.6	832.3	285.2
B	November 28, 2017	2.0	6.7	3.5	29.4	0.6	832.3	814.9
C	November 28, 2017	415.7	6.6	3.0	30.4	0.6	832.3	483.2
B	January 2, 2018	2.0	6.9	3.5	29.1	0.6	875.2	856.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	337.0	1020.3
B	905.4	924.6
C	483.2	832.3

Weighted average information – 2016-17

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 1, 2016	1479.3	7.8	4.5	30.6	0.7	1464.9	533.2
A	April 1, 2016	1479.3	7.8	3.8	27.0	0.7	1464.9	450.8
A	April 1, 2016	1479.3	7.8	4.5	30.6	0.7	1464.9	533.2
A	April 1, 2016	1479.3	7.8	3.8	27.0	0.7	1464.9	450.8
B	August 25, 2016	2.0	7.3	3.5	27.3	0.6	1522.2	1489.0
A	August 25, 2016	1521.7	7.3	3.8	27.1	0.6	1522.2	467.2
A	August 25, 2016	1521.7	7.4	4.5	30.4	0.6	1522.2	552.2
A	August 25, 2016	1521.7	7.3	3.8	27.1	0.6	1522.2	467.2
A	August 25, 2016	1521.7	7.4	4.5	30.4	0.6	1522.2	552.2
B	January 3, 2017	2.0	7.3	3.5	28.5	0.6	1505.5	1472.7
A	January 3, 2017	1505.8	7.4	4.5	27.2	0.6	1505.5	515.9
A	January 3, 2017	1505.8	7.4	4.5	27.2	0.6	1505.5	515.9
A	January 24, 2017	1483.3	7.4	4.5	27.1	0.6	1504.7	524.1
B	June 9, 2016	2.0	7.3	3.5	27.4	0.6	1427.2	1396.0
C	November 16, 2016	720.5	7.3	3.0	27.7	0.6	1407.1	808.8
A	November 16, 2016	1441.0	7.4	4.5	30.6	0.6	1407.5	498.3
B	November 16, 2016	2.0	7.3	3.5	27.3	0.6	1407.5	1376.6

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	494.7	1488.8
B	1417.6	1449.3
C	808.8	1407.1

44. POST-EMPLOYMENT BENEFITS:

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 203.8 million (previous year ₹ 196.1 million) for superannuation contribution and ₹ 243.0 million (previous year ₹ 231.9 million) for provident and pension fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

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

a) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	131.3	124.1	104.2	90.9
	Past service cost	211.2	-	(211.2)	-
	Interest cost	91.4	75.6	82.8	50.9
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	16.2	32.2	34.3	43.6
	- Due to experience assumption	29.9	72.8	(83.3)	251.6
	Benefits paid	(135.3)	(83.5)	-	-
	PVO at the beginning of the year	1235.6	1014.4	1120.3	683.3
	PVO at the end of the year	1580.3	1235.6	1047.1	1120.3
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	(1.7)	11.7	-	-
	Interest Income	74.6	63.7	-	-
	Contributions by the employer	74.7	162.7	-	-
	Benefits paid	(132.5)	(83.5)	-	-
	Fair value of plan assets at the beginning of the year	1009.3	854.7	-	-
	Fair value of plan assets at the end of the year	1024.4	1009.3	-	-

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	1580.3	1235.6	1047.1	1120.3
	Fair Value of plan assets at the end of the year	1024.4	1009.3	-	-
	Funded status	(555.9)	(226.3)	(1047.1)	(1120.3)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(555.9)	(226.3)	(1047.1)	(1120.3)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	131.3	124.1	104.2	90.9
	Past service cost	211.2	-	(211.2)	-
	Interest cost	16.7	11.9	82.8	50.9
	Total expense recognised in the Statement of Profit and Loss	359.2*	136.0*	(24.2)*	141.8*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	16.2	32.2	34.3	43.6
	- Due to experience assumption	29.9	72.8	(83.3)	251.6
	Return on plan assets excluding net interest	1.7	(11.7)	-	-
	Total amount recognised in OCI	47.8	93.3	(49.0)	295.2
VI)	**Category of assets as at the end of the year:**				
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	1024.4	1009.3	NA	NA
VII)	**Actual return on the plan assets:**	72.9	75.4	NA	NA
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08			
	Discount rate (%)	7.8	7.4	7.8	7.4
	Salary escalation rate (%)	9.0 for first two years and 6.0 thereafter	9.0 for first year and 6.0 thereafter	9.0 for first two years and 6.0 thereafter	9.0 for first year and 6.0 thereafter
	Average Remaining Service (years)	11.9	12.4	11.9	12.4
	Employee Attrition Rate (%) up to 5 years above 5 years	 15.0 5.0	 15.0 5.0	 15.0 5.0	 15.0 5.0
IX)	**Estimate of amount of contribution in immediate next year**	239.1	222.4	NA	NA

* ₹ 2.9 million (previous year ₹ 35.0 million) capitalised as pre-operative expenses, out of above amount.

X)

(₹ in million)

Gratuity (Funded)	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience adjustment					
- On plan liabilities	29.9	72.8	25.4	(15.3)	32.6
- On plan assets	-	-	-	2.0	4.2
Present value of benefit obligation	1580.2	1235.6	1014.4	868.4	652.4
Fair value of plan assets	1024.4	1009.3	854.7	660.8	580.9
Excess of (obligation over plan assets)/ plan assets over obligation	(555.9)	(226.3)	(159.7)	(207.6)	(71.5)

XI) Expected future benefit payment

(₹ in million)

Particulars	As at 31.03.2018
1 year	415.9
2 to 5 years	971.5
6 to 10 years	1140.2
More than 10 years	3328.5

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

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

(₹ in million)

Gratuity (Funded)	2017-2018		2016-2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(194.3)	224.1	(177.9)	206.1
Future salary growth (1% movement)	224.5	(198.0)	206.2	(181.1)

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

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

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 "Employee Benefits". As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund as at March 31, 2018 and based on the same, there is no shortfall towards interest rate obligation.

45. INCOME TAXES:

a) Tax expense recognised in profit and loss:

Particulars	Year Ended 31.03.2018 ₹ in million	Year Ended 31.03.2017 ₹ in million
Current Tax Expense for the year	4056.0	10141.6
Tax expense w/back of prior years	(190.3)	(388.1)
Fringe Benefit Tax w/back of prior years	-	(260.1)
Net Current Tax Expense	3865.7	9493.4
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	627.0	883.9
Tax expense for the year	**4492.7**	**10377.3**

b) Tax expense recognised in other comprehensive income:

Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1.0	134.5
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	144.8	(83.0)
Total	**145.8**	**51.5**

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

Particulars	Year Ended 31.03.2018 ₹ in million	Year Ended 31.03.2017 ₹ in million
Profit before tax	17939.3	41790.6
Tax using the Company's domestic tax rate (March 31, 2018: 34.61%, March 31, 2017: 34.61%)	6208.8	14463.7
Tax effect of:		
Expenses not deductible for tax purposes	514.4	380.9
Impact of change in tax rates	26.1	-
Incremental deduction allowed for Research and Development costs	(1086.8)	(2833.0)
Exemption of profit link incentives	(827.1)	(624.4)
Other Exemption Income	(96.2)	(168.9)
Investment Allowance	(19.0)	(143.5)
Tax Incentive on additional employment	(8.9)	(5.7)
Other	(28.3)	(43.6)
Current and Deferred Tax expense (excluding prior year taxes) as per note 45(a)	**4683.0**	**11025.5**

d) Movement in deferred tax balances:

(Current Year ₹ in million)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2018	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(3974.4)	(53.2)	-	(4027.6)	-	(4027.6)
Cash Flow Hedge Reserve	(170.0)	-	144.8	(25.2)	-	(25.2)
Trade Receivables	67.4	11.2	-	78.6	78.6	-
Deferred Income	401.7	(58.0)	-	343.7	343.7	-
VRS Compensation	36.1	(3.3)	-	32.8	32.8	-
Provision of claims	539.5	(539.5)	-	-	-	-
Employee benefits	704.2	47.8	1.0	753.0	753.0	-
Other items	293.4	(32.0)	-	261.4	261.4	-
Net Deferred tax assets / (liabilities)	**(2102.1)**	**(627.0)**	**145.8**	**(2583.3)**	**1469.5**	**(4052.8)**

(Previous Year ₹ in million)

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2017	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(2562.5)	(1411.9)	-	(3974.4)	-	(3974.4)
Cash Flow Hedge Reserve	(87.0)	-	(83.0)	(170.0)	-	(170.0)
Trade Receivables	123.3	(55.9)	-	67.4	67.4	-
Deferred Income	352.1	49.6	-	401.7	401.7	-
VRS Compensation	40.0	(3.9)	-	36.1	36.1	-
Provision of claims	-	539.5	-	539.5	539.5	-
Employee benefits	461.8	107.9	134.5	704.2	704.2	-
Other items	402.6	(109.2)	-	293.4	293.4	-
Net Deferred tax assets / (liabilities)	**(1269.7)**	**(883.9)**	**51.5**	**(2102.1)**	**2042.3**	**(4144.4)**

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

As on March 31, 2018, tax liability with respect to the dividends proposed before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 464.7 million (previous year ₹ 689.5 million).

46. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ₹ 14105.8 million (previous year ₹ 16116.8 million).

47. The aggregate amount of cash expenditure incurred during the year on Corporate Social Responsibility (CSR) is ₹ 216.8 million (previous year ₹ 196.8 million) and is shown separately under note 34 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Donations	187.4	171.5
Employee Benefits Expense	10.3	9.3
Others – Patient Awareness, etc.	19.1	16.0
Total	**216.8**	**196.8**

The amount required to be spent by the Company during the year is ₹ 750.5 million (previous year ₹ 662.5 million). No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure.

48. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	1063.8 (interest ₹ nil)	828.8 (interest ₹ nil)
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

49. As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Carrying amount at the beginning of the year	836.4	720.1
Add : Additional Provisions made during the year	2099.2	1507.1
Less : Amounts used / utilised during the year	1928.2	1390.8
Carrying amount at the end of the year	1007.4	836.4

50. FINANCIAL INSTRUMENTS:

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

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

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ in million)

As at 31.03.2018	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments - others	55.3	-	-	55.3	-	-	55.3*	55.3
Non-Current Loans								
- Security Deposit	-	-	567.9	567.9	-	-	-	-
- Others	-	-	49.0	49.0	-	-	-	-
Other Non-Current Financial Assets	-	-	-	-	-	-	-	-
- Derivative Instruments	-	0.4	-	0.4	-	0.4	-	0.4
- Others	-	-	2.8	2.8	-	-	-	-
Current Investments	2325.9	-	-	2325.9	2325.9	-	-	2325.9
Trade Receivables	-	-	49463.1	49463.1	-	-	-	-
Cash and Cash Equivalents	-	-	1056.7	1056.7	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	52.9	52.9	-	-	-	-
Current Loans	-	-	176.3	176.3	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	0.4	85.4	-	85.8	-	85.8	-	85.8
- Others	-	-	3959.0	3959.0	-	-	-	-
	2381.6	**85.8**	**55327.7**	**57795.1**	**2325.9**	**86.2**	**55.3**	**2467.4**
Financial liabilities								
Non-Current Borrowings	-	-	40.8	40.8	-	-	-	-
Trade Payables	-	-	31.6	31.6	-	-	-	-
Other Non-Current Financial Liabilities	-	-	48.3	48.3	-	-	-	-
Current Borrowings	-	-	82.1	82.1	-	-	-	-
Trade Payables	-	-	14278.7	14278.7	-	-	-	-
Other Current Financial Liabilities	-	-	-	-	-	-	-	-
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	6031.2	6031.2	-	-	-	-
	-	-	**20512.7**	**20512.7**	-	-	-	-

(₹ in million)

As at 31.03.2017	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments - others	55.3	-	-	55.3	-	-	55.3*	55.3
Non-Current Loans								
- Security Deposit	-	-	532.8	532.8	-	-	-	-
- Others	-	-	2.4	2.4	-	-	-	-
Other Non-Current Financial Assets	-	-	-	-	-	-	-	-
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	12.4	12.4	-	-	-	-
Current Investments	21120.0	-	-	21120.0	21120.0	-	-	21120.0
Trade Receivables	-	-	39024.5	39024.5	-	-	-	-
Cash and Cash Equivalents	-	-	1580.1	1580.1	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	148.3	148.3	-	-	-	-
Current Loans	-	-	150.0	150.0	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	1.9	549.1	-	551.0	-	551.0	-	551.0
- Others	-	-	3434.4	3434.4	-	-	-	-
	21177.2	**549.1**	**44884.9**	**66611.2**	**21120.0**	**551.0**	**55.3**	**21726.3**
Financial liabilities								
Non-Current Borrowings	-	-	88.9	88.9	-	-	-	-
Trade Payables	-	-	45.4	45.4	-	-	-	-
Other Non-Current Financial Liabilities	-	-	56.4	56.4	-	-	-	-
Current Borrowings	-	-	5796.2	5796.2	-	-	-	-
Trade Payables	-	-	14784.9	14784.9	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	266.0	-	-	266.0	-	266.0	-	266.0
- Others	-	-	2387.8	2387.8	-	-	-	-
	266.0	**-**	**23159.6**	**23425.6**	**-**	**266.0**	**-**	**266.0**

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

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

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

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

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

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

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

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

i. Credit risk:

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

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As at year end, the carrying amount of the Company's largest customer (a Subsidiary based in North America) was ₹ 39130.8 million (previous year ₹ 29436.2 million).

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

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Not past due but impaired	6.8	7.3
Neither past due not impaired	22753.8	33291.5
Past due not impaired		
- 1-180 days	21354.8	4987.9
- 181-365 days	5354.5	745.1
Past due impaired		
- 1-180 days	30.5	13.9
- 181-365 days	11.6	52.0
- more than 365 days	133.2	121.4
Total	**49645.2**	**39219.1**

Expected credit loss assessment

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

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

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

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Balance as at the beginning of the year	194.6	356.2
Impairment loss recognised (net)	17.0	93.4
Amounts written off	(32.0)	(241.0)
Exchange differences	2.5	(14.0)
Balance as at the year end	182.1	194.6

The impairment loss at March 31, 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 1056.7 million (previous year ₹ 1580.1 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

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

Other financial assets

Other financial assets are neither past due nor impaired.

ii. Liquidity risk:

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

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

Exposure to liquidity risk

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

(₹ in million)

As at 31.03.2018	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	88.9	88.9	48.1	35.5	4.9	0.4
Interest Payables	0.4	69.0	12.5	11.0	26.8	18.7
Trade Payables Non-Current	31.6	31.6	-	18.0	13.6	-
Other Non-Current Financial Liabilities	48.3	48.3	-	7.0	13.1	28.2
Current Borrowings	82.1	82.1	82.1	-	-	-
Trade Payables Current	14278.7	14278.7	14278.7	-	-	-
Other Current Financial Liabilities	5982.8	5982.8	5982.8	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	-	-	-	-	-	-
- Inflow		-	-	-	-	-
Total	**20512.8**	**20581.4**	**20404.2**	**71.5**	**58.4**	**47.3**

(₹ in million)

As at 31.03.2017	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	138.6	138.6	49.7	48.0	39.4	1.5
Interest Payables	1.0	82.8	13.8	12.5	29.7	26.8
Trade Payables Non-Current	45.4	45.4	-	19.4	26.0	-
Other Non-Current Financial Liabilities	56.4	56.4	-	8.2	16.8	31.4
Current Borrowings	5796.2	5796.2	5796.2	-	-	-
Trade Payables Current	14784.8	14784.8	14784.8	-	-	-
Other Current Financial Liabilities	2337.1	2337.1	2337.1	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	266.0	4563.3	4563.3	-	-	-
- Inflow		4280.1	4280.1	-	-	-
Total	**23425.5**	**23241.3**	**22981.6**	**88.1**	**111.9**	**59.7**

* Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings raised by the respective subsidiary. These amounts will be payable on default by the concerned subsidiary. As of the reporting date, none of the subsidiary have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees (Refer note 54C).

iii. Market Risk:

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

Currency risk

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

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

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

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

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2018**	As at 31.03.2017	Buy/ Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 96.0	USD 96.0	Sell

In addition to the above, the Company has entered into foreign currency forward contract (buy) aggregating USD nil (with cross currency INR) (previous year USD 66.0 million) for purposes other than hedging.

Exposure to Currency risk

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

(₹ **in million)**

Particulars	**As at 31.03.2018**				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	537.8	-	-	30.4	60.2
Trade Receivables	42839.8	919.3	242.7	27.7	918.9
Other current financial assets	248.6	3.5	0.7	24.1	1.4
	43626.2	922.8	243.4	82.2	980.5
Financial liabilities					
Trade Payables	4970.3	382.2	99.6	74.8	73.1
Current Borrowings	-	-	-	-	-
Other current financial liabilities	3931.4	37.3	7.3	-	38.4
	8901.7	419.5	106.9	74.8	111.5
Net statement of financial position exposure	**34724.5**	**503.3**	**136.5**	**7.4**	**869.0**

(₹ in million)

Particulars	As at 31.03.2017				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	1322.4	-	-	108.4	31.9
Trade Receivables	33354.9	825.9	300.8	84.0	720.6
Other current financial assets	295.3	7.7	2.4	38.5	1.4
	34972.6	833.6	303.2	230.9	753.9
Financial liabilities					
Trade Payables	4103.4	253.2	94.2	88.6	1645.0
Current Borrowings	4280.2	-	-	-	-
Other current financial liabilities	16.8	10.9	0.6	-	2.3
	8400.4	264.1	94.8	88.6	1647.3
Net statement of financial position exposure	**26572.2**	**569.5**	**208.4**	**142.3**	**(893.4)**

Sensitivity analysis

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

(₹ in million)

March 31, 2018	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(347.2)	347.2	(62.6)	62.6
EUR	(5.0)	5.0	-	-
GBP	(1.4)	1.4	-	-
JPY	(0.1)	0.1	-	-
Others	(8.7)	8.7	-	-
	(362.4)	**362.4**	**(62.6)**	**62.6**

(₹ in million)

March 31, 2017	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(265.7)	265.7	(62.3)	62.3
EUR	(5.7)	5.7	-	-
GBP	(2.1)	2.1	-	-
JPY	(1.4)	1.4	-	-
Others	8.9	(8.9)	-	-
	(266.0)	**266.0**	**(62.3)**	**62.3**

Interest rate risk

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

Exposure to interest rate risk

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

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Non-Current Borrowings		
Fixed rate borrowings	88.9	138.6
Variable rate borrowings	-	-
	88.9	138.6
Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	82.1	5796.2
	82.1	5796.2
Total	**171.0**	**5934.8**

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

(₹ in million)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
March 31, 2018		
Variable-rate borrowings	(0.8)	0.8
March 31, 2017		
Variable-rate borrowings	(58.0)	58.0

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

Commodity rate risk

The Company's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurment and other related operating policies. As of March 31, 2018 and March 31, 2017 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

51. CAPITAL MANAGEMENT:

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

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

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

The Company's policy is to keep the ratio below 1.5. The Company's adjusted net debt to total equity ratio at March 31, 2018 was as follows:

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Total borrowings	171.0	5934.8
Less : Cash and cash equivalent	1056.7	1580.1
Less : Other Bank Balances*	55.7	160.7
Less : Current Investments	2325.9	21120.0
Adjusted net debt	(3267.3)	(16926.0)
Total equity	157849.6	147802.4
Adjusted net debt to total equity ratio	(0.02)	(0.11)

* includes earmarked bank deposits against guarantees & other commitments of ₹ 2.8 million (previous year ₹ 12.4 million) classified as Other Non-Current Financial Assets.

52. HEDGE ACCOUNTING:

The Company's risk management policy is to hedge above 15% of its estimated net foreign currency exposure in respect of highly probable forecast sales over the following 12-18 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 12-18 months from the reporting date. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

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

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

a. Disclosure of effects of hedge accounting on financial position:

(₹ in million)

As at 31.03.2018

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	86.0	85.8	-	Other current financial assets	April 2018 – August 2019	1:1	67.82	90.2	(90.6)
	10.0	0.4	-	Other non-current financial assets					

(₹ in million)

As at 31.03.2017

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	96.0	551.0	-	Other current financial assets	April 2017 - March 2018	1:1	72.55	580.8	(578.8)

b. Disclosure of effects of hedge accounting on financial performance:

(₹ in million)

As at 31.03.2018	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	369.1	1.4	Other Expenses - Net loss on Foreign Currency Transactions	833.9	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2017	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	891.2	1.1	Other Expenses - Net loss on Foreign Currency Transactions	615.9	Revenue from operations - Sale of goods

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

(₹ in million)

Movements in cash flow hedging reserve	
Balance at 1 April 2016	**187.9**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	891.2
Less : Amounts re-classified to profit or loss	(617.0)
Less : Deferred tax	(83.0)
As at March 31, 2017	**379.1**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	369.1
Less : Amounts re-classified to profit or loss	(832.4)
Less : Deferred tax	144.8
As at March 31, 2018	**60.6**

53. OFF-SETTING OR SIMILAR AGREEMENTS:

The recognised financial instruments that are offset in balance sheet as at March 31, 2018:

(₹ in million)

As at 31.03.2018	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	86.2	-	86.2	-	86.2
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	-	-	-	-	-

The recognised financial instruments that are offset in balance sheet as at March 31, 2017:

(₹ in million)

As at 31.03.2017	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	551.0	-	551.0	-	551.0
Trade andother receivables	1.0	(0.4)	0.6	-	-
Financial liabilities					
Derivative instruments	(266.0*)	-	(266.0)	-	(266.0)
Trade and other payables	(0.4)	0.4	-	-	-

Offsetting arrangements

(i) Trade receivables and payables
The Company has certain customers which are also supplying materials. Under the terms of agreement, the amounts payable by the Company are offset against receivables and only net amounts are settled.

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

* During the previous year, the Company had entered into foreign currency forward contracts (buy) for purposes other than hedging.

54. RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

A. Relationships –

Category I: Entity having significant influence over the company:

Lupin Investments Pvt. Limited (w.e.f. July 28, 2017)

Category II: Subsidiaries:

Lupin Pharmaceuticals, Inc., USA
Kyowa Pharmaceutical Industry Co., Limited, Japan
Lupin Australia Pty Limited, Australia
Lupin Holdings B.V., Netherlands
Pharma Dynamics (Proprietary) Limited, South Africa
Hormosan Pharma GmbH, Germany
Multicare Pharmaceuticals Philippines Inc., Philippines
Lupin Atlantis Holdings SA, Switzerland
Lupin Healthcare (UK) Limited, UK [formerly Lupin (Europe) Limited]
Lupin Pharma Canada Limited, Canada
Lupin Mexico S.A. de C.V., Mexico
Generic Health Pty Limited, Australia
Bellwether Pharma Pty Limited, Australia
Lupin Philippines Inc., Philippines
Lupin Healthcare Limited, India
Generic Health SDN. BHD., Malaysia
Kyowa CritiCare Co., Limited, Japan
Lupin Middle East FZ-LLC, UAE
Lupin GmbH, Switzerland
Lupin Inc., USA
Medquimica Industria Farmaceutica LTDA, Brazil
Nanomi B.V., Netherlands
Laboratorios Grin S.A. de C.V., Mexico
Lupin Pharma LLC, Russia
VGS Holdings, Inc., USA (upto February 24, 2017)
Novel Laboratories, Inc., USA
Novel Clinical Research (India) Private Limited, India (upto March 27, 2018)
Gavis Pharmaceuticals, LLC., USA
Edison Therapeutics, LLC, USA (upto February 24, 2017)
Lupin Research Inc., USA
Lupin Ukraine LLC, Ukraine (w.e.f. July 6, 2016)
Lupin Latam, Inc., USA (w.e.f. December 15, 2016)
Lupin Japan & Asia Pacific K.K., Japan (w.e.f. March 13, 2017)
Saker Merger Sub LLC, USA (from April 7, 2017 and upto October 10, 2017)
Symbiomix Therapeutics LLC, USA (w.e.f. October 10, 2017)
Lupin IP Ventures Inc., USA (w.e.f. October 10, 2017)
Lupin Europe GmbH, Germany (w.e.f. February 5, 2018)

Category III: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category IV: Key Management Personnel (KMP)

Dr.	D. B. Gupta (upto June 26, 2017)	Chairman
Mrs.	Manju D. Gupta (w.e.f. August 11, 2017)	Chairman
Dr.	Kamal K. Sharma	Vice Chairman
Ms.	Vinita Gupta	Chief Executive Officer
Mr.	Nilesh Deshbandhu Gupta	Managing Director
Mrs.	Manju D. Gupta (upto August 10, 2017)	Executive Director
Mr.	Ramesh Swaminathan	Chief Financial Officer & Executive Director
Mr.	R.V. Satam	Company Secretary

Non-Executive Directors

Dr. Vijay Kelkar
Mr. R. A. Shah
Mr. Richard Zahn
Dr. K. U. Mada
Mr. Dileep C. Choksi
Mr. Jean-Luc Belingard

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

Mrs. Kavita Gupta (Daughter of Chairman)
Dr. Anuja Gupta (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Mrs. Pushpa Khandelwal (Sister of Chairman) (upto June 26, 2017)
Mrs. Shefali Nath Gupta (Wife of Managing Director)
Ms. Veda Nilesh Gupta (Daughter of Managing Director)
BS Merc Private Limited (upto July 28, 2017)
D. B. Gupta (HUF)
Lupin Human Welfare and Research Foundation
Lupin Foundation
Lupin International Pvt. Limited (upto September 21, 2016)
Lupin Investments Pvt. Limited (upto July 27, 2017)
Lupin Holdings Pvt. Limited (upto July 28, 2017)
Matashree Gomati Devi Jana Seva Nidhi
Polynova Industries Limited
Rahas Investments Pvt. Limited (upto July 28, 2017)
Synchem Investments Pvt. Limited (upto September 21, 2016)
Visiomed Investments Pvt. Limited (upto July 28, 2017)
Zyma Laboratories Limited (upto July 28, 2017)
Zyma Properties Pvt. Limited (formerly known as Visiomed Properties Pvt. Limited)
Concept Pharmaceuticals Limited (upto June 26, 2017)
Shuban Prints
TeamLease Services Limited

B. Transactions with the related parties:

Sr. No.	Transactions	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
1.	Sale of Goods		
	Lupin Pharmaceuticals, Inc.	35236.4	64443.3
	Other Subsidiaries	3675.0	3188.2
2.	Sale – Research Services-IP		
	Subsidiaries	28.8	-
3.	Sale – Research Services-Others		
	Contract R & D Services		
	Subsidiaries	838.2	700.1
4.	Sale of Property, plant and equipment		
	Subsidiaries	-	0.1
5.	Guarantee Fees Income		
	Subsidiaries	240.5	139.3
6.	Services Rendered (Income)		
	Subsidiaries	1.0	3.4
7.	Rent Expenses		
	Subsidiaries	2.1	4.4
	Others	70.5	77.8
8.	Research and Development Expenses		
	Lupin Inc.	-	1438.1
	Lupin Research Inc.	2065.3	-
	Other Subsidiary	36.7	-
9.	Expenses Recovered/Rent Received		
	Subsidiaries	341.3	347.5
	Jointly Controlled Entity	0.9	6.5
	Others	3.2	2.8
10.	Remuneration Paid		
	Key Management Personnel	494.0	814.1
11.	Purchases of Goods/Materials		
	Subsidiaries	9.7	0.1
	Others	63.4	164.2
12.	Investments during the year		
	Lupin Atlantis Holdings SA	3283.5	10610.4
	Other Subsidiaries	-	0.1
13.	Commission & Sitting Fees to Non-Executive Directors		
	Key Management Personnel	29.7	27.1
14.	Donations Paid		
	Others	213.1	203.4
15.	Dividend Paid		
	Lupin Investments Pvt. Limited	1530.2	-
	Key Management Personnel	42.8	44.2
	Others	12.2	1543.9
16.	Services Received (Expense)		
	Lupin Pharmaceuticals, Inc.	569.1	1263.3
	Other Subsidiaries	961.3	986.8
	Others	50.9	46.4

Sr. No.	Transactions	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
17.	Expenses Reimbursed		
	Subsidiaries	813.0	801.0
	Others	2.9	11.5
18.	Dividend Income		
	Subsidiaries	14.5	30.5
19.	Purchase of Property, plant and equipment		
	Subsidiaries	-	41.5
20.	Purchase of Intangible Asset		
	Lupin Atlantis Holdings SA	6199.4	-
21.	Withdrawal of Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of a subsidiary.		
	Subsidiaries	129.1	-
22.	Corporate guarantees issued by the Company to the bankers of subsidiary companies		
	Kyowa Pharmaceutical Industry Co., Limited	9472.5	13282.6
	Lupin Atlantis Holdings SA and Lupin Inc.	325.9	-
	Other Subsidiaries	1323.0	500.4
23.	Withdrawal of corporate guarantees given by the Company to the bankers of subsidiary companies		
	Lupin Atlantis Holdings SA and Lupin Inc.	-	61285.9
	Lupin Pharmaceuticals, Inc.	-	6956.8
	Kyowa Pharmaceutical Industry Co., Limited	8932.0	-
	Other Subsidiaries	485.0	698.0

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

Compensation paid to Key Management Personnel	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
Short-term employee benefits	346.0	717.8
Post-employment benefits	107.4	40.1
Share based payments	40.6	56.2
Total	**494.0**	**814.1**

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (previous year ₹ nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C. Balances due from/to the related parties:

Sr. No.	Balances	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
1.	Investments		
	Subsidiaries	51247.3	47963.9
2.	Deposits paid under Leave and License arrangement for premises		
	Others	43.4	43.4
3.	Trade Receivables		
	Subsidiaries	41182.5	31533.9
4.	Trade Payables		
	Subsidiaries	1960.6	1381.5
	Others	11.9	4.6
5.	Commission Payable		
	Key Management Personnel	45.5	428.6
6.	Expenses Payable		
	Subsidiaries	140.2	561.6
7.	Expenses Receivable		
	Subsidiaries	142.3	248.7
	Jointly Controlled Entity	0.9	6.5
	Others	0.2	-
8.	Advance from Customer		
	Subsidiaries	-	17.8
9.	Income Receivable		
	Subsidiaries	135.1	90.1
10.	Advance to vendors		
	Others	4.2	-
11.	Payable for Purchase of Property plant and equipment/Intangible asset		
	Subsidiary	3969.7	100.6
12.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1
13.	Letter of Comfort issued by the Company to the bankers of subsidiary companies	-	129.1
14.	Corporate guarantees issued by the Company to the bankers of subsidiary companies	71808.2	69522.8
15.	Financial guarantees issued by the Company on behalf of subsidiary companies for contractual obligations	8081.7	-

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

55. Excise duty (Refer note 34) includes ₹ 165.8 million (previous year ₹ 49.0 million) credit being net impact of the excise duty provision on opening and closing stock.

56. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise has been subsumed into GST. In accordance with Ind AS 18 and Schedule III to the Companies Act, 2013, levies like GST, VAT etc. are not part of revenue, unlike Excise Duty, which was presented as part of revenue. Accordingly, the figures for the year ended 31 March 2018 are not comparable with the previous year, to that extent. The following additional information is being provided to facilitate such understanding:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Revenue from Operations – Sale of Goods & Research Services	98539.0	123980.8
Excise duty on sale	(276.2)	(1086.7)
Revenue from Operations excluding excise duty on sale	98262.8	122894.1

57. ASSETS CLASSIFIED AS HELD FOR SALE:

During the year, the Company has entered into a Memorandum of Understanding (MOU) to sell a parcel of land along with the related manufacturing facility (collectively referred to as "Facility") in Ankleshwar, Gujarat for a consideration in excess of the carrying value of the Facility. The Company is in the process of seeking necessary regulatory approvals and the sale is expected to be completed by June 30, 2018. Upon completion of the terms, the Facility shall be transferred to the buyer. Accordingly, the Facility has been presented as non-current assets held for sale (refer note 2). There was no indicator/trigger to assess for its impairment.

The value associated to the Facility as of March 31, 2018 is as follows:

(₹ in million)

Particulars	**Carrying value**
Land	41.6
Buildings	32.5
Plant and Equipment	11.9
Total non-current asset held for sale	**86.0**

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

(₹ in million)

Particulars	April 1, 2017	Cash Flows	Non-Cash Changes			**March 31, 2018**
			Acquisition	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	16.7	(6.8)	-	-	-	9.9
Term Loans from Council for Scientific and Industrial Research (CSIR)	61.9	(31.0)	-	-	-	30.9
Term Loans from Department of Science and Technology (DST)	10.4	(10.4)	-	-	-	-
Current maturities of Non-Current Borrow-ings	49.7	(1.6)	-	-	-	48.1
Current Borrowings						
Secured						
Loans from banks	970.0	(887.9)	-	-	-	82.1
Unsecured						
Loans from Banks	4826.2	(4826.2)	-	-	-	-
Interest accrued but not due on Borrowings	1.0	(0.6)	-	-	-	0.4
Total Liabilities from financing activities	**5935.9**	**(5764.5)**	**-**	**-**	**-**	**171.4**

59. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable loss. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

60. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signature to note 1 to 60

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018

Notes:

Notes:

Notes:

Notes:

Notes:

Notes:

Registered Office

Lupin Limited,
Kalpataru Inspire, 3rd floor,
Off Western Express Highway, Santacruz (East),
Mumbai - 400 055, India.
Phone: +91 22 6640 2323
Fax: +91 22 6640 8131

Corporate Office

Lupin Limited
Laxmi Towers, 'B' Wing, 3rd floor,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051, India.
Phone: +91 22 6640 2222
Fax: +91 22 6640 2130

www.lupin.com
www.twitter.com/LupinGlobal
www.linkedin.com/LupinGlobal
www.facebook.com/Lupin-Global