LUPIN

July 18, 2023

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

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

Dear Sir/Madam,

Sub: Revised Integrated Report for FY 2022-23- Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In compliance with Regulation 34 of the Listing Regulations, on Wednesday, July 12, 2023, the Company submitted its Integrated Report for FY 2022-23.

Kindly note that certain inadvertent typo errors were noticed in the non-statutory ESG data of the Integrated Report. In view of the above, we are enclosing the revised Integrated Report of the Company for the FY 2022-23 along with the Notice of the 41st AGM. The revised Report is also available on the website of the Company www.lupin.com

The above is for your information and dissemination.

Thanking you,

For LUPIN LIMITED

Rajvardhan Vishnu Satam

Digitally signed by Rajvardhan Vishnu Satam
DN: c=IN, st=Maharashtra, 2.5.4.20=c19d8ef961d9fa59e973a093a4d3924b2532eb2f496ea7e2abcf74700f5375b7, postalCode=400104, street=2404,SEJAL TOWER,SEJAL PARK,LINK ROAD,GOREGAON WEST,Mumbai,Motilal Nagar,Borivali,Mumbai Suburban, pseudonym=9a4b7cd219ea516ad56e6d651dcbbe5b, title=0191, serialNumber=df8ebe60a88c796663c738ea25bfa0b475d195f726cdb67a2ff09c4242771b2a, o=Personal, cn=Rajvardhan Vishnu Satam
Date: 2023.07.18 19:28:52 +05'30'

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

Encl: a/a

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

Notice To Members

NOTICE is hereby given that the Forty-First Annual General Meeting of Lupin Limited will be held on Thursday, August 3, 2023, at 11.30 a.m. (IST), through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'). The venue of the meeting shall be deemed to be the Registered Office of the Company, at Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.

The following business will be transacted at the meeting: -

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone audited financial statements including Balance Sheet as at March 31, 2023, Statement of Profit and Loss for the year ended on that date together with notes forming part of it, Cash Flow Statement for the said year and Reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the consolidated audited financial statements including Balance Sheet as at March 31, 2023, Statement of Profit and Loss for the year ended on that date together with notes forming part of it, Cash Flow Statement for the said year and Report of the Auditors thereon.

3. To declare dividend of ₹ 4/- per equity share, for the year ended March 31, 2023.

4. To consider the re-appointment of Mr. Ramesh Swaminathan (DIN: 01833346), as a Director of the Company, who retires by rotation and being eligible, offers himself, for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution for the re-appointment of Mr. Nilesh D. Gupta, as Managing Director of the Company for a period of five years effective September 1, 2023: -

"RESOLVED THAT in supersession of previous Resolutions passed in this regard and pursuant to the provisions of the Articles of Association of the Company, Sections 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 ('Act'), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any amendments and re-enactments thereof and subject to other approvals as may be necessary, consent and approval of the Company be and is hereby accorded, for the re-appointment of Mr. Nilesh D. Gupta (DIN: 01734642), as Managing Director of the Company, for a period of five years effective September 1, 2023, on the following terms (including remuneration): -

A. FIXED PAY

(in ₹)

Description	Remuneration per annum as approved by Members at the 36th AGM held on August 8, 2018	Remuneration per annum effective September 1, 2023, upon re-appointment as Managing Director
Basic Salary	42,660,636	42,660,636
Management Allowance	13,640,076	13,640,076
Medical Reimbursement	150,000	150,000
RETIRALS		
Provident Fund (12% of Basic Salary)	5,119,276	5,119,276
Superannuation (15% of Basic Salary)	6,399,095	6,399,095
Gratuity (4.81% of Basic Salary)	2,051,977	2,051,977
FIXED CTC	**70,021,060**	**70,021,060**

B. VARIABLE PAY

Annual Performance-linked Incentive in the range 50% (Performance Significantly Above Plan) - 40% (Performance Above Plan) - 30% (Performance Meets Plan) - Nil (Performance Below Plan/Performance Significantly Below Plan) of his fixed cost to the Company based on his individual and Company's rating.

NOTES

- In addition to the above, Mr. Gupta is covered under the following schemes as per Company policy: -
  - **a) Mediclaim:** Policy covers self, spouse, 2 children (up to the age of 25 years) and parents, subject to a limit of ₹ 1,500,000/- per year, (additional ₹ 1,500,000/- per year, if required, being buffer provision in the Insurance Policy).
  - **b) Group accident insurance:** Coverage is ₹ 2,000,000/-
  - **c) Group term life insurance:** Coverage is ₹ 50,000,000/-
- Mr. Gupta is entitled to two chauffeur driven cars, telephones, computers and other communication facilities at residence, leave with full pay and encashment thereof as per Company rules as also membership fees including life membership for maximum two clubs.
- Mr. Gupta is entitled to annual increments not exceeding 25% of his last drawn fixed cost to the Company in line with the Company's annual increment cycle.

Explanation:

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

Overall remuneration:

The overall remuneration of Mr. Gupta in any one financial year shall not exceed the limits prescribed by Section 197 and Schedule V and other applicable provisions of the Act and Rules made thereunder and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments or re-enactments thereof, as may from time to time be in force.

RESOLVED FURTHER THAT Mr. Nilesh D. Gupta shall be liable to retire by rotation.

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

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for approving the continuation of non-executive directorship of Mr. Jean-Luc Belingard, Independent Director: -

"RESOLVED THAT in terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactments thereof and other applicable laws and regulations, consent and approval of the Company be and is hereby accorded, as set out in the Explanatory Statement annexed hereto, for the continuation on the existing terms and conditions of appointment, the non-executive directorship of Mr. Jean-Luc Belingard, Independent Director, (DIN: 07325356), who shall attain the age of 75 years on October 28, 2023.

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

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution for ratifying the remuneration payable to Mr. S. D. Shenoy, Cost Auditor, for conducting cost audit for the year ending March 31, 2024: -

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any amendments or re-enactments thereof), Mr. S. D. Shenoy (FCMA Membership No. 8318), Practising Cost Accountant, Cost Auditor, appointed by the Board of Directors (based on recommendation of the Audit Committee), to conduct audit of the cost records of the Company, as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, for the year ending March 31, 2024, be paid remuneration of ₹ 1,000,000/- (Rupees one million only) plus applicable taxes and out-of-pocket expenses.

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

Notes:

1. The Ministry of Corporate Affairs ('MCA') vide General Circular No. 10/2022 dated December 28, 2022 read with General Circular Nos. 20/2020 dated May 5, 2020 and 02/2022 dated May 5, 2022 (collectively 'Circulars'), has allowed companies to conduct the Annual General Meeting ('AGM') through VC/OAVM without the physical presence of Members at a common venue. In compliance with the Circulars, relevant provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the AGM of the Company is being held through VC/OAVM at 11.30 a.m. (IST) on Thursday, August 3, 2023. Members can attend and participate in the AGM through VC/OAVM.

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

3. Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of commencement of the meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Members holding 2% or more

LUPIN

shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit/ Nomination and Remuneration/Stakeholders' Relationship Committees, Auditors, etc., who are allowed to attend the AGM without restriction of first come first served basis.

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

5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, MCA Circular No. 10/2022 dated December 28, 2022 read with Circular Nos. 20/2020 dated May 5, 2020, 02/2022 dated May 5, 2022 and SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as also voting on the date of the AGM will be provided by NSDL. The process and manner for availing the said facility is explained in this Notice.

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

7. An Explanatory Statement, in compliance with the provisions of Section 102 of the Act and Rules made thereunder, Secretarial Standards on General Meetings (SS-2) and the Listing Regulations, wherever applicable, in respect of Special Business to be transacted at the AGM is annexed and forms part of this Notice. The Board of Directors have considered and decided to include Item Nos. 5, 6 and 7 given above as Special Business at the AGM, since it is considered unavoidable.

8. The Record date shall be Friday, July 14, 2023, for determining the entitlement of Members for dividend for the year ended March 31, 2023, if declared.

Members holding shares in dematerialised form who acquire shares after despatch of the Notice and holding shares as of the cut-off date i.e. Thursday, July 27, 2023, are requested to follow steps mentioned in this Notice of the AGM under 'Access to NSDL e-Voting system'.

Members holding shares in physical form and non-individual shareholders, who acquire shares after despatch of this Notice and holding shares as of the cut-off date, are requested to obtain the login ID and password by sending request to evoting@nsdl.co.in.

9. Dividend for the year ended March 31, 2023, if declared, at the AGM, shall be paid to those Members, whose names appear: -

a) as beneficial owners at the end of business hours on Friday, July 14, 2023, as per lists furnished by Central Depository Services (I) Limited and National Securities Depository Limited in respect of shares held in electronic form; and

b) on the Register of Members of the Company as on Friday, July 14, 2023, after giving effect to valid transfers in respect of transfer requests lodged with Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent ('RTA') or the Company, on or before the close of business hours on Friday, July 14, 2023, in respect of shares held in physical form.

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

In order to enable the Company to remit dividend electronically through National Automated Clearing House ('NACH'), National Electronic Funds Transfer ('NEFT'), etc., Members holding shares in physical form are requested to provide/update details of their bank accounts indicating name of the bank, branch, account number, nine-digit MICR code and IFSC code (as appearing on the cheque) along with a scanned copy of cheque/cancelled cheque to rnt.helpdesk@linkintime.co.in. Members holding shares in dematerialised form are requested to provide the said details to their DP.

In terms of the MCA Circular, in case, the Company is unable to pay dividend to any Member by electronic mode, due to non-availability of details of the bank account, the Company shall despatch the dividend payment through demand drafts/cheques to such Member by post.

The Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders. The details are explained in this Notice.

11. Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DP if not submitted earlier. Members holding shares in physical form are requested to submit their PAN to the RTA if not submitted earlier.

12. Members who have not encashed their dividend warrants for the year ended March 31, 2016, or any subsequent year(s), are requested to lodge their claims with the RTA at the earliest.

13. Dividends remaining unclaimed/unpaid for a period of seven years are required to be transferred to the 'Investor Education and Protection Fund' ('IEPF'). Accordingly, unpaid dividend up to the year ended March 31, 2015, has already been transferred to IEPF.

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

All documents referred to in this Notice will also be available for electronic inspection by Members without payment of any fee from the date of circulation of Notice up to the date of AGM, i.e. Thursday, August 3, 2023.

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

15. Pursuant to MCA Circular No. 10/2022 dated December 28, 2022 read with Circular Nos. 20/2020 dated May 5, 2020, 02/2022 dated May 5, 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, Notice of the AGM along with the Explanatory Statement and Integrated Report for the year ended March 31, 2023, are being sent electronically to those Members whose e-mail addresses are registered with the DP/Company and the same are also available on the websites of the Company (www.lupin.com), RTA (www.linkintime.co.in), NSDL (www.evoting.nsdl.com), BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

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

17. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

18. Members are requested to: -

a) Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;

b) Approach the RTA for consolidation of multiple ledger folios into one; and

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

19. NRI Members are requested to inform the RTA immediately of: -

a) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and

b) Change in their residential status and address in India on their return to India for permanent settlement.

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

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

By Order of the Board of Directors

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

Mumbai, July 10, 2023

Registered Office:

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

Corporate Identity Number:

L24100MH1983PLC029442
Tel: +91 22 6640 2323 Ext: 2402/2403
E-mail: investorservices@lupin.com
Website: www.lupin.com

Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.
Unit: Lupin Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai - 400 083
Tel: +91 81 0811 6767
Toll Free No.: 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

Mr. Ramesh Swaminathan, 58, Executive Director, Global CFO & CRO and Head – Corporate Affairs, joined the Board of the Company on March 26, 2020. His brief profile, areas of expertise, qualifications, experience, remuneration, names of companies other than subsidiaries of Lupin in which he holds directorship and membership/chairmanship of Committees and number of Board meetings of the Company attended during the year are given in the Corporate Governance Report, which forms part of the Integrated Report.

Mr. Ramesh Swaminathan holds 2232 fully paid-up equity shares of ₹ 2/- each in the Company. He is not related to any Director of the Company.

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

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

The Board recommends passing of the Resolution.

ITEM NO. 5

At its meeting held on May 15, 2018, the Board re-appointed Mr. Nilesh D. Gupta, as Managing Director of the Company, for a period of five years w.e.f. September 1, 2018, which was approved by Members at the 36th Annual General Meeting held on August 8, 2018. His present term is up to August 31, 2023.

Mr. Nilesh D. Gupta, 49, joined the Board of the Company on October 8, 2008. He is a Chemical Engineer from the University Department of Chemical Technology (UDCT), Mumbai and a graduate with honors from the Wharton School, University of Pennsylvania, USA, where he specialized in healthcare, strategic management and finance. Mr. Gupta has been instrumental in formulating and executing the core strategy that has helped the Company emerge as a global specialty and complex generics pharmaceutical powerhouse.

Mr. Gupta is Member of the Audit Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

Considering Mr. Gupta's performance, experience, qualifications, expertise, responsibilities shouldered and volume of Company's business and as recommended by the Nomination and Remuneration Committee, the Board at its meeting held on May 9, 2023, re-appointed him as Managing Director of the Company for a period of five years effective September 1, 2023.

The Nomination and Remuneration Committee of the Company proposed no change in the compensation of Mr. Gupta as compared to the amount fixed five years ago and approved by the Members on August 8, 2018, despite severe inflation and other senior members of the management team were given annual increments regularly.

Re-appointment of Mr. Gupta would be pursuant to the Articles of Association of the Company, provisions of Sections 196 and 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('Act') and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendments and re-enactments thereof and subject to approval of Members vide an Ordinary Resolution and other approvals as may be necessary. His remuneration will be subject to overall ceiling on remuneration prescribed by Section 197, Schedule V and other applicable provisions of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Pursuant to the provisions of Section 190 of the Act, the terms of re-appointment and remuneration of Mr. Gupta shall be open for inspection by any Member without payment of fee.

Mr. Gupta's areas of expertise, names of companies other than subsidiaries of Lupin, in which he holds directorship and membership/chairmanship of Committees and number of Board meetings of the Company attended during the year are given in the Corporate Governance Report, which forms part of the Integrated Report.

Mr. Gupta holds 901064 fully paid-up equity shares of the face value of ₹ 2/- each in the Company.

Apart from Mrs. Manju D. Gupta and Ms. Vinita Gupta, no other Director of the Company is related to Mr. Nilesh D. Gupta.

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

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

The Board recommends passing of the Resolution.

ITEM NO. 6

Mr. Jean-Luc Belingard, 74, a French national, graduated from Ecole des Hautes Etudes Commerciales, France and completed Master of Business Administration from Cornell University, USA. Mr. Belingard started his career with Merck, Sharp and Dohme before moving to F. Hoffman-La Roche, Basel, Switzerland. He was Member of the Executive Committee, F. Hoffman-La Roche and CEO, Roche Diagnostics, Basel, Switzerland. Mr. Belingard was CEO, bioMerieux-Pierre Fabre, France. He was Chairman & CEO, Ipsen Group, France. In the past, Mr. Belingard was also on the board of Laboratoire Pierre Fabre, France. Mr. Belingard joined bioMerieux S.A. as CEO and became its Chairman. He was a Member of the Bill and Melinda Gates Foundation. He is also Foreign Trade Advisor to the French Government. Mr. Belingard has been conferred upon the prestigious National Awards, Chevalier de l'Ordre National du Merite and Chevalier de la Legion d'Honneur awards.

Mr. Belingard is Chairman of the Nomination and Remuneration Committee of the Company. He is also on the Boards of Lupin Pharmaceuticals, Inc., USA and Lupin Atlantis Holdings S.A., Switzerland, material subsidiaries of the Company.

Mr. Belingard is a highly accomplished leader with about five decades of excellent track record. He possesses deep understanding and knowledge of global pharmaceuticals and is well versed with managing board dynamics. Apart from attending Board meetings of the Company, Mr. Belingard attends periodic strategic meetings of the Board and advises the management on international business matters. The Company has immensely benefitted from his advice.

Mr. Belingard joined the Board of the Company on October 27, 2015, as an Independent Director. His first term was up to August 11, 2020. At the 38th Annual General Meeting of the Company held on August 12, 2020, the Members, vide a Special Resolution, re-appointed Mr. Belingard for a second term of five years from August 12, 2020 till August 11, 2025, with an overwhelming 99.17% votes in favour. The terms of his appointment are hosted on the Company's website www.lupin.com and are open for inspection by Members at the registered office of the Company.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of Members, vide a Special Resolution is required for continuing the directorship of non-executive directors, who attain the age of 75 years. Mr. Belingard shall attain the age of 75 years on October 28, 2023.

Considering his rich and diverse experience, expertise, competencies and wide knowledge, it would be in the best interest of the Company, to continue to avail of his services by continuing him as non-executive director of the Company.

It is pertinent to note that Members have already approved the re-appointment of Mr. Belingard for a second term of five years from August 12, 2020 till August 11, 2025 and that approval of Members is now sought only for his continuation on the Board since he shall attain the age of 75 years on October 28, 2023. There is no change in the terms and conditions of his appointment. The Nomination and Remuneration Committee of the Company has also approved and recommended to the Board and Members for his continuation on the Board.

List of directorships of Mr. Belingard other than subsidiaries of Lupin are as under: -

1) bioMérieux S.A., France.

2) Laboratory Corporation of America, USA.

Mr. Belingard is not a member/chairman of any committee of other Boards.

Mr. Belingard's areas of expertise, skills & capabilities, remuneration and number of Board meetings of the Company attended during the year are given in the Corporate Governance Report, which forms part of the Integrated Report.

Mr. Belingard does not hold any shares in the Company.

Mr. Belingard is not related to any Director of the Company. He is interested in the said Resolution. None of the other Directors/Key Managerial Personnel or their relatives are interested in or concerned with the said Resolution.

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

The Board is of the opinion that the continued association of Mr. Belingard would be in the best interest of the Company and that it is desirable to continue to avail of his services. Accordingly, the Board recommends passing of the Special Resolution.

ITEM NO. 7

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. S. D. Shenoy (FCMA Membership No. 8318), Practising Cost Accountant, Cost Auditor, to conduct audit of the cost records of the Company for the year ending March 31, 2024.

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

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,000,000/- (Rupees one million only) plus applicable taxes and out-of-pocket expenses payable to the Cost Auditor as approved by the Board of Directors on the recommendation of the Audit Committee, needs to be ratified by Members. Thus, consent of Members is being sought for ratifying the remuneration payable to Mr. Shenoy for year ending March 31, 2024.

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

The Board recommends passing of the Resolution.

By Order of the Board of Directors

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

Mumbai, July 10, 2023

Registered Office:

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

Corporate Identity Number:

L24100MH1983PLC029442
Tel: +91 22 6640 2323 Ext: 2402/2403
E-mail: investorservices@lupin.com
Website: www.lupin.com

Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.
Unit: Lupin Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai - 400 083
Tel: +91 81 0811 6767
Toll Free No.: 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

LUPIN

INSTRUCTIONS FOR REMOTE E-VOTING

How do I vote electronically and join virtual Annual General Meeting using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

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

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• **If you are already a registered user for NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the URL: https://eservices.nsdl.com either on a Personal Computer or mobile. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. A new screen will open. Please enter your User ID and Password. • After successful authentication, you will see 'e-Voting services'. Click on 'Access to e-Voting' under 'e-Voting services' and you will see the 'e-Voting page'. Click on Company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or for joining the virtual meeting and voting during the meeting. • **If the User is not registered for IDeAS e-Services,** option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS' portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. • Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. Please enter your User ID i.e., your sixteen-digit demat account number (held with NSDL), Password/OTP and the Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or for joining the virtual meeting and voting during the meeting. • **Shareholders/Members can also download NSDL Mobile App "NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	• **Existing Users, who have opted for Easi/Easiest,** can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The Users to login to Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab and then enter the existing my easi username and password. • After successful login on Easi/Easiest, the User will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. • If the User is not registered on Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. • Alternatively, Users can directly access e-Voting page by providing Demat Account Number and PAN No. from the link www.cdslindia.com home page. The system will authenticate the User by sending OTP on registered Mobile and E-mail as recorded in the Demat Account. After successful authentication, User will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) and login through their depository participants	• Users can also login using the login credentials of their Demat Account through their Depository Participant registered with NSDL/CDSL for e-Voting facility. • When you login, you will see e-Voting option. Once you click on the same, you will be redirected to NSDL/CDSL sites after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting and voting during the meeting.

B) Login Method for e-Voting and joining virtual Annual General Meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below: -

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below: -

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your initial password?

i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail IDs are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password: -

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Helpdesk for Individual Shareholders holding securities in demat mode: -

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Step 2: Cast your vote electronically and join the Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join the Annual General Meeting on NSDL e-Voting system?

1. After successful login as mentioned above, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Power of Attorney/Authority letter etc., with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, by e-mail to investorservices@lupin.com, with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc., by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Prajakta Pawale at evoting@nsdl.co.in

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring User ID and Password and registration of e-mail IDs for e-Voting for the resolutions set out in this notice: -

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to **investorservices@lupin.com.**
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **investorservices@lupin.com**. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholders/members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

GENERAL INSTRUCTIONS

1. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Thursday, July 27, 2023.
2. The facility for e-Voting shall also be available at the AGM. Members who have already cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-Voting and are otherwise not barred from doing so will be allowed to vote through the e-Voting facility available at the AGM.
3. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and become Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Thursday, July 27, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of individual Shareholders holding securities in demat mode who acquire shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date i.e. Thursday, July 27, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
4. Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661) has been appointed as the Scrutinizer to scrutinize the remote e-Voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner.
5. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against, if any, to the Chairman or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.
6. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.lupin.com and on the website of our Registrar and Transfer Agent viz. Link Intime India Pvt. Ltd. i.e., https://instavote.linkintime.co.in and shall also be forwarded to BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

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INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE FORTY-FIRST ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER: -

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, e-mail ID, mobile number at **agm2023speakers@lupin.com**. The same will be replied by the company suitably.

Instructions for Shareholders/Members to Speak during the AGM through NSDL e-Voting system: -

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, e-mail ID, mobile number at agm2023speakers@lupin.com, atleast 48 hours prior to the date of AGM i.e. on or before 11.30 a.m. (IST) on Tuesday, August 1, 2023.
2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
3. Shareholders who would like to ask questions, shall send the same in advance mentioning their name, demat account number/folio number, e-mail ID, mobile number at agm2023speakers@lupin.com, atleast 48 hours prior to the date of AGM i.e. on or before 11.30 a.m. (IST) on Tuesday, August 1, 2023. The same will be replied by the Company suitably.
4. Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.
5. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
6. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND

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

Resident Shareholders: -

1. Where, Permanent Account Number ('PAN') of the shareholder is available with the Company and is valid: -
   - **i)** In accordance with Section 194 of the Act, Tax will be deducted @ 10%, if the amount of dividend payable during FY 2023-24 exceeds ₹ 5,000/-; and
   - **ii)** No tax will be deducted on dividend payable in cases where shareholder provides duly completed and signed Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an individual above the age of 60 years), provided that all the eligibility conditions are met. Links of Form 15G and Form 15H are given at the end of this communication as **Annexures I** and **II**.
2. Tax will be deducted @ 20% on the amount of dividend payable, where: -
   - **i)** Shareholders have not furnished valid PAN; or
   - **ii)** Individual shareholders have not linked PAN with their Aadhar. The last date for linking PAN with Aadhar is 30th June, 2023 (unless extended further) as stipulated by the Central Board of Direct Taxes ('CBDT'); or
   - **iii)** As per provisions of Section 206AB of the Act, where shareholders have not filed their Income Tax returns for FY 2021-22 and the aggregate of TDS and tax collected at source is ₹ 50,000 or more in the said year ('Specified Persons').
3. Insurance Companies, Mutual Funds registered under Section 10(23D) of the Act, Alternate Investment Funds ('AIF') established/incorporated in India, whose income is exempt under Section 10 (23FBA) of the Act and Governments (Central/State) shall provide the declaration in the link given at the end of this communication as **Annexure III.**
4. **Transferring credit of tax deducted at source to other person:** As per Rule 37BA of the Income Tax Rules, 1962, in case where the dividend is received in the hands of one person but is assessable in the hands of other person, the tax may be deducted in the name of such other person if the first-mentioned person provides a declaration containing specified information of the other person. Link of the declaration is given at the end of this communication as **Annexure IV.**

Non-Resident Shareholders: -

Tax will be deducted @ 20% (plus applicable surcharge and cess) as per the Act or rate prescribed under Double Tax Avoidance Agreement ('DTAA') between India and the country of tax residence of shareholders, whichever is lower, on the amount of dividend payable to non-resident shareholders including Foreign Institutional Investors ('FIIs') and Foreign Portfolio Investors ('FPIs').

To avail DTAA benefits, non-resident shareholders are required to furnish the following documents **not later than 5.00 p.m. (IST) on Friday, July 14, 2023,** to Link Intime India Pvt. Ltd. ('Link Intime'), Registrar and Share Transfer Agent of the Company via link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html: -

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

b. Self-attested Tax Residency Certificate ('TRC') issued by the tax/competent authority of the country of residency, evidencing and certifying tax residency status in that country during FY 2023-24. In case, the TRC is in a language other than English, a duly notarized and apostilled copy thereof, translated in English language would have to be provided;

c. Duly completed and signed Form 10F. As per CBDT Notification No. 03/2022 dated 16th July 2022, all foreign shareholders having PAN, are required to furnish electronic Form 10F. Further, as per CBDT Notifications dated 12th December, 2022 and 28th March, 2023, Foreign shareholders not having PAN and also not required to have PAN, may furnish Form 10F in manual mode. Format of Manual Form 10F is in **Annexure V.**

PROCEDURE FOR ELECTRONIC SUBMISSION OF FORM 10F: -

1) Login to https://www.incometax.gov.in/iec/foportal/ using PAN login.
2) Go to E-file>Income Tax Forms>File Income Tax Forms.
3) Select Form 10F.
4) Select the relevant Assessment Year for which you need to file Form 10F and click on continue.
5) Fill all the required fields in the Form.
6) Attach the TRC and Save the Draft and then Proceed to submit the Form with digital signature ('DSC') of the authorised signatory.
7) Go to "View Filed Forms" and download the copy of the Form 10F and submit to the Company along with other tax forms.

d. Self-declaration by non-resident shareholders. Link is given at the end of this communication as **Annexure VI** regarding: -

- **i)** Eligibility to claim the beneficial DTAA rate, including having regard to the Principal purpose Test (if any), included in the applicable tax treaty with India for the purposes of tax withholding on dividend declared by the Company;
- **ii)** Shareholder being the beneficial owner of the dividend income to be received on the equity shares;
- **iii)** No Permanent Establishment/fixed base in India in accordance with the applicable DTAA; and
- **iv)** Continue to remain a tax resident of the country of residency during FY 2023-24.

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

For all Shareholders: -

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

Only scanned copies of the aforementioned documents will be accepted by the Company as per the procedure laid down. Duly completed and signed documents are required to be submitted to Link Intime by uploading the documents on https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html **on or before Friday, July 14, 2023.**

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

1. Select the company (Dropdown)
2. Folio/DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment - 1 (PAN)
7. Document attachment - 2 (Applicable Form(s))
8. Document attachment - 3 (Any other supporting document)

Please note that no communication on tax determination/deduction shall be entertained after Friday, July 14, 2023. Documents received through any other modes viz. e-mail or hand delivery will not be considered to determine/deduct TDS/withholding tax.

Shareholders are requested to note that in case tax on dividend is deducted at a higher rate on account of non-receipt or insufficiency of requisite documents, they can claim refund at the time of filing income tax return. No claim shall lie against the Company for taxes once deducted. The Company will mail a soft copy of the TDS certificate to shareholders on their registered e-mail IDs post completion of activities. Shareholders may view the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in.

Shareholders are requested to update their PAN and e-mail address with depositories (for shares held in demat mode) and with the Link Intime (for shares held in physical mode), if not already done.

In the event the dividend income as on the **Record Date, i.e. Friday, July 14, 2023,** is assessable to tax in the hands of a person other than the registered shareholder (viz., the shares are held by a clearing member, broker, etc., on behalf of the actual beneficial owner), such registered shareholder (i.e. the said clearing member, broker, etc.,) is required to furnish to the Company/RTA on or before Tuesday, July 18, 2023, a declaration containing name, address, residential status, PAN and amount of dividend of the actual beneficial owner to whom TDS credit is to be given and reasons for giving credit to such person. No request in this regard will be considered by the Company after **Tuesday, July 18, 2023.**

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

Annexure - I

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

INCOME TAX RULES, 1962

[1]FORM NO. 15G

[See section 197A(1), 197A(1A) and rule 29C]

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

PART - I

1. Name of Assessee (Declarant):	2. PAN of the Assessee[1]		
3. Status[2]	4. Previous year (P.Y.)[3] (for which declaration is being made): **2023-2024**	5. ResidentialStatus[4]	
6. Flat/Door/Block No.	7. Name of Premises	8. Road/Street/Lane	9. Area/Locality
10. Town/City/District	11. State	12. PIN	13. E-mail ID:
14. Telephone No. (with STD Code) and Mobile No.	15. (a) Whether assessed to tax under the Income-tax Act, 1961[5]	Yes	No
	(b) If yes, latest assessment year for which assessed		
16. Estimated income for which this declaration is made	17. Estimated total income of the P.Y. in which income mentioned in column16 to be included[6]		
18. Details of Form No.15G other than this form filed during the previous year, if any[7]			
Total No. of Form No.15G filed	Aggregate amount of income for which Form No.15G filed		
19. Details of income for which the declaration is filed			

Sl. No.	Identification number of relevant investment/account, etc[8]	Nature of income	Section under which tax is deductible	Amount of income
		Dividend Income	194	

Signature of the Declarant[9]

Declaration/Verification[10]

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

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

*I/We further declare that the tax *on my/our estimated total income including *income/incomes referred to in column 16 *and aggregate amount of *income/incomes referred to in column 18 computed in accordance with the provisions of the Income-tax Act,1961, for the previous year ending on 31-MAR-2024 relevant to the assessment year 2024-2025 will be *nil*.

*I/We also declare that *my/our *income/incomes referred to in column16 *and the aggregate amount of *income/incomes referred to in column 18 for the previous year ending on 31-MAR-2024 relevant to the assessment year 2024-2025 will not exceed the maximum amount which is not charge-able to income-tax.

Place: ....

Date: ....

Signature of the Declarant

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

PART - II

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

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

Signature of the person responsible for paying the income referred to in column 16 of Part I

Place: ....

Date: ....

*Delete whichever is not applicable.

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

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

3. The financial year to which the income pertains.

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

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

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

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

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

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

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

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

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

11. The person responsible for paying the income referred to in column16 of Part I shall allot a unique identification number to all the FormNo.15G received by him during a quarter of the financial year and report this reference number alongwith the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received FormNo.15H during the same quarter, please allot separate series of serial number for FormNo.15G and FormNo.15H.

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

Annexure - II

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

[1]FORM NO. 15H

[See section 197A(1C) and rule 29C]

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

PART - I

1. Name of Assessee (Declarant)	2. Permanent Account Number or Aadhaar Number of the Assessee[1]	3. Date of Birth[2] (DD/MM/YYYY)	
4. Previous year (P.Y.)[3] (for which declaration is being made) **2023-2024**	5. Flat/Door/Block No.	6. Name of Premises	
7. Road/Street/Lane	8. Area/Locality	9. Town/City/ District	10. State
11. PIN	12. E-mail	13. Telephone No. (with STD Code) and Mobile No.	
14 (a) Whether assessed to tax[4]:		Yes	No
(b) If yes, latest assessment year for which assessed			
15. Estimated income for which this declaration is made			
16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included[5]			
17. Details of Form No.15H other than this form filed for the previous year, if any[6]			

Total No. of Form No.15H filed	Aggregate amount of income for which Form No.15H filed

18. Details of income for which the declaration is filed

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

Signature of the Declarant

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

***Declaration/Verification*[8]**

I ………………………………………………………………………… do hereby declare that I am resident in India within the meaning of section 6 of the Income-tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. I further declare that the tax on my estimated total income including *income/incomes referred to in column 15 *and aggregate amount of *income/incomes referred to in column 17 computed in accordance with the provisions of theIncome-tax Act, 1961, for the previous year ending on 31-MAR-2024 relevant to the assessment year 2024-2025 will be nil.

Place: ………………………………

Date: ………………………………

Signature of the Declarant

P A R T I I

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

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

Place: ………………………………
Date: ………………………………

Signature of the person responsible for paying the income referred to in column 15 of Part I

*Delete whichever is not applicable.

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

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

3. The financial year to which the income pertains.

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

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

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

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

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

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

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

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

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

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

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

i

Annexure - III

Date:

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

Subject: Declaration regarding Category and Beneficial Ownership of equity shares

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

____

Folio Number/DP ID/Client ID -

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

I/We, <<Full name of the member>> _______<<number of shares>>__________, holding equity share(s) of the Company, hereby declare that I am/we are tax resident of India for the period April 2023-March 2024 (Indian Fiscal Year).

We hereby declare that (Select Applicable)

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

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

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

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

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

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

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

Thanking you.

Yours faithfully,

For <<Name of the member>>

Authorised Signatory

Annexure - IV

<<Date>>

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

Subject: Declaration under Rule 37BA of the Income tax Rules, 1962 for transferring credit of tax deducted at source to other person

Ref: PAN – <<Please mention your permanent account number provided by the Indian Tax Authority, if any>>

____

Folio Number/DP ID/Client ID - ______________________________

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

I, <<Full name of the shareholder>> _______<<number of shares>>__________, holding equity share(s) of the Company, hereby request the company to provide the credit of Tax Deducted at source on the dividend payouts by the Company, separately to below mentioned shareholders (beneficiary shareholder) of the said shares as per the following information given.

The reason for such request is that the beneficial ownership of shares that are held by below mentioned persons (Total number of__________ shares). The details are provided as under:

Name	PAN	No. of shares held	Residential status for FY 2021-22	Country of residence in case residential status mentioned in Column (4) is other than India	Address	E-mail ID & Contact no
(1)	(2)	(3)	(4)	(5)	(6)	(7)

I further declare that the above-mentioned dividend income is assessable in the hands of the beneficiaries of the shares (as per list provided above) and not in my hands. As per Sub-rule 2(i) of rule 37BA of the Income tax Rules, 1962, Credit for Tax deducted at source (TDS) from the dividend Income is allowable to these beneficiaries of shares. I undertake that I will not claim credit of TDS from the dividend amount assessable in the hands of the beneficiaries as listed above.

I hereby declare that above information is correct, complete and is truly stated. I undertake to indemnify for any tax liability (including but not limited to interest and penalty) that may arise on you in future on account of deduction of tax at source in the hands of beneficial shareholders on the basis of the above declaration furnished by us.Thanking you.

Yours faithfully,

For <<Name of the member>>

Authorised Signatory

Annexure - V

FORM NO. 10F

[See sub-rule (1) of rule 21AB]

Information to be provided under sub-section (5) of section 90 or sub-section (5) of section 90A of the Income-tax Act, 1961

I..*son/daughter of Shri... in the capacity of... .... (designation) do provide the following information, relevant to the previous year 2023-2024 *in my case/in the case of...(Name of the Party) for the purposes of sub-section (5) of * section 90/section 90A: -

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

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

Signature: ....

Name: ....

Address: ....

Permanent Account Number
or Aadhaar Number:..

Verification

I_________________________________ do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated. Verified today the ___________day of _____________

____

Signature of the person providing the information

Place: ___________________

Annexure - VI

<<Date>>

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

Dear Sir/Madam,
Re.: Self declaration with respect to availment of Tax treaty benefits in relation to receipt of dividend income from Lupin Limited for Financial Year (FY) 2023-24

This is to certify that: -

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

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

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

4. I/We do not have any Permanent Establishment (PE) or fixed base in India in **FY 2023-24** as construed under relevant Articles of the applicable tax treaty, nor do we have any PE or business connection in India as construed under the relevant provisions of the Act. I/We further confirm that I/We do not have any business connection in India as per provisions of the Act. In the event of I/We having a PE in India or Dividend income is attributable/effectively connected to such PE, I/We acknowledge our obligation to inform you forthwith with necessary details;

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

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

This declaration is valid for the period 1 April 2023 to 31 March 2024.

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

Thanking you,

Yours Sincerely,

For <Name of the Shareholder>

____

Name: <insert Authorized Person Name>

<Insert Designation>

LUPIN

Integrated Report
2022-2023

About The Report

At Lupin, our unwavering dedication lies in shaping a future where healthcare is accessible, sustainable and transformative, making a positive difference in the lives of individuals and communities worldwide. As a leading pharmaceutical company, we prioritize creating value for all our stakeholders. We proudly present our Integrated Report for FY23, offering a comprehensive overview of our performance across six key areas, including Financial, Intellectual, Manufactured, Social & Relationship, Human, and Natural Capital. By effectively leveraging these resources, we strive to create long-term value for all of our stakeholders and contribute to a better tomorrow for everyone.

Introduction to the Report & Reporting Guidelines

Lupin's Integrated Report FY23 adheres to the principles and guidelines set forth by the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework. This framework was voluntarily adopted by the top 500 listed companies in India, as notified by the Securities and Exchange Board of India (SEBI) in February 2017. Wherever essential, we have also relied upon the disclosure requirements of the Sustainability Accounting Standards Board (SASB) guidance for the Biotechnology & Pharmaceuticals sector and the Key Performance Indicators prescribed by the Global Reporting Initiative (GRI) Standards. This report has therefore, been drafted in reference to the GRI Standards. By aligning with these reporting frameworks, we aim to provide our shareholders and stakeholders with a comprehensive view of our non-financial performance encompassing of our Environment, Social, and Governance (ESG) management, targets, and their impact.

Through this report, we strive to showcase the value we bring to the healthcare industry and our dedication to uplift society. Furthermore, this report also adheres to the mandatory disclosure requirements of the Business Responsibility and Sustainability Reporting (BRSR) mandate of SEBI in FY23, aligned to the nine principles of the National Guidelines on Responsible Business Conduct (NGRBC), thereby replacing the previous Business Responsibility Report (BRR) format.

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

Reporting Boundary and Scope

The FY23 Integrated Report covers both the financial and non-financial performance of Lupin from April 1, 2022, to March 31, 2023, including Lupin's subsidiaries and operational units worldwide. In addition, the report provides insights into the factors that impact Lupin's ability to generate value. We have included information on our operational units, where relevant, to provide a comprehensive view of the company's operational excellence and efficiency.

Exclusions

There are no geographical exclusions.

Responsibility Statement

Lupin firmly believes that this Integrated Report is a fair representation of our company's financial, non-financial, sustainability and operational performance for FY23. The Board acknowledges that the contents of this report have been assimilated in consultation with various functions of the business and have been developed under the guidance of senior management and functional heads.

Assurance

The consolidated financial statements shared in this report have been independently assured by our auditors DNV (Firm Registration No. 215094). Their assurance statements have been provided on page number 172.

Feedback

It is our responsibility to receive input for improvement and address all our stakeholders' concerns and expectations.

Please share your feedback, suggestions, and/or queries by contacting:

Name: **Shweta Munjal**

Designation: **Vice President & Global Head - Corporate Communications**

Email: **shwetamunjal@lupin.com**

FY23 At A Glance

FINANCIALS

₹166,417 Mn
Total Revenue From Operations

₹18,715 Mn
EBITDA

RANKINGS

3rd
in the U.S. (by prescriptions)

6th
in Indian Pharma Market

R&D

911
Active Patents

463
ANDAs filed with U.S. FDA until March 2023

PRODUCTS

30+
Robust Pipeline of Injectables

22+
Robust Pipeline of Respiratory Products

29 Bn
Formulation Units Sold Globally (IQVIA MAT Mar 23 Standard Units)

625,000+
Patients Reached Through Patient Education Programs

15,000+
HCPs Participated in Doctor Education Programs

8% YoY
Reduction in Scope 1 and Scope 2 Emissions in FY23

Table of Contents

Dr. Desh Bandhu Gupta
Founder, Lupin Limited
(08.02.1938 - 26.06.2017)

What stands between us and our greatest goals are not obstacles but clearer paths to lesser goals

- Bhagavad Gita -

Dr. Desh Bandhu Gupta came from a village and created a multinational organization. He knew that his goal of affordable quality healthcare for all was not possible in his lifetime or ours but urged us to make that our North Star beckoning us for the long pilgrimage.

We are far from our greatest goals but well on our way. DBG taught us that humans and organizations have an ability to rise to expectations. His gigantic goals for Lupin and his people required us to find strength and stamina that we did not know we had. A teacher never knows where their influence ends.

About Lupin

Lupin's journey is a testament to the potential of human imagination, compassion, and the unwavering pursuit of a better tomorrow. Established in 1968 by our visionary founder, Dr. Desh Bandhu Gupta, Lupin has evolved from humble beginnings to become a global healthcare leader. Headquartered in Mumbai, India, we have expanded our footprint across the U.S., LATAM, APAC and EMEA regions, operating in over 100 countries and offering a diverse portfolio of over 1,000 products.

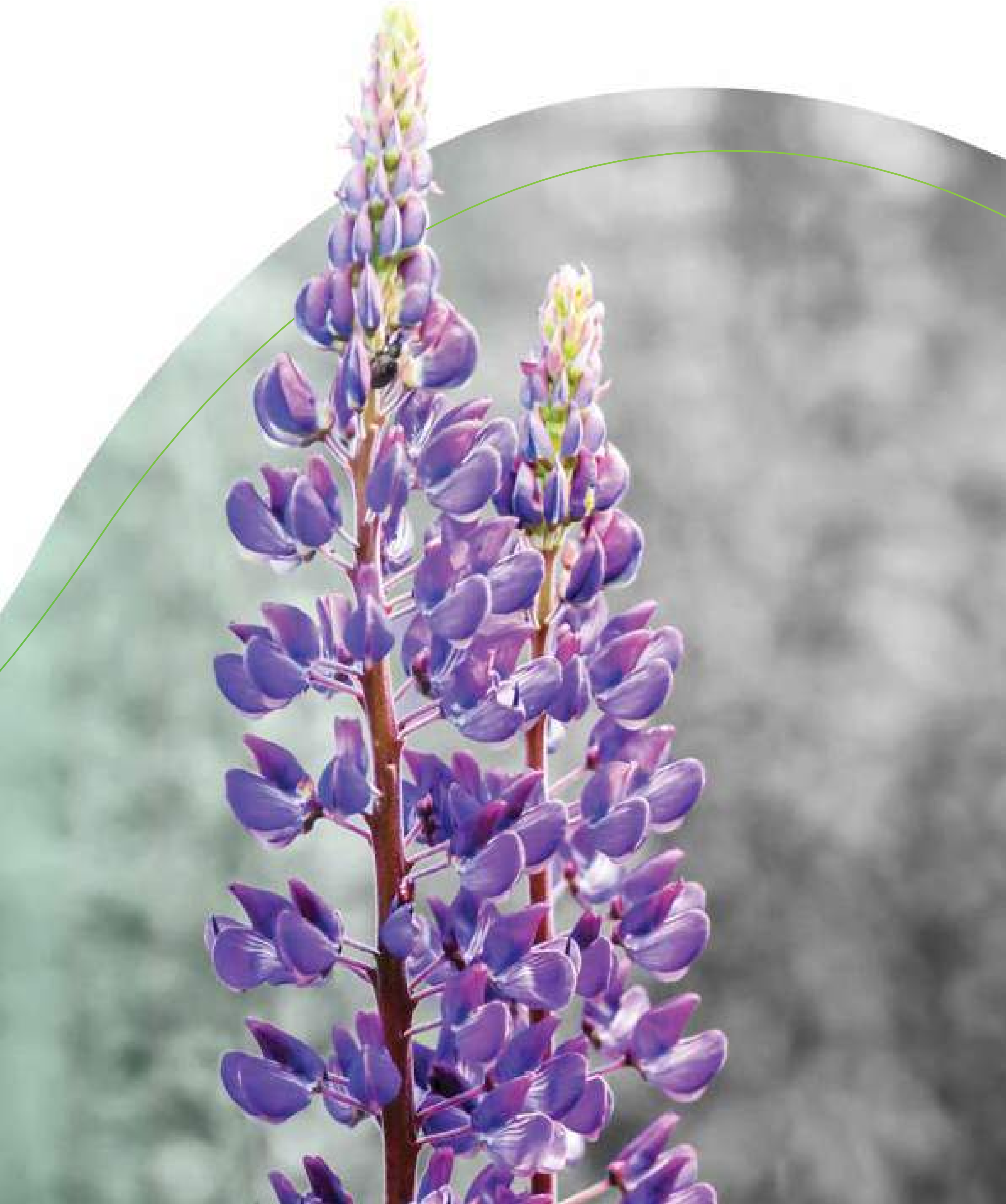
Inspired by the resilient lupin flower that nourishes the soil while thriving in challenging conditions, Lupin remains committed to its mission of making quality healthcare accessible to all. We recognize the importance of nurturing the communities we serve and leaving a positive impact on society.

With our robust manufacturing capabilities and strong research and development, we have emerged amongst the leaders in generics, complex generics, APIs, specialty, and biologics. Lupin's commitment to innovation and patient-centricity has fueled its success in therapeutic areas such as cardiovascular health, tuberculosis, diabetes, respiratory, gastrointestinal disorders, and women's health.

At Lupin, we understand that true success lies in the convergence of business growth and social impact. Beyond healthcare, we are dedicated to the upliftment of the communities we serve. This commitment is channeled through the Lupin Human Welfare and Research Foundation (LHWRF), which focuses on two pillars: Improving Lives and Improving Livelihood. Across 5,431 villages in nine states of India, we positively impact the lives of over 2.5 Mn people, reflecting our commitment to social responsibility and sustainable change.

Our journey is guided by the belief that healthcare should be accessible, affordable, and of the highest quality. We strive to advance our infrastructure, embrace innovation, and expand our presence in high-growth markets to better serve the evolving needs of patients worldwide.

As we embark on the next chapter of our story, we remain committed to our vision, mission, and core values. With boundless optimism, we embrace the challenges that lie ahead, confident that our collective efforts will continue to make a lasting impact on the world of healthcare.



Our Global Footprint

Manufacturing

India: Aurangabad, Ankleshwar, Dabhasa, Goa, Pithampur, Jammu, Mandideep, Nagpur, Pune, Sikkim, Tarapur & Vizag
U.S.: New Jersey; LATAM: Mexico & Brazil

Research

India: Pune & Aurangabad
U.S.: New Jersey & Florida
LATAM: Mexico & Brazil
Europe: Netherlands

Manufacturing

Research

Distribution & Marketing


LUPIN HEALTHCARE
(Slough, United Kingdom)
nanomi
A LUPIN GROUP COMPANY
(Oldenzaal, Netherlands)
HORMOSAN PHARMA
(Frankfurt, Germany)
Lupin Atlantis Holdings SA
(Zug, Switzerland)
India
MULTICARE
BRINGING VALUE TO FAMILY HEALTHCARE
(Manila, Philippines)
generichealth
(Melbourne, Australia)
pharma dynamics
EFFECTIVE AFFORDABLE HEALTHCARE
(Cape Town, South Africa)
Jammu
Sikkim
Pithampur
Mandideep
Dabhasa
Ankleshwar
Nagpur
Tarapur
Aurangabad
Pune
Vizag
Goa

Empowering Health & Lives

Chairman's Letter

Dear Shareholders,

I am delighted to present our Integrated Report for FY23. This is the third Integrated Report since we formally embarked on our Environment, Social and Governance (ESG) journey. Through this report, we share an overview of our business performance, and progress against our ESG goals and plans.

> **FY23 has been eventful for Lupin, characterized by notable achievements and promising growth prospects.**

Our Performance and Shareholder Returns

FY23 has been eventful for Lupin, characterized by notable achievements and promising growth prospects. Throughout the year, we focused on driving sustainable improvements in operating margins while capitalizing on growth opportunities across all regions. We made significant investments in India to expand our sales force and enhance our reach. Our team has worked tirelessly to achieve robust growth in the Indian market despite the headwinds witnessed in our in-licensed anti-diabetes portfolio.

In the U.S., we have now seen continuous margin improvement for three consecutive quarters through portfolio optimization and cost optimization efforts. We increased R&D spending quarter over quarter with a focus on complex generics, particularly in the inhalation and injectables segments. We are now looking at a wave of launches of complex products in the U.S. that gives us the opportunity to meet unmet needs and grow sustainably.

The API business has shown signs of recovery, with demand growth in our core products. Our EMEA region has witnessed growth, driven by successful launches in Germany and the European market. Additionally, our subsidiary in the APAC region, particularly in the Philippines, has delivered exceptional performance.

Our progress in the U.S., combined with growth in other regions such as India, EMEA, APAC and API, has enabled us to achieve overall margin improvement. We now look forward to improved topline growth, margins and profits, all together driving enhanced shareholder returns.

Enablers for Strategy Execution

In pursuit of operational excellence, we continue to refine our operating model. The focus has been to improve synergies across our value chain through the implementation of Integrated Business Planning (IBP), which focuses on aligning demand and supply planning, providing visibility across the company to all concerned.

We see digital technologies as key enablers to strategic execution, and we have designed a multi-year digital transformation journey to ensure a cohesive and deliberate approach to modernizing our digital capabilities.

Strong Foundation for Future Growth

Throughout the year, we filed 28 products in the U.S. and 10 outside the U.S., with significant progress in our injectable and inhalation platforms. Delivery of these products enables us to drive sustainable growth.

Compliance has been a key focus area, and I am pleased to share that we have made material progress on our remediation efforts at multiple sites. We are committed to ensuring consistent and sustainable compliance across all our facilities.

Our recent acquisitions, including Anglo-French in India, Southern Cross in Australia, Xopenex®, Brovana® in the U.S., and Bausch portfolio in Brazil, have all performed as per expectations.

We remain committed to driving innovation, expanding our product portfolio, and delivering sustainable value to our shareholders. As we look ahead to FY24, we are optimistic about launching key products like Tiotropium DPI, Darunavir, and others in the U.S. and other markets. Combined with our focused initiatives, these launches will enable us to drive double-digit growth and improve operating margins.

Leveraging the Founder's Legacy: A Commitment to Sustainable Performance

Our Founder, Dr. Desh Bandhu Gupta, had always emphasized responsible leadership and innovation, which is reflected in our ESG approach. Our focus on ESG is a cornerstone to creating a strong and sustainable organization that benefits all stakeholders in the long run. We have developed a robust ESG framework that guides our sustainable value-creation goals and our ESG disclosures. We ensure that our ESG strategy aligns with our business priorities and global standards.

I thank the Board for its strategic leadership, my executive team for their steadfast commitment, and our people who are committed to the success of Lupin. It is through their efforts, along with the collaboration and support of our partners and shareholders, that we are achieving our purpose of empowering the health and the lives of our patients.

Sincerely,

Manju Deshbandhu Gupta
Chairman

Towards Greater Goals

CEO & MD's Letter

Dear Stakeholders,

Since our inception in 1968, we have been committed to serving the cause of a healthier world through our affordable and innovative medicines while maintaining a strong focus on safety, quality, and value. As Lupin celebrates 56 years of its existence, we are more dynamic, agile, and future-focused than ever before.

We are delighted to share our reflections on Lupin's performance in FY23. As we look back, throughout the year, we made progress, improving and optimizing our business while continuing to invest for the future and delivering on key milestones to drive sustainable growth. Importantly, we have continuously adapted to the evolving environment while advancing our strategic growth drivers. We actively collaborated with all our stakeholders to overcome challenges and improve access to healthcare and medicine security for those most in need.

Delivering in a challenging macro environment

Despite the headwinds and challenges posed by our operating environment, Lupin has achieved growth in majority of its regions and delivered operating margin improvement over the quarters. Whilst we recognize that we have some way to go, we are pleased with the momentum we have built and are committed to the journey of eventually delivering best-in-class results through execution of important products, operational excellence and efficiency.

Throughout the year, our team has had a sharp focus on getting our India business back to double-digit growth and quarter-after-quarter improvement in the U.S. This focus, along with growth in other areas like our API business, EMEA and APAC, enabled us to deliver sales growth and margin improvement as planned. We are committed to sustaining this positive momentum into the new fiscal, driving strong growth across all our regions, in particular in India, backed by our recent sales force expansion and the U.S. aided by material new product launches and continued optimization.

During the year, we launched multiple new divisions in India to increase our reach and drive higher growth. We also carried out significant rationalization of the workforce across our plants and other areas to improve our productivity.

Progress on Strategy

We have been on a strategic path to evolve our business into complex generics platforms for the U.S. and other developed markets, while continuing to build our India and other emerging markets branded business. As part of this strategy, we have strengthened the building blocks for future growth while optimizing the cost base for our legacy portfolio. In FY23, we maintained our focus on rationalizing our oral solid dosage portfolio for the U.S., consolidating our manufacturing base and strengthening our balance sheet. We have also had material progress on important pipeline products. We are confident that these measures will continue to yield strong results in the quarters ahead.

"As Lupin celebrates 56 years of its existence, we are more dynamic, agile, and future-focused than ever before."

Commercial Focus on Delivering Growth

Focus on getting back to double-digit growth in our India business has yielded good results. Our India business growth improved quarter after quarter to close the year strong. Excluding the in-licensed portfolio, our growth rate was ahead of 15%. Our in-licensed anti-diabetes portfolio witnessed loss of exclusivity and genericization of key products, impacting our overall growth rate. Beyond our top three therapeutic areas, cardiac, respiratory and diabetes, we have delivered strong performance in women's health and gastrointestinal therapy areas[1].

We strategically invested in expanding our sales force in India, bolstering our reach, and strengthening our position in this important market. Despite this investment, we are pleased to have delivered margin improvement for the organization.

In the U.S., we have achieved margin improvement for three consecutive quarters after a tough first quarter. This was due to strong execution on our portfolio, discontinuing products that were not economically viable, maximizing the value of high-potential products, and continued cost optimization endeavors across the value chain.

Our API business demonstrated remarkable recovery, as we witnessed normalization in products like 7-ACCA and Cefaclor. We expect this trend to continue going forward.

We are also pleased to report growth in our EMEA business, driven by South Africa and the successful performance of our Fostair (Luforbec) Asthma inhaler in Europe, where we have been the first to bring a generic to market. In the APAC region, our Philippines subsidiary delivered excellent results and Generic Health in Australia continued to consolidate on its gains after the acquisition of Southern Cross.

Focusing R&D Investments

In keeping with our strategic plan, we pivoted our R&D investments, particularly for the U.S. to complex generics platforms focused on inhalation and injectable products. We filed 19 products, including 4 injectables and 3 nasal sprays. We have also made notable progress on our Respimat and Ellipta platform products which are key to our respiratory business growth. We continued to work with the US FDA and other developed market regulators on our Tiotropium DPI application. Simultaneously, we optimized our New Chemical Entity R&D spending, progressing the development of 2 key oncology pipeline programs and significantly reducing the discovery spend. By aligning our R&D efforts with market needs and leveraging our expertise in platforms like respiratory and injectable products, we are poised to deliver material solutions to patients in the communities we serve.

Making Strides in Compliance

Getting our OAI sites to and maintaining our entire manufacturing network at a satisfactory level of compliance has been a crucial goal for our company. We are pleased to report significant progress and positive outcomes on this front in FY23. Our Ankleshwar, Vizag, Nagpur injectables and Somerset sites have all demonstrated positive compliance performance, with Somerset successfully achieving VAI status and the successful Nagpur injectables inspection enabling us to bring our internal injectable pipeline products to market soon.

Additionally, we have made substantial progress in our remediation efforts at Tarapur and Mandideep Unit-1. Through focused initiatives and proactive measures, we are steadily advancing towards achieving a consistent and sustainable level of compliance across all our sites.

Our unwavering commitment to operational excellence drives us to continually improve. As we look ahead to FY24, we remain dedicated to further enhancing our compliance efforts, with a continuous improvement mindset as a cornerstone of our operations.

Acquisitions: Complementing Organic Growth

All our recent acquisitions have yielded favorable results, aligned with our strategic objectives. Anglo-French in India, Southern Cross in Australia, Xopenex, Brovana in the U.S., and Paloma in Brazil have all delivered as expected, contributing to Lupin's growth trajectory. We are excited about our acquisition of Medisol in France, which will enable us to accelerate our injectables franchise in Europe. These acquisitions have further strengthened our global presence and expanded our product portfolio, positioning Lupin for sustained growth and success.

> **"Lupin's unwavering focus on driving operating margin improvement while sustaining business growth remains at the core of our strategy."**

[1]Source: IQVIA MIDAS March 2023

Embedding Sustainability in our Business Commitments

We have made significant strides in embedding sustainability in our business commitments, reflecting our dedication to Environmental, Social and Governance principles. To ensure comprehensive oversight and progress in these areas, we have established an ESG Core Committee, which actively monitors and guides our sustainability initiatives. By signing up to the United Nations Global Compact, we have demonstrated our commitment to upholding its principles.

We take pride in our role in contributing to the Sustainable Development Goals through focused actions for the patients we serve, people, society and the environment. We recognize the importance of transparency for all our stakeholders and are actively working towards enhancing our engagement and disclosures. In line with this, we have mapped our disclosures according to the recommendations provided by the Task Force on Climate-related Financial Disclosures and presented a Tax Transparency Report.

These initiatives signify our commitment to integrating sustainability into every aspect of our business, driven by a steadfast determination to catalyze positive change and create a lasting legacy of impact.

Looking Ahead

As we enter FY24, we are optimistic about the opportunities and prospects ahead. Our pipeline of complex products, including gSpiriva (Tiotropium), gDarunavir and other first-to-market/niche products, is set to be launched in the U.S. We have also begun expanding the footprint of our gFostair in Europe. We expect Tiotropium to be launched in all our key markets in FY24. On the injectables front, we expect FY24 to be an important year as we bring both our partnered and in-house products to market in the U.S. and other developed markets. Additionally, leveraging our recent sales force expansion, we remain committed to driving consistent double-digit growth in our India business. With strong execution on these growth drivers and continued focus on cost optimization, we expect to deliver growth in both revenues and margins throughout the year.

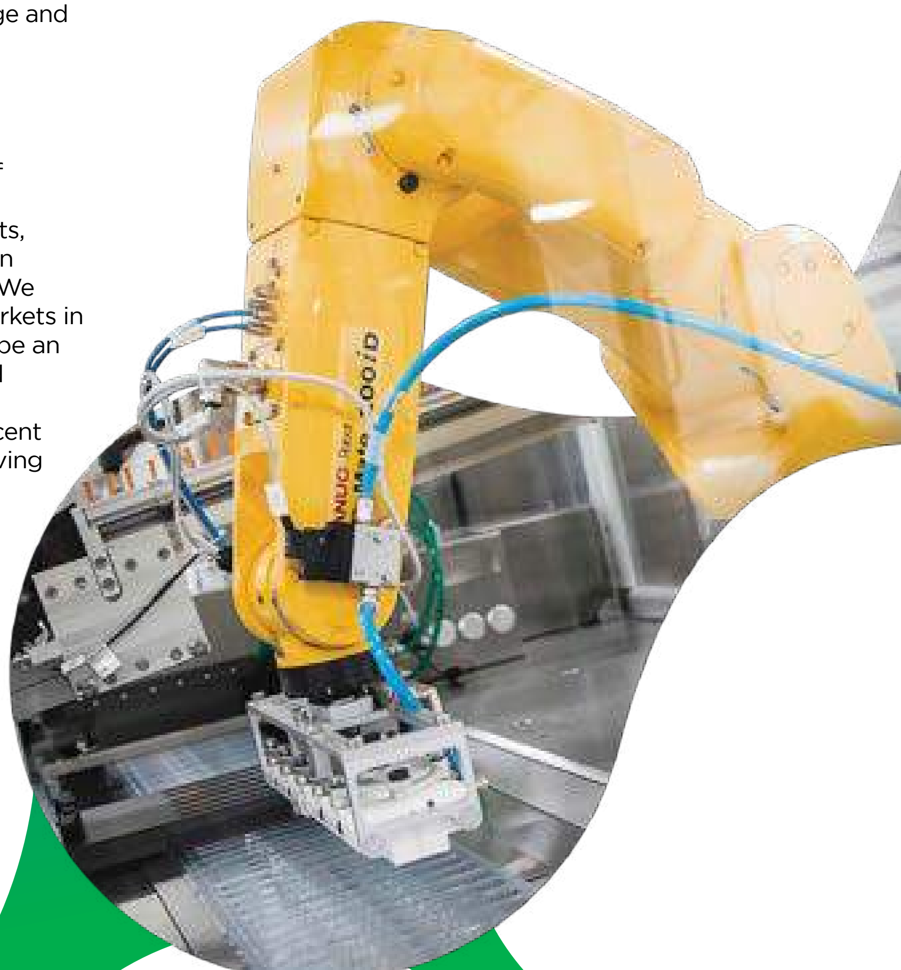
We recognize that our success is a result of the collective efforts of our dedicated employees, the trust and support of our investors and stakeholders, and our unwavering commitment to delivering high-quality healthcare solutions worldwide. As we forge ahead, we remain steadfast in our commitment to compliance, operational excellence, and innovation.

We extend our deepest gratitude to each and every one of you for your continued support and trust in Lupin. We are confident that together, we will achieve great milestones and create sustainable value for all stakeholders.

Sincerely,

Vinita Gupta
Chief Executive Officer

Nilesh Gupta
Managing Director



Our Values

Entrepreneurial Spirit

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

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

Passion for Excellence

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

To set our standards, we benchmark with the best in the world.

Customer Focus

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

We focus on building long-term partnerships for mutual benefit.

Integrity

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

Everything we do must stand public scrutiny.

Respect & Care

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

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

Teamwork

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

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

Our Strategy for Value Creation

Strengthen Leadership in Key Markets

We are poised to extend our leadership in key markets, India and the U.S., through a comprehensive strategy that fuels growth, innovation, and portfolio evolution in complex generics.

In India, we aim to outpace the market by strategically expanding our presence by adding >1,300 sales force in existing therapeutic areas while exploring newer domains and bringing our sales force to >9,100. Our steadfast focus on chronic therapies, which contribute 62.5% of our domestic branded formulation revenues, has laid the foundation for substantial growth in areas like Cardiovascular, Diabetes, and Respiratory treatments. Furthermore, we are diversifying our portfolio in segments like Gynecology, Dermatology, Urology, and Pediatric segments to cater to a wider patient base.

We are making significant strides in adjacencies such as Diagnostics, Digital Therapeutics solutions, and Neuro-rehabilitation. These adjacencies complement our core business and offer us a competitive edge in delivering holistic healthcare solutions.

In the U.S., where we already ranked as the third-largest generic company by units and a key supplier of oral solid dosage forms, our strategic vision now focuses on complex generics, most of which would be first-to-market launches, including biosimilars. This transformation reflects our commitment to innovation and meeting evolving patient and healthcare provider demands, positioning us to strengthen our market position.

In the EMEA region, we are dedicated to strengthening our leadership position and maximizing growth opportunities in Respiratory and Neurology segment. Our efforts are focused to launch more inhalation products, expand NaMuscla to cater unmet needs in treating Dystrophic Myotonia.

Our established businesses in key markets such as Australia, Brazil, Canada, Mexico, the Philippines, and South Africa will continue to thrive. Our focus is on sustainable growth, driven by a differentiated portfolio, enhanced profitability through market share gains, new product launches, and cost optimization initiatives.

Expand Basket of Complex Generics for U.S. and Other Markets

We are creating complex generics platforms in inhalation, injectables and biosimilars to expand our basket of first-to-market opportunities and increase our offerings on complex dosage forms beyond oral solids. By venturing into these domains, we aim to increase affordability and generate savings for the respective payers, capture new market share, address unmet medical needs, and maximize value creation.

Inhalation: We are one of the few companies worldwide to obtain approval for generic versions of both Dry Powder Inhaler (DPI) and Metered Dose Inhaler (MDI) in the U.S. and EU markets, demonstrating our pioneering advancements. We have filed multiple inhalation products and are actively developing an expansive pipeline. We are also bringing our inhalation portfolio to meaningful markets such as the EU and the U.K., unlocking new frontiers of growth and impact.

Injectables: We have multiple complex injectables under development, with one already filed and another in the late clinical phase. We are accelerating our pace of filing, approval, and launching these injectables products, aligning with the growing demand for critical therapeutic categories.

Biosimilars: We have a long runway of growth for biosimilars, with a focus on key geographies like the U.S. and the EU. We have already made significant strides with biosimilar Etanercept in Japan and Europe, and we see immense potential for further expansion. Additionally, we have filed a biosimilar version of Pegfilgrastim in the U.S., anticipate approval. Our commitment to biosimilars remains strong, as we continue to develop an extensive pipeline of innovative and life-changing treatments.

Continue to Prioritize Regulatory Compliance

Lupin maintains a steadfast commitment to regulatory compliance across our global facilities. Adhering to GMP standards, our sites hold accreditations from esteemed regulatory authorities such as U.S.FDA, UK MHRA, WHO and Japanese PMDA. In FY23, we continued to successfully face multiple inspections by various authorities and received satisfactory compliance status for three of our sites.

Our goal is to achieve world-class standards in quality and compliance, driving our continuous improvement efforts to bring out the remaining two units currently under OAI.

Excellence in Execution

We are committed to enhancing the efficiency and productivity of our R&D and manufacturing network through targeted optimization initiatives across markets, thereby unlocking further efficiencies.

Operational Effectiveness: We drive resource excellence across manpower productivity, sales force and procurement excellence. We shall optimize capital expenditure and R&D spends to leverage our portfolio across markets.

Digital Transformation: Our digital transformation journey has evolved from support services to leverage data analytics that enable informed decision making and ensure operational agility.

Our unwavering focus on execution excellence empowers us to streamline operations, maximize productivity, and unlock long-term value.

Building a Sustainable Future

Lupin's commitment to building a sustainable future through People, Products, business Paradigm and Processes is at the core of our long-term value creation strategy. In FY23, we made significant strides in our ESG agenda, setting the stage for transformative initiatives that lie ahead.

People: Upholding human rights and fostering employee engagement are paramount to our sustainable future. We conducted a comprehensive Human Rights Assessment across Lupin sites, ensuring that our operations uphold the highest ethical standards.

Products: We continued our efforts to improve access to healthcare by increasing registrations for anti-TB and ARV medicines in low-middle-income countries. We also focused on developing innovative and affordable products that address unmet medical needs and enhance patient outcomes.

Business Paradigm: We strengthened our ESG framework through a meticulous double materiality assessment, allowing us to focus on key areas that drive both business and societal value. Recognizing the importance of responsible business conduct, we joined the esteemed United Nations Global Compact (UNGC), reaffirming our commitment to ethical practices.

Processes: We completed a comprehensive Scope 3 GHG assessment, furthering our understanding of our carbon footprint. To drive cleaner energy practices, we are expanding our renewable capacity by over 22 MW to bring total capacity to over 36 MW in FY24. This substantial investment underscores our dedication to reducing our carbon emissions and embracing sustainable energy sources. Furthermore, we implemented a robust supplier assessment framework to evaluate the sustainability practices of our third-party suppliers, ensuring alignment with our ESG values.

We remain dedicated to enhancing our targets, implementing effective tracking mechanisms, and realigning internal practices towards a sustainable future.

Our Contribution to the SDGs

Access to Healthcare

- Lupin supplies globally 29 Bn standard units of medicines with 15 Bn in the U.S.[1]
- Global leader in Anti-TB medication supplies to global agencies
- Manufacturing ~3,000 MT of API with leading capabilities in Lisinopril, Rifampicin and Cephalosporins

Patient Centricity

- Providing diagnosis, rehabilitation, and end-to-end care for patients in select therapy areas in India

Health and Safety at the Workplace

- Best-in-class health and safety measures implemented at all our sites and offices

Societal Healthcare Initiatives

- Working with Governments to strengthen tuberculosis elimination
- MoU with Government of Maharashtra and Rajasthan to combat the growing prevalence of Cardiovascular Disease (CVD) and Chronic Obstructive Pulmonary Disease (COPD)

Societal Education Initiatives

- Enabling rural skill development in agricultural practices in India
- Empowering women in rural communities through education in India
- Pharma Dynamics are subsidiary in South Africa, promotes equitable access to education by partnering with Tutudesk Foundation which aims to benefit 20 Mn children by 2025

Local Capacity Building for Patients and Doctors

- ~625,000 patients and 9,500 doctors have been educated in India and ~4,250 doctors in South Africa
- We are actively exploring partnerships to enhance doctor and patient education

Employee Training and Development

- Regular training and development provided to all employees
- 1.7 Mn total training hours and ₹65 Mn investment on training and development

Commitment to Gender Diversity

- Pursuing a target to achieve a representation of 15% women in our total workforce by 2027. Currently at 9%
- Comprehensive diversity and inclusion initiatives have been implemented
- Received Business World's Diversity and Inclusion Award 2022 for "Outstanding Diversity Network"

Ambitious Water Recycling Targets

- In FY23, we have recycled 42% of total water withdrawn for our India operations Our target is to achieve 50% recycling of the water used in India operations, by 2025

Water Risk Assessment

- Conducted water risk assessment at five of our manufacturing locations

Commitment to Water Stewardship

- Lupin is committed to water stewardship and is currently 400% water positive

Renewable Energy Commitment

- We are adopting a hybrid renewable power model comprising wind and solar
- In FY23, our total procurement of renewable electricity is 5.4%

Energy Efficiency

- Implementing and investing in energy-efficient technologies and systems

Global Employer

- Lupin employs ~20,500 people across its global operations

World-Class Working Conditions

- Zero fatalities over the last four years
- Employee engagement activities conducted regularly

Industry Leading Manufacturing Capabilities

- 15 Global Manufacturing Sites

Utilization of Artificial Intelligence

- We are gradually implementing AI and Data Analysis tools across our operations

Robust R&D Systems Driving Innovation

- 7 R&D Units with a wide range of specialized areas
- 911 Active Patents
- 1,400+ R&D Personnel

SDGs - Sustainable Development Goals

[1]IQVIA MIDAS MAT Mar 23

Reduce Income Inequality
- Dedicated to achieving gender equality pay ratio of 1:1

Zero Tolerance to Discrimination
- We maintain a zero-tolerance policy towards all types of discrimination, including sexual discrimination

Providing Medicines in LMICs
- Lupin continues to accelerate ARV and anti-TB registrations in LMICs with >120 registrations till date and supplying many lifesaving medicines in these regions by partnering with global agencies

Utilization of Captive Renewable Energy
- 64,448 MT CO2e reduced through captive renewable energy

Implementing Cloud Technology
- Comprehensive transition to Cloud Technology, aiming to shift away from physical storage and server options

Responsible Consumption and Disposal Practices
- We have implemented efficient waste management and circularity practices across our entire value chain

Co-Processing of Waste
- We prioritize waste recycling and are actively reducing landfill and incineration
- Seven of our thirteen sites, including R&D, send incinerable hazardous waste to Co-processors/ Pre-processors
- In FY23, we sent 4,175.21 MT (60.9%) of incinerable hazardous waste for co-processing

Extended Producer Responsibility
- In FY23, we achieved our EPR target with 100% completion, collecting and channelizing 1,956 MT of plastic waste to processors

Undertook a Detailed Climate Change Scenario Analysis
- In FY23, we undertook a detailed climate-related scenario analysis to identify our physical and transition risks

In-depth Decarbonization Plan
- We have outlined a comprehensive decarbonization plan that is driven by renewable energy adoption

Scope 3 Inventorization
- In FY23, we conducted a detailed Scope 3 accounting exercise. Our Scope 3 emissions for FY23 stand at 651,664 MT CO_2e

Emission Reduction Targets
- By 2030, we aim to reduce our Scope 1 and Scope 2 GHG emissions by 15% (against FY20 baseline)

Zero Liquid Discharge
- 6 out of 13 Sites are Zero Liquid Discharge

Anti-Microbial Resistance Stewardship
- Anti-Microbial Resistance (AMR) stewardship is a key component of our sustainability strategy
- We aim to create AMR stewardship in three areas of manufacturing, awareness and responsible use

Group Wide Biodiversity Policy
- Developed a Group-wide Biodiversity and No-Deforestation Policy

Tree Plantation
- >137,000 trees planted in FY23

Robust Governance Systems
- Comprehensive Code of Conduct
- Robust anti-bribery and corruption policy

Bioethics: Animal Testing
- Test Facility accredited by AAALAC International since 2013
- Registered by CCSEA, Government of India
- Certified as OECD GLP Compliant Laboratory by NGCMA of India, Cert.

United Nations Global Compact
- Lupin has become a signatory of the UNGC in FY23

Responsible Supply Chain
- All our suppliers are covered under our Responsible Procurement Policy and Third-Party Code of Conduct
- Undertaking detailed ESG audits of 100% Tier 1 suppliers of raw material and packaging materials, by 2025

Partnerships and Collaborations
- We actively partner with external stakeholders, companies, and academic institutions to enhance open innovation and research
- MoU with Fergusson College (autonomous), Pune for Post Graduate Diploma in Advanced Biotechnology

Our Value Creation Model

INPUT

Financial Capital

Our aim is to maximize shareholder returns, prioritize R&D investment, and optimize costs.

Manufactured Capital

We invest in expanding and maintaining capacities for quality product manufacturing.

Intellectual Capital

Our R&D endeavors leverage leading-edge technologies, expertise, and strategic partnerships for global innovation.

Human Capital

Through innovation, transformation, and continuous improvement, we attract top talent, develop skills, and shape fulfilling careers aligned with our vision.

Social & Relationship Capital

We strive for holistic development encompassing economic, social, natural resource, and infrastructure sectors.

Natural Capital

We invest in infrastructure upgrades to foster sustainable operations, focusing on energy conservation, GHG reduction, and effective wastewater and waste management.

BUSINESS

Improving Health Outcomes

Quality, Manufacturing & Compliance

Research

Marketing & Corporate Development

OUTPUT

- Net Sales: ₹162,700 Mn
- Net Profit After Tax: ₹4,301 Mn
- EBITDA: ₹18,715 Mn

- Total Formulation Units: 19,451 Mn
- API: 2746.7 MT
- Manufacturing Sites which comply with GMP: 100%
- Technology Enabled Manufacturing: Across all Sites

- R&D Units: 6
- Expenditure on R&D: ₹12,800 Mn
- Total Patents (Active): 911
- Consumer Complaints Regarding Data and Cyber Security: 0

- Percentage of Women at the Workplace: 8.79%
- Employee Turnover Rate (Permanent Employees): 25%
- Expenditure on Employee Benefits: ₹19,341.4 Mn
- Total Training Hours: 1,711,297
- Total Investment in Training and Development: ₹65 Mn

- Total CSR Expenditure: ₹356.5 Mn
- Total Beneficiaries: 170,778
- Total Suppliers: 12,531
- Expenditure on Suppliers (direct and indirect): ₹118,340 Mn
- Suppliers Engaged: 100%
- Public Relations Engagement spanning 44 cities

- Emission Reduction (Scope 1+2+3): 109,274 metric tons CO_2
- Total Renewable Energy Capacity: 36 MWh
- Avoided Emissions due to Renewable Energy Usage: 7,863 tCO_2
- Water Recycled: 42%
- Waste Co-Processed: 61%

OUTCOMES

- Overall improvement in financial performance over the last year

- Enhanced Product Quality
- Implementation and Utilization of Digital Technologies
- Improved Process Efficiencies

- Increased investments in R&D infrastructure
- Adoption of Green Chemistry
- Leveraging Partnerships for Open Innovation

- Holistic diversity and inclusion programs
- Robust training and development modules and programs

- Strategy CSR strategy focusing on lives and livelihoods
- ESG centric supply chain strategy
- Leveraging global and regional partnerships

- Development of organization wide climate strategy
- Year on year emission reduction
- Improve water and waste recycling

ESG Strategy

In recent years, there has been a remarkable rise in ESG initiatives driven by heightened scrutiny from investors, governments, and consumers regarding companies' environmental and societal impact. Consequently, integrating ESG considerations into business strategies has become indispensable for thriving in a socially conscious market.

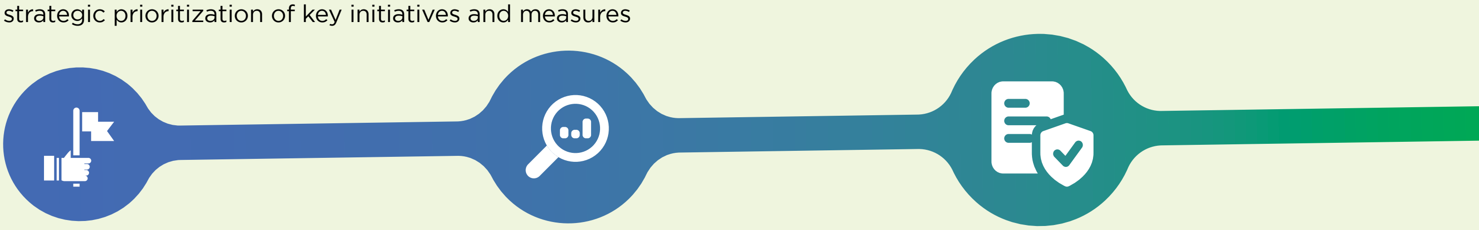
Holistic Value Creation Through ESG

ESG is deeply ingrained in our organizational DNA, driving relentless pursuit of excellence in sustainability. Guided by the vision and commitment of our Founder, Dr. Desh Bandhu Gupta, we have made significant strides in our ESG journey, positioning ourselves as industry leaders. Our approach to ESG fosters resilience and propels long-term value creation for all stakeholders. By embracing responsible leadership and fostering innovation, we have accelerated the implementation of impactful initiatives and processes that deliver tangible value.

Underpinning our efforts is a robust ESG framework, which shapes our sustainable value-creation goals and disclosures. We ensure alignment with global standards and harmonize our ESG strategy. Every business function and internal team plays a pivotal role in integrating ESG, reflecting our unwavering commitment to holistic value creation. While consistency remains crucial, we also recognize the need for adaptability and agility in meeting future stakeholder expectations. Strategic decision-making and prioritization propel us toward global leadership in our industry. As we embark on another year of our ESG journey, we remain steadfast in conducting business responsibly and ethically, embodying our commitment to making a positive impact.

A Snapshot of our ESG Journey

The trajectory of Lupin's ESG journey has been steep, as we have accomplished in a short period what typically takes years to achieve. This remarkable progress in our strategic prioritization of key initiatives and measures allow us to efficiently allocate investments, resources, and time for consistent year-on-year improvements in our ESG performance.



2020	2021	2022
Assess and Launch		Advance and Apply
Diagnostic review of current state of ESG	Published our First Integrated Report	Enhancement of ESG Governance Mechanisms
Identification of Key ESG Priorities	Detailed engagement with stakeholders on progress	Policy Formulation - Board Diversity Policy, Human Rights Policy, EHSS Policy, Third Party Code of Conduct
Establishment of an ESG Team and Management Structure		Undertook GHG Inventorization and Baseline for Scope 1 and 2
Alignment with global and regional ESG frameworks and standards		Conducted a Water Risk Assessment
		Identification of Critical Suppliers
		Published our Second Integrated Report
		Disclosed to DJSI and CDP Climate Change

Aligning our ESG Strategy with our Business Priorities

At Lupin, we firmly maintain that integrating ESG strategy and the corresponding systems and processes that drive it must be aligned with the overarching organizational strategy and business priorities. With the increasing importance of ESG issues in response to the shifting socio-economic landscape and climate change, creating synergies between Lupin's organizational strategy, business priorities, and our ESG strategy is essential.

To achieve this alignment, we have established a robust governance system and a core team that oversees ESG and business as usual. Our ESG Core Committee, chaired by our Global CFO, comprises senior management and global presidents at Lupin, who are ideally positioned to take charge of ESG issues. Additionally, their business insights provide valuable guidance on the best ways to realize our ESG strategy. The committee reports on priorities and progress to the Board of Directors, and its members meet monthly to discuss progress, challenges, and next steps.

We have also focused on strengthening our capacity and capabilities in ESG risk management by providing training and awareness interventions to our employees, senior management, and board members. This periodic training ensures that each group is well-versed in ESG and aware of the impact of its decisions on the environment and surrounding communities.

Our commitment to conducting business responsibly and consciously is evident through introducing and regularly revising ESG-aligned policies, covering Environmental Management, Human Rights, Diversity, Equity and Inclusion, Biodiversity, No-Deforestation, and Environment Health and Safety. These policies provide Lupin and its stakeholders with the necessary guidance in all aspects of the business.

As we mature in our ESG journey, we have focused on areas where we can create the most significant impact. These areas include championing global health equity by providing accessible and affordable products, ensuring patient centricity, enabling supply chain efficiencies, empowering our employees, and advancing environmental health. At Lupin, we are confident that our ESG strategy will continue to drive our business priorities and organizational strategy forward, ensuring a sustainable future for all stakeholders.

2023	2024	2025
Add, Expand, and Accelerate		Attain and Achieve
Further Enhancement of ESG Governance Mechanisms through the Establishment of Board Level ESG Committee and linkage of the Materiality Assessment	Establish Next Stage of ESG Strategy	Development and Enhancement of Key ESG Strategic Areas
Policy Formulation - Water Stewardship Policy, Biodiversity and No-Deforestation Policy	Continue Renewable Energy Transition	Sustained Progress and Development of Existing ESG Performance
Implementation of ESG Dashboard and Data Management Tools	Explore Feasibility of Environmental Profit and Loss Accounting	
Published our First TCFD Reporting	Decarbonization strategy finalization	Implementation of decarbonization strategy
Conducted a Physical and Transition Risk Assessment along with Scenario Analysis		Integrating ESG risk management with ERM framework
Undertook GHG Inventorization for Scope 3		
Improved Diversity Strategy		
Became a UNGC Signatory		
Developed and Published a Tax Transparency Report		

Our ESG Goals

To address our top materiality topics, either through the mitigation of risks or realization of opportunities, we have developed a comprehensive ESG framework and roadmap which helps in articulating our strategy, goals, and targets. Through this framework, we can track the progress of our ESG performance across our entire business.

ESG objectives are strategic in design and holistic to ensure we effectively contribute to both enterprise value creation and improving the environment, society, and economy. These include both short-term and long-term targets.

- Natural Capital
- Financial Capital
- Intellectual Capital
- Manufactured Capital
- Human Capital
- Social and Relationship Capital
- Business Review (MD&A)

Product Accessibility and Affordability

- **Access to Medicines**
  - Targeting 80+ registrations of anti-TB and ARV medicines in 2024
- **Implementation of Patient Assistance Programs**
  - Two programs by 2025, each benefitting 100,000 patients
- **Education for Patients and Doctors**
  - Touching 1 million Patients by 2028 and 20,000 doctors by 2030
- **Local Manufacturing Partnership**
  - Developing partnerships in African firm by 2027 to improve accessibility

Capitals

Material Issues

- Accessibility and Affordability
- Community Development and CSR

Innovation Management

- **Complex Generics Launches in Regulated Markets by 2028**
  - 20 complex product launches in the areas of inhalation, injectables, among others
- **Biosimilar and Novel Complex Products**
  - Complete 3 biosimilar filings in regulated markets by 2028
  - Launch 10 novel complex pipeline products in India by 2028
- **Process/Open Innovations**
  - Target 15-20 process innovations annually, resulting in $2-3 million in savings
  - Pursue open innovation partnerships in API, formulations, digital solutions, and diagnostics

Capitals

Material Issues

- Innovation Management and Research
- Digitization

Regulatory Compliance, Quality, and Patient Safety

- **Regulatory Compliance**
  - Zero sites with Warning Letter status (WL) by FY25
- **Recalls**
  - Maintain zero class I recalls
- **Data Integrity**
  - No data integrity-related observations in any regulatory audits
- **Quality Audits**
  - Lupin's India sites undergo annual audits, while supplier sites are audited every three years and during vendor qualification
- **cGMP Training**
  - Ensure 100% completion of mandatory training to applicable employees

Capitals

Material Issues

- Regulatory Compliance, Consumer and Patient Safety & Pharmacovigilance
- Data Integrity, Data Privacy and Cyber Security

Patient Centricity

- **Diagnosis**
  - By 2030, assist in the diagnosis of lung disease using fractional exhaled nitric oxide (FENO) and Spirometry tests for more than 1 million patients
  - Target the diagnosis of breast cancer in 1,400 women in FY24
- **Rehabilitation**
  - "Lungs on Care" campaign: Provide in-clinic services for Interstitial Lung Diseases (ILD) rehabilitation in 300 clinics by 2030
  - Atharv Ability, our neuro rehabilitation center is targeting an outreach to 10,000 patients in FY24
- **Full care**
  - Lyfe provides post ACS (acute coronary syndrome) patient care, aiming to reach 25,000 patients in FY24

Capitals

Material Issues

- Community Engagement and Development
- Regulatory Compliance, Consumer and Patient Safety & Pharmacovigilance
- Data Integrity, Data Privacy and Cyber Security

Environmental Stewardship

- **Greenhouse Gas Emissions**
  - By 2030, reduce Scope 1 and Scope 2 GHG emissions by 15% from 2019-20 levels
- **Water Conservation**
  - By 2025, we aim to recycle 50% of our total water withdrawal
- **Hazardous Waste Management**
  - By 2025, re-direct 60% of incinerable hazardous waste from Indian operations to co-processing such as cement plants
- **Regularly review and revise goals**
  - In alignment with our decarbonization strategy and Scope 3 reduction objectives

Capitals

Material Issues

- Environmental Impact Management
- Climate Change and Impact on Business
- Opportunities in Renewable Energy
- Opportunities in Green Building
- Antimicrobial Resistance

Our Materiality Assessment

In FY22, we conducted a detailed materiality assessment aligned with Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and Dow Jones Sustainability Index (DJSI) to develop a more informed ESG strategy. This includes understanding key stakeholder priorities and expectations. The assessment, assured by a third party, helped understand stakeholder priorities and identify key focus areas for Lupin.

The Process of our Materiality Assessment

Baselining

Conducted a detailed study on the need for and advantage of a materiality assessment with regards to the pharmaceutical industry. This was cross examined against ESG drivers for the industry.

Landscape Analysis

An in-depth desk based landscape analysis was conducted with regards to the macro trends of the pharmaceutical industry, business environment, and potential risks and opportunities that may arise. This was further corroborated through analysing peer best practices and material issues.

Stakeholder Engagement

Through multiple meetings with senior management and external consultants we were able to shortlist the key stakeholder groups we were going to engage with as a part of the materiality assessment. This was followed by the rollout of the materiality assessment questionnaire.

Thematic Bucketing

Once we received responses from all 191 stakeholder we worked towards prioritising the material issues into thematic buckets to better identify strategic risks and opportunities from a business perspective.

Finalization

The material issues were narrowed down to seventeen from forty and prioritized on a materiality matrix. The finalization process included senior management meetings as well as meetings with the Board.

Revalidation of the process through the lens of Double Materiality

Reviewed Every Year | **Signed Off by Senior Management** | **Third Party Assured**

Our engagement process was exhaustive to ensure effective communication with our stakeholders and facilitate constructive dialogue. We engaged with 191 stakeholders across various groups, including business partners, employees, customers, investors, suppliers, and NGOs. The goal was to comprehensively understand key priorities and corresponding ESG risks and opportunities that might impact our business and value chain.

The feedback from stakeholders was carefully reviewed and approved by the Senior Management at Lupin over multiple meetings, with a final consensus reached regarding the top ESG issues. ESG aspects were assessed based on their potential impact on the business and strategy over the short to medium-term.

The assessment identified forty topics based on the macro business landscape and sector-specific trends relevant to our business and operating locations. These topics were narrowed down to seventeen key material topics, categorized into six thematic areas: Environmental Performance and Climate Change, Employment Practices, Supply Chain Management, Governance, Community Engagement, Product and Consumer. Our material issues, priority areas, and metrics were discussed and approved by the Board of Directors and the ESG Core Committee.

It is important to note that our material topics are not linked to the Enterprise Risk Management Framework (ERM). However, we aim to connect our key material ESG issues with the larger ERM framework to manage risks and opportunities and properly allocate resources effectively. This process is ongoing and will be completed within FY24.

Revisiting our Material Topics

As a responsible organization, Lupin recognizes the importance of regularly re-evaluating the material issues that affect our operations. Given the constantly evolving socio-economic and environmental landscape, ensuring that the identified material topics remain relevant and aligned with our strategic goals is crucial.

To this end, Lupin has recently undertaken a comprehensive exercise to review the forty material issues initially identified in FY22. This exercise was conducted with an emphasis on the concept of double materiality, which highlights the impact of an organization on the environment and society, as well as the impact of these external factors on the organization itself.

The exercise involved a workshop with our senior management team outlining the importance of a double materiality assessment and identifying externalities caused by Lupin. Subsequently, a detailed questionnaire was rolled out to key stakeholders to gather their input on the key material topics.

The issues identified during this exercise reflect our commitment to a new outlook toward materiality and provide valuable insights that will help us redefine our strategic decision-making processes. In the future, Lupin pledges to undertake this re-examination of material issues annually to stay abreast of the evolving ESG landscape and meet the expectations of our stakeholders.

Integration of Material Issues in Enterprise Risk Management Framework

We are in the process of aligning our material issues with the organizational enterprise risk management framework. As part of this process, we have identified key risks and opportunities and our management approach to mitigating the risks and realizing the opportunities. This analysis was conducted by collaborating with our internal functions and business units[1].

Long-Term Direction and Focus

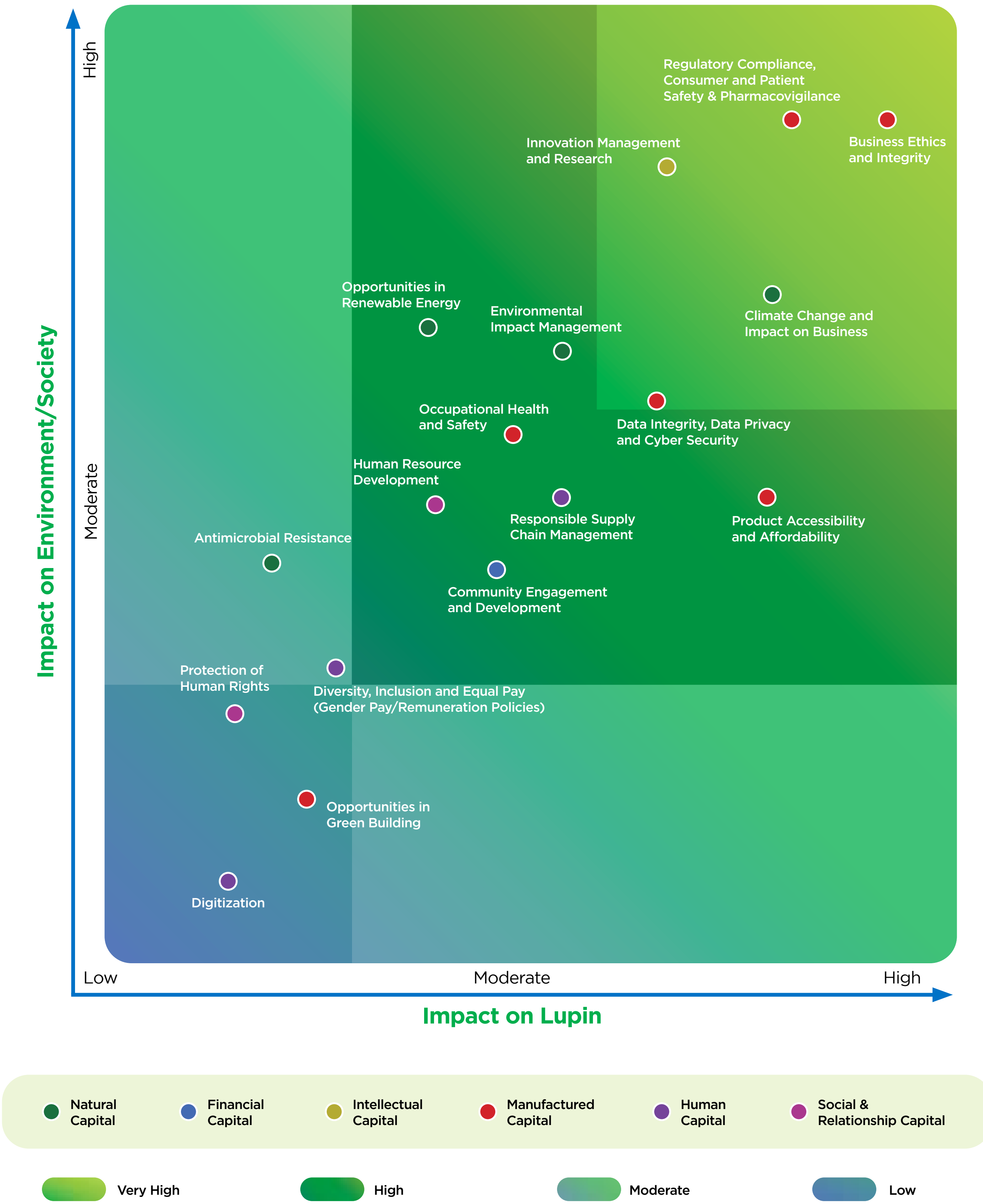
At Lupin, we are committed to improving health outcomes for all our stakeholders. We understand that long-term planning, strategizing, and commitment are essential. We conducted a 360-degree analysis of our current material issues, business strengths, and critical opportunity areas to optimize our time, resources, and investments. Through this analysis, we have identified a set of core competencies that will drive the next wave of change at Lupin.

To drive meaningful change and create value, we recognize the need to focus on specific areas of ESG.

Subsequently, our Board of Directors and Senior Management had in-depth discussions in FY23 to identify these focus areas via the double materiality assessment. As a result of these discussions, we have strategically identified key areas that warrant our undivided attention and investment, enabling us to contribute to the greater good, positively.

[1]Refer Page 51 of BRSR

Our Materiality Matrix



Targets Taken in FY22

For our other material topics where we had taken targets in FY22 the progress against the same is highlighted below.

	Targets	Progress in FY23
Supply Chain Sustainability	Undertaking detailed ESG audits of 100% of only raw material and packaging materials Tier 1[1] suppliers by 2025.	Kick-started Supplier Assessment. We assessed ~50% of Tier-1 Direct Material Suppliers for ESG Risks (basis third party secondary research).
	Incorporation of ESG aspects in the evaluation criteria for onboarding all new vendors by 2025.	Finalized Sustainable Procurement Strategy. We are also developing a Sustainable Procurement Policy to supplement our strategy.
Environmental Performance	Reduce our Scope 1 and Scope 2 GHG emissions by 15% from 2019-20 levels, by 2030.	We have added to our renewable energy capacity, thus resulting in an 8% reduction in Scope 1 and 2 emissions.
	Recycling 50% of our total water withdrawal in our Indian operations by 2025.	Recycled 42% water withdrawal in our operations.
	60% of the hazardous waste generated in its Indian operations will be sent to cement plants for co-processing by 2025.	61% of hazardous waste has been sent to cement plants for co-processing.
Social Value Creation and Preservation	15% women employees across all business units by 2027.	8.79% of permanent employees are women.
	10% year-on-year reduction in the Lost Time Injury Frequency Rate (LTIFR), Severity Rate, Accident Frequency Rate, and Incident Frequency Rate, taking FY19 as the base year.	66% reduction in reduction in LITFR as compared to previous year for employees and contractors. Overall Reduction from 0.34 in FY20 to 0.07 in FY23.
Biodiversity	Plant 1,600,000 trees by 2025.	Through our employee volunteering program, we have planted 10,000 trees in India (FY23 estimate). Furthermore, ~137,000 trees planted by LHWRF Initiatives. We have also planted more than ~5,000 trees on World Asthma Day.

[1] Tier 1 suppliers are direct suppliers who provide components or systems directly for our manufacturing processes without intermediaries. Tier 2 suppliers are secondary suppliers that provide parts and materials to our Tier 1 suppliers

Governance, Ethics and Compliance

At Lupin, we understand the vital role of governance in establishing trust and long-term value for all stakeholders. Our commitment to sound governance practices is deeply ingrained in our operations, influencing strategic decision-making, risk management, and ethical conduct. Therefore, our corporate governance philosophy is rooted in transparency, accountability, fairness, integrity, detailed disclosures, and professionalism.

Guided and supported by our Board, the management of Lupin implements various corporate governance initiatives. Effective leadership combined with good governance practices has been a core strength of our company. We continuously benchmark ourselves against industry best practices, ensuring that we meet and exceed the standards of corporate governance in both form and spirit.

Organizational Governance Structure

Lupin Limited maintains a diverse and skilled Board of Directors with expertise in entrepreneurship, leadership, pharma, strategy, finance, and general management. This composition ensures that the highest standards of corporate governance are nurtured and upheld within the company. Our Board consists of a well-balanced mix of executive, non-executive, and independent directors who provide strategic guidance and valuable insights to the management team.

In addition to meeting all mandatory requirements, Lupin complies with non-mandatory requirements specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These include obtaining unmodified audit opinions on financial statements, establishing a direct reporting line of the Head of Internal Audit to the Audit Committee, and maintaining separate individuals for the roles of Chairman, Chief Executive Officer, and Managing Director.

Lupin Limited, A UNGC Signatory

Lupin takes immense pride in becoming a signatory of the United Nations Global Compact (UNGC), an endorsement that reflects our strong commitment to good governance and ethics. As a UNGC signatory, we join a global network of like-minded organizations, enabling us to leverage collective expertise, best practices, and collaborative initiatives to address global challenges.

By becoming a UNGC signatory, Lupin affirms its dedication to upholding the ten principles of the UNGC in human rights, labor, environment, and anti-corruption. This commitment aligns with our core values and reinforces our ongoing efforts to integrate sustainability and responsible business practices throughout our operations.

We will communicate our progress to the UNGC, ensuring transparency and accountability while actively participating in sustainable development goals.

UNGC Alignment

Principle	Statement	Report Chapter	Page Number
Human Rights			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Human Capital	125
Principle 2	Make sure they are not complicit in human rights abuses.	Human Capital	125
Labour Rights			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital	121
Principle 4	Eliminate all forms of forced and compulsory labor	Human Capital	125
Principle 5	Abolish child labor	Human Capital	125
Principle 6	Eliminate discrimination in respect of employment and occupation	Human Capital	113-114
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges	Natural Capital	126
Principle 8	Undertake initiatives to promote greater environmental responsibility	Natural Capital	126
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	Natural Capital	126
Anti-Corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Governance, Ethics, and Compliance	34-38

* United Nations Global Compact

Board Of Directors

Mrs. Manju D. Gupta
Chairman

C

Ms. Vinita Gupta
Chief Executive Officer

M C

Mr. Nilesh D. Gupta
Managing Director

M M M M

Mr. Ramesh Swaminathan
Executive Director, Global CFO & CRO and Head - Corporate Affairs

M

Audit Committee

Stakeholders' Relationship Committee

Nomination & Remuneration Committee

Mr. K. B. S. Anand
Independent Director

C M M

Mr. Jean-Luc Belingard
Independent Director

C

Mr. Mark McDade
Independent Director

M M

Dr. Punita Kumar-Sinha
Independent Director

C M M

Corporate Social Responsibility Committee

Risk Management Committee

M Committee Members

C Committee Chairperson

Committees of the Board

Lupin has established committees with well-defined roles and responsibilities to ensure focused attention and expedited resolution of diverse matters. Following a predetermined schedule, these committees convene regularly to deliberate on technical or specialist issues and provide guidance and recommendations to the Board of Directors.

Each committee has members from the Board who possess specific skills and knowledge relevant to the committee's focus areas. This composition enables in-depth discussions at the committee level, with the inputs and recommendations being used to enable the broader Board's decision-making process. Establishing these committees underscores our commitment to effective governance and diligent oversight in key business areas.

Key Committees of the Board

- **Audit Committee:** Comprised of finance and auditing experts, ensuring financial reporting, internal controls, risk management, and statutory compliance.
- **Corporate Social Responsibility Committee:** Focuses on CSR initiatives, ensuring compliance with regulations and best practices for social and environmental responsibilities.
- **Nomination and Remuneration Committee:** Identifies qualified candidates for directorship and formulates fair remuneration policies.
- **Stakeholders Relationship Committee:** Addresses stakeholder concerns, facilitates effective communication, and maintains positive relationships with shareholders, investors, and other stakeholders.
- **Risk Management Committee:** Identifies, assesses, and mitigates organizational risks, providing insights for proactive risk governance.

Ethics, Compliance, and Integrity

At Lupin, we foster a culture of transparent and impartial interactions with stakeholders and the public. We uphold uncompromising integrity in all aspects of our business and maintain a zero-tolerance policy towards corrupt and immoral practices.

To support this, we have established P.L.E.D.G.E. (Preparing Lupin Employees to Demonstrate Governance and Ethical Conduct) to reinforce these values. This program enforces the Lupin Code of Business Conduct and Ethics (CODE), providing a mechanism for employees to report any actual or suspected violations of the CODE without fear of retaliation or retribution.

Our operations also are guided by robust control systems that undergo regular reviews by both internal and external auditors.

In addition to the Code of Conduct, we have implemented a Whistleblower Policy and other initiatives to prevent workplace harassment, creating awareness and empowering employees to report any unethical practices that they may encounter.

We have established specified mechanisms to ensure the swift resolution of reported concerns, including the Office of Ombudsperson. Employees can confidentially report potential issues related to fraudulent business practices, unethical behavior, discriminatory misconduct, or violations of our policies or Code. The Ombudsperson office received 22 complaints through multiple reporting channels during the reporting period. These cases were addressed by teams comprising strategic business unit heads/officers appointed by the Ombudsperson in accordance with our whistleblower policy.

Additionally, our Internal Complaints Committee investigates and resolves sexual harassment complaints within the prescribed timeframes mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. During the year, three sexual harassment complaints were thoroughly investigated and resolved by the committee. These initiatives, aligned with our commitment to integrity and ethical conduct, foster a transparent and respectful work environment at Lupin.

ESG Governance

Lupin Limited integrates ESG (Environmental, Social, and Governance) principles into our business model, aligning our goals with the needs of patients and society. Our commitment to sustainability, commercial viability, and community welfare drives our ESG approach. Recognizing the evolving global landscape, including challenges like climate change and rising stakeholder expectations, we consider active ESG goals as an imperative.

In FY21, we established an ESG Core Committee, which has a Board oversight. The committee is chaired by our Global CFO & Head of Corporate Affairs, which continues to drive climate-related initiatives and processes throughout our organization. This committee also assumes responsibility for ESG-related risks, opportunities and implementing our ESG strategy. This includes all aspects related to climate change, including energy efficiency, decarbonization, renewable water management, and waste recovery.

Business function heads, align their objectives with Lupin's ESG goals, and our part of the committee, ensuring ESG integration across all operations.

The ESG Core Committee is pivotal in reporting priorities and progress to the Board of Directors. ESG considerations now shape boardroom discussions, influencing our decision-making processes. As a cornerstone of our organization, the ESG Core Committee drives the ESG agenda, addressing climate-related issues, identifying risks, and advancing other pertinent aspects within Lupin.

Corporate Information

DIRECTORS

Mrs. Manju D. Gupta, *Chairman*
Ms. Vinita Gupta, *Chief Executive Officer*
Mr. Nilesh D. Gupta, *Managing Director*
Mr. Ramesh Swaminathan, *Executive Director, Global CFO & CRO and Head - Corporate Affairs*
Mr. Jean-Luc Belingard, *Independent Director*
Mr. K. B. S. Anand, *Independent Director*
Dr. Punita Kumar-Sinha, *Independent Director*
Mr. Mark D. McDade, *Independent Director*

LEADERSHIP TEAM

Ms. Vinita Gupta, *Chief Executive Officer*
Mr. Nilesh D. Gupta, *Managing Director*
Mr. Ramesh Swaminathan, *Executive Director, Global CFO & CRO and Head - Corporate Affairs*
Dr. Rajender Kamboj, *President - Novel Drug Discovery & Development*
Mr. Naresh Gupta, *President - API Plus & Global TB*
Mr. Rajeev Sibal, *President - India Region Formulations*
Dr. Cyrus Karkaria, *President - Biotechnology*
Mr. Sunil Makharia, *President - Finance*
Mr. Yashwant Mahadik, *President - Global Human Resources*
Mr. Rajendra Chunodkar, *President - Manufacturing Operations*
Dr. Sofia Mumtaz, *President - Legal, Canada & APAC*
Mr. Thierry Volle, *President - Europe, Middle East & Africa*
Dr. Fabrice Egros, *President - Corporate Development & Growth Markets*
Mr. Johnny Mikell, *President - Global Head Quality and Compliance*
Dr. Shahin Fesharaki, *President - Global Chief Scientific Officer*
Mr. Spiro Gavaris, *President - U.S. Generics*

REGISTERED OFFICE

3rd Floor, Kalpataru Inspire, Off Western Express Highway, Santacruz (East), Mumbai - 400 055, India
+91 22 6640 2323
www.lupin.com info@lupin.com

CORPORATE IDENTITY NUMBER

L24100MH1983PLC029442

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Unit: Lupin Limited C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083
+91 81081 16767 1800 1020 878
rnt.helpdesk@linkintime.co.in

COMPANY SECRETARY

Mr. R. V. Satam

AUDITORS

B S R & Co. LLP, *Chartered Accountants*

AUDIT COMMITTEE

Dr. Punita Kumar-Sinha, *Chairperson*
Mr. Nilesh D. Gupta
Mr. K. B. S. Anand

NOMINATION AND REMUNERATION COMMITTEE

Mr. Jean-Luc Belingard, *Chairman*
Dr. Punita Kumar-Sinha
Mr. Mark D. McDade

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. K. B. S. Anand, *Chairman*
Mr. Nilesh D. Gupta
Dr. Punita Kumar-Sinha

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Manju D. Gupta, *Chairman*
Ms. Vinita Gupta
Mr. Nilesh D. Gupta
Mr. K. B. S. Anand

RISK MANAGEMENT COMMITTEE

Ms. Vinita Gupta, *Chairman*
Mr. Nilesh D. Gupta
Mr. Ramesh Swaminathan
Mr. Mark D. McDade
Mr. Sunil Makharia

KEY CONTACTS

Ms. Shweta Munjal
Vice President & Global Head - Corporate Communication
shwetamunjal@lupin.com

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

Managing Risks: An Integrated Approach

The significance of risk management cannot be overstated, as it directly influences the success of our business operations. This becomes even more crucial considering the politically and economically turbulent environment in which we operate. The risks faced by pharmaceutical companies, particularly in clinical trial design and execution, drug approval, product quality, and global commercial practices, are increasingly frequent and impactful.

Therefore, at Lupin, we have recognized risk management as one of our top priorities. We have developed a robust and structured risk management process firmly grounded on sound governance principles and driven by a pervasive organizational risk management culture.

Our approach to risk management encompasses various interconnected elements, diligently addressing potential risks at each stage. This enables us to identify, assess, and mitigate risks, safeguarding our operations and protecting our stakeholders' interests. We also integrate risk management into our decision-making processes, helping to prepare ourselves better to navigate the complex and ever-evolving landscape of the pharmaceutical industry.

Risk Governance

At Lupin, our approach to risk management is guided by a comprehensive Risk Management Framework that provides a clear and effective strategy for addressing risks. This framework applies across all our companies, subsidiaries, partners, and extended value chains, ensuring a consistent and coordinated approach to risk management throughout the Group.

Central to our Risk Management Framework are two key components: the Risk Enabled Performance Management (REPM) process and the Risk Management Structure.

The REPM process focuses on establishing the objectives the Company aims to achieve and protect. It also helps identifying and prioritizing risks, and effectively managing them.

Overall, the value driver tree approach used in the REPM process at Lupin is a robust and effective method of assessing and managing risks that is consistent with the guidance provided by the COSO framework. The Risk Management Structure supports the risk management process by defining the Company's risk appetite, underlying principles for managing risks and undertaking transactions, policies, and roles & responsibilities.

To ensure strong governance and oversight, our Board of Directors play a pivotal role in the risk management process. They provide strategic direction and guidance while overseeing adherence to the framework and associated policies. Our Board comprises of four members with extensive experience in risk management, enhancing our ability to make informed decisions in this domain.

The RMC and the Management Committee support the Board to ensure decentralization of risk management and its independence from other business functions. The committee comprises of independent directors with expertise and experience in risk management, finance, accounting, and related fields.

To ensure continuous improvement and knowledge enhancement, the Board of Directors, Risk Management Committee and Management Committee undergo regular education and training on risk management matters. This equips them with a deeper understanding of the Company's risk profile and empowers them to make well-informed decisions that mitigate potential risks.

Mr. Ramesh Swaminathan is the Chief Risk Officer of the Company.

Risk Governance Structure

Risk Management

Objectives of Risk Management at Lupin

To profile and characterize the risks faced by the business of the Company.	To ensure compliance with all laws & regulations governing the country.	Ensure that the Senior Management is in a position to make informed business decisions based on risk assessment.	Identify and pursue good business opportunities without exposing the business to unacceptable risk.	Prevent value erosion as a result of noncompliance with applicable laws.

Risk Identification

Lupin employs a structured and robust risk management approach, ensuring the seamless interaction of interconnected elements for optimal effectiveness. Our Risk Management process is conducted annually, converging with our strategic business planning timelines. This includes an annual risk identification and assessment phase, where risks are prioritized through a comprehensive scan of risk competencies. This includes an annual identification and assessment phase, where risks are prioritized against our determined risk appetite, ability to mitigate the risk, and cost of mitigation. We then create a formal risk management plan for the identified "Risks That Matter" and present it to the RMC for review.

However, our risk management process is not limited to an annual cycle alone. It can be triggered at any time in response to significant changes in our internal business practices or the external business environment. Additionally, the risk management process is integrated into the evaluation for non-routine transactions, ensuring a comprehensive review of associated risks.

Our operation managers play a crucial role as the first line of defense, taking prompt actions within the risk management framework. The next step involves assessing the specific risks under consideration. While some risks may be adequately addressed through an annual review, others require continuous assessment, considering the prevailing circumstances and business conditions.

Risk Categorization and Prioritization

At Lupin, we classify risks into four categories: Strategic Risks, which impact the company's strategic focus and future; Financial Risks, which pertain to the management and protection of the company's finances; Operations Risks, which encompass risks related to resources and processes in executing our business model; and Compliance Risks, which arise from our adherence to applicable laws, regulations, and contractual terms.

To prioritize risk management, we consider the 'likelihood' of occurrence and its overall 'impact'.

We utilize a framework that defines likelihood as "the possibility of a given event occurring," and a likelihood table can be employed to assess the probability of specific events. While, the combination of 'likelihood' and 'impact' determines the overall severity of a risk, allowing us to prioritize and manage risks across the organization effectively. Lupin utilizes impact/severity criteria to assign risk ratings, ranging from low to catastrophic. These factors can be determined using historical data, expert judgment, or other Lupin-specific considerations.

Based on this prioritization, we establish a comprehensive mitigation plan to address identified risks and minimize their potential impact on our operations.

Sensitivity Analysis and Stress-Testing

In addition to our risk management practices, Lupin conducts sensitivity analysis and stress testing to evaluate financial and operational risks. Sensitivity analysis involves examining how changes in assumptions or inputs can affect our risk exposure. Conversely, stress testing involves subjecting the company to extreme scenarios to assess its resilience and ability to withstand adverse conditions.

For strategic risks, we employ scenario planning exercises to discuss and analyze potential scenarios that may impact our strategic focus and future. This approach helps us anticipate and prepare for various contingencies.

Given the binary nature of compliance risks, we focus on managing them through evidence-based tracking mechanisms. We utilize legal compliance software to monitor and ensure compliance with applicable laws, regulations, and contractual obligations.

The insights gained from sensitivity analysis, stress testing, and scenario analysis exercises help understand the potential impact of different risk events. They aid in identifying areas for improvement in our risk management process. The results of this analysis are reviewed by the RMC and the Management Committee to help develop risk mitigation strategies.

Risk Mitigation

The primary objective of risk mitigation is to identify and develop management response plans that address the "Risks That Matter," limiting their impact to a optimal level. This process entails conducting a root cause analysis to understand the underlying factors contributing to the risks. Subsequently, mitigation plans are developed, specifying responsibilities and timelines for implementation.

As part of the mitigation process, we assess existing processes, identifying any gaps in controls that may leave us vulnerable to risks. We then design additional strategies and measures to fill those gaps, ensuring a comprehensive approach to risk mitigation. Through this process, we document the mitigation plan, providing a clear framework for implementation and monitoring.

Mitigation plans are prepared annually, aligned with our risk management cycle. These plans undergo a rigorous review by the management and Risk Management Committee to ensure their effectiveness and alignment with our strategic objectives remains unaltered.

Current Risks

Sustainability Risks

Risk	**Water Crises**
Context	Water scarcity resulting from human overexploitation has adverse consequences for our operations. Water is crucial for cooling, maintenance, cleaning equipment, and manufacturing. Shortages disrupt operations and supply chains, thereby impacting the quality of medicine. Additionally, extreme weather events, like floods cause loss of life, financial damage, and harm to the ecosystem. Engaging in competition for water resources, risks our social license to operate. Therefore, it is essential to manage water discharge and effluents effectively to prevent pollution and the release of antibiotics that contribute to antimicrobial resistance (AMR).
Impact	Medium
Likelihood	Medium
Trend	Decreasing
Mitigation Action	To address water supply risks, we prioritize water stewardship and regularly evaluate the water footprint of our manufacturing processes. For sites facing high water stress, our focus is on reducing reliance through recycling and reuse. Achieving Zero Liquid Discharge in 50% of our Indian manufacturing sites demonstrates our commitment to antimicrobial resistance (AMR) stewardship. We employ water recycling plants, implement efficiency measures, and raise stakeholder awareness to effectively manage water scarcity. Moreover, through our CSR initiatives at LHWRF, we actively engage in watershed development, enabling us to be water positive in our operations, with a replenishment potential of four times our consumption.

Risk	**Environmental Health & Safety**
Context	We prioritize Environment, Health, and Safety (EHS) Management Systems for sustainable business growth. Our comprehensive EHS&S Policy goes beyond mere compliance, permeating every aspect of our operations. We proactively identify, address, and mitigate impacts and risks associated with resource utilization, processes, working conditions, waste management, and emissions. Health, safety, and environmental well-being take precedence over all other priorities, and we are fully committed to pollution prevention. EHS management is seamlessly integrated into our business practices, encompassing our manufacturing sites and R&D operations. Any non-compliance with our policy poses a direct risk to our operations.
Impact	Medium
Likelihood	Medium
Trend	Decreasing
Mitigation Action	At Lupin, we prioritize legal compliance, the protection of health and safety of our workforce, and minimize risks through technological improvements. We actively support resource conservation, pollution prevention, and environmental protection by implementing renewable energy programs, water reduction and recycling practices, zero liquid discharge, rainwater harvesting initiatives, environment friendly processes, and post-consumer plastic recycling. Our commitment extends to preserving biodiversity, ensuring a sustainable and responsible operation approach.

High Medium Low

Increasing Same Level Decreasing

Pricing and Competitive Risks

Risk	**Pricing Pressure and Competitive Risks**
Context	As a global pharmaceutical manufacturer and seller, Lupin faces pricing risks in procurement and sales. In the U.S. generics market, intense competition and declining prices present significant challenges, particularly in dosage forms with intense competition. Furthermore, selling specialty products in the U.S. and EMEA region exposes Lupin to downward pricing risks due to governmental efforts to reduce prescription drug prices. This high pricing pressure can erode financial margins and overall competitiveness. The influence of large buying groups, managed care organizations, and the consolidation of drug wholesalers and retailers further intensify competition and pricing pressures across the industry. Lupin recognizes these risks and actively implement strategies to mitigate their impact on operations and financial performance.
Impact	High
Likelihood	Medium
Trend	Same Level
Mitigation Action	We have increased our focus on manufacturing complex generics for large markets such as the U.S., aiming to provide affordable therapy options to patients. Additionally, through strategic price setting of novel drugs, we ensure that effort and scale of our R&D efforts are adequately covered, contributing to improved pricing. Lastly, we engage in long-term supply contracts with suppliers of APIs and critical raw materials to hedge price fluctuations.

Regulatory Risks

Risk	**Failure to Meet Regulatory Requirements**
Context	Non-compliance with regulations may result in delays in product approval delays, penalties, and plant shutdowns, which can have adverse effects on Lupin's commercial prospects. The strict quality requirements throughout the supply chain also pose risks of quality deviations and batch rejections due to the complex nature of manufacturing processes and product specifications. Any failure to adhere to cGMP regulations at any production site can have implications for regulatory certifications and pose risks to patient safety. Regulatory approvals from authorities such as the U.S. FDA, UK MHRA, Japan's PMDA, and WHO are crucial for Lupin's pipeline execution and maintaining a strong reputation. Therefore, inspections and compliance are vital for the company's success.
Impact	High
Likelihood	Medium
Trend	Decreasing
Mitigation Action	Lupin's Pharmacovigilance function plays a crucial role in maintaining product safety through the implementation of robust monitoring systems and adherence to cGMP and regulatory requirements. The Quality team conducts audits and implements a Global Quality Action Plan to ensure compliance and preparedness for audits. Product life cycle management and timely recalls are given priority to ensure adherence to high-quality standards and effectively address any adverse events.

High · Medium · Low

Increasing · Same Level · Decreasing

Product Safety and Compliance Risks

Risk

Product Safety and Quality

Context

Ensuring product safety and quality remains paramount to Lupin across its entire supply chain. The company acknowledges that its complex manufacturing processes and stringent product specifications introduce a higher risk of quality deviations and batch rejection. Compliance with cGMP regulations is critical, as any failure can jeopardize regulatory certifications and pose risks to patient safety. Adverse findings during inspections conducted by regulatory authorities directly impact Lupin's reputation and its ability to execute its pipeline.

Impact High | **Likelihood** Medium | **Trend** Decreasing

Mitigation Action

Lupin places a high priority on product safety and quality, which is achieved through the dedicated efforts of its Pharmacovigilance function and rigorous quality management processes. The company's robust systems and strict adherence to cGMP and regulatory requirements ensure monitoring and management of product safety. The implementation of a Global Quality Action Plan and regular audits ensure ongoing compliance at sites. The diligent Pharmacovigilance team actively tracks adverse events associated with Lupin medications and takes appropriate actions. Moreover, timely recalls are conducted for products found to have defects or fail to meet specifications, whether identified by regulatory authorities or through internal assessments.

Risk

Failure to Maintain Timely Supply of Compliant Medicines

Context

Supply chain risks for Lupin encompass challenges in procuring ingredients, components, and logistics and distributing final products. This dual-fold risk involves securing the supply of APIs and key materials for our products and ensuring a consistent supply of final products to global customers. Delays or interruptions in the supply chain can lead to product shortages, impacting sales, reputation, and revenues in a significant manner.

Impact High | **Likelihood** High | **Trend** Same Level

Mitigation Action

Lupin minimizes dependency on external manufacturers by meeting approximately 30% of its API requirements through its API manufacturing sites.

To ensure the continuity of API supply for high-value products, we engage alternative API suppliers, maintain buffer supplies, and utilize supply chain modeling to anticipate disruptions. While strategic investments in business intelligence systems enable us to build a resilient global supply chain.

We maintain consistent supply by evaluating and onboarding alternate vendors for critical APIs and intermediates.

On the front end, Lupin has more recently started collaborating closely with customers, especially in the U.S., so that they can share orders in advance.

High | Medium | Low

Increasing | Same Level | Decreasing

Cybersecurity Risks

Risk	**Cybersecurity & Data Privacy**
Context	Lupin acknowledges information protection risk as a significant risk. This risk includes potential IT system attacks and non-compliance with data privacy laws. The shift to remote work during the COVID-19 pandemic has heightened the importance of cybersecurity as employees face increased vulnerability to cyber threats. Privacy protection and cybersecurity go hand in hand, as personal data processing and storage increasingly rely on robust security measures. Cyber threats constantly evolve, extending beyond traditional channels to social media and mobile technologies.
Impact	● High
Likelihood	● High
Trend	⟷ Same Level
Mitigation Action	Lupin has established a robust Information Security Management System Framework, which is ISO 27001:2013 certified and undergoes annual assessments. To ensure secure remote work environments, Lupin implements a Zero Trust architecture for VPN and Internet Gateway Solution, maintaining uncompromised security. The company's SOC team constantly evaluates security risks at the perimeter and endpoint levels.

Financial Risks

Risk	**Financial**
Context	Lupin faces financial risks related to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity, and credit. With a significant portion of its revenues generated from exports and sales in currencies other than the Indian Rupee (INR), the company is exposed to forex risk. Additionally, tax risks and compliance issues are associated with specific transactions, further contributing to Lupin's overall financial risk profile.
Impact	● High
Likelihood	● Low
Trend	⟷ Same Level
Mitigation Action	Lupin effectively manages financial risks through its diversified liability profile and strategic fundraising from domestic and international markets. The company optimizes debt maturity and accesses liquidity pools to reduce financing costs. Regarding tax risk, Lupin ensures accurate recording, accounting, and payment of tax liabilities, supported by strong internal tax teams, technical expertise, and compliance procedures. For forex risk, the company employs a comprehensive strategy involving forecasting, hedging tools, and proactive monitoring to minimize volatility.

● High ● Medium ● Low

Increasing ⟷ Same Level Decreasing

Ethical Conduct Risks

Risk: Ethical Conduct

Context

Ethical conduct is a key risk for the industry. This includes product pricing, litigation, counterfeit drugs and transparency of disclosure. Regulatory scrutiny and stakeholder expectations have heightened these concerns, necessitating responsible conduct by companies like Lupin. Ethical issues also include employee behavior, corruption, bribery, and fair dealings with all stakeholders. Upholding high ethical standards is crucial, as any damage to Lupin's reputation could undermine its ability to effectively carry out core business operations.

Impact: High | **Likelihood**: Low | **Trend**: Decreasing

Mitigation Action

Lupin has implemented measures to prevent ethical risks and promote a culture of integrity. These include a global code of business conduct and a robust whistleblower mechanism to report concerns confidentially.

The mandatory annual e-training further embeds the code of conduct throughout the organization, fostering responsible behavior and mitigating ethical risks.

Employees also receive training on ethical marketing practices and compliance regulations, while regulatory changes are monitored to ensure compliance.

The company also emphasizes ethical obligations for beyond business as usual and has institutionalized policies related to human rights, biodiversity, and environmental sustainability.

Risk: Litigation Risks

Context

As a pharmaceutical company, we are susceptible to a large number of legal challenges, including product liability claims, product recalls, breach of contract disputes, regulatory investigations, and Para IV litigations. These risks significantly impact our financial position, operations, brand reputation, and stakeholder confidence. Therefore, to secure our long-term success, it is crucial that we establish and execute comprehensive risk management strategies in collaboration with legal professionals and experts to mitigate these potential risks effectively.

Impact: High | **Likelihood**: High | **Trend**: Decreasing

Mitigation Action

To mitigate litigation risks, we prioritize managing intellectual property rights, implement robust quality systems, and conduct detailed screenings.

This involves conducting patent searches, monitoring patent expiry dates, and assessing validity and enforceability. We also maintain high-quality standards through clear policies, controls, comprehensive testing, and extensive training. Further, we ensure all contracts are thoroughly screened using robust standard operating procedures. These measures help minimize litigation risks and prevent product liability claims, recalls, and regulatory actions, safeguarding our reputation and stakeholder confidence.

High | Medium | Low | Increasing | Same Level | Decreasing

Strategic Risks

Risk	**Portfolio Risks for International Non-Proprietary Names (INN) Markets**
Context	To accurately identify/select molecules with commercial and developmental viability in a timely manner and work towards 'First to Launch'/'First to File' as well as higher ROI).
Impact	High
Likelihood	Medium
Trend	Same Level
Mitigation Action	Lupin implemented Integrated Business Planning in FY23. This identifies the product portfolio well in time to mitigate this risk. Lupin maintains an optimum product portfolio (ineffective management and evaluation of a portfolio of products). The inhalation and injectables being a strategic area for us, we are investing early on to identify and plan capacities for right.

Risk	**Patent Expiration Risk in Branded Generics Market**
Context	Brand building, patent cliff mitigation, and effective sales promotion in India
Impact	Medium
Likelihood	Medium
Trend	Decreasing
Mitigation Action	Lupin has increased and leveraged its Brands in India to grow faster than the market rate. To maintain diabetes, cardiovascular and respiratory leadership, the company has invested in adding new divisions, expanding the sales force, and maintaining the growth trajectory.

High Medium Low

Increasing Same Level Decreasing

Emerging Risks

Our Risk Management Committee proactively identifies and mitigates emerging risks affecting our operations. We comprehensively evaluate emerging risks at least once every three years to implement effective risk avoidance measures. Our risk management framework guides this process, ensuring a proactive approach to risk mitigation.

We use various sources of information, including internal and external data, industry trends, regulatory changes, market analysis, and expert insights, to systematically and thoroughly identify emerging risks. The committee then assesses the impact of these risks on Lupin by evaluating their likelihood of occurrence, the scale of impact, and our current preparedness to address them. We also consider Lupin's overall business trajectory in this analysis.

Once risks are identified and assessed, the Risk Committee collaborates with relevant stakeholders, both internal and external, to develop appropriate mitigation measures. These measures are designed to proactively manage the identified risks and enable Lupin to adapt and respond to emerging challenges effectively.

Failure to Stabilize Price Trajectories

The inability to control the general price level of goods and services, including commodities, can significantly impact our business. This includes inflation and deflation, resulting in price fluctuations and higher food, energy, and housing costs. These factors can lead to lower real incomes and force individuals to make trade-offs in essential spending, impacting community health and well-being. In Lupin's case, operating in prescription out-of-pocket markets like India, the Philippines, and South Africa, price escalations can increase the healthcare cost burden for individuals, reducing healthcare spending. To address the risk of failure in stabilizing price trajectories, inflation, and the cost of living, Lupin has implemented several strategies:

1. **Supply Chain Innovation**: Focus on forward and backward integration to reduce dependence on distributors and API suppliers for better cost and pricing control.
2. **Cost Management**: Close monitoring and management of costs across operations to mitigate the impact of a 5% escalation in input costs in FY23.
3. **Product Optimization:** Global sourcing and engineering teams identify and address inflation-affected products through adjustments in design, materials, packaging, or features while maintaining consumer prices.
4. **Flexible Sourcing:** Enhancing sourcing flexibility in response to specific cost increases, such as Pen-G costs in recent years.

Geopolitical Fragmentation

Geopolitical fragmentation poses a significant risk to our business, especially as we operate in countries like the U.S. and India. This fragmentation can lead to increased regulatory complexity, trade barriers, and political risks, disrupting our operations and impacting profitability. It can also affect the availability of medicines. Regulatory fragmentation further causes delays in approvals and distribution, leading to potential shortages of essential medicines.

To address the risk of geopolitical fragmentation, Lupin has implemented several mitigation measures:

1. **Diversifying Imports and Securing Supply Chains:** Focus on diversifying imports and securing supply chains to reduce dependence on a single supplier or country, minimizing disruptions caused by geopolitical risks.
2. **Preserving Benefits of Global Integration:** Actively staying updated on industry challenges, such as COVID-19, inflation, geopolitics, and new therapeutic modalities, to protect the benefits of global integration. Monitoring these factors allows adapting operations strategy to navigate risks and seize opportunities.
3. **Investing in Local Production:** Investment in local production to reduce vulnerability to geopolitical risks and enhance medicine availability. Participation in the Production Linked Incentive (PLI) scheme for formulations in India, promoting domestic manufacturing and contributing to the government's efforts to boost local production and improve accessibility and affordability of medicines.

Risk Integration and Culture

At Lupin, we firmly believe that effective risk management and mitigation can only be achieved by integrating risk into the organization wide operations and establishing a strong risk culture.

We conduct multiple trainings throughout the year, to raise awareness of risk through interactive sessions with our team of risk experts. During these sessions of training, we actively encourage our employees at corporate offices and manufacturing sites to identify and report risks. We also ensure compliance with statutory regulations by educating our employees on the importance of improving environmental parameters, such as reducing water usage, waste generation, and GHG emissions, and implementing renewable energy programs.

In addition to this, our manufacturing facilities conduct risk management for all activities as per the laid down Standard Operating Procedures (SOPs), which contain comprehensive step-by-step instructions and measures to prevent any incidents. These SOPs reference Engineering Controls and Personal Protective Equipment (PPE) usage. They are meticulously prepared based on the risks present in each activity, using the Hazard Identification and Risk Assessment (HIRA) methodology and aspect impact to control the adverse effects on the environment.

Furthermore, our manufacturing sites are subject to rigorous assessments by regulatory auditors such as the U.S. FDA and UK MHRA. This necessitates our organization to be well-prepared to face audits and ensure that our people can interact with the auditors positively and confidently. To this end, we have developed unique training methods such as the Audit Readiness film, which simulates real-life audit situations and conveys the dos and don't's our employees should follow for a successful outcome. More than 6,000 employees across our sites have viewed the film, which has helped us establish a risk management culture.

To maintain a risk management culture, and encourage people including contractors, we reward them under EHSAAS (Environment, Health & Safety Award and Accolades System) awards for effectively implementing and maintaining risk mitigation measures related to safety and the environment. These awards recognize and motivate our employees and contractors working with us to actively participate in maintaining a safe and secure work environment and for the Environmental Protection.

Poised to Capitalize on Opportunities

CFO's Letter

Ramesh Swaminathan
Executive Director, Global CFO & CRO
and Head – Corporate Affairs

Dear Shareholders,

FY23 was a year of transformation for Lupin in several ways. It was a year in which we worked on several initiatives and took active steps to make the business a lot more robust. Whilst we achieved good outcomes on several of the initiatives, secular inflation across several categories of input material, eroded into the overall gains. Our financial performance in FY23 reflected margin improvements in every successive quarter, the first quarter performance being marred by one-time events. The efforts culminated in improving margins in the U.S. as well as growth and better margin profiles in India, API, EMEA and APAC regions.

Strengthening the Core

Our sales regained growth momentum throughout the year and were driven by a combination of factors, including the successful launch of new products and the resumption of demand post COVID-19. Despite some pricing challenges faced in the U.S. market, our overall performance remained resilient, recording $632 Mn in sales. Our North America revenues stood at ₹54,173 Mn compared to ₹57,556 Mn in FY22, accounting for 33% of Lupin's global sales. In the U.S., we improved our margins through portfolio optimization, maximizing the high-value products and continued cost optimization efforts.

In India, Lupin's formulation or finished drug sales are at ₹60,759 Mn, up 1.2% compared to ₹60,042 Mn in FY22, accounting for 37% of Lupin's global sales. In India, our branded formulations business recorded 3.3% growth as we faced certain headwinds in our anti-diabetes business due to loss of exclusivity and genericization, but growth in other areas, such as gynecology and GI was in double digits.

Our EMEA sales region witnessed impressive growth; year-on-year, sales grew by 14.1%, accounting for 10% of Lupin's global sales. In South Africa, sales were ZAR 1,364 Mn for FY23, compared to ZAR 1,375 Mn for FY22.

UK sales for FY23 were at GBP 15.8 Mn, up 75.6% compared to GBP 9 Mn in FY22. In Germany, we experienced year-on-year growth of 23.6% in sales clocking EUR 40 Mn for FY23, compared to EUR 32 Mn for FY22. In Brazil, the Bausch brands acquisition helped to improve margins and grow the core business by 21%. On similar lines, the acquisition of Southern Cross in Australia helped the company to grow 30%. API business was commendable, with sales growing by 12% on a year-on-year basis from ₹9,904 Mn in FY22 to ₹11,092 Mn in FY23, accounting for 6.8% of Lupin's global sales.

"We remain optimistic about Lupin's future prospects in FY24. We are poised to capitalize on emerging opportunities in both established and new markets, driven by our differentiated portfolio, and focus on operational excellence."

Focus on Efficiencies

Profitability improvement remained a key focus area throughout FY23, reflecting the successful implementation of various cost management initiatives and operational efficiencies. These initiatives straddled across most cost lines including workforce planning for Manufacturing and R&D functions, freight costs optimization, penalties on failure to supply and other value eroders. Some of these initiatives, coupled with the continuous work on strategic buying, continuous improvement of yields and development of alternate vendors, helped us to reach ~60% of gross margin in H2, which helped in driving EBIDTA % to ~14% in Q4. This sharp focus will continue to remain a dominant theme, and with things improving on the revenue front across markets, especially the USA, we are confident of delivering margin improvements in the quarters to come.

We use contemporary techniques like Integrated Business Planning (IBP) in order to optimize on supply chain inefficiencies and reduce our inventory and operating working capital. Process improvement is a constant focus as we look to improve productivity of our employees through greater automation including RPAs and analytics.

Investing for a Promising Future

Lupin has always been committed to innovation and the development of high-quality, affordable pharmaceutical products. Our R&D expenditure amounted to ₹12,800 Mn during FY23, representing 7.9% of our total revenue. In FY23, we continued to pivot our R&D investments largely towards complex generics, especially, in the inhalation and injectables space, to drive future growth and address unmet medical needs.

Our commitment to innovation remains steadfast as we pivot towards more complex products and platforms while maintaining a strong focus on cost efficiencies and outcomes across the value chain.

Lupin also continues to invest in information technology, with our total IT spends exceeding 1.5% of our sales. We see information technology as a very valuable partner in progress across all areas of business and invest in the latest technologies and platforms for greater efficiencies across the entire value chain.

In FY23, we continued to invest in research and development (R&D) to drive future growth and address unmet medical needs.

Responsible Approach to Taxation

We are proud to present Lupin's first Tax Transparency Report, reflecting our responsible approach to taxation. Through open communication with tax authorities and strict adherence to regulations, we ensure ethical tax compliance. Our commitment to fairness, integrity, and societal benefit is evident in our contributions to the economies where we operate. This report highlights our dedication to transparency, accountability, and sustainable growth, underscoring our pledge to make a positive impact through responsible tax practices at Lupin.

Building Sustainable Value

As part of our ESG initiatives, we have implemented various measures to reduce our environmental impact. We have invested in energy-efficient technologies, waste management systems, and water conservation practices across our manufacturing facilities. These efforts have resulted in a significant reduction in our carbon footprint and resource consumption. We are also actively exploring renewable energy sources to further reduce our reliance on fossil fuels.

In terms of social initiatives, we have maintained our efforts to increase access to medicines by actively registering anti-tuberculosis (TB) and antiretrovirals (ARVs) in low- and middle-income countries. Lupin also is one of the largest first-time generic medicines providers to various regulated markets, reducing the burden on the local governments and giving them flexibility in allocating more resources to other lifesaving medications. Lupin remains dedicated to promoting the well-being of our employees and the communities in which we operate. We have implemented robust occupational health and safety programs to ensure a safe working environment for our employees. Additionally, we continue to foster diversity and inclusion, promoting equal opportunities and creating an inclusive workplace culture that values different perspectives and talents.

Our governance practices are designed to uphold the highest standards of transparency, ethics, and accountability. In FY23, we successfully completed a comprehensive assessment of double materiality, obtained membership in the United Nations Global Compact (UNGC), and reinforced and improved our existing environmental, social, and governance (ESG) policies. We have also initiated a framework to assess all third-party suppliers, allowing us to evaluate their compliance with our standards.

Furthermore, our employees have demonstrated their commitment to social responsibility through our Employee Volunteering Program in India, which has accumulated a remarkable 9,200 hours of service. We have also successfully completed the assessment of Scope 3 greenhouse gas (GHG) emissions, contributing to our ongoing commitment to environmental sustainability.

Looking ahead, we have several key initiatives in the pipeline for FY24. These include the initiation of a Human Rights Assessment at all Lupin premises, ensuring that our operations align with international human rights standards. Additionally, we plan to augment our renewable energy capacity by adding over 22 megawatts, bringing our total capacity to more than 36 megawatts. Furthermore, we are actively engaged in the ongoing process of reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our commitment to corporate governance is further strengthened by a robust framework that encompasses regular board evaluations, the appointment of independent directors, and effective risk management systems. Upholding the highest principles of corporate governance, we remain dedicated to preserving the trust of our shareholders.

Strategy to Stay Abreast of Changing Risks and Opportunities

Our performance in FY23 showcases our resilience and ability to navigate various market conditions. Despite some challenges faced in certain regions and the impact of external factors, we have managed to achieve growth and make progress toward our optimization goals. We remain committed to driving innovation, improving our gross margins, and optimizing our operations to deliver long-term value for our shareholders.

Looking forward, we remain optimistic about Lupin's future prospects in FY24. We are poised to capitalize on emerging opportunities in both established and new markets, driven by our strong product pipeline, growing portfolio, and focus on operational excellence through cost optimization. We are committed to launching products like Tiotropium, among others, in the U.S. and driving consistent double-digit growth in our India business too. Our unwavering commitment to quality, innovation, and patient-centric healthcare solutions will continue to be the cornerstone of everything we do at Lupin.

Regards,

Ramesh Swaminathan

Executive Director, Global CFO & CRO
and Head – Corporate Affairs

Financial Capital

The pharmaceutical industry plays a crucial role in developing new medicines and improving the health of individuals worldwide. With the rise of chronic conditions and an aging population, there is a growing demand for innovative healthcare solutions. The industry faces challenges such as emerging infectious diseases and the need to address multiple patient ailments.

New technologies like digitalization, big data, and artificial intelligence have the potential to revolutionize the pharmaceutical sector. These advancements can enhance drug development and patient care and create new revenue streams. We have adopted a long-term growth strategy focusing on cost optimization through digital initiatives and efficient capital allocation to seize these opportunities. Our research and development efforts are now directed towards more complex generics research, and we are investing in advancing our global generic R&D pipeline.

17 PARTNERSHIPS FOR THE GOALS

₹166,417 Mn
Total Revenue from Operations

₹7,165 Mn
Profit Before Tax

₹18,715 Mn
EBITDA

Performance Highlights

Particulars		(₹ Mn)
	FY22	FY23
Revenue	**164,055**	**166,417**
EBITDA	**23,073**	**18,715**
EBITDA%	**14.2%**	**11.5%**
PBT	**12,135**	**7,165**
PBT%*	**7.5%**	**4.4%**
ROCE**	**5.4%**	**5.2%**
Working Capital Days	**149**	**145**
R&D Spend	**14,024**	**12,800**

*FY22 is adjusted for business compensation expense
**Excluding Abbvie income

Overview of Financial Performance

Despite facing challenges in the U.S. market, including accelerated price erosion and inflation in input materials, Lupin had a successful fiscal year in 2023. We achieved steady growth in operating margins and implemented margin improvement plan. Lupin's India business recorded double-digit growth, while margins in U.S. improved quarter after quarter.

Lupin's EBITDA performance reflected an increasing trend throughout FY23, trend and reaching 14% EBITDA margin in Q4. This was an outcome of various initiatives pursued by us for restoring EBITDA margins to a healthy core of over 18% in the near future. While Lupin made significant progress in optimizing sales returns, air freight and its product portfolio among other cost lines, secular inflation in input prices eroded some of the gains achieved. Also, factors such as the translation impact of expenses outside India, increased sales promotion spending in India, and minor investments in adjacency businesses offset these gains. We will continue to make notable progress in our cost optimization initiatives and remain optimistic about the opportunities in FY24.

In the inhalation segment, Lupin experienced growth through new product introductions and market share gains. We consolidated our position in arformoterol inhalation solution, achieving a year-end market share of approximately 48% in the U.S. Lupin's India business registered close to 10% growth despite challenges in the in-licensed portfolio. In Europe, Lupin saw strong branded product sales, as we introduced our first Metered Dose Inhaler Luforbec and launched the orphan drug Namuscla in various markets. Also, Lupin acquired Medisol in France to enhance its injectables franchise.

Lupin's R&D focus pivoted towards complex generics, including inhalation products, injectables, and biosimilars. We made significant progress in expanding filings in these complex areas, with more than 50% falling into this category. Lupin expects favorable outcomes from its programs in the coming quarters, with noticeable progress anticipated in the second half of the current fiscal year.

For more detailed information on Lupin's financial performance during FY23, please refer to the standalone and consolidated financial statements presented in the Integrated Report.

Product Launches and Expansions

Lupin is excited about the upcoming launches of several new products, including Spiriva, Diazepam Gel and Nascobal Nasal Spray. These products provide Lupin with exclusivity or a first-to-market position, which will drive profitable growth in the U.S. market.

The FDA approval of Spiriva is particularly significant, and Lupin expects it to substantially contribute to its financial performance in FY24, given its competitive positioning.

With the introduction of these new products, combined with ongoing optimization efforts and a dedicated focus on building a specialized inhalation and injectables pipeline, Lupin is confident in its ability to grow its business over the next few years.

Lupin has successfully managed its working capital requirements while investing significantly in capital expenditures, research, and development. This balanced approach is reflected in the company's strong financial performance, demonstrating its commitment to growth and value creation for its stakeholders.

Unlocking the Power of Data: Lupin's Digital Transformation Journey

Lupin has embarked on digital transformation journey, unlocking the power of data to revolutionize operations. Lupin harnesses the power of Robotic Process Automation (RPA) and analytical tools like Qlik Sense to automate critical tasks in our Indian operations. By significantly enhancing its Qlik Sense dashboards, we have embraced business transparency and facilitated data-driven decision-making. These improvements have paved the way for integrated data utilization, enabling meaningful insights in a user-friendly manner. For instance, implementing these dashboards has led to a 25% reduction in human efforts within the Generic Health subsidiary, eliminating the need for manual intervention. Lupin plans to extend the utilization of Qlik Sense dashboards to global locations, seamlessly integrating them into finance and supply chain modules across EMEA and APAC.

Recognizing the value of technology, Lupin has made strategic investments in advanced systems and processes to elevate our tax functions. Leveraging analytics and data-driven insights, we are now equipped to make strategic decisions with enhanced efficiency and accuracy in tax operations. Through the adoption of digital platforms, Lupin has streamlined tax compliance processes, ensuring seamless reporting and adherence to deadlines. With an unwavering commitment to staying updated with evolving tax requirements and industry best practices, Lupin ensures its tax business is agile and compliant.

From reconciliation and complex computations to invoice matching, and data validation, RPA has delivered remarkable efficiencies. The Indirect tax team has witnessed a staggering 61% reduction in time spent, allowing them to redirect their efforts towards value-added tasks. In Direct taxes, RPA streamlines the preparation of Form 15 CA, saving a minimum of ten man-days per month. These automated processes not only save time but also mitigate the risk of human error and provide real-time data and reports that empower decision-making.

Driving Transformation in the Sales Return Process

Pricing returned products poses significant challenges for pharma companies, particularly when sales weren't directly made with the returning partner. By leveraging the analytical capabilities of Qlik Sense, we have implemented system-based validations, while Robotics Process Automation (RPA) automated file uploads to SAP for seamless credit processing. Lupin's Shared Service team has witnessed an astounding 70% reduction in time spent on this activity, empowering them to focus on more impactful endeavors.

Our Capital Allocation Strategy

Resource allocation lies at the core of our journey towards sustainable growth and long-term success. In line with our cost optimization strategy, we continuously drive efficiency, streamline operations, and maximize our financial performance. Through meticulous evaluations, we make informed decisions that not only promote sustainable growth but also preserve and enhance the value of our capitals.

Here's an overview of our current capital allocation:
*In Mn Rupees.

Intellectual Capital	439
Manufactured Capital	4,063
Natural Capital	145
Social & Relationship Capital	404

Our **Human Capital** operating expenditure towards employee benefits expense was ₹30,872 Mn.

We remain committed to maintaining a transparent and responsible approach to resource allocation, continually monitoring our progress, and adapting our strategies to meet evolving challenges and opportunities.

Lupin's ESG Journey: Driving Sustainable Value Creation

Lupin's commitment to environmental, social, and governance (ESG) principles is at the forefront of our strategic investments, which aim to create long-term value for all stakeholders. Our capital expenditure approach goes beyond financial returns, encompassing the integration of ESG considerations.

Our strategic investments span multiple facets of the value chain, addressing critical ESG challenges. We actively support renewable energy projects, propelling the transition to a sustainable future. Additionally, we prioritize effective water management and implement robust waste recycling practices, minimizing our environmental footprint.

To ensure the well-being of our employees and stakeholders, we maintain robust health and safety systems, providing a secure and nurturing workplace. Our unwavering commitment to product quality, digital technologies, and next-generation manufacturing, and information security underscores our dedication to innovation and sustainable growth, while upholding the highest operational standards.

Through these strategic capital expenditure decisions, Lupin drives positive change by aligning financial success with environmental and social progress.

Further details regarding our investments, performance, and their returns are outlined in the Manufactured, Intellectual, Human, Social and Relationship, and Natural Capital chapters.

Fostering Tax Transparency and Responsible Reporting

At Lupin, we uphold a steadfast commitment to maintaining a moral, transparent, and sustainable tax strategy aligned with our core values and Code of Business Conduct. Our approach to taxation is conservative, ensuring that we manage our tax liabilities within the boundaries of the law while adhering to accepted deadlines.

Our CFO is responsible for our tax position, supported by our global corporate tax department and reputable legal counsels. Compliance with applicable laws and regulations is of paramount importance to us. We prioritize transparent reporting to tax authorities, adhering to transfer pricing standards and following the OECD guidelines.

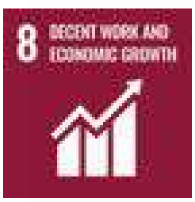
We are accountable to our internal and external stakeholders, to ensure alignment, compliance, and effective reporting. Our commitment to transparency extends beyond legal requirements as we strive to foster trust and confidence in our tax practices.

The group wide tax strategy for Lupin Healthcare is available at https://www.lupin.com/wp-content/uploads/2023/05/global-tax-policy-2.pdf/.

Our latest Tax Transparency Report is available on our website.

Manufactured Capital

As the pharmaceutical industry evolves, it becomes imperative to embrace sustainable and efficient manufacturing practices that minimize harm to the environment. This necessitates the development of comprehensive strategies capable of optimizing labor, input shortages, and evolving supply chain dynamics, all while ensuring sustainable growth. At Lupin, we recognize the significance of this imperative and remain unwavering in our pursuit of continuous improvement and innovation across all our manufacturing sites. Our unwavering commitment to excellence, teamwork, integrity, and customer satisfaction propels us to produce high-quality medicines that are affordable and sustainable.



15 Global Manufacturing Sites	**11** U.S. FDA Approved Sites
19,451 Mn Total Formulation Units	**>2,750 MT** API Quantity

Our World-Class Manufacturing Capabilities

Our manufacturing capabilities transcend boundaries, spanning three significant continents, with our largest facilities strategically situated in Asia, North America, and South America. This expansive footprint, not only facilitates streamlined logistics, resource optimization, and local sourcing but also affords our company the vital geographical coverage needed to efficiently serve patients and bridge the healthcare gap in over 100 countries. Furthermore, this global presence empowers regional manufacturing sites to access invaluable tools, research, cutting-edge technologies, and raw materials that may not be readily available in their home countries.

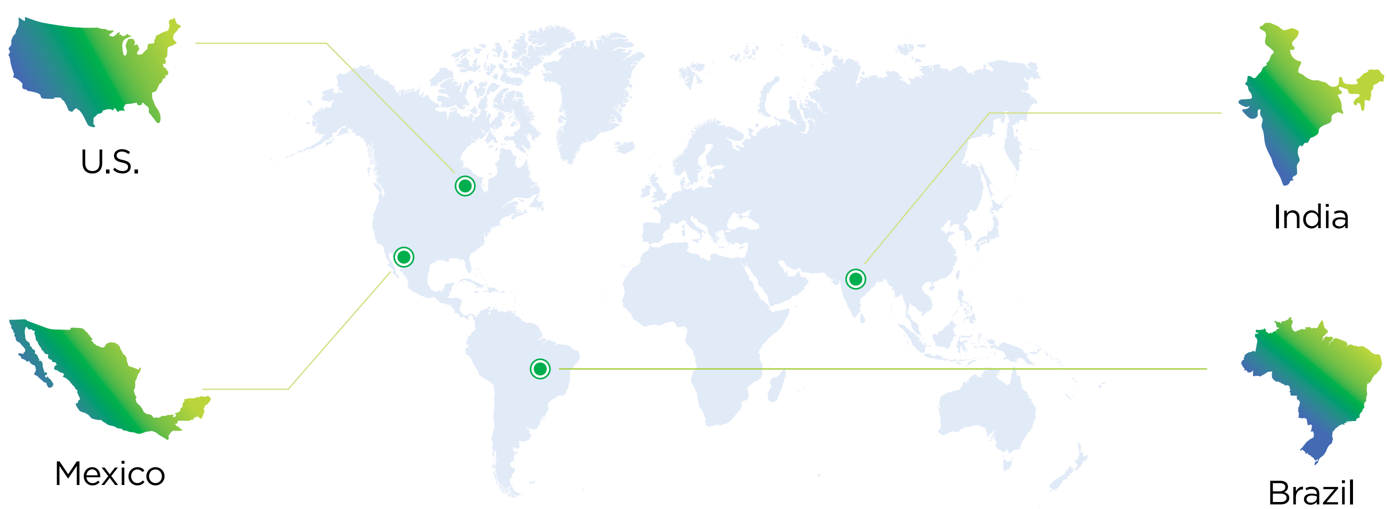
In the dynamic and fiercely competitive landscape of global manufacturing, we distinguish ourselves by delivering high-quality, affordable medicines to our customers. This achievement is realized through our unwavering focus on energy efficiency, automation, digitization, and cost-effectiveness.

Our modern production facilities and processes are meticulously designed to adhere to rigorous regulatory standards. Regular inspections by national and international regulatory authorities guarantee compliance and instill confidence in the quality of our operations. Leveraging specialized tools and processes, we optimize manufacturing operations to ensure a consistent and dependable supply of medicines that promptly meets market demands.

To augment our manufacturing prowess further, we conducted a comprehensive five-day workshop in November 2022 at Lupin's Pithampur facility. Attended by 30 participants from across our manufacturing sites, this workshop provided invaluable training on the best practices in manufacturing. Armed with this knowledge, we are dedicated to continually elevating our production processes, and maintaining our unwavering commitment to quality, all while remaining fiercely competitive in the global market.

Recent investments have also seen us expand our capacities in multiple areas, including the establishment of a high-potent product manufacturing block, a cutting-edge plant dedicated for Metered Dose Inhalers (MDI) and Dry Powder Inhalers (DPI), a state-of-the-art facility for Oral Solid Dose (OSD) formulations and injectables, and the significant expansion of our Biotech Drug Substance facility. To ensure higher manufacturing efficiency and unwavering quality, we embrace the implementation of Six Sigma and Lean methodologies.

Manufacturing Locations and Output



15 Manufacturing Locations Across 4 Geographies

Production Volumes	FY22	FY23
API (MT)	3390.3	2746.7
FML (Mn units)	20,743	19,451

Enhancing Process Efficiency and Cost Savings Across Our Sites

We remain dedicated to improving our manufacturing operations, reducing costs, and increasing efficiency. We have strategically invested in state-of-the-art equipment, machinery, and advanced processes to achieve this. Here are some recent initiatives that demonstrate our commitment:

- Installation of advanced chillers and condensers to enhance recovery effectiveness and reduce utility costs
- Implementation of efficient equipment, such as finned tube condensers, dry vacuum pumps, nano-filtration, and heat integration systems
- Transitioning to Low Sulphur Heavy Stock (LSHS) as boiler fuel at our 4* facilities has resulted in a significant reduction in steam costs and GHG emissions
- Implementation of digital systems to track and monitor raw materials and intermediate supplies, enabling better inventory optimization
- Initiated AgiLine Project at two of our sites to improve operational efficiency.
- Our studies have focused on improving material sourcing and costing to optimize efficiency

During the year, we undertook an extensive evaluation of our productivity norms relating to our workforce at the factories and rationalized the same in line with international peer benchmarks.

These initiatives underscore our commitment to operational excellence, cost reduction, and sustainability. We strive to enhance efficiency and drive long-term value through continuous improvement and smart investments.

The Era of Next-Gen Manufacturing

The advent of Industry 4.0 is ushering in a transformative era in manufacturing. Automation, digitization, and artificial intelligence have emerged as powerful tools, providing a competitive edge by boosting efficiency, cutting costs, and delivering superior product quality. Embracing these technologies, Lupin remains at the forefront of the pharmaceutical industry, combining cutting-edge advancements with sustainable manufacturing practices.

Harnessing the Power of Technology

Across our manufacturing facilities, we are bolstering our digital capabilities by implementing Industry 4.0 systems. Our Accelerated Digital & Analytics Performance Transformation (ADAPT) project has revolutionized our approach. By leveraging big data, we can now identify and address any potential lapses in our manufacturing process in real time. This project has been initiated at three key sites: Goa, Tarapur and Nagpur.

*Dabhasa, Tarapur, Aurangabad and Nagpur

Three Pronged Approach of Project ADAPT

LUPIN ADAPT
Accelerated Digital & Analytics Performance Transformation

Project ADAPT has three specific goals centered around ensuring the deployment of high-potential Digital and Analytics (DNA) use cases to build a digitally robust organization with at-scale DNA capabilities and effective change management. These goals include:

- Being ahead of the curve in terms of deployment of Industry 4.0 levers
- Building in-house capabilities to ensure sustainable progress
- Developing the required IT/OT infrastructure to facilitate the adoption and sustainability of new ways of working

We employ advanced analytics, digital twin simulations, and central data lake-based use cases to drive strategic interventions and optimization in critical areas, improving yield, efficiency, and overall productivity.

ADAPT interventions and technologies have yielded promising results. Real-time sensor data from our IIOT platform has been utilized to model utility equipment performance, significantly reducing consumption. In Tarapur and Goa, advanced modeling has pinpointed causes of low-yield variations, driving targeted improvements. Similar models are being developed for other products, enhancing productivity and quality.

Enriching Workforce Capabilities

To empower our workforce, we have embraced a gamified learning approach for standard operating procedures (SOPs). This interactive and engaging method enhances knowledge retention, ensuring effective training. Additionally, we have implemented a digital performance management system with an online KPI reporting tool, providing real-time visibility of our performance that enable us to stay on track and meet targets.

Technological Innovations in Manufacturing

Beyond Project ADAPT, we continue implementing various technology-driven initiatives across our global manufacturing sites. These include deploying high-productivity cartons for streamlined feeding and automated barcode verification, vision systems for real-time inspection and sorting, and digitization for optimized production and inventory management.

Data analysis and artificial intelligence play pivotal roles in our operations. Vision systems analyze and select printed variable information, automatic weights checkers ensure precision, and IoT-enabled Overall Equipment Effectiveness (OEE) management systems drive operational excellence. Additionally, we are exploring the feasibility and applicability of the Oransys system solution while continuous improvement software simplifies kaizen management using Lean Six Sigma principles.

Commitment to Sustainable Manufacturing

We have prioritized critical areas for immediate attention across all manufacturing sites and research facilities to enhance operational efficiency. Energy-efficient lighting, advanced pumping technologies, and renewable energy utilization have been deployed. Variable frequency drives (VFDs) and energy-efficient cooling systems are also part of our sustainability efforts.

We are actively transitioning to cleaner fuels, incorporating agricultural-waste biomass briquettes and natural gas. Additionally, we are gradually introducing fuel additives to optimize combustion efficiency in our boilers.

As we embrace the new manufacturing age, Lupin remains dedicated to technological innovation, sustainable practices, and continuous improvement. By leveraging cutting-edge advancements and upholding our commitment to excellence, we are poised for a future of manufacturing excellence.

Sustainability Initiatives: Pioneering a Greener Future at Our Manufacturing Sites

We remain steadfast in our commitment to incorporating sustainability measures into our manufacturing processes, placing paramount importance on the expansion of our utilization of renewable hybrid power. The following initiatives have significantly contributed to accelerating the adoption of renewable energy:

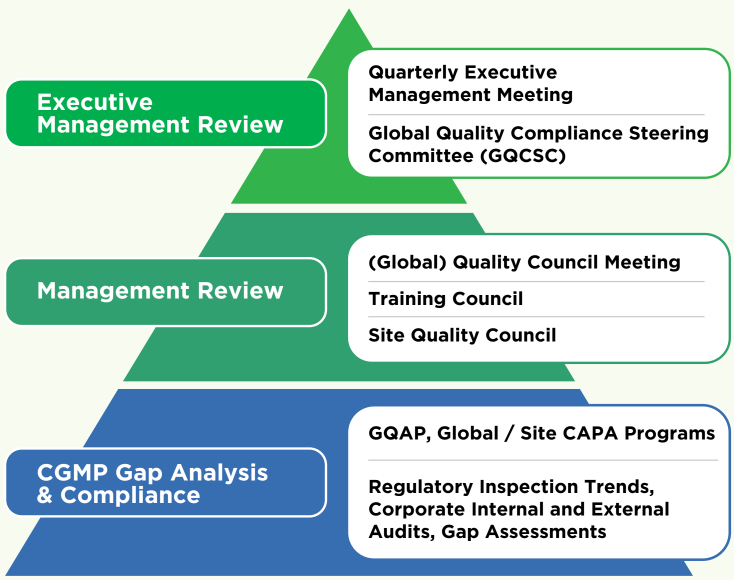
- Increased renewable energy contribution by 3.71 MW at Ankleshwar and 1.58 MW at Dabhasa, reducing 34,688 tonnes of CO2 emissions
- Implementing rooftop solar panels with a capacity of 0.52 MW in FY23 and an additional 1.83 MW in progress
- Ambitious proposals for a 17 MW wind power project in Maharashtra and a 4 MW hybrid power project in Mandideep
- Execution of proposals for briquette boilers and installation of bag filters & electrostatic precipitators (ESP) at multiple locations for energy optimization and reduction of particulate matters in flue gas
- Introduction of electronically commutated (EC) motors at Pithampur and Aurangabad, significantly reducing power consumption by 5 lakh units per annum. Plans to implement EC motors at Lupin Biotech, Lupin Research Park, Sikkim, and Nagpur for further energy reduction

Our Uncompromising Commitment to Quality

Lupin maintains an unwavering commitment to quality throughout our manufacturing operations and all manufacturing site personnel are trained in Good Manufacturing Practices (GMP), ensuring excellence across the board.

We adhere to global regulatory standards set by FDA, EMA, and WHO, guided by our comprehensive Quality Policy and Management System. Regulatory compliance and data integrity are integral to our quality standards. Lupin's apex quality and compliance governing body, the Global Quality Council Steering Committee (GQCSC), has continuous oversight over all global manufacturing operations. In addition to ensuring that all sites remain in a sustainable state of current Good Manufacturing Practice (cGMP) compliance, the GQCSC also ensures that comprehensive assessments are made to ensure the resolution of deficiencies identified. A team of 2,700 specialized quality management professionals drives the implementation of our Global Quality Action Plan, ensuring global standardization across our manufacturing sites quarterly.

Our Global Quality Council Steering Committee reviews site performance regularly, promoting continuous improvement. They are supported by our well-established Corporate Quality Assurance function. The function fosters collaboration between our research and manufacturing functions, ensuring a seamless integration of quality control.



Yield Optimization: Enhancing Pharmaceutical Production Efficiency

Lupin has prioritized the optimization of yield and production efficiency to ensure the delivery of high-quality pharmaceutical products. Through extensive exploratory data analytics, advanced analytics, and machine learning techniques, we have successfully identified and mitigated variations arising from raw material characteristics, process fluctuations, operator inconsistencies, environmental parameters, and equipment behavior. By leveraging historical data, Lupin has developed an optimized process model that consistently performs at top quartile or decile levels. This iterative approach has been validated through rigorous testing on a large validation dataset, instilling confidence in the reliability and effectiveness of the model. Implementing this data-driven approach has significantly improved yield performance, operational efficiency, resource utilization, and product quality.

Quality First - A Unique Approach to Quality Management

Through 'Quality First' program, we embrace dynamic changes across our procedures, investigation methods, corrective action plans, training effectiveness, and product robustness. Through a series of initiatives such as SOP effectiveness, Lupin Walk the Talk, People Readiness, Investigation, CAPA/Training Effectiveness, Change Management, Training Program Reboot, and Product Robustness, we cultivate a pervasive "Quality First" mindset among all our dedicated employees.

This program serves as a testament to our unwavering commitment to elevating quality standards.

Investing in the continued success of 'Quality First,' we have introduced a range of new initiatives as of FY23. The eight initiatives were originally implemented at our Pithampur Unit-2 and it has become a fundamental pillar across all our manufacturing sites.

Lupin's FY23 Manufacturing Site and Pharmacovigilance Inspections

1. Lupin's Somerset manufacturing plant received EIR from U.S. FDA
2. Lupin's Nagpur Unit-2 (injectables) received EIR from U.S. FDA
3. U.S. FDA completed pre-approval (Product: TOLVAPTAN) and GMP Inspection at Lupin's API manufacturing facility in Vizag with no observations
4. U.S. FDA conducted Post-marketing Adverse Drug Experience (PADE) inspection at Lupin's global pharmacovigilance group with no observations
5. U.S. FDA completed an inspection of Lupin's Bioresearch Centre in Pune for BA/BE, PK/PD, In-vitro B.E., and biosimilar studies with no observations
6. UK MHRA completed an inspection at Lupin's Pithampur facilities without any critical observations
7. Lupin's ADCA facility at Ankleshwar received EIR from U.S. FDA
8. U.S. FDA completed GMP inspection at Lupin Mandideep Unit-1 with eight observations each for API and formulation facilities
9. MFDS (Korean FDA) completed GMP inspection at Lupin Mandideep Unit-1 facility with no critical observations
10. EDQM completed CEP - Dossier inspection at Pithampur Unit-1 and Mandideep Unit-1 facilities and considered these facilities as acceptable
11. U.S. FDA completed GMP inspection at Tarapur facility with four observations and subsequently issued warning letter
12. TGA, Australia completed GMP inspection at Nagpur Unit-1 and considered the facility as acceptable
13. National Drug Authority (NDA), Uganda completed inspection at Nagpur Unit-1 and considered the facility as acceptable
14. WHO, Geneva completed GMP inspections at Nagpur Unit-1, LBC Pune, and Jammu, and considered the facilities as acceptable
15. Brazil Health Regulatory Agency, Anvisa, completed GMP inspection for Pyrazinamide API at Vizag facility with no observation
16. U.S. FDA completed inspection of BLA for Pegfilgrastim at Lupin's Biotech facility in Pune with 17 observations
17. HPRA completed inspection of Lupin's Biotech facility in Pune with no critical observations
18. U.S. FDA completed inspection at Somerset, NJ with two observations. Received EIR with VAI status.
19. U.S. FDA completed inspection at Pithampur Unit-2 with 10 observations: Received EIR
20. Health Canada completed inspection at Mandideep Unit-1 and Unit-2 with no critical observations
21. WHO Geneva completed inspection at Lupin's Tarapur facility with six major and four minor observations
22. MOH Russia and MOH Ukraine completed GMP inspection at Lupin Aurangabad facility and considered it acceptable
23. COFEPRIS, Mexico completed GMP inspection at Mandideep Unit-1 with zero observations
24. Hessian Office for Health and Care, Germany completed virtual inspection at Lupin's Goa facility with 2 major observations

Precision in Quality: Aligned with CAPA

Lupin's quality management systems are in alignment with the Corrective and Preventive Action (CAPA) process. Our approved CAPA plan effectively tackles failures, Out of Specification (OOS) results, deviations, internal audits, complaints, and inspections. We utilize the online Caliber QAMS system to monitor and track the implementation of corrective and preventive actions, ensuring their efficacy. This robust system enables us to address events comprehensively, identify root causes, and prevent future occurrences. Lupin's unwavering commitment to quality shines through our seamless integration with CAPA, driving continual improvement and ensuring exceptional standards in our products.

Product Quality

Lupin has set a goal to enhance the robustness of our products by reducing process variation. To achieve this, we have focused on improving the process capability of all the critical quality attributes (CQAs) that fall below the 1.0 standard and this has decreased the batch rejection rates. To further improve process capability, we have identified over 250 CQAs across API and FML, out of which we have taken action on more than 150 CQAs.

Furthermore, we have identified 29 quality improvement projects across formulations and API sites and are conducting a detailed analysis of the processes. We have identified the root causes of variation for a few of these projects and initiated countermeasures to reduce variation. We are confident that our efforts will improve product robustness and customer satisfaction.

Laboratory Controls and Quality

Our organization is dedicated to the World Class Labs program, which aims to achieve a Five Sigma level of quality in all laboratory operations. We have implemented comprehensive measures to minimize incidents leading to invalid Out of Specification (OOS) results or false rejections to achieve this. This includes advanced features like state-of-the-art glassware cleaning systems, automated mobile phase assembly, and segregated clean and unclean areas.

Additionally, we have invested in high-tech testing instruments and identified error categories to target specific areas for improvement. These initiatives create a safer and more efficient laboratory environment. Furthermore, we have introduced process innovations such as material kitting, dedicated mobile phase preparation, software upgrades, and monitoring systems to enhance column performance and reduce errors.

We are also currently implementing a Laboratory Information Management Software (LIMS) module at Lupin Quality Control Laboratory to streamline our processes. Furthermore, we have installed best-in-class laboratory equipment such as ICPMS, LCMS, and GCMS at Lupin Tarapur to meet our in-house testing requirements and quality standards.

Harnessing Technology to Enhance Quality

To enhance product quality, Lupin has embraced advanced technology and automation. This includes automated systems for quality monitoring, precision systems for discarding defective products, and camera and software-based technologies to optimize manufacturing processes.

Additionally, implementing electronic Batch Production Records (eBPR), systems streamlines compliance procedures, enhances operational efficiency, and reduces human error. These systems enable real-time monitoring, comprehensive analysis, and reporting of manufacturing activities, improving batch processing evaluation and analysis.

By streamlining processes and operations, Lupin reduces paper consumption and ensures data integrity and accuracy.

Product Recalls

We had seven product recalls in FY23. At Lupin, we are proactive with our monitoring of potential product recalls and take the necessary steps to ensure their corrective actions are in place to address any issues.

Lastly, standardized routine management dashboards help monitor KPIs (backlog, OTIF, portfolio utilization, etc.) at each level. They also help in efficiently categorizing and extracting Production, Quality, and investigation data. These dashboards provide high-level summaries of essential metrics, support decision-making and ultimately allow more effective use of resources, and increase the quality of the product and effectiveness of operations.

Action Against Counterfeiting Medicines

Lupin is determined to combat counterfeit medicines and has implemented several measures to achieve this goal. One such measure uses a unique product identifier that includes a product code, serial number, batch number, and expiry date. Additionally, each bottle is induction sealed to prevent tampering and product contamination, and a 2D data matrix barcode encodes the unique identifier. Serialization and aggregation of all packing lines across all manufacturing plants are also being implemented to track and prevent the distribution of counterfeit products in the market.

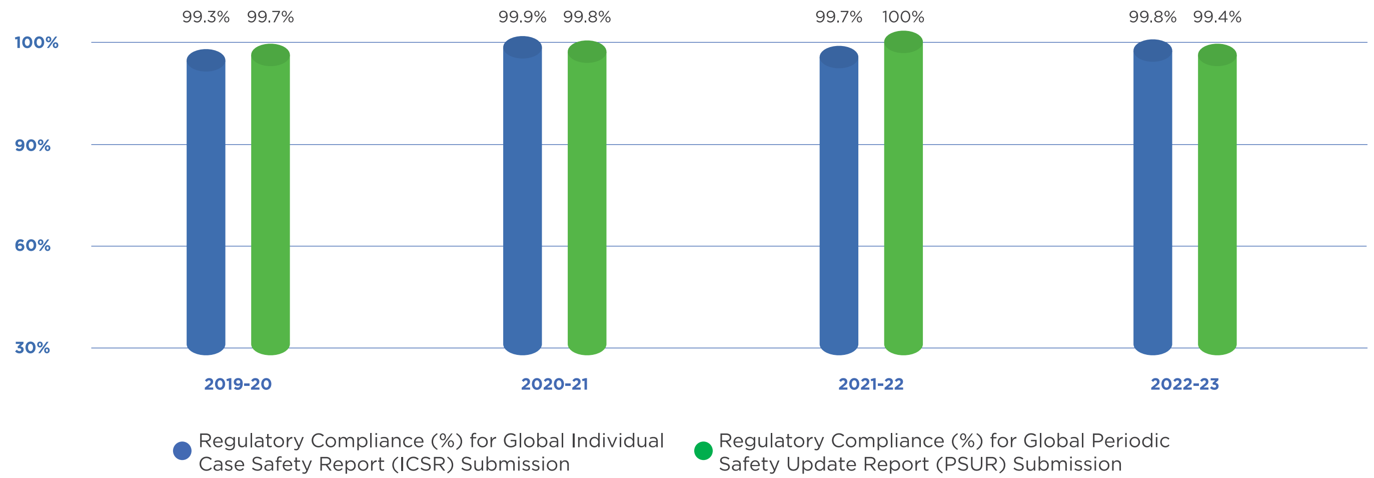
Our Goa site has also implemented special initiatives to address counterfeit drugs in accordance with the EUFMD guidelines. In compliance with the delegated regulation on safety features, we use tamper-evident labels on all cartons intended for the European market. This enables visual verification of product packaging tampering, thereby enhancing patient safety.

Pharmacovigilance

Lupin's Pharmacovigilance Department also known as Drug Safety and Risk Management (DSRM) has developed a robust Quality Management system adhering to global PV regulations. The dedicated pharmacovigilance team monitors the safety and quality of our products after they have been launched. The team identifies and tracks any safety and quality issues related to our products, taking appropriate actions to mitigate the risk and ensure patient safety. We closely track KPIs, including compliance with submission timelines for expedited and periodic reports to regulatory authorities like the U.S. FDA, Australia, Health Canada, EU, and India. These KPIs are reviewed monthly and presented in our GQCSC meetings, ensuring effective oversight of our regulatory commitments.

A dedicated pharmacovigilance team monitors the safety of Lupin's products after they have been launched in the market. The team identifies and tracks any safety issues related to our products, taking appropriate actions to mitigate the risk and ensure patient safety. Below are the metrics for regulatory compliance of DSRM function:

Metrics for regulatory compliance of DSRM function:



Regulatory Compliance

At Lupin, regulatory compliance remains among the top priorities, and we are committed to meeting all applicable regulatory requirements in our countries of operation. Our facilities are periodically inspected and audited by regulatory authorities, our customers, and third-party consultants. This is further augmented by an established internal auditing mechanism and detailed SOPs defined in our Quality System to ensure compliance and regulatory adherence. Lupin has obtained regulatory approvals to market its products in various countries, and we work closely with regulatory agencies to ensure the highest compliance standards are met.

Lupin is monitoring the below KPIs goals for regulatory compliance and quality:

Regulatory compliance and Patient Safety / Quality Targets	FY22	FY23	Target
Inspections			
U.S. FDA Inspection (including GMP and Bioresearch center)	2	9	**Zero sites with WL/OAI status by FY25** (Currently 2 sites under WL) **Zero data integrity observations**
No. of Form 483	2	7 (two sites had zero observations)	
No. of total observations	20	55	
	Zero data integrity observations since 2020		
U.S. FDA Inspection (including GMP and Bioresearch center)	0 (Somerset has come out of WL)	1	
Recalls			
Class 1	0	0	Zero class 1 recalls
Class 2/3	11	7	
Quality Audits (internal and External)			
Corporate Internal Audit on Lupin sites	16	16	Driven by Lupin's internal quality metrics. All India sites are to be audited at least once a year by an internal audit team for ensuring compliance and audit preparedness
Total supplier quality audits (Third party finished product site) for India markets	68	74	Driven by supplier quality metrics, every supplier site is done once in 3 years and at the time of new vendor qualification
Total supplier quality audits (Third party finished product site) for U.S. markets	2	6	
Total supplier quality audits (raw materials) for all markets	236	250	
Data Integrity SOP and annual CGMP training for applicable employees across Manufacturing Sites	NA*	6,385	100% of applicable employees. *SOP went live in FY23

Intellectual Capital

As the prevalence of chronic as well as infectious diseases continue to surge globally, the demand for effective treatments and medications rise in tandem. At Lupin, we understand the transformative power of innovative pharmaceuticals developed through the integration of cutting-edge technologies, extensive research endeavors, and robust intellectual property protection. With unwavering dedication, our team of passionate scientists and employees tirelessly strive to drive significant advancements that align with our fundamental goal of reducing the burden posed by common and severe illnesses, ultimately enhancing overall health outcomes.

By investing in newer capabilities and building scientific acumen, we have enhanced the richness of our product portfolio to meet the diverse and complex needs of patients. Our business paradigm is premised on manufacturing medications of superior quality, affordability, and efficacy. This resounding commitment propels the advancement of our portfolio in critical areas such as injectables, inhalation, cardiovascular diseases, diabetes, respiratory illnesses, ophthalmology, central nervous system disorders, and oncology, solidifying our position as key players in healthcare innovation.

₹12,800 Mn R&D Investments in FY23	**81** Patents Secured in FY23
6 R&D Units	**911** Active Patents and Patent Applications
9 Products Launched in U.S.	**1,400** R&D Personnel
79 Formulations Patent Applications	**9** API Patent Applications
4,063 Global Trademarks	**622,097** Training Hours

Research and Development

Innovation lies at the center of all our efforts in creating and enhancing enterprise value and is reflected in Lupin's Strategy and goals for innovation.

Strategy

To attain leadership in APIs, complex generics, biosimilars, and specialty therapeutics.

Expand Inhalation pipeline impact through accelerated development and Green propellant programs

Establish our Injectables Growth Strategy and secure early wins

To build a high-value portfolio of patents, products, and research pipeline products

Goals

Complex Generics Launches in Regulated Markets by 2028:
- 10 complex inhalation products
- 5 complex injectables
- 5 other complex product launches in ophthalmology, dermatology and women's health
- 70% of U.S. filings focused on complex dosage forms from FY24

Biosimilar and Novel Complex Products:
- Complete 3 biosimilar filings in regulated markets by 2028
- Launch 10 novel complex pipeline products (first of their kind) in India by 2028

Process/Open Innovations:
- Target 15-20 process innovations annually, resulting in $2-3 Mn in savings
- Pursue open innovation partnerships in API, formulations, digital solutions and diagnostics

New Products

Lupin's relentless pursuit of excellence has yielded an impressive portfolio of Intellectual Property (IP) assets. To date, we have filed 463 Abbreviated New Drug Applications (ANDAs) and 11 New Drug Applications (NDAs), out of which 308 ANDAs and 10 NDAs have been approved by the U.S. FDA. This showcases our dedication to expanding and enhancing our product offerings, drawing from our extensive intellectual capital and expertise. We have moved up the complexity grid with our filings in Ophthalmic, Dermatology, inhalation, and injectable space with Micro/Nano emulsions & suspensions, preservative-free systems, metered dose pumps, DPI with proprietary devices, and multi-drug MDI, among others.

Key Products Launched

- AG Cyclosporin (May 22)
- Gx Suprep (Sep 22)
- Gx Perforomist (Nov 22)
- Gx Pennsaid (Dec 22)

Approvals received during the year

- Tenofovir Alafenamide Tablets
- Valbenazine Capsules
- Obeticholic Acid Tablets
- Brexpiprazole Tablets
- Glycopyrrolate Injection, USP
- Dolulegravir and Rilpivrine Tablets
- Prasugrel Tablets, USP
- Fesoterodine Fumarate Extended-Release Tablets
- Alliance Partner Caplin has received U.S. FDA Approval for Rocuronium Bromide Injection
- Alliance Partner Caplin has received U.S. FDA Approval for Thiamine Hydrochloride Injection USP

	2020-21		2021-22		2022-23	
Type of Filing	**Filing**	**Approval**	**Filing**	**Approval**	**Filing**	**Approval**
NDAs	0	1	1	2	3	3
ANDAs	15	19	19	9	28	17
Total	15	20	20	11	31	20

Intellectual Property Governance

As a leading pharmaceutical company, the management of intellectual property (IP) lies at the very core of our business strategy, catalyzing the expansion of our product portfolio. We have implemented robust processes to effectively identify and safeguard our intellectual assets while proactively mitigating the risks associated with potential IP infringements. Driving these efforts is our Intellectual Property Management Group (IPMG), entrusted with the pivotal role of generating, securing, and capitalizing on cutting-edge research, thereby nurturing a high-value portfolio of patents, products, and research pipeline products.

In FY23, Lupin settled 10 U.S. patent litigations and one AU damages litigation.

Demonstrating our ongoing dedication to innovation, we filed a total of 245 patent applications during the year, comprising 79 formulations, 9 active pharmaceutical ingredients (APIs), 10 biotech, and 147 novel drug discovery and development (NDDD) applications. This resulted in the securing of 81 patents, adding to our extensive portfolio, which currently stands at 911 active patents and patent applications encompassing APIs, formulations, NDDD, and biotech.

Lupin's continuous pursuit of innovation and our diligent respect for IP rights reinforce our position as a responsible and respected player in the pharmaceutical industry. We remain committed to contributing to the advancement of healthcare while upholding the principles of intellectual property protection.

R&D Infrastructure

At Lupin, patient centricity lies at the heart of our core business strategies. We are committed to delivering the highest quality drugs and this commitment is exemplified through our world-class R&D facilities. With a dedicated team of over 1,400 employees focused on developing innovative formulations, novel drug-delivery systems, and API synthesis technology, our R&D facilities serve as the epicenter of innovation at Lupin.

Lupin's research facilities globally adhere to international standards, boasting cutting-edge infrastructure. Operating in diverse locations, these integrated centers leverage knowledge and foster innovation across scientific domains.

Through these facilities, our primary objective is to build a robust pipeline of innovative products for sustainable growth. This is supported by a strong internal audit framework ensuring regulatory compliance in R&D activities. Our scientists and employees stay abreast of regulatory and technological advancements, aligning with pharmacopeia methods and industry best practices to remain at the forefront.

India
Lupin Research Park (LRP)
- Generic research unit
- API synthesis
- Finished product research
- Novel Drug Discovery and Development (NDDD) unit

Bioclinical Research Center
- In-vitro and In-vivo bioequivalence and PK-PD studies
- Various formulations: oral, injectable, inhalation, biosimilar

USA
Inhalation Research Center
- Development and research of inhalation-based products
- Focus on respiratory disorders

The Netherlands
Complex Injectables Platform (Nanomi)
Microsphere and nanoparticle research and development

Milestones Achieved by R&D Facilities in FY23

Bioclinical Research, Pune

- Conducted 51 in-vivo pivotal BE studies, 54 in-vivo pilots BE studies, and 10 in-vitro BE studies
- 26 new method validation were done

Inhalation Research Centre, Coral Springs

- Robust pipeline of 22 products, of which two are in clinical trials being DPIs
- Developing an E-connected DPI for better patient compliance

Complex Injectables Platform, Nanomi

Nearing the U.S. FDA filing of first-depot injectable

Biosimilar Research

Lupin has invested in biotechnology research to establish a strong biosimilar portfolio. Biosimilars are a key element of our growth strategy, enabling us to increase access to critical therapies in areas with significant medical needs.

We have one biosimilar filed with the U.S. FDA right now and 3 additional biosimilars in global clinical phase III trials. We also have Etanercept continuing to launch in various markets.

Our biosimilars target primary markets such as the United States, Europe, Japan, India, and other emerging markets. We pride ourselves on developing biosimilars that comply with the most stringent quality standards, ensuring they meet regulatory requirements in developed and emerging markets. We have gained market permissions through our partnership with Viatris and successfully commercialized biosimilar Etanercept (Nepexto®) in major EU markets. Etanercept is a complicated fusion protein, and Lupin is the only Indian company that has successfully manufactured it in-house. It is produced at our biotech facility in Pune, and the facility has undergone inspections and certifications from European and Japanese agencies recently. With approval from the Drug Controller General of India (DCGI), Lupin's Etanercept has also been introduced in the Indian market. Similarly, we have launched our Pegfilgrastim and Ranibizumab molecules also in the Indian market.

Key Product Pipeline

Pegfilgrastim (Peg GCSF): We have reached a significant milestone after submitting our BLA (Biological License Application) to the U.S. FDA. Follow-on Peg GCSF On-Body Injector is in the advanced stages of development.

Ranibizumab: In global phase III clinical trial in wet age-related macular degeneration. Recruitment complete and awaiting follow-up.

Abifercept: In global phase III trial in wet age-related macular degeneration. Recruitment is ongoing.

Denosumab: In global phase III trial in osteoporosis. Recruitment is ongoing.

Novel Drug Discovery & Development

Lupin's Novel Drug Discovery and Development (NDDD) team is dedicated to developing a portfolio of highly differentiated and innovative chemical entities in therapeutic areas such as Oncology.

Our oncology research focuses on targeted treatments based on specific gene mutations or alterations, irrespective of the cancer type. A clinical study involving terminally ill patients with melanoma, lung, and colon cancers has been completed in Europe. Additionally, a trial is underway in India to treat a refractory type of lung cancer with RAS mutations, for which no treatment options currently exist worldwide.

We continue to bolster our capabilities in novel research areas and inked a licensing and development partnership with AbbVie and Boehringer Ingelheim.

Through our NDDD efforts, Lupin remains committed to advancing innovative therapies in areas of high unmet medical need, aiming to improve patient outcomes and quality of life.

NaMuscla® – Addressing Unmet Patient Needs

NaMuscla®, an orphan drug for treating myotonia in adults with non-dystrophic myotonic disorders, received EU marketing authorization in December 2018. The European Medicines Agency has approved it for managing symptomatic myotonia in adults with non-dystrophic myotonic disorders.

In January 2023, the Spanish Ministry of Health granted reimbursement approval for Lupin's NaMuscla® (mexiletine) for the symptomatic treatment of myotonia in adults with non-dystrophic myotonic disorders. This makes NaMuscla® the first licensed pharmaceutical for this indication in Europe, with commercialization undertaken by Lupin's partner, Exeltis, in Spain.

Health economic evaluations conducted in the UK, Norway, and other countries have demonstrated the clinical value and cost-effectiveness of NaMuscla®. Renowned Health Technology Assessment Agencies such as NICE in the UK, IQWIG in Germany, PBAC in Australia, NOMA in Norway, and the MSCBC in Spain have recognized its benefits for patients with non-dystrophic myotonic disorders.

Lupin is committed to generating and sharing clinical trial outcomes with stakeholders, including payors, regulators, healthcare professionals, and patient advocacy groups. Ongoing post-launch observational studies are being conducted to gather patient-level clinical research data, focusing on safety and effectiveness in adults and children. These studies are registered on www.clinicaltrials.gov.

Process Improvements at our Sites

We have dedicated Process Development capabilities focused on optimization at the sites focused on API and Formulation process improvement, thereby contributing towards improving the yield of existing as well as new molecules by simplifying processes, optimizing process ingredients, eliminating steps, or suggesting alternative synthesis (manufacturing) routes. In addition, to yield improvement, the process development also undertakes activities that result in higher yields, faster cycle time, and better quality of drug substances. Over the last four years, this has translated into a total of ₹870 Mn savings annually, improved yields and solvent recoveries to achieve ~1% reduction in API COGM, and a ~0.5% reduction in Formulation COGM on account of yield improvement and larger batch sizes for further reduction in conversion costs.

Over the last four years, this has translated into a total of ₹870 Mn savings cumulative. Also, improved yields and solvent recoveries to achieve ~1% reduction in API COGM, and a ~0.5% reduction in Formulation COGM on account of yield improvement and larger batch sizes for further reduction in conversion costs.

On the formulations end, Lupin has implemented several process improvement initiatives including:

- Simplifying the process and eliminating multiple solvents to improve product quality
- Installing automatic visual inspection, counting and bottle filling machine to enable foolproof 360-degree inspection of the product during packaging and ensuring the right quality at first time
- Removing non-value-added processes and reducing tablet weights while maintaining bioequivalence
- Integrating balance in coating and FBE machines for online spray rate calculation
- Implementing PAT NIR technology for online blend uniformity analysis, reducing the need for lab testing
- Installing automatic visual inspection, counting, and bottle-filling machines for 360-degree product inspection during packaging
- Adopting electronic batch records for paperless manufacturing and real-time data capture
- Implementing Nano-filtration technology to replace ION exchange and eliminate chemical usage at the LIS-11 process stage for system improvement

Green Chemistry

The teams also focus on Green Chemistry for synthetic manufacturing processes. Hence, the design of high-yielding processes is such that byproducts are not pollutants or can be treated to eliminate pollution. Also, the processes are ensured to be atom efficient, and waste reduction, water reduction, solvent reduction, and time cycle reduction are continuously pursued.

At every point, the team has cascading pipeline of projects for optimization at various stages, from lab development to a regulatory filing. As a result of these endeavors, the average yield improvement delivered is ~20% over existing processes. In the same period, the most noteworthy improvements were seen in processes related to manufacturing 14 products for various markets such as the U.S., EU, China, etc.

These products included: Desvenlafaxine, Rifaxmin, Eslicabazepine, and Cephalexin, among others. The average process improvements achieved during the manufacturing of these products are given below:

35% Waste Reduction (Avg.)	**49%** Water Reduction (Avg.)
61% Solvent / Reagent Reduction (Avg.)	**33%** No. of Stages Reduction (Avg.)
46% Capacity Improvement (Avg.)	**30%** Solvent Recovery

Addressing Impurities

At Lupin, quality being a top priority, Impurity control is one of the most important tasks in a process scale-up. Our Process Development and R&D teams ensuring the delivery of robust processes, Control of input material attributes, control of in-process materials, product specifications, controls of unit operations, and thorough end product testing to address impurities. In the past few years, we have developed and filed patents for several processes for quality improvement, especially those around removing Nitrosamine and Genotoxic impurities.

Partnerships and Collaborations

Open Innovation

Lupin firmly believes in harnessing the power of open innovation to accelerate its research and development (R&D) endeavors and achieve strategic goals. Open innovation entails collaborating with external partners to access novel knowledge, technologies, inventions, and markets. Lupin has embraced various open innovation approaches to enhance its capabilities and competitiveness within the pharmaceutical industry.

Two notable examples highlight Lupin's successful utilization of open innovation to create value for its stakeholders:

1. **Augmenting protein engineering and fermentation capabilities:** Recognizing the significance of protein engineering in developing specialized enzymes for API and intermediate synthesis, Lupin initiated an in-house enzyme development program in 2019. However, it soon became evident that additional protein engineering capabilities were required. To address this need, Lupin established a research collaboration with M/s KCat Technologies, a leading protein engineering company. This partnership aims to identify and engineer enzymes specifically tailored to Lupin's targeted intermediates and APIs, enhancing the company's capabilities in this domain.
2. **Innovative biosimilar drug purification:** In collaboration with CSIR-NCL and the Department of Science and Technology (DST), Lupin's Biotech team embarked on a project to develop an advanced purification method for a novel biosimilar drug that emulates an original antibody. The newly devised method offers superior speed, cost-effectiveness, and efficiency compared to the traditional batch process. Recognizing the significance of this innovation, Lupin and CSIR-NCL filed a patent for the developed purification process. Moreover, Lupin is committed to sharing this breakthrough with other interested parties who are engaged in the continuous manufacturing of biologics.

Through these strategic collaborations and open innovation initiatives, Lupin remains at the forefront of research and development, driving scientific advancements and creating value for its stakeholders.

External Engagement

Lupin proactively engages with peers, regulators, and industry associations to deliberate on an enabling framework for strengthening collaborations and strategic partnerships.

Agreement to Acquire Two Inhalation Brands from Sunovion.	Lupin acquires Brovana® Inhalation Solution and Xopenex HFA® Inhalation Aerosol from Sunovion Pharmaceuticals Inc. This expands Lupin's inhalation product portfolio and strengthens its presence in respiratory therapy, ensuring patient access to essential medicines.
Partnership to Increase Patient Access to Tuberculosis Prevention Treatment	Lupin partners with UNITAID, The Aurum Institute, the Clinton Health Access Initiative (CHAI), and other global procurement agencies to support tuberculosis prevention treatment in 138 countries. Affordable new formulations, including a fixed-dose combination and standalone tablets, will be introduced to address the burden of TB in low- and middle-income countries.
Lupin and Yabao Announce Strategic Partnership in China	Lupin forms a strategic partnership with Yabao Pharmaceutical in China to address the demand for pediatric medicines and explore collaboration in therapeutic areas, including cardio-metabolic, CNS, and gastroenterology.
Licensing Agreement with Alvion to market Cardiometabolic Drugs	Agreement with Alvion Pharmaceuticals P.C. (Alvion) to commercialize medicines for Cardiometabolic diseases in Southeast Asia and significantly improve the quality of healthcare and access to drugs in the region.
Partnerships for Biosimilar Research	Lupin partners with DKSH to commercialize Alvotech's biosimilars in the Philippines, expanding Multicare's bone disease, oncology, immunology, and ophthalmology portfolio. This agreement strengthens Multicare's offering of biosimilars and generic medicines in oncology, rheumatology, gastroenterology, and ophthalmology. Lupin partners with Viatris to commercialize Lupin's biosimilar etanercept in ex-U.S., ex-Canada, and ex-Japan markets. The agreement allows Lupin to launch its Etanercept in global markets, leveraging the wide commercial infrastructure of Viatris. The agreement is now assigned to Biocon as part of Viatris's sale of its biosimilar business to Biocon. Lupin partners with Nichi Iko to commercialize Lupin's biosimilar Etanercept in Japan. The agreement leverages Nichi Iko's market-leading position in Japan to benefit Lupin's biosimilar Etanercept. Lupin partners with I'rom Group to conduct clinical trials, register, distribute, and exclusively market biosimilar Denosumab in Japan. Denosumab is used for treating osteoporosis in postmenopausal women at high risk of fracture and preventing skeletal-related events in patients with bone metastases from solid tumors.

IT / Cybersecurity Governance

Lupin prides itself on maintaining a robust and clearly defined Information Technology Security Organization guided by a dedicated Apex / Steering Committee. The Apex committee is headed by the MD, while the Steering committee is led by a Certified Information Security Manager (CISM) and includes key stakeholders comprising the Chief Financial officer, Chief Information Officer (CIO), Chief Information Security Officer (CISO), Legal Representative and a representative from human resources department. The primary objective of this committee is to effectively govern the actions and initiatives of the Information Security Organization, ensuring that roles and responsibilities within the hierarchy are clearly defined and executed with precision. By establishing this governance structure, Lupin proactively safeguards its I.T. infrastructure and strengthens its cybersecurity posture. This includes risk assessments, vulnerability management, incident response, and security awareness training.

Regular audits and assessments are conducted to evaluate our cybersecurity measures' effectiveness and identify improvement areas. Compliance with relevant laws, regulations, and industry best practices is a key focus of our I.T./Cybersecurity Governance framework.

By establishing a well-defined I.T./Cybersecurity Governance framework, Lupin strengthens its ability to protect sensitive information, prevent cyber threats, and ensure our technology infrastructure's overall resilience and reliability. We are committed to continually enhancing our governance practices to adapt to evolving cybersecurity risks and industry standards.

Steering Committee (Senior Management)

Mr. Ramesh Swaminathan
(CRO) – Executive Director, Global CFO & Head – Corporate Affairs

Mr. Sreeji Gopinathan
(CIO) – Senior Vice President

Mr. K. R. Gupta
(CISM) – Director, Corporate Affairs

Mr. Ajay Tiwari
(HR) – Vice President

Mr. Pavan Chullani
(Legal) – Vice President

Mr. Sammit Potdar
(CISO) – Senior General Manager

Our Information Security/Cybersecurity Management Policies and Procedures

Information security/cybersecurity policy is internally available to all employees.

ISMS policy is available on Lupin's intranet portal highlighting the company's commitment towards information security in line with business/legal/regulatory needs. Additionally, SOP on security incidents and monitoring, policy on information classification, and incident management procedures are also available.

Information security/cybersecurity awareness training.

Various platforms inform employees of the ISMS policies, framework, and related updates. The training mechanism includes:

- Providing new joining employees with mandatory training during induction.
- Regular Security Awareness training and Acceptable Usage Policy
- Mandatory yearly training for all employees with a minimum passing requirement of 80%
- Need-based training when specific risks are identified, or tests are done

Escalation process which employees can follow in the event an employee notices something suspicious is in place.

Employees who want to escalate any issue or report any security incident can raise their concerns at **kavach@lupin.com** or **shield@lupin.com.**

Information security/cybersecurity is part of the employee performance evaluation.

ISMS team periodically reviews performances at all the locations for timely completion of Kavach KPI and ranks the top 3 locations accordingly

Protecting Intellectual Property

In today's digital world, where information and data hold immense value, safeguarding Intellectual Property Rights (IPR) is of paramount importance. At Lupin, we implemented robust strategies, systems, and processes to combat product piracy and counterfeiting and secure our valuable data.

Information and Security Management System (ISMS)

Our comprehensive ISMS policy based on ISO 27001 framework serves as a foundation for managing and protecting data throughout the organization. The ISMS program, known as Kavach/Shield has been successfully implemented across the organization. As part of this implementation, we have created and published relevant security policies and procedures on the intranet portal accessible to all employees and third-party contractual.

Business Continuity Planning (BCP)

To ensure the resilience of our critical operations during a crisis, we have established a business continuity plan (BCMS) in line with the ISO 22301 standard. In the initial phase, we conducted a thorough business impact analysis (BIA) and risk assessment (RA) for IT services at our Mumbai head office. The recovery strategy was validated through a tabletop exercise. Subsequent phases will involve conducting BIA and RA for four additional locations involved in research and development (R&D) and manufacturing, followed by other locations to be initiated in FY24.

ISO/IEC 27001:2013 Certification

We have obtained ISO/IEC 27001:2013 certification for our Indian Operations. This includes our Head Office, Research Park in Pune, and manufacturing sites including Pune Biotech, Ankleshwar, Tarapur, Goa, Aurangabad, Vizag, Nagpur, Sikkim, Mandideep and Pithampur. This certification ensures that Management Systems adhere to stringent standards. Our Information systems undergo periodic security assessments, at least once a year or as needed, to mitigate potential threats and vulnerabilities. We conduct both internal and external audits on an annual basis, and regularly updating the Steering Committee. We aspire to expand our ISO certification to cover global locations in the future.

By implementing these measures, we are steadfast in our commitment to protecting our Intellectual Property and ensuring the security of our organization's valuable assets.

ZERO consumer complaints have been received regarding data privacy and cybersecurity aspects in FY23

Data Back-Up

Secure Email Gateway

Advanced Threat Protection

Firewall

DNS Security

Mobile Device Management

Secure Internet Gateway

Access Management

Leveraging Technology for Innovation

We are relentless in our pursuit of innovation, harnessing technology as a catalyst to enhance our systems, unlock the potential of our intellectual assets, and gain a decisive competitive edge. By embracing technology, we ensure superior healthcare solutions for patients and propel our compliance, operational, regulatory, and financial performance to new heights.

Process Efficiency Through Information Technology Services

Lupin's bedrock lies in our seamless integration of information technology services, anchored by robust systems such as SAP, our proprietary CRM, OpenText, diverse workflow solutions, SuccessFactors, and ModelN, among others. Our unwavering commitment to leveraging these systems enables us to advance organizational speed, agility, and decision-making prowess.

To further fortify our operational efficiency and risk management, we have successfully implemented the Kinaxis Demand & Supply planning tool, which empowers us to vigilantly monitor risks and seize opportunities across our entire organization. Additionally, through the deployment of Robotic Process Automation (RPA), we have automated labor-intensive processes related to sales returns and chargebacks, bolstering the efficiency of our shared services teams.

Recognizing the pivotal role of revenue visibility in the dynamic realm of generic medicine, we have adopted Oracle Performance Management tools for U.S. revenue planning. This strategic move reinforces our ability to navigate the intricacies of the market with precision and foresight.

Moreover, we have revolutionized our manufacturing processes by seamlessly integrating C-DAS (data acquisition from Programmable Logic Controllers and Supervisory Control and Data Acquisition systems), thereby enabling automation and streamlining production operations.

As part of our digitalization initiative, we are implementing continuous improvement software designed to capture and classify ideas, primarily focusing on enhancing employee engagement and simplifying Kaizen management. By leveraging our Lean-Six Sigma background, we aspire to foster a culture of innovation and excellence throughout our organization.

Lupinnovate

People and change management are crucial factors in influencing the success of digital transformation programs. We led a data science-based Ideathon + Hackathon to get Lupinytts on board with this transformation journey. Through Lupinnovate we urged all Lupinytts to submit ideas on how data may be used to improve business outcomes. This helped us cultivate capabilities, solicit ideas and promote an innovative culture at Lupin.

217 employees participated in Lupinnovate during the financial year

Business Intelligence (BI)

Lupin understands the need to stay ahead by embracing innovation and delivering affordable products in the ever-evolving pharmaceutical industry.

Central to this endeavor is the effective management of clinical data and utilizing Business Intelligence (BI) as a powerful tool. BI enables us to gain valuable insights, assess risks, and make informed decisions across our organization.

By consolidating complex data sets, we extract meaningful information through user-friendly dashboards, benefiting research and development, finance, and supply chain functions.

Our BI approach extends globally, with teams in multiple countries leveraging these powerful tools, including India, Australia, Philippines, Somerset, Mexico, the U.S., Brazil, South Africa, and Germany. This integration of BI throughout our organization enhances decision-making and drives overall performance.

Digital Innovation

Lyfe is a digital therapeutics solution developed by Lupin Digital Health, a subsidiary of Lupin, to provide comprehensive care for individuals with chronic cardiovascular diseases.

This innovative platform integrates human intelligence, artificial intelligence and machine learning to optimize patient outcomes and reshape the doctor-patient dynamic.

Developed in collaboration with renowned Indian cardiologists, Lyfe enhances doctor-patient collaboration by continuously monitoring health vitals, promoting therapy adherence, and boosting patient awareness. It utilizes FDA and CE-approved wearable devices to record vital parameters and promptly notify caregivers and doctors of any irregularities or emergencies.

With features such as medication reminders, round-the-clock emergency assistance, and access to a network of dedicated care managers, health coaches, and nutritionists, Lyfe empowers patients to actively manage their heart health while receiving personalized support and guidance. Lupin Digital Health aims to redefine cardiac care and enable individuals to take control of their health and overall well-being through Lyfe.

Innovation for the Planet

With a dual focus on environmental preservation and business profitability, we are committed to implementing sustainable technologies and practices throughout our operations. As part of our sustainability initiatives, we are proud to introduce Luforbec pMDI and, more recently, Beclu® pMDI, certified carbon-neutral inhalers specifically designed to treat adult asthma in the UK.

These breakthrough products is expected to offer a 30% NHS list price saving versus branded equivalents. This can result in potential savings for the NHS of £72 Mn per annum.

In addition to greater cost savings, Luforbec® is also a carbon-neutral product and recently received a carbon neutrality certificate from Carbon Footprint Ltd after a robust life cycle assessment (LCA). This is also expected to contribute greatly to the NHS and its green agenda to achieve net zero emissions.

This certification empowers healthcare professionals with a sustainable choice, enabling them to manage asthma patients in an environmentally conscious manner.

Digital Transformation through Data Analytics

Lupin is transforming through data analytics, automation, and digital technologies. We use Industrial Internet of Things (IIoT), Robotic Process Automation (RPA), and data lakes to gather data from Enterprise Resource Planning (ERP), Manufacturing Execution Systems (MES), Laboratory Information Management Systems (LIMS), Internet of Things (IoT) devices, Customer Relationship Management (CRM) detailing, and secondary sales data.

The insights generated from data analytics are shared with stakeholders through Enterprise Business Intelligence (BI) platforms, allowing them to take informed actions.

Data analytics has already shown value in optimizing utility consumption, improving yield, and enhancing medical representative engagement. We're scaling these use cases and focusing on strengthening Overall Equipment Efficiency (OEE), streamlining line changeovers, and implementing digital visualization for performance dashboards. Lupin is also gamifying learning and enhancing maintenance and monitoring activities.

Automation is also implemented for Annual Product Quality Review (APQR) and root cause analysis. Lupin has successfully automated over 100 processes across various departments, including finance, taxation, pharmacovigilance, manufacturing, supply chain, and IT using RPA bots.

Data Hierarchy & IT Landscape

- L6 **Application/Engagement Layer**
- L5 **AA/AI Layer**
- L4 **Data Layer**
- L3 **IT Layer**
- L2 **Operating Tech. Layer**
- L1 **Machinery/Infrastructure**


LUPIN

Social & Relationship Capital

At Lupin, we deeply recognize the significance of Social and Relationship Capital in driving our organization's growth. We are fully dedicated to diligently fostering robust and enduring partnerships by actively participating in community welfare activities that enhance socio-economic wellbeing of local communities but also contribute to organizations sustainability and goodwill. Furthermore, by prioritizing and nurturing strong relationships with suppliers and other stakeholders, we ensure the seamless sourcing of raw materials at fair prices, ensuring the smooth functioning of our manufacturing operations. Moreover, our proactive engagement with customers enables us to acquire valuable insights into their expectations, empowering us to continuously innovate our strategies and products.

The cornerstone of our unwavering commitment to social and relationship capital is deeply rooted in the visionary leadership of our Founder, Dr. Desh Bandhu Gupta. His remarkable dedication to tirelessly serving our communities and uplifting the most vulnerable inspires us all in our endeavors.

₹356.5 Mn
CSR Spend

9,200 hours
of Employee Volunteering

170,778
Beneficiaries

12,531
Suppliers engaged in FY23

100%
of Suppliers covered under Supplier Code of Conduct

66%
direct materials (by spend) locally sourced in India

~50%
Direct Material manufacturers assessed for ESG Risks (basis third-party secondary research)

25 Bn
Impressions generated through unique external communications campaigns

Community Outreach and Value Creation

The Lupin Human Welfare & Research Foundation (LHWRF) operates as an independent entity of Lupin Limited, with a steadfast aim to establish a sustainable, adaptable, and dynamic model of holistic rural development in India. We recognize that each community requires a unique approach to foster growth and development. Hence, we conducted and implemented a comprehensive needs-based assessment across the villages we engage with, ensuring that our efforts result in meaningful and impactful change.

We are committed to driving sustainable livelihood opportunities and economic growth in underdeveloped districts in India through collaborative efforts with community-based organizations and local institutions.

Over the last three decades, the Foundation has a programmatic presence in over 5,000 villages located in 88 blocks of 23 districts spread across the nine states in India, reaching over 1.45 million households. Alwar and Bharatpur in Rajasthan and Dhule, Pune and Palghar in Maharashtra are key districts for all strategic interventions through our Lives and Livelihoods programs. Across worksite locations, the Foundation magnifies impact through need based, community led initiatives that are aligned to our strategic programme pillars and overall sustainability goals.

This year, we actively worked in more than 1,400 villages, from 9 states in India.

What Sets the Foundation Apart?

- **Equal Community Partnership:** Collaborating with communities from the outset to ensure inclusivity and participation
- **Committed Teams:** Working closely with communities, providing guidance and support throughout project implementation
- **Transparency and Accountability:** Establishing a robust monitoring system to track project progress and keep stakeholders informed
- **Local Ownership:** Empowering the local Panchayat for maintenance and sustainability after project completion
- **Grievance Resolution:** Addressing community grievances promptly through established rules and procedures at the village institution level

LHWRF's Coverage in FY23

1,432 Villages

73 Blocks

22 Districts

Our Pillars of Social Upliftment

LHWRF focuses on uplifting underprivileged communities and operates with a strong commitment to community engagement, transparency, and sustainable development across its areas of focus. The foundation is dedicated toward fostering an enabling ecosystem for upliftment of the underprivileged, ensuring enhanced livelihoods security through its Livelihoods programme and enriching the quality of life through its Lives programme.

Governance Mechanisms for Social Development

Lupin implements robust governance mechanisms to drive social initiatives and maximize social capital. The Board of Trustees, supported by the CSR Committee and the LHWRF, oversees our governance structure. The Board ensures effective CSR policy implementation and fund allocation, while the CSR Committee moderates plans, monitors projects, and evaluates impact. The LHWRF directly manages project execution, ensuring ethical practices and compliance. Collaboration with government agencies, local partners, institutions, self-help groups (SHGs), NGOs, and experts enables us to leverage resources and expertise for successful implementation.

Board of Trustees

Implementation of CSR Policy and Infusion of CSR Funds

CSR Committee

Ensuring smooth and effective functioning of social activities and monitoring the activities. The committee also develops annual action plans and social development strategies.

Dedicated and Specialized Teams

Execution of CSR projects and on-ground implementation

Livelihoods Program: Empowering Rural Communities

Highlights

Beneficiaries	Key Projects	Locations
125,806	• Agriculture development • Natural resource management • Skill development	Implemented in eight states

Our Livelihood program aims to empower economically vulnerable rural communities in North and West India by providing sustainable solutions. We deliver locally relevant and need-based livelihood initiatives that enhance income opportunities for underprivileged individuals. Through collaborations with grassroots institutions, like minded organizations and government departments there are 33 projects implemented across geographies through the Foundation. These partnerships ensure our initiatives align with local contexts, effectively addressing community needs. Our core objective is to create lasting societal value by empowering and uplifting the communities we serve.

Focus Areas

- **Agricultural and Animal Husbandry**
- **Natural Resource Management**
- **Strengthening Community Collectives**
- **Develop Employable Skills and Local Enterprises for Women and Youth**

Ground Zero Good Practices Adopted to Empower Cotton Growers

Overview

In partnership with the Better Cotton Initiative, the LHWRF has been implementing the Better Cotton Programme (BCI) in Maharashtra's Dhule and Nandurbar districts since 2017. This program introduces innovative agricultural techniques to benefit farmers. The adoption of single-seed sowing practice has proven highly advantageous, reducing costs by 50% and increasing productivity. Intercropping with red gram and marigold acts as a natural pest control measure, while maize plantation on borders helps manage pests on the farm. Through capacity building and training, farmers have gained awareness of improved farming practices and efficient use of natural resources. They now produce and utilize organic fertilizers, pesticides, and other inputs, promoting sustainable and environment friendly farming.

Upskilling Through Technology and Digital Learning

The program uses Information and Communication (ICT) materials like bite-sized 2D-animated videos in local languages to facilitate peer learning. These videos are distributed to women farmers, and those women with access to smartphones take the lead in championing ground-zero awareness level. The user-friendly videos explain the technical aspects of cotton farming and promote sustainable practices. Support from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) aided the development of these videos as part of the Promoting Better Cotton Farming Practices project.

Transforming Agricultural Practices

Our program introduces innovative agricultural techniques to benefit farmers, including the adoption of single-seed sowing practices, intercropping with red gram and marigold, and maize plantation on borders.

Integrated Learning for Women Farmers

A hub and spokes model is implemented among women farmers to ensure learning integration. A progressive woman farmer is a demonstration model, while fellow women farmers are encouraged to adopt the practices. Farmer field schools are conducted on the demonstration farm, providing hands-on support. On-farm challenges are addressed through the provision of small tools, machinery, and access to seed banks.

Key Impacts of the Project Include:

- Adoption of soil testing and organic fertilizer usage by women farmers.
- Increased crop yield and economic returns in cotton cultivation, leading to higher profits for farmers and reduced cultivation costs.
- Implementation of intercropping and farm-allied activities, contributing to additional income generation at the household level.
- Strengthened the agency of women and improved access to markets, enabling farmers to achieve better prices for their agricultural produce.
- Promotion of gender-sensitive practices, empowering women and catalyzing their upward socio-economic mobility.

Innovative Agriculture Allied Enterprise Established by an All-Women Farmer Producer Organization (FPO)

An Introduction to Dhule, Maharashtra

Dhule, a district with limited income generation opportunities and scope for economic growth, faces agricultural backwardness. It is highly vulnerable to impact of climate change and has very high dependence on agriculture. Women in the region mainly work as farm labourers and rear livestock to generate income. Livestock is a key source of alternate income generation, however, the arid, dry geography and limited water availability pose a significant challenge, leading to fodder scarcity for livestock keepers. An all-women Farmer's Producers Organization (FPO) comprising 315 women farmers was established to address these issues.

Role of the Foundation

LHWRF played a crucial role in organizing women farmers and establishing the FPO. They provided training, capacity building, and continuous support to develop women leaders' skills in managing the FPO. LHWRF also secured financial support from donor agencies for the FPO's processing unit and working capital.

Establishment of a Pioneering Enterprise

In 2019, the Mahila Khandeshi Producer Company was established as an FPO in Dhule. This all-women FPO operates units for agricultural input sales, cattle feed manufacturing, and micro-irrigation dealerships. The women members actively promote improved agricultural practices, green fodder production, and water management techniques. These interventions have boosted farmers' incomes and economic growth in the region, particularly for women.

Enhancements in Animal Husbandry

The FPO's cattle feed production unit addresses fodder scarcity in Dhule by producing nutritious supplements for livestock keepers, thereby improving milk yields. The unit sources local inputs like maize and soybean to create affordable cattle feed, benefiting farmers in the region. The FPO's turnover from cattle feed and agricultural input sales is continuously growing and is expected to exceed ₹1 Mn.

Wider Benefits

The availability of affordable cattle feed has transformed farming and livestock rearing in the region. Farmers and livestock keepers now have easy access to high-quality feed, resulting in improved feed and fodder management, increased milk production, and higher profits. This intervention has particularly impacted women leaders, who have experienced enhanced economic opportunities and established strong collectives. The availability of cattle feed has created a more stable and profitable agricultural ecosystem in the region.

Innovation

The intervention introduces process innovations, such as collective procurement and local sourcing of inputs, thereby reducing costs and providing a platform for SHG members to sell their produce.

The FPO's advisory services promote improved agricultural practices, certified seeds, bio-fertilizers, bio-pesticides, and micro-irrigation technologies, ensuring easy and affordable access to farm inputs. These innovations enhance income generation for the FPO and ensure profitability for farmers, creating a sustainable and inclusive agricultural ecosystem.

Resources and Mobility

The project successfully used resources from the Government of Maharashtra, particularly the Krishi Vigyan Kendra Dhule, the NABARD FPO scheme, and additional funding from the Bayer Foundation to support the women FPO.

Regional Recognition

The program was honoured with the State-level Krushi Prerna Award 2022 by the Agrocares Group of Companies.

Lives Program: Enhancing Healthcare for Marginalized Communities

Highlights

Beneficiaries	Key Projects	Locations
44,972	• Desh Bandhu Jan Aarogya Seva (Lives), Alwar • TB awareness and support programme • Community-centered health initiates	Implemented in eight states

Launched in FY23, the Lives program focuses on enhancing the availability, accessibility, and utilization of healthcare services for marginalized populations. Our structured framework strengthens preventive and curative aspects of healthcare, aiming to address immediate needs while reducing disease prevalence in the long run. We prioritize the Northern and Western regions of India, identifying and treating individuals at risk.

Focus Areas

- **Strengthening the Primary Healthcare System and upgrading health infrastructure**
- **Capacity building of last mile health service providers**
- **Improve Access to Nutritious Food, Medicine, and Vaccinations.**
- **Improve Healthcare Practices and Awareness**

Strengthening the Government System for Tuberculosis Elimination

Overview

The Lupin Human Welfare and Research Foundation partners with the Government to strengthen India's national tuberculosis (TB) elimination efforts. Collaborating with the Revised National Tuberculosis Control Programme (RNTCP), we aim to eliminate TB by 2025 as outlined in the 'National Strategic Plan for Tuberculosis 2017-2025' (NSP). Through our collaboration, we have focused on the Detect, Treat, Prevent, and Build (DTPB) pillars of the NSP, providing identification and treatment services to 50,000 individuals from nearby villages in Padra Taluka LHWRF, Dabhasa. Together with the Government, we strive to improve program delivery and contribute to eliminating TB in India.

Preparation and Training

LHWRF conducted a training program at Lupin Dabhasa for Accredited Social Health Activist (ASHA) Workers and Public Health Centre (PHC) staff to implement the project according to RNTCP guidelines. The training covered key aspects, including

- Door-to-door survey conducted to record family profiles and identify suspected TB cases
- Medical checkups carried out using joint survey kits provided by LHWRF and RNTCP
- Performance incentives offered to ASHA workers responsible for project execution

Value Creation and Impact

The program conducted sputum, X-ray, and CB net diagnoses to identify TB-positive individuals.

Patients received treatment at PHCs, with ASHA workers distributing free medicine and providing regular home visits. LHWRF provided a six-month nutrition kit for patients' health improvement. Treatment details were recorded in the RNTCP treatment card, with a remuneration of ₹1,000 from RNTCP and an additional ₹8 per patient from LHWRF. Transportation expenses were covered for suspected patients and ASHA workers. The program screened 37,579 households and 155,762 individuals, identifying 1,013 suspects and 176 confirmed TB cases.

USAID has recognized the project's efforts to contribute to the National Tuberculosis Elimination Program. Insights from the TB project in Dabhasa will substantiate the replication of similar projects in Nagpur, Sikkim, and Vizag centres.

Empowering Education in Sub-Saharan Africa: Pharma Dynamics and the Tutudesk Campaign

Pharma Dynamics, Lupin's South African subsidiary, has joined forces with the Tutudesk Foundation to bring about a profound change in education outcomes across sub-Saharan Africa. Led by Nobel Prize laureate Desmond Tutu, the Foundation's mission is to provide portable school desks, known as Tutudesks, to underprivileged children in the region. The impact of Tutudesks has been truly remarkable, with teachers witnessing an astounding 80% improvement in students' handwriting legibility and a remarkable 65% increase in homework completion rates. This underscores the transformative influence even a seemingly simple resource can have on educational achievements.

Since 2018, Pharma Dynamics has been a steadfast supporter of the Tutudesk Foundation, striving to reach an ambitious goal of benefiting 20 Mn African children by 2025. The company's annual contribution to the Foundation not only drives its Social Economic Development (SED) expenditure but also bolsters its Broad-Based Black Economic Empowerment (BBBEE) rating. By actively collaborating with the Tutudesk campaign, Pharma Dynamics actively promotes equitable access to education, uplifts communities, and fosters sustainable progress throughout sub-Saharan Africa. This compelling partnership exemplifies the power of collective action in transforming lives through education.

Breaking Barriers to Accessibility, Affordability, and Awareness

At Lupin, we recognize the obstacles individuals encounter in accessing essential healthcare services. That is why we are dedicated to breaking barriers in accessibility, affordability, and awareness. Access to healthcare is a top priority for pharmaceutical companies like Lupin, as nearly 2 Bn people globally lack access to essential medicines. Ensuring access to safe, effective, and quality medicines and health products is fundamental to preserving and improving the health of millions of people. Achieving universal health coverage requires affordable access to healthcare resources, and Lupin is committed to facilitating this goal. Lupin has been operating in >100 countries directly and indirectly along with a legacy anti-TB leadership role. Leveraging the presence, Lupin has been pioneering the access strategies across both regulated and non-regulated markets. Our generics offer significant cost savings across the world. In the U.S., Lupin ranks #3 by prescriptions holding 4.7% share of total prescriptions. Thus, Lupin has been a key contributor to the $373 Bn savings. Similarly, Lupin has contributed towards reduced healthcare expenditures of 35% in South Africa and 30-50% savings for the U.K. government for the products marketed by Lupin. We're also launching 2-3 healthcare programs in India and building capacities in healthcare systems where Lupin is present.

Furthermore, we have committed not to patent or enforce patents on Intellectual Property related to products for diseases covered by ATMI[1] 2021 in least-developed and low-income countries. This ensures affordable and accessible medications for those in need.

Goals and Targets

Access to Healthcare		Local Capacity Building	
Increase TB and ARV registrations in LDCs and LICs	Implementing two long-term patient assistance programs by 2025, benefitting 100,000 patients	Lupin aims to add one local manufacturing firm partnership by 2027 in Africa	Lupin aims to educate 1 Mn patients by 2028 (excluding Anya) and 20,000 doctors through programs and conferences by 2030
TB and ARV medicines with 70+ registrations in FY23. Targeting 80+ registrations, in FY24		Lupin is exploring partnership opportunities	Currently, ~625,000 patients and 9,500 doctors have been educated in India and ~4,250 doctors in South Africa. We target reaching 750,000+ patients and engaging with 15,000+ doctors in FY24.

[1]ATMI - Access to Medicines Index

Flagship Initiatives Targeted Towards Improving Patient Awareness in FY23

Initiative	Description	Patients Reached	Medical Professionals Reached	Geographical Spread
HuMrahi Your Partner in Care	Lupin raises awareness about diabetes and its complications through social media updates and global webinars. Our Humrahi app offers insulin administration techniques and diet consultations for diabetes patients.	150,000+	4,000	20 Cities Across India
SAARTHI Patient Support Platform	Through SAARTHI, a revolutionary tool for mental health professionals supporting patients and caregivers, Lupin enables open discussions and awareness to tackle anxiety, stress, and sleeplessness. It is available in multiple regional languages and helps improve patient outcomes.	150,000+	2,400	Pan-India
World Asthma Day & World COPD Day	On topical days, Lupin empowers individuals by educating them about respiratory diseases and management through proactive measures. To foster respiratory health awareness, we create and distribute informative posters and leaflets across clinics nationwide.	300,000+	NA	Pan-India
JAI Joint Airway Initiative	Lupin launched the Joint Airway Initiative (JAI), India's 1st digital asthma educator platform, to provide comprehensive inhalation techniques to guide patients suffering from asthma and enable effective asthma symptom management.	6,874	NA	Pan-India
Liver Disease Education	Lupin raises awareness about liver diseases through various initiatives including distribution of diet and lifestyle books on disease management, 30-day planner for tracking conditions and informative posters.	8,000	NA	Pan-India
Lupin SAHAYAK	Lupin launched Sahayak, a region-specific, multi-lingual patient education and health literacy platform, to promote better decision-making for overall well-being.	10,900+	NA	Pan-India
MyDynamics	PharmaDynamics leads the MyDynamics patient education initiative in South Africa to provides disease information. The program 'Our Cooking from the Heart' offers free healthy cooking resources to promote healthy lifestyles.	NA	NA	South Africa
Grin Visual Health	Grin, Lupin's visual health initiative in Mexico focuses on eye health, emphasizing dry eye, glaucoma, and DMRA diseases. Grin raises awareness, enables early detection, and provides management options to improve visual health.	12 Mn Impressions	NA	Mexico
Journey to Motherhood	Our Journey to Motherhood initiative supports mothers and expectant mothers in the Philippines with online tips, consultations, and resources for maternal health. Partnering with Multicare Medical Associates, we provide maternity classes, bone screening services and information on maternal health.	65,000 subscribers Bone test: 100 patients per session	NA	Philippines

Flagship Initiatives Targeted Towards Improving Medical Professional Awareness

Initiative	Description	Medical Professionals Reached	Geographical Spread
SCIFLIX	Sciflix is a knowledge-sharing platform designed to empower future pulmonologists by providing curated content and relevant information to help them stay updated and enhance their skills for professional development.	1,589	Pan-India
Experience the Expertise (Cough)	Lupin raises awareness about dry and refractory cough among chest and respiratory physicians by disseminating scientific material and enabling discussions. We provide valuable insights on diagnosis and treatment advancements and foster a collaborative environment for sharing expertise and addressing challenges.	3,300	Pan-India
Best of ACG Season 3	Lupin collaborates with programs such as the American College of Gastroenterology's International Speaker Program to raise awareness and share knowledge among gastroenterologists. Such programs enable Indian gastroenterologists to upgrade their skills and expertise in the field.	1,700	Pan-India
EHFA Certification Courses on Heart Failure	Lupin has collaborated with the European Society of Cardiology to launch a program for cardiologists, focusing on the latest advancements in managing heart failure. This partnership aims to enhance awareness and knowledge about cutting-edge approaches in cardiac care among medical professionals.	1,600	Pan-India
International Symposium on Diabetes (ISD)	Lupin has collaborated with Joslin Diabetes to conduct a flagship program for Indian endocrinologists and diabetologists to promote advancements in diabetes management and get updated on the latest advances in the field.	900	Pan-India
SMARTDOC	SMARTDOC empowers future pulmonologists with curated content and resources for skill enhancement. With 350 annual SMART functions and interactive sessions, the initiative facilitates knowledge exchange and case discussions to advance pulmonology and improve patient care.	4,250	South Africa
Grin Science	Grin Science is a valuable resource for information on USDA national collections of genetic resources. With over 900 monthly visits, our portal facilitates access to essential knowledge in animal, microbial, and plant germplasms, supporting research and innovation in agriculture.	1,697	Mexico
Webinars and Congress	Lupin hosts annual conferences that promote knowledge sharing and collaboration among healthcare experts, driving innovation and advancements in the field.	10,000	Mexico
Monthly Webinars	Lupin hosts monthly webinars on OLG-CAUSE and other POGS Sub-societies, providing opportunities for professional development and knowledge sharing in the field.	800	Philippines

Empowering Diabetes Patients for Better Health Outcomes

In the face of an alarming rise in diabetes cases, Humrahi, Lupin's Diabetes Patient Support Program (PSP), is at the forefront of transforming diabetes care in India. Through its user-friendly app, Humrahi provides personalized support, ensuring better health outcomes for patients. With a remarkable track record of empowering over 150,000 individuals, the program is now expanding to an additional 100,000 individuals. Collaborating with 4,000 medical professionals further cements Humrahi's success. By prioritizing patient care and addressing the evolving needs of diabetic patients, Humrahi has become the trusted partner in their journey towards improved health. Through its personalized guidance, Humrahi empowers individuals to effectively manage their diabetes and elevate their overall quality of life. https://humrahi.co.in/

Enhancing Accessibility of Tuberculosis Treatment

Lupin has achieved significant progress in producing and distributing tuberculosis (TB) treatment, particularly in low- and middle-income countries. With multiple state-of-the-art facilities dedicated to Anti-TB products, we are one of the largest manufacturers of Rifampicin, Pyrazinamide and Ethambutol APIs. Furthermore, to curb the increasing prevalence of TB in these countries, we have expanded our production capacities in Aurangabad. This allows us to produce 40% more batches from our dedicated Anti-TB formulation blocks.

Revolutionizing the Management of Multidrug-Resistant Tuberculosis

Lupin is actively addressing the challenge of affordable access to cutting-edge regimens for multidrug-resistant tuberculosis (MDR-TB). We understand the importance of introducing new molecules and repurposing effective medications to combat this pressing issue. Breakthrough treatments such as Bedaquiline, Pretomanid, Delamanid, Clofazimine, Linezolid, and Moxifloxacin have played a vital role in reducing global mortality rates associated with tuberculosis. Our mission is to expand the availability of these life-saving therapies, ensuring that a larger patient population can benefit from their effectiveness and contribute to the potential eradication of MDR-TB.

Expanding Global Reach: Empowering Access to Life-Saving Medications

Lupin Access Business has achieved remarkable success in registering its products in low- and middle-income countries, with an impressive count of over 115 registrations accomplished till date. In FY23, we have already secured more than 70 registrations in various countries. These milestones open new avenues for Lupin's ARV and tuberculosis treatments to reach a wider global audience, effectively enhancing accessibility to life-saving medications on a global scale.

Revolutionizing Tuberculosis Treatment and Access

Lupin Global Institutional Business has demonstrated innovation in developing groundbreaking products and initiatives. One example is the combination product of Rifapentine and isoniazid, simplifying treatment and improving patient compliance. This formulation has received approval, marking a significant step in tuberculosis prevention.

Our partnership with multiple agencies will facilitate the rollout of tuberculosis prevention treatment in 138 countries, especially heavily burdened regions. We offer an affordable fixed-dose combination of Rifapentine + Isoniazid and standalone Rifapentine 300 mg tablets.

Lupin also focuses on developing pediatric formulations, including 2FDC, 3FDC, and Rifapentine 150 mg dispersible tablets for children with tuberculosis. This commitment improves care for vulnerable populations.

Next Generation Patient-Centric Initiatives

Lupin leads patient-centric initiatives, leveraging technology to address healthcare access and understanding barriers. We prioritize treatment outcomes and cost reduction through comprehensive support. Building trust, reliability, and transparent communication with patients is paramount. Embracing technology empowers patients to engage in their healthcare actively.

Patient Centricity Goals and Targets

Stage of Care	Specific Area	FY23 Metric	FY24 Target	Long-Term Targets (Annually)
Diagnosis	**FeNO[1] & Spirometry (Respiratory test)** Number of tests	**300,000**	**3,30,000**	**1 Mn** by 2030
	Forced Oscillation Assessment (in-clinic) (Respiratory test) Number of tests and clinics	**25,000 tests** 4,000 clinics	**30,000 tests**	**10,000 clinics**
	Uroflowmetry (Renal tests) Number of tests	**8,560**	**9,500**	-----
	AI Breast Cancer screening Number of tests	**~1,050**	**1,400**	-----
Rehabilitation	**Lungs on Care Program (ILD[2] Care)** Number of clinics	**41**	**50**	**300**
	Atharv Ability Neuro-rehabilitation Center Number of patients	**800**	**10,000**	-----
End-to-End Care	**LYFE Lupin Digital post ACS Program (Cardiac)** Number of patients	**160**	**40,000**	-----

[1]FeNO - Fractional exhaled nitric oxide [2]ILD - Interstitial Lung Disease

Lupin Diagnostics : Advancing Healthcare through Quality, Accessibility, and Engagement

National Reference Laboratory (NRL)

Established in Navi Mumbai, the NRL has set the foundation for Lupin Diagnostics' expansion, with 28 processing laboratories across India.

Accessibility

410+ collection centers and efficient home sample collection services to enhance accessibility for patients.

Home Collection Service

Strong team and network for home visits, enabling easy booking, phlebotomist tracking, and a rating system for patients.

Patient Reach

More than 300,000 patients were served in FY23, enabling evidence-based treatment decisions.

Brand Awareness and Engagement

Digital marketing efforts, loyalty cards, and retail campaigns have generated 60 Mn impressions, effectively connecting with patients.

Value-Added Services

Dynamic smart reports for patients, including health monitoring tips and historical trend graph analysis.

Quality Assurance

Adherence to stringent quality control protocols and international benchmarks, with NABL accreditation for Pune, Nashik, Kolkata, Burdwan, Bankura, and the NRL's Covid lab, ensuring accurate and reliable diagnostic results.

Free Screenings

Organized over 4,800 camps in Labs and the LupiMitra network, offering free screenings for prevalent conditions such as diabetes, thyroid disorders, and cholesterol.

Healthcare Professional Engagement

Active involvement in Continuing Medical Education (CME) sessions and Regional Training Meetings (RTMs), promoting knowledge exchange and highlighting the value of pathology in comprehensive healthcare management.

LYFE - Digital Therapeutic Solution for Holistic Heart Care

LYFE, Lupin's digital therapeutic solution, revolutionizes heart care for individuals with chronic cardiovascular diseases.

This AI-powered platform combines AI and ML with human intelligence to provide personalized patient care. LYFE simplifies managing cardiovascular conditions through seamless communication and collaboration between patients and healthcare providers.

Key features include continuous vital health monitoring, medication reminders, emergency assistance, and access to a dedicated team of care managers, health coaches, and nutritionists. LYFE's multidisciplinary approach ensures personalized guidance and adherence to treatment protocols.

By merging medical expertise with digital technology, LYFE delivers a comprehensive end-to-end cardiac care experience, empowering patients to improve their outcomes.

Atharv Ability

Stroke incidences are prevalent in India, with the average age of patients being almost ten years younger than those in other parts of the world. A staggering 60% of stroke cases in India result in some form of disability, ranging from partial or complete paralysis to difficulties with motor control, language comprehension, swallowing, and cognitive function. To aid in recovery, patients with these disabilities require a multidisciplinary rehabilitation treatment program to help them regain their functional and cognitive abilities. In addition to stroke there are a host of other neurological conditions that require physical rehabilitation. Lupin's Atharv Ability, an outpatient Neurology Rehabilitation Center is enabling patient's access to the latest technologies the field of neurorehabilitation, including robotics, virtual reality and other computer-assisted technologies. This first-of-its-kind neuro rehabilitation facility in India offers a range of rehabilitation programs for post-stroke patients, patients with traumatic brain injury, spinal cord injury, and pediatric neurological conditions as well as for other neurological conditions including Parkinson's, cerebral palsy, and multiple sclerosis. The center has a comprehensive suite of advanced equipment, including end-effector based robotic solutions. Atharv Ability offers every neuro rehabilitation therapy under one roof.

ATHARV ABILITY
A LUPIN INITIATIVE
ABILITY • DIGNITY • LIFE

This includes for gait and hand training, balance training and postural control, occupational therapy, speech and language therapy (SLT) and swallowing therapy, cognitive behavioral therapy, aquatic therapy, visual therapy, among others. In addition, the center offers neuro rehabilitation for paediatric patients. For the first time in India, Atharv Ability has introduced a dedicated home environment simulation space for "Activities of Daily Life" training that supports patient daily life and their interaction with the environment. The training improves their functionality and cognitive abilities and helps them integrate back into normal life.

Within four months since the center was inaugurated, Atharv Ability has offered effective rehabilitation to over 1,000 patients through the 3,000+ multidisciplinary therapy sessions conducted. The center has empowered many individuals to regain mobility and independence, and thereby, transformed their lives.

AI Screening for Breast Cancer

Lupin's collaboration with Niramai introduces a groundbreaking Breast Cancer Screening program utilizing Thermalytix™. With regulatory approvals from ISO 13485:9001, CDSCO, FDA, CE Mark, and MDSAP, this cutting-edge technology surpasses manual thermography by 70% in prediction accuracy and outperforms mammography by 27% in precision. This initiative positions Lupin as a frontrunner in promoting technological innovations and providing accurate and early breast cancer detection. By embracing AI screening, Lupin contributes to raising awareness, enhancing accessibility, and saving lives in the fight against this devastating disease.

Responsible Supply Chain Management

We are deeply committed to upholding a responsible and reliable supply chain management system that enables us to consistently deliver high-quality healthcare products to our customers. By forging trustworthy partnerships and implementing responsible sourcing practices across our global supplier network, we prioritize key aspects such as labor rights, human rights, worker health and safety, and environmental stewardship. This approach not only mitigates risks but also ensures uninterrupted production of our products.

Our Responsible Procurement Policy and Third-Party Code of Conduct are the cornerstones of our responsible supply chain management programs and processes.

Through the former, we align suppliers with our ESG objectives. While the latter helps prioritize ethical standards and holds ourselves and our partners accountable. Both policies apply to our suppliers, distributors, technology partners, and contract manufacturers, demonstrating our commitment to integrity throughout our supply chain.

Supplier Engagement

Our Integrated Business Planning (IBP) strategy serves as a proactive approach to managing risks, promoting supply chain integration, and minimizing disruptions. By adopting IBP, we prioritize transparency, gain valuable insights, and make informed decisions that optimize market serviceability while effectively managing costs.

Our dedicated Global Sourcing and Contract Manufacturing (GSCM) team plays a pivotal role in engaging with suppliers worldwide. They focus on optimizing procurement formulations and contract manufacturing through centers of excellence. We conduct regular assessments to evaluate factors such as cost, supply continuity, and material rejection, while also emphasizing collaboration with domestic manufacturers to reduce import dependency and contribute to the local economy. Currently, we have active partnerships with ~1,100 direct material manufacturers, ~720 of which are Indian manufacturers, accounting for approximately 66% of our sourcing. However, for specific materials such as Penicillin G, vitamins, and packaging components for inhalers, we rely on imports due to the absence of a domestic supply base.

Our formulation manufacturing facilities in the U.S., Brazil, and Mexico have regional procurement teams. In the FY23, we collaborated with 7,716 suppliers. We had associations with 9,683 suppliers in FY22 and 9,395 suppliers in FY21. Our procurement budget for these three years was entirely allocated to our suppliers.

Critical Suppliers

We have implemented a supplier segmentation methodology to effectively monitor and minimize risks associated with our suppliers. Our suppliers are categorized as Strategic, Critical, Leverage, and Routine based on their spending and criticality. Periodic evaluations shall be conducted for each category.

Our strategic & critical suppliers substantially impact our competitive advantage, market success, and overall survival as a company. We identify the criticality based on the following criteria:

- Strategic importance (40%)
- Alternate Supplier Availability (30%)
- Switching Costs/Time (30%)

High-Volume Suppliers provide a substantial volume of materials, and their contribution to our total supplier spend is substantial, while Critical Component Suppliers deliver vital components for our operational requirements and product quality. This category includes both imported materials and substances used in our top-selling products. Non-Substitutable Suppliers offer materials that are challenging to substitute due to the significant time and investment required or the difficulty in finding alternative vendors. By monitoring and managing our strategic & critical suppliers diligently, we fortify our organization against risks, ensuring resilience and excellence.

Based on the supplier segmentation, we engage with Strategic and Critical suppliers through senior leadership, focusing on mutual value creation. Routine and Leverage suppliers have transactional relationships prioritizing regular transactions and operational efficiency. Additionally, we've shortlisted Strategic, Critical, and Leverage suppliers for detailed ESG assessment.

Breakup of our Total Direct Suppliers (FY23)

Supplier Segment	Total	Percentage
Strategic	102	10%
Critical	78	8%
Leverage	138	14%
Routine	657	68%

Supplier Categorization

Category	FY23
Total tier - 1 suppliers	1,007
Critical tier - 1 suppliers	115
Critical non-tier - 1 suppliers	740
MSMEs/ small producers	2,472

Share Of Total Procurement Budget Spent (%)

Category	FY23
MSMEs/ small producers	15%
Critical non-tier - 1 suppliers	32%
Critical tier - 1 suppliers	47%
Total tier - 1 suppliers	59%

Supplier Risk Management

At the core of our operations is a robust supplier risk management system that prioritizes sustainability throughout our supply chain. We partnered with a trusted third-party assessor and developed a comprehensive framework focusing on environmental, social, and governance (ESG) factors. This transparent assessment process provides valuable insights for targeted actions and upholding sustainability standards.

When evaluating suppliers, we consider various factors such as financials, business & operations, industry-specific parameters, and sustainability practices. Based on the results, suppliers are categorized as high, medium, or low risk. With proactive engagement as our guiding principle, we actively collaborate with medium and low-risk suppliers, understanding their needs and providing guidance, support, and opportunities to enhance their supply chain networks. As a risk mitigation measure, we proactively identify and develop alternate suppliers.

Supplier ESG Program

To track the ESG impact in our supply chain, we closely monitor suppliers for compliance with environmental laws, regulations, and industry standards. We assess activities, processes, and ESG risks, recommending actions for improved supplier ESG performance.

Secondary research based ESG assessment has been completed for 50% of Direct material suppliers, and a questionnaire-based self-assessment is scheduled for August 2023. We target to complete the self-assessment for all Strategic, Critical & Leverage suppliers by the end of fiscal 2024.

Supplier Assessment and Development Program

We are dedicated to implementing a comprehensive Supplier Assessment and Development Program. Our assessment process involves on-site evaluations by our internal cross-functional team, contracted consultants, and accredited auditing bodies. Identified areas for improvement will be addressed through corrective plans and action items.

Furthermore, our supplier development program focuses on equipping suppliers with vital information and training on our ESG program. We provide extended support to our vendors for implementing corrective actions and improving the overall ESG performance.

Through these initiatives, we aim to foster a culture of continuous improvement and collaboration with our suppliers, ensuring they meet and exceed the highest standards of ESG practices. Together, we strive for a sustainable and responsible supply chain that drives positive impact.

Leveraging Technology for Supply Chain Management

Throughout the year, we have harnessed the power of technology to revolutionize our supply chain management. By seamlessly integrating "SAP S4 HANA" for enterprise resource planning and "Oliverwight IBP" for supply chain management, we have unlocked unparalleled operational efficiency across our extended supply chains.

Our commitment to continuous improvement has fueled a series of impactful initiatives.

- Relentless focus on maintaining accurate and updated material masters
- Reducing material lead times to ensure timely availability
- Optimizing manufacturing processes for enhanced efficiency
- Implementing a customized tracking mechanism to effectively manage material shortages
- Efficient campaign planning to minimize demand and supply gaps
- Adoption of a monthly Sales and Operations Planning (S&OP) process

These initiatives have yielded significant improvements in our resource planning, seamless integration of demand and supply for finished goods, streamlined management of raw materials and packaging materials, and enhanced visibility at all levels has empowered efficient decision-making.

We achieved an FG OTIF of 94% in the U.S. market and 95% in other export markets in FY23

Customer Engagement

At Lupin, we place paramount importance on engaging and serving our diverse customer base, which includes healthcare practitioners, government agencies, pharmacy chains, and hospitals across multiple markets. Our unwavering commitment is to deliver exceptional service and ensure customer satisfaction in every interaction.

Throughout the year, we proactively engaged with numerous customers through a combination of physical and virtual programs

We employ various communication channels such as video calls, phone calls, social media platforms, town halls, and trade shows to engage with our customers effectively. These platforms allow us to adapt to the changing business landscape and foster meaningful connections. We actively participate in prestigious industry events and conferences, such as NACDS Annual and Total Store Expo meetings and AAM conferences, providing opportunities to connect with customers, facilitate discussions, and offer firsthand experiences.

Our senior leadership, including the CEO, EVP, and SVP, remains easily accessible and engages with customers to ensure alignment with their respective senior leadership teams. Quarterly business reviews are conducted to provide updates on sales activity, upcoming launches, and growth opportunities, demonstrating our commitment to transparency and collaboration.

Our customer engagement strategy revolves around building strong relationships, delivering exceptional service, and consistently surpassing customer expectations.

SmartRep Revolutionizes Sales Engagement: Empowering Sales Representatives to Achieve KPIs and Elevate Customer Interactions

SmartRep empowers sales representatives with quality service, using a nudge engine to guide them in driving the effectiveness of the meetings with doctors and stores, helping to achieve KPIs. It assists in preparing for important activities like medical events and other important dates concerning the doctors and practitioners. Acting as a personal coach, it shares top-performing KPIs, best practices, and skill improvement areas. SmartRep boosts demand generation, leading to positive business outcomes and improved sales engagement.

Our Grievance Redressal Mechanisms

India

There is a hotline available to address any concerns or issues that may arise.

USA

- For product-specific patient complaints, the IQVIA Medical Affairs hotline is the designated channel to handle such matters
- Additionally, a customer service support team manages complaints related to shortages, overages, and damages during transit

Canada

- The pharmacovigilance team is responsible for handling medical and adverse drug reaction requests
- Lupin Pharma Canada did not have any backorder in FY23

South Africa

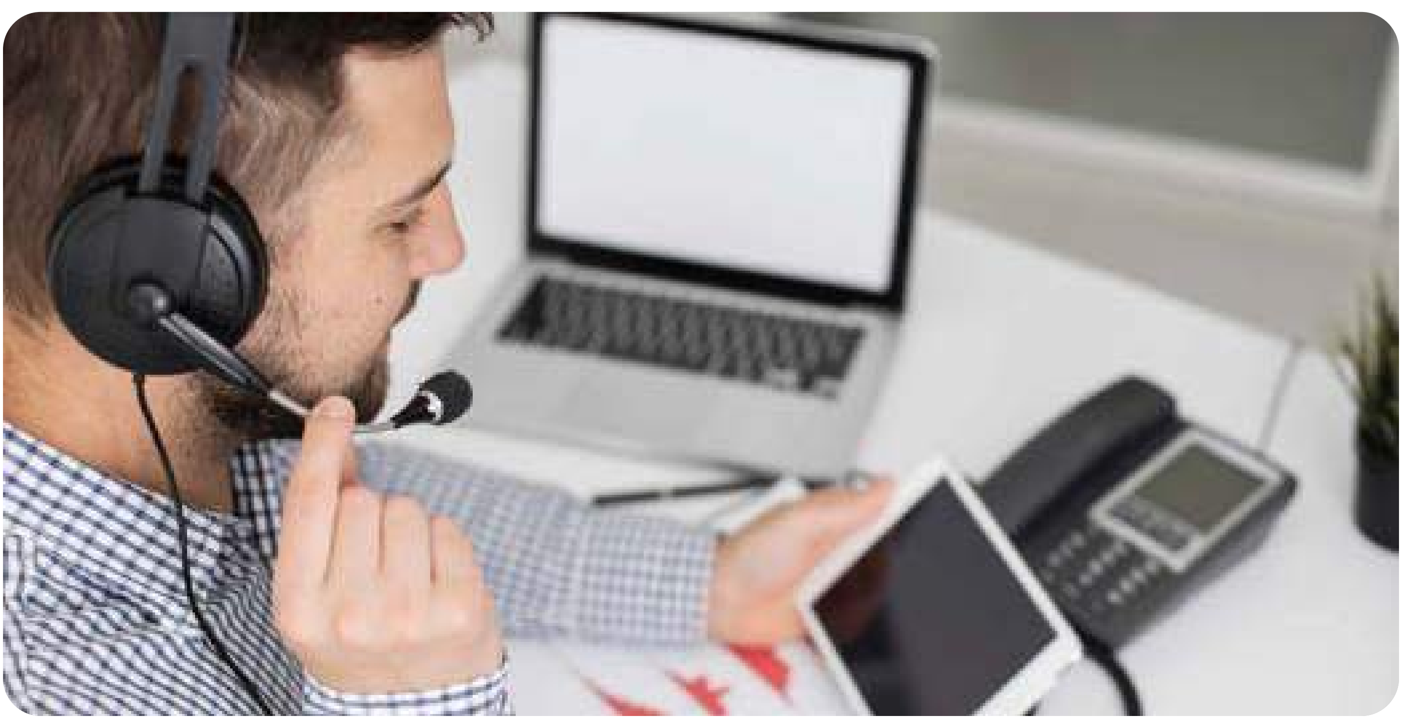
An internal and external medical information hotline is available to address concerns.

Mexico

- Formalized Complaint Management System is in place. This outlines the guidelines to be followed for the reception, investigation, and closure of complaint concerning the quality of a product
- Complaints received are recorded in the Rapid Alert System (RAS) within 24 hours of notification
- Complaints are categorized as Critical, Major, Minor, or Adverse Reaction based on their impact on the drug's quality, safety, or efficacy

EMEA

Dedicated medical information hotline is available to record customer complaints

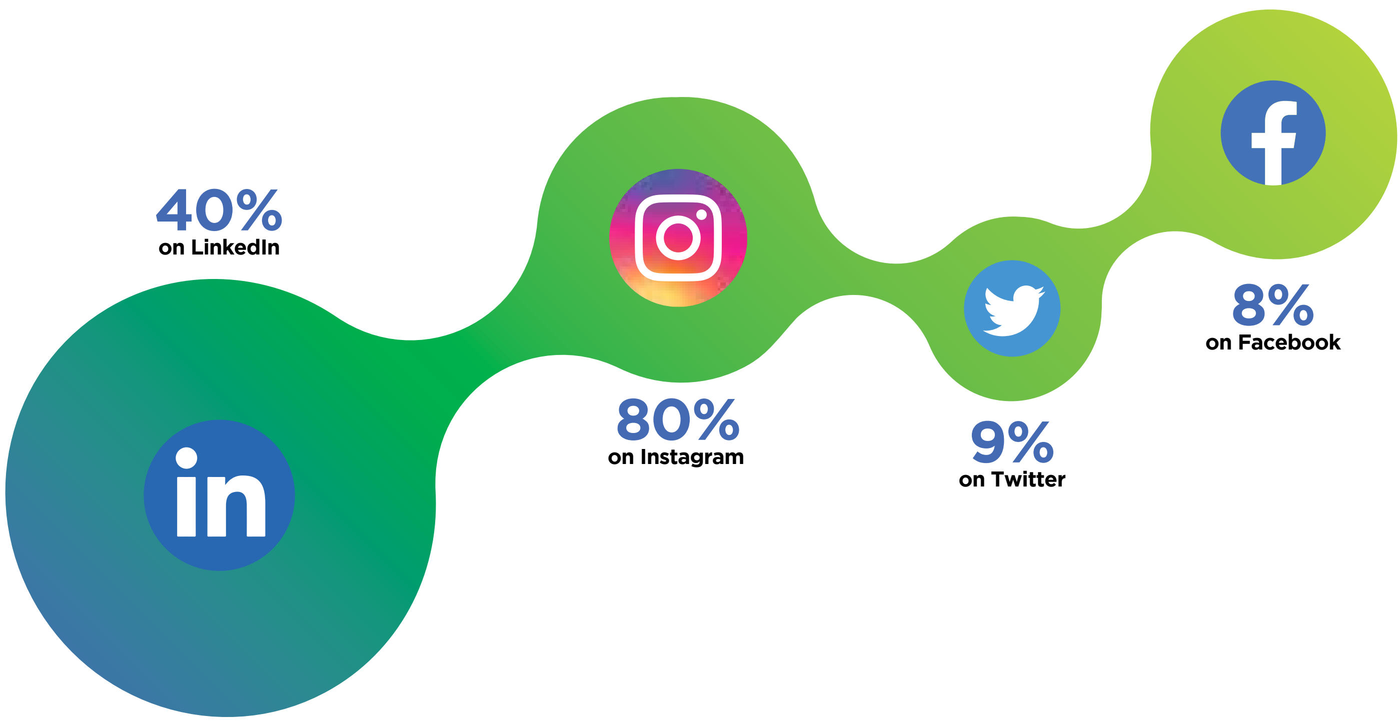


Public Relations and Brand Management

Lupin has achieved remarkable success in enhancing its brand reputation and delivering impactful communication, making a lasting impact on the healthcare industry. Our strategic approach encompassed press releases, interviews, and industry stories, along with targeted PR campaigns. This resulted in extensive positive coverage across 44 cities in India, with a total of 18,370 mentions in relevant media outlets. Through this, we achieved an impressive reach of 25 billion impressions, effectively strengthening our brand presence and conveying our key messages. Our strategic social media campaigns, focusing on business propositions, key therapy areas, and topical days, garnered 5.3 million impressions on our social media platforms.

Our consistent digital strategy has fueled significant growth in our follower base, with a notable increase of 40% on LinkedIn, 21% on Twitter, 42% on Instagram and 5.8% on Facebook. This growth is a testament to our commitment to connecting with stakeholders and sharing valuable insights.

Our efforts earned us a place in Reputation Today's Top 30 Corporate Communications Teams, 2023



Maximizing Shareholder Value

At Lupin, we prioritize maximizing shareholder value and delivering unparalleled investor satisfaction. To achieve this, we actively engage with our shareholders through various communication channels such as e-mails, circulars, earnings calls, presentations, meetings, and conferences. We also utilise digital platforms for paperless communication to minimize our environmental footprint and ensure regulatory compliance.

Human Capital

At Lupin, we deeply appreciate the invaluable contributions of our employees in driving the company's success and achieving business objectives. We place significant emphasis on the well-being of our workforce, clients, and the quality of our products. To achieve this, we have established a value system that revolves around our culture. Our aim is to foster a culture that promotes creativity and excellence, providing our employees with the necessary tools to unleash their full potential and continuously improve.

We also understand the significance of upskilling and empowering our employees to tackle existing and future challenges in the pharmaceutical industry. Through our investment in learning opportunities, we ensure that our workforce remains equipped to navigate the evolving landscape. This approach strengthens and nurtures our human capital, enabling us to retain highly skilled and talented professionals who generate value for all stakeholders.

~20,500
Strong Workforce

1,711,297
Total Hours Spent on Training and Development

9%
Women in Our Total Workforce

0.07-LTIFR
at the lowest inlast 4 years

₹65 Mn
Investment Made for Training and Development

₹30,872 Mn
Employee Benefits Expense

90
Average Training Hours per Employee

7,38,266
Total Hours Spent on Health and Safety Training

Zero Fatalities of employees & contractors over the Last Four Years

LTIFR - Lost Time Injury Frequency Rate

Our Workforce

We value the significance of diversity in age, gender, experience, and nationality within our workforce. We recognize that this diversity brings a multitude of perspectives, giving us a competitive advantage. With employees in 11 countries, we strive to cultivate an inclusive environment that empowers a diverse workforce to harness the power of various viewpoints, understand local realities, and effectively respond to industry demands.

Our commitment to inclusive hiring practices has enabled us to tap into a wide-ranging talent pool. Of our ~20,500 permanant employees, this year women accounted for 9%.

These numbers exclude the newly incorporated subsidiaries of Lupin Diagnostics and Lupin Digital Health which employed 430 and 85 permanent employees, respectively. The data will be reflected granularly from FY24 considering the nascent stage of HR operations for these subsidiaries.

Our Global Workforce (excluding North America) in 2023*

Employee Category		Employee (Permanent)	Employees (Other than permanent)	Workers (Permanent)	Workers (other than permanent)
<30 Yrs	Male	6,616	231	194	3,422
	Female	493	25	23	175
30-50 Yrs	Male	10,166	35	699	1,430
	Female	1,027	8	32	134
>50 Yrs	Male	522	7	265	65
	Female	147	2	13	1
Total		18,971	308	1,226	5,227

*Exclusions: Workforce data for Lupin Diagnostics Limited, Lupin Digital Health Limited

Our North America Workforce in 2023

Category	Male	Female
Employee (Permanent)	230	138

Hiring and Retention

Our transparent and merit-based recruitment process prioritizes the evaluation of candidates based on their abilities and aptitudes. Our competency-centered behavioral interviewing technique allows us to gain a comprehensive understanding of candidates' character and potential contributions. To ensure a diverse talent pool, we leverage various channels including, campus recruitment and employee referrals, enabling us to reach a broad range of candidates. In India, 39% of the positions were filled with internal candidates. Both freshers and lateral hires are offered equal opportunities, and we diligently work to ensure that profiles presented for each position adequately represent diversity candidates. Through these efforts, we are actively cultivating a culture of inclusivity and diversity within our organization.

Total Hires (excluding North America) in FY23

Category			Employee (Permanent)	Employees (Other than apprentices, trainees, interns, part-timers)	Workers (Permanent)	Workers (Other than permanent)
FY 2023	<30 Yrs		2,898	203	58	7,768
			185	30	1	482
	30-50 Yrs		682	3	34	2,065
			176	0	0	255
	>50 Yrs		30	0	0	75
			16	0	0	12

Total Turnover (excluding North America) in FY23

Category			Total Employee Turnover Rate
FY 2023	<30 Yrs		31.08%
			44.24%
	30-50 Yrs		21.15%
			17.52%
	>50 Yrs		21.85%
			9.52%

Total Hires & Turnover (North America) in FY23

Category	Employee (Permanent)	
	Hires	Turnover
	56	63
	56	47

Total Employee Turnover (India) in FY23

Employee Category		Employee (Permanent)	Employees (Other than permanent such as interns, trainees/apprentices, part time employees, etc)	Workers (Permanent)	Workers (other than permanent)
<30 Yrs	Male	1,943	11	52	6,915
	Female	117	1	0	348
30-50 Yrs	Male	2,088	0	46	1,385
	Female	141	0	0	135
>50 Yrs	Male	109	0	41	59
	Female	7	0	0	1

Enabling Impact from the Get Go

Udbhav

Our flagship new hire program, Udbhav, fosters familiarity with Lupin's culture for new employees. It aims to provide a sense of belonging and initiate their learning journey. In FY23, 1193 employees actively participated in the program.

Buddy Program

Our unique approach equips new hires for success through the Buddy program. Experienced employees are paired with new hires, enabling a quick understanding of roles and responsibilities and enhancing productivity from the start. Currently, we have around 481 active buddies dedicated to assisting new joiners in their assimilation process.

At the core of our organizational philosophy is a people-centered approach, which serves as the driving force behind our higher-than-average retention rates. We are proud to foster a culture where every individual feels a strong sense of belonging, inclusion, and value. To support our employees' growth and well-being, we offer comprehensive suite of tools and benefits. This includes performance-linked incentives that recognize and reward their contributions, tax-saving allowances that enhance their financial well-being, and access to professional development funding that empowers them to advance in their careers. We place a strong emphasis on equity and fairness in compensation, ensuring that our employees are duly recognized and remunerated for their hard work. By prioritizing these aspects, we create an environment that nurtures and supports our employees, contributing to their long-term engagement and success within our organization.

Enabling a Culture of Acceptance, Diversity, and Inclusion

At the heart of our organization's values lays the commitment to cultivate a culture of acceptance, diversity, and inclusion. We firmly believe in creating an inclusive workplace where equality prevails, irrespective of gender, age, race, or sexual orientation.

Discrimination has no place within our organization, and we maintain a zero-tolerance policy toward all forms of discrimination, including sexual discrimination. We actively encourage employees, contractors, and suppliers to report any instances of discrimination they witness. We promptly and effectively address these reports, ensuring that appropriate action is taken.

As an equal opportunity employer, we have established our Diversity, Equity, and Inclusion Policy, along with our Lupin Global Diversity Strategy FY27. These initiatives position us as leaders in promoting equal opportunities and fostering a diverse workforce.

Currently, our women's representation in the labor force stands at 9%. However, we have set an ambitious target to achieve 15% representation of women in our total workforce by 2027, demonstrating our strong commitment to gender parity. We are actively pursuing this goal through our robust gender champions program and the dedicated efforts of our diversity council.

Our Diversity and Inclusion Initiatives

Fair Recruitment Practices

We prioritize fairness and equality in our international offices through strict recruitment practices. These practices comply with applicable laws and anti-discrimination best practices. In certain offices, we follow SOP HR 001, ensuring hiring decisions are based solely on competence and alignment with job descriptions.

Gender Sensitization Program

Our comprehensive induction and orientation process includes a program to foster an inclusive environment. It addresses potential biases and guides on reducing them.

iMpact Women's Mentoring Program

Select senior leaders at Lupin act as mentors in this established program. Tailored mentoring workshops offer guidance and learning opportunities to junior employees, providing female employees with a valuable platform to seek assistance and direction from top management.

Initiative for Returning Mothers

We understand parents' challenges in returning from leave. Our program supports their reintegration into the workforce, providing necessary assistance and guidance to navigate their post-parental leave experience and unlock their potential.

Lupin Women Network (LWN)

The Lupin Women Network (LWN) is our women's network program focused on engagement, culture building, empowerment, and growth. It serves as a support system, fostering recognition and a sense of belonging. LWN offers increased visibility and access to opportunities for effective representation.

Tailor-Made Diversity Initiatives Across Our Global Regions

United States

- Implemented mandatory anti-harassment training for all employees to foster a safe and respectful environment.
- Training provided during onboarding and periodic refreshers, ensuring that all employees are equipped with the knowledge to prevent harassment and discrimination.
- Committed to complying with applicable laws to prevent any form of discrimination and maintain a workplace that upholds equality and fairness.

Brazil

- We prioritize the representation of women in the workforce, recognizing the importance of gender diversity.
- Currently, 47% of employees in the region are women, surpassing legal requirements and showcasing our dedication to gender equality.
- Our regional policy emphasizes hiring women with equal skillsets, ensuring a fair and equal opportunity for all candidates.
- Through focused efforts, we have achieved remarkable gender representation within our workforce, contributing to a more inclusive workplace.

Mexico

- Actively participate in events around Women's Day, Pride Month, and Men's Day to celebrate and promote diversity and inclusion.
- Our Group wide policy firmly ensures no discrimination based on personal characteristics, fostering an inclusive environment.
- Our Engagement survey indicate a lack of discrimination in the region.
- We have established a dedicated diversity and inclusion committee called 'FOR ALL' which works towards creating an inclusive culture for all employees.

Diversity and Inclusion by the Numbers

One of our key goals is to ensure equal pay for both men and women, as we are committed to achieving gender equality pay ratio of 1:1. We recognize the importance of closing the gender pay gap and fostering a workplace where compensation is based on skills, qualifications, and contributions rather than gender. Through our efforts, we strive to create a fair and inclusive environment where all employees are valued and rewarded equitably, regardless of their gender.

Gender Representation Across Employee Groups in FY23

Category	Total Number of Employees	% Share of Women
Permanent Employees	19,339	9.25
Employees (interns, trainees/apprentices, part-time employees, etc.)	308	11.36
Workers (Permanent)	1,226	5.55
Workers (Other than Permanent)	5,227	5.93

Diversity at the Board and Senior Management Level in FY 2023

5 Board of Directors

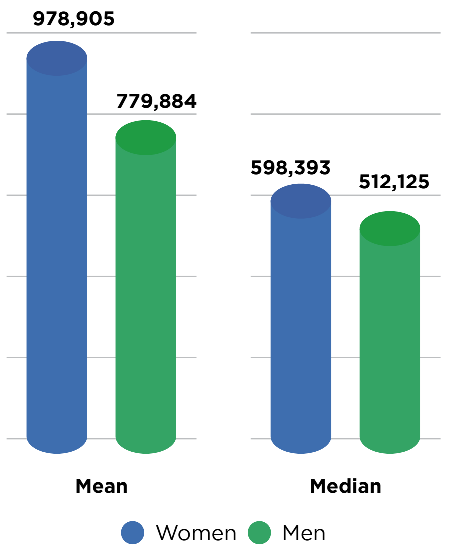
3 Key Managerial Personnel

3 Board of Directors **37%**

1 Key Managerial Personnel **25%**

Male Female

Lupin's Gender Pay Indicators (India) ₹



Developing a Future-Ready Workforce

We recognize the significance of continuous upskilling and reskilling to stay ahead in the ever-changing industry landscape. To that end, we have fostered a culture that prioritizes learning and development for all our employees.

Employee Training and Development

In the FY23, our commitment to employee growth and development resulted in a remarkable 1,711,297 hours of training provided to Lupin employees. On average, each full-time employee received 90 hours of training during this period, underscoring our dedication to equipping our workforce with the necessary skills and knowledge.

Furthermore, we have made investments in training initiatives across geographies, allocating ₹65,309,761 to support our employees' development in FY23. This translates to an average expenditure of ₹3,442 per full-time employee across these regions, demonstrating an unwavering commitment to fostering a future-ready workforce across our global operations.

At Lupin, we prioritize the development of our employees at all levels, recognizing that their growth and skills are integral to our success. To facilitate this, we have partnership with OpenSesame®, offering our employees access to a wide array of courses and resources.

Through this collaboration, our employees enjoy complimentary access to over 25,000 courses covering various areas of expertise. This extensive library includes specialized training programs on leadership development, equipping our employees with the necessary skills to lead and inspire others. Additionally, we provide e-learning courses focused on health and safety, ensuring that our workforce remains knowledgeable and compliant with industry standards. We are fully committed to ensuring that our workforce possesses the necessary expertise and tools to perform their roles effectively and contribute to the organization's growth and success..

ASCENT

We take immense pride in our employee development, ASCENT, designed to propel our employees to new heights in research and development. Through strategic partnerships with leading universities MAHE and Symbiosis University, our employees have the opportunity to pursue Ph.D. programs.

Participants receive unparalleled mentorship and guidance from Lupin guides. They also benefit from complete financial and professional support. Our cutting-edge laboratories provide a platform for enhancing practical skills and enriching academic experiences.

In FY23, 23 employees are currently enrolled, and two individuals have successfully obtained their Ph.D. degrees. Additionally, three aspiring applicants are in the final senate presentations with MAHE. This initiative reflects our commitment to developing a workforce of industry leaders that will drive innovation and progress for years to come.

Compliance Training

At Lupin, we prioritize the education of our employees regarding our values, aspirations, and purpose. As part of this commitment, we provide comprehensive orientation sessions that cover various company policies essential to maintaining a strong ethical foundation.

Our orientation sessions include in-depth training on our Code of Conduct, Business Ethics, Prevention of Sexual Harassment (POSH) guidelines, and Good Manufacturing Practices (GMPs) guidelines. These GMPs encompass regulations such as 21 CFR Part 211, ICH-Q7, Data Integrity, Data Governance, and an overview of Pharmacovigilance, ensuring that employees understand and adhere to the necessary regulations specific to their roles. Upholding these policies and guidelines is critical to our commitment to ethical conduct and the delivery of high-quality products and services.

Management-Focused Training

At Lupin, we understand the pivotal role that exceptional leadership plays in propelling our business forward. To cultivate effective leaders, we have developed the Lupin Leadership Competencies and Values Framework. This framework serves as the foundation for tailored training programs that aim to enhance the leadership skills of our employees, empowering them to drive positive change within their respective roles.

In India, one of our notable programs is the Leader Plus program, which focuses on developing and strengthening the supervisory skills of grassroots leaders. This program has garnered remarkable success, with 67 employees actively participating in FY23. By equipping our leaders with the necessary tools and knowledge, we foster an environment of collaboration and empower them to effectively navigate their responsibilities and contribute to the organization's success.

Our Programs in Action - Snapshot of ELITE

ELITE is a comprehensive program designed to enhance managerial and leadership capabilities. It includes psychometric assessments, team activities, workshops, development clusters, action learning projects, coaching, and more. The Learning and Development team leads over 90% of the activities, integrating external expert inputs for impactful results.

ELITE offers a personalized approach, addressing the unique needs of each leader to improve skills, decision-making, and drive overall success.

Number of Participants	Year Initiated
29	2019

Intended Outcome and Impact

- **Promotions:** 10% of participants promoted to Heads of Departments, showcasing effective identification and development of future leaders.
- **Increased Production:** Production increased from 80% to 94%, driving operational excellence and efficiency.
- **Positive Behavior Shift:** Average positive behavior shift of 16%, with cross-functional collaboration and managerial communication being the most impacted.
- **Second Line Development:** 40% of participants were second-line leaders, contributing to a strong leadership pipeline.
- **Improved Root Cause Identification:** ELITE facilitated a 17% improvement in lab error root cause identification, addressing departmental silos.
- **Action Plan Closure:** 41% increase in closure of action plans, ensuring effective implementation of corrective and preventive actions (CAPA) of 30%.
- **Enhanced Business Strategies:** Program aided in developing sustainable business strategies, resulting in decreased wastewater production from 720 KLD to 640 KLD, promoting environmental sustainability.

In addition to the ELITE program, our organization offers a range of development opportunities and programs that are tailored to different leadership levels. These initiatives aim to enhance the skills and capabilities of our managers at various stages of their careers. Here are some notable programs:

- **First Time Managers, LEAP, and LEAD:** These training programs specifically cater to entry-level and first-level managers, providing them with the necessary supervisory and technical abilities. These programs have taken by 68 participants, equipping them with the skills needed for effective people management.
- **Area Managers Excellence:** This eight-month program is designed to equip area managers with the skills required to maintain brand standards and deliver exceptional customer service standards. 65 participants have enrolled in this program, benefiting from enhanced leadership capabilities and an increased ability to drive operational excellence.

These development programs demonstrate our commitment to nurturing and developing leaders at all levels of the organization. By providing tailored training opportunities, we empower our managers to excel in their roles, drive performance, and contribute to the overall success of the organization.

Our Programs in Action - Insights in Leader PLUS

This program is designed to empower young leaders by addressing their soft skills gap and providing them with valuable insights and tools to enhance their leadership capabilities. By focusing on areas such as communication, teamwork, and problem-solving, we help young leaders develop a fresh approach to leadership.

One of the key aspects of the program is creating a safe and supportive environment where young leaders can explore their strengths and weaknesses. Through constructive feedback and guidance, they can identify areas for improvement and develop personalized action plans to strengthen their leadership skills.

In addition to soft skills development, the program also equips grass-root leaders with supervisory skills necessary to drive team performance at the ground level. By gaining expertise in delegation, motivation, conflict resolution, and performance management, participants can effectively lead their teams and achieve optimal outcomes.

Intended Outcomes

Participating in this program offers young leaders is an excellent opportunity to enhance their leadership skills. It provides practical guidance and support enabling them to drive performance and make a positive impact at all levels of the organization.

Impact

- **System Improvement:** We have successfully completed 79 projects focused on improving systems and processes within our organisation.
- **Productivity Enhancement:** Through 18 projects, we have achieved significant enhancements in productivity.
- **Cost Saving:** Across 33 projects, we have realized a significant cost-saving.

Number of Participants **67** Year Initiated **2019**

Global Talent Management & Leadership Development

Lupin has implemented a comprehensive Global Talent Management and Leadership Development program anchored on the eight Lupin Leadership Competencies. Through a feedback process and a psychometric tool, talent assessment is conducted for senior to mid-level management employees. Top talent is identified and career planning, as well as succession planning for critical roles, are established outcomes. Leadership development programs are designed and delivered to address the development needs identified. Individual leaders also create and implement Individual Development Plans, which are reviewed bi-annually. This program reflects Lupin's commitment to nurturing and developing talent, ensuring a strong leadership pipeline and driving organizational success.

One of the highlights of this year was the launch of Lupin's Talent Management Portal, a platform that leverages the Internet of Behaviors to empower our managers by unleashing their full potential. This platform helps us by:

- **Assessing Potential:** Conducting assessments that evaluate our managers' competencies using feedback and psychometric tests.
- **Accentuating Potential:** Providing data that indicates our managers' potential and performance, as well as the areas for improvement and growth.
- **Accelerating Potential:** Creating development plans that help our managers enhance their skills and achieve their goals.

Almost 900 senior- to mid-management employees completed the assessment. This platform puts us on the path to achieve our vision of becoming a global leader in the pharmaceutical industry.

Enhancing Capabilities Through Engagement and Care

Performance Reviews

At Lupin, we have implemented a robust performance review system that fosters growth and development. Our unique 9-box framework-based process objectively evaluates achievements and addresses development needs. Through our feedback system, we gather constructive input aligned with our values.

To ensure ongoing engagement, we conduct performance reviews multiple times throughout the year, providing ample opportunities for employees to interact with their managers and senior leaders. Our Individual Development Program (IDP) program facilitates collaborative discussions between employees and their reporting managers, enabling the creation of tailored development programs that enhance individual skills and competencies.

Our Performance Conversation Documents track progress in predefined Key Result Areas (KRAs), enabling us to identify development needs and provide necessary support. We are proud to have achieved a 100% performance review rate for both male and female employees in India during FY23, reflecting our commitment to equitable and comprehensive performance evaluation processes.

Employee Engagement Initiatives

Lupin is dedicated to fostering a positive and engaged work environment for our employees. We have implemented a range of initiatives that prioritize their well-being and enhance their overall experience.

- **Town Halls:** Regular meetings led by management that promote transparency, accountability, and trust. Multiple successful virtual and physical town hall meetings were conducted, with a strong attendance of >1,500 employees everytime.
- **Celebrations:** We celebrate various festivals and events to promote diversity and unity, including employee birthdays, International Women's Day, International Men's Day, Harmony Day, and Environment Day. These celebrations create a sense of belonging and foster a vibrant workplace culture.
- **WeCare Program:** We prioritize employee well-being through our 'WeCare' program, which offers counselling services and wellness support. This initiative ensures that our employees have access to the necessary resources for their mental and emotional well-being.
- **Lupin Employee Volunteering Program**, in collaboration with LHWRF, has successfully achieved over 9030 hours of employee volunteering. This program is designed to ensure smooth implementation by collaborating with location leadership and identifying volunteering opportunities that align with local needs. Together, we make a positive impact on society through employee engagement in social causes.
- **Awards:** We recognize and appreciate our employees' contributions through prestigious awards. The Desh Bandhu Gupta Spirit of Lupin Award celebrates employees who embody Lupin's core values. Bravo Awards commend outstanding performance, and Long Service Awards honor long-term commitment to the company.

These employee engagement initiatives reflect our commitment to creating a supportive and fulfilling work environment, where our employees can thrive and contribute to Lupin's continued success.

Sports Activities – Udaan Cup 2023

Udaan Cup 2023: The women's cricket tournament held in Pune was a thrilling event that brought together talented female cricketers from different parts of the country to compete against each other.

The tournament consisted of four teams, each with a mix of experienced players and young talent. The teams were divided into two groups, and the matches were played at Symbiosis International University, Lavale (Pune). The top two teams from each group advanced to the semi-finals, with the winners progressing to the final.

The matches were played with great intensity, and the players displayed a high level of skill and sportsmanship. The spectators were treated to some exhilarating cricketing action, with the competition reaching its climax in the knockout stages.

The final was a closely contested affair, with two talented teams battling it out for the championship. In the end, it was the team 'Lupin Scorchers' that emerged victorious, winning the tournament by a slender margin and 'Lupin Biotech Indians' became Runner Up.

Impact

The tournament was a great success, and it provided an opportunity for female employees to showcase their abilities. It also gave Lupin Limited the chance to support and promote gender equality in sports.

Similar all-women tournaments of various sporting activities, such as soccer, badminton and volleyball, etc., have been adopted across all Lupin locations in India.

Number of Participants	Cost	Year Initiated
50+	**₹2.7L**	**2009**

Supporting our Employees

At Lupin, we prioritize the well-being and support of our employees through a comprehensive range of benefits and programs. We understand that work-life balance is crucial, which is why we offer flexible options such as part-time arrangements and parental leave to cater to diverse needs. Our paid parental leave is available to both primary and secondary caregivers, with 76 of male employees and 767 of female employees utilizing this benefit in FY23. We are proud to have high return rates, with 100% of employees on paternity leave and 85.53% on maternity leave returning to work, demonstrating our commitment to a smooth transition into parenthood. Furthermore, we provide monetary retirement benefits to empower employees in planning for their future.

Additional Support Programs

Adoption Leave

We offer adoption leave to our employees who choose to adopt a child, allowing them time off to bond with their new family member.

Academic Support

We recognize and support the academic achievements of our employees' children. Those who achieve high academic performance and meet specific criteria in key exams are awarded a merit certificate and a cash reward.

Breast-Feeding Rooms[1]

To support our lactating/breastfeeding employees, we have designated "Mothers Rooms" in our offices.

Health Insurance for Employees

We provide comprehensive health insurance coverage for our employees and their families, including parents, spouses, and up to two children. Lupin Switzerland goes a step further by covering private health insurance premiums, ensuring access to higher quality healthcare. Additionally, employees can also opt for accident insurance.

Flexible Working Hours and Work From Home Options

We understand the importance of work-life balance and offer flexible working hours and work-from-home options to all our employees. We encourage them to choose the arrangement that best suits their needs and maximizes their productivity.

Sabbatical Leave

Employees who have been with us for five or more years are eligible for a Sabbatical leave. This allows them to take a break of up to one year to attend to personal requirements or circumstances while maintaining their employment status.

[1] In U.S. Offices

Freedom of Association

We foster an environment where our employees can associate freely without concerns of reprisal, discrimination, intimidation, or harassment. As a result, we support and encourage their participation in associations or unions.

Membership Details India

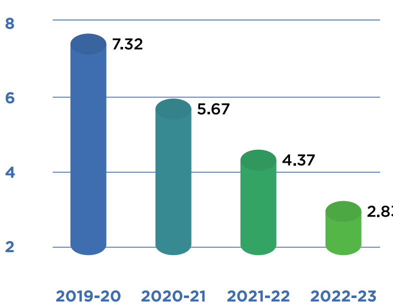
Category	FY22			FY23		
	Total employees/ workers respective category (A)	Employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	Employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent workers	1,128	772	68.4%	1,125	554	49%
Male	1,116	769	68.9%	1,112	552	50%
Female	12	3	25%	13	2	15%

Fostering a Safe and Secure Workplace

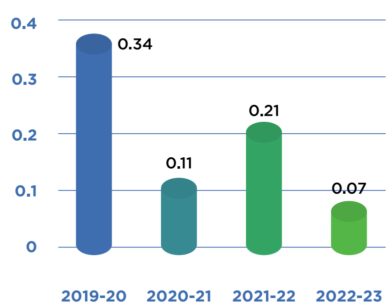
At Lupin, the safety and security of our employees are of paramount importance to us. We have implemented robust safety management systems that adhere to global standards to ensure a safe working environment. In line with our commitment to continuous improvement, we have set targets to reduce Lost Time Injury Frequency Rate (LTIFR), Severity Rate, Accident Frequency Rate (AFR), and Incident Frequency Rate. Our goal is to achieve a 10% reduction in these rates annually, starting from our baseline year in FY21. We actively promote a culture of safety, provide comprehensive training, and continually assess and enhance our safety practices to safeguard the well-being of our employees.

Lagging Indicators

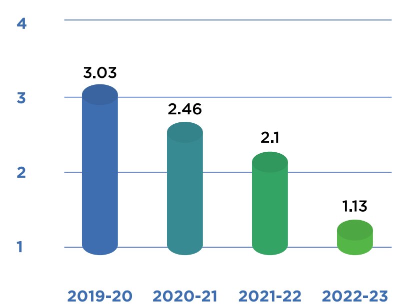
Decrease in AFR



Decrease in LTIFR

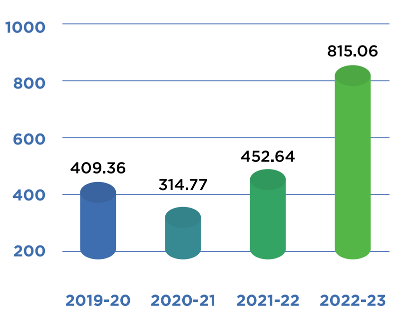


Decrease in IFR

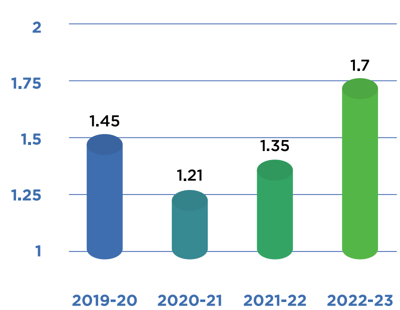


Leading Indicators

Increase in NMFR*



Increase in Training Hours



*NMFR - Near Miss Frequency Rate

Health and Safety at Lupin

At Lupin, we prioritize the health and safety of our employees as a core value. To further strengthen our commitment, we have recently updated our Occupational Health and Safety policy, which outlines the responsibilities of everyone in our organization, including contractors, in maintaining a safe and healthy workplace. Our goal is to comply with all relevant laws and regulations while promoting the adoption of health and safety management standards throughout our Manufacturing locations, R&D units and offices. Our dedicated Environment, Health, and Safety (EHS) team is entrusted with the implementation of this policy and related programs, ensuring alignment with the Board of Directors and Senior Management to integrate EHS priorities with our overall organizational objectives.

National Safety Month at Lupin

During National Safety Month, over 12,000 employees participated in safety related activities across our Indian sites. We conducted engaging activities such as mock drills, safety quizzes, firefighting exercises, and informative sessions to enhance safety awareness and equip our employees with essential skills. This event reinforces our commitment to maintaining a secure work environment for all.

To ensure effective health and safety initiatives, we conduct monthly reviews of our environmental, health, and safety (EHS) performance at both site and corporate levels. These reviews are crucial for identifying constraints and planning improvement measures. Our sites have dedicated EHS units that facilitate safety management systems integrated with annual performance appraisals to establish safety performance targets. We take pride in the absence of employee complaints regarding working conditions or health and safety issues in FY22 and FY23. Occupational Health Systems have been implemented across all our API sites, formulation units, Biotech facilities, and Research and Development locations. We have started implementation of ISO 45001 (Occupational Health and Safety Management systems) at all our India locations. Goa, Indore and Nagpur units are the first three sites on the way of certification. Rest of the units will be certified during FY24.

Our Hazard Identification and Risk Assessment systems, complemented by risk management processes, allow us to identify and implement control measures for potential risks swiftly and efficiently. We conduct HAZOP assessments for API products and processes, Risk Assessments for Formulation Units, and Job Safety Analyses to understand potential risks. The identification of hazards arising in or from the workplace and the assessment and control of the associated risks that could impair the health and well-being of workers are the key principles of the process of ensuring a safe and health workplace.

We have well established OHS management systems where in the roles and responsibilities have been well defined to successfully improve the implementation of OSH in the workplace by ensuring integration of all the business processes. The adoption of OHS management system also ensures effective participation of workers in determining and implementing preventive measures.

Following specific elements have been incorporated under the Occupational health and safety program:

- EHS&S Policy
- Roles and responsibilities of individual
- The establishment and functioning of health and safety committee
- Compliance to applicable health and safety legislation and other requirements including organizational health and safety rules
- Guidelines on process safety (PSI, PHA etc.), workplace safety (Permit to Work, fire safety, PPE, operational controls, static prevention, electrical safety, machine safety, contractor safety, visitor safety, etc.)
- Safe work procedures
- Worker orientation
- Training and education
- Workplace inspections and assessments
- Hazard identification, assessment, and control
- Reporting and investigating incidents
- Emergency Response and Control planning and conducting mock drills to check preparedness
- Medical evaluation and first aid
- Health and safety promotions
- Health campaigns
- Safety campaigns
- EHS Reward and Recognition program for employees, contractors, contractor employees and best site performance in exemplary work in Environment and Health & Safety
- Review of the health and safety program by conducting audits

Our Senior Management team prioritizes these systems, ensuring they receive the necessary attention and assessment. Our health and safety systems undergo rigorous internal and external audits to meet our high standards.

In the event of an incident, our Incident Management System enables thorough investigation and appropriate remedial action. We adopt a proactive approach to health and safety by continuously monitoring and reviewing our systems to ensure their ongoing relevance and effectiveness.

Safety Training

In FY22, our workforce collectively underwent 650,698 hours of health and safety training, which saw a significant increase to 738,266 hours in FY23. During FY23, we successfully trained all the employees and contract employees in various safety programs. Our comprehensive safety training covers a wide range of topics to ensure the well-being of our employees. A few examples of which are listed below:

Training Module	
Process Safety Management	Electrical Safety & Arc Flash
Slip, Trip & Fall Prevention	Warehouse Safety
Near Miss Reporting	Spill Control
Safe Handling of Potent Drugs	ISO 14001
Chemical Safety	Nitrogen Gas Hazards

EHS Awards & Accolade System (EHSAAS)

Over the past years, Lupin has been reinforcing commitment towards the Environment, Occupational Health and Safety (EHS), and taken great strides to conserve and improve on performance in EHS. At Lupin, all good work is noticed, and in this stead, there was a launch of Lupin Environment, Health & Safety Awards and Accolade System (EHSAAS).

EHSAAS is conceptualized to acknowledge and reward employees and third-party partners for exemplary contributions towards EHS aspects of our operations which include EHS performance improvements, GHG reduction measures, resource conservation efforts and reduction in injury illness.

We strongly believe this reward and recognition system will strengthen the EHS-driven culture at our facilities and lead us to the next level of performance.

The FY23 awards in various categories were successfully awarded to the winners.

Human Rights

At Lupin, the protection and promotion of human rights are core principles that guide our business practices. We are deeply committed to upholding and respecting human rights, including the eradication of forced labour, child labour, and modern slavery through our business operations. This commitment extends not only to our direct activities but also to our suppliers and partners. As part of our ongoing commitment, we have recently become a signatory to the United Nations Global Compact (UNGC) and aligned ourselves with its principles. Through this engagement, we reaffirm our dedication to supporting and adhering to human rights standards as outlined in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work (ILO Declaration). We have implemented a comprehensive Human Rights Policy. To ensure continuous safeguarding of human rights within our operations, including the prevention of human trafficking, forced labor, child labor, and discrimination. This policy serves as a robust foundation for our commitment and guides our actions. Additionally, we have also conducted extensive awareness campaigns that cover all employees, including the senior leadership. Within our Indian operations, we have identified 93 employees as Trainers and Lead Implementors of Human Rights. They serve as the Human Rights champions, ensuring the effective implementation of our policy in their respective location/function.

Human Rights Assessment

We began with the Lupin Bioresearch Centre as the pioneering site for this comprehensive assessment format, followed by the Lupin Research Park, Biotech, Lupin Diagnostics, and Aurangabad facility. Over the next year, we plan to extend these audits to cover all our sites, ensuring a comprehensive evaluation of our human rights practices throughout the organization.

The audits signify our commitment to promoting and safeguarding human rights within our operations. They provide insights for improvement, helping us address gaps and enhance our practices for the well-being and dignity of all individuals involved.

This marks a significant milestone in our responsible and ethical practices. We will extend these audits to cover all our sites.

As an outcome of the Human Rights Assessment Audits, Lupin Research Park, Lupin Biotech and Lupin Diagnostics Limited have been awarded a Platinum rating and Lupin Bioresearch Centre has received gold rating.

During the Human Rights Assessment Audits, our sites underwent a thorough evaluation against key parameters essential for ensuring human rights excellence. These parameters include:

- Non-Discrimination
- Diversity and Inclusion
- Forced Labour & Human Trafficking
- Child Labour
- Freedom of Association & Right to Collective Bargaining
- Fair Wages, Equal Remuneration, and Benefits
- Anti-Harassment
- Environment, Health & Safety
- Community Engagement
- Reporting Concerns
- Non-Retaliation

Our Long-Term Mission and Roadmap

At Lupin, we are committed to a future-oriented approach in our operations. As we continue to embed human rights principles throughout our value chain, our next course of action is to conduct human rights due diligence to proactively identify critical risk areas or non-compliance. Our goal is to establish a comprehensive framework that effectively mitigates and address these issues, thereby reinforcing our commitment to advancing human rights.

Natural Capital

At Lupin, we believe that economic advancement and environmental preservation can go hand-in-hand, as they are interconnected. Safeguarding natural resources is crucial for the overall well-being of humanity and the growth of business. As a manufacturer of medications that save lives, we recognize the importance of protecting the environment, which includes enabling access to clean air and water.

In all regions of our operations across, we prioritize the environment by surpassing regulations and norms. Together, with our employees, partners, and local communities we strive to establish sustainable practices that safeguard the environment and enhance the long-term value of our business.

60.9%
of Incinerable Hazardous Waste Generated is sent for pre-processing / co-processing

5.5%
Share of Renewable Energy Across Operations

8%
Reduction in absolute GHG emissions (Scope 1 and 2)

42%
of water used in India operations is recycled

400%
Water Positivity

6
Sites are Zero-Liquid Discharge

~135
$MtCO_2e$ YoY Reduction by shifting to Ocean from Air in Downstream Transport (Scope 3)

ISO 14001 & ISO 45001
Certification for 3 Facilities under process

Group-wide Biodiversity and No-Deforestation Policy Implemented

Environmental Governance and Management

Our EHS&S Policy

Lupin prioritizes responsibility toward the environment, health, safety, and sustainability (EHS&S). We have an established EHS&S policy guiding our environmental governance systems, emphasizing efficient resource use, pollution prevention, energy conservation, water recycling, waste reduction, and emission minimization. The Board of Directors oversee the policy implementation, while the senior management and the ESG core committee ensure daily adherence. Our commitment extends throughout the value chain, including suppliers and contractors, with globally aligned and top-tier environmental and safety standards expected from all Lupin business partners. This policy also applies to all products and services.

Effective Monitoring, Review, and Compliance

We understand that achieving strong environmental performance requires more than just policy development and implementation. Hence, we have designed a series of monitoring and review systems to ensure ongoing compliance with environmental regulations.

Currently, we are in the process of implementing ISO 14001 and ISO 45001 at our manufacturing sites in Goa, Nagpur, and Indore. Our plan is to extend these certifications to all our other Indian sites, including research and development facilities, by FY24.

Over the past 4 years, Lupin has had ZERO environmental violations

We regularly monitor our EHS&S practices and performance and communicate the findings through a comprehensive report. This report is reinforced by a thorough EMS audit of our systems and processes, ensuring that we meet regulatory standards. During bi-yearly meetings, our Board of Directors review the performance report and audit findings. These meetings also enable discussions around critical aspects of our EHS&S performance and identify gaps in our environmental performance. From there, we work to address these gaps and continuously improve our environmental performance and management system.

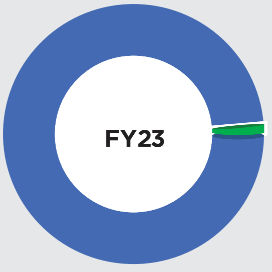
Establishing a Culture for Environmental Management

We actively engage with all our stakeholders to educate them about effective environmental management. We do this through yearly training and awareness sessions. These training are targeted towards ensuring that the key aspects and expectations of our EHS&S policy are adhered to. In FY23, we conducted 738,266 hours of training to cover all our employees and contractors.

Efficient Energy Management

We prioritize responsible and efficient energy consumption across our operations. Our sustainability strategy centers around this goal, and we continually invest in new technologies, systems, and processes to improve our energy consumption practices. Our four-year energy consumption trend and a detailed breakup are provided below.

Our Global Energy Consumption Profile (in GJ)



Energy from Renewable Sources (in GJ)**

5,713 (2.2%)
9,141 (6.2%)
Solar-captive

46,874 (18.4%)
30,727 (20.9%)
Wind-grid

202,232 (79.4%)
106,806 (72.8%)
Other Energy Sources - Agrowaste***

Energy from Non-Renewable Sources (in GJ)**

64,435 (2.2%)
97,091 (3.8%)
Diesel

408,105 (13.8%)
398,332 (15.4%)
Furnace oil

372,783 (12.6%)
356,593 (13.8%)
Natural gas

3,519 (0.1%)
1,921 (0.1%)
LPG

23,296 (0.8%)
27,397 (1.1%)
LSHS*

710,657 (24.1%)
358,486 (13.9%)
Steam purchased

1,365,680 (46.3%)
1,343,949 (52%)
Grid electricity purchased

FY22
FY23

*LSHS - Low Sulphur Heavy Stock **Scale is as per percentages

***In FY22 Steam was Generated and Purchased, while in FY 23 Steam was only Generated

We are committed to achieving higher energy efficiency and have successfully implemented various technologies and measures to increase energy efficiency across all our sites. We regularly track the progress of our energy-efficient measures across all thirteen manufacturing locations in India and three overseas locations including Brazil, Mexico, and the U.S.

Our efforts include replacing old conventional luminaries with energy-efficient LED lights, replacement of conventional AC motors with DC electronically commutated motors in AHUs, refrigeration plant optimization, pumping optimization, boiler & utility equipment efficiency improvements, which has resulted in significant energy efficiency improvement and power cost reduction.

Emission Reduction

Despite the national pledges made since COP26, it is evident that these efforts are not enough to reduce predicted 2030 emissions significantly, nor are they sufficient to achieve the Paris Agreement goal of limiting global warming to well below 2°C. As things stand, current policies indicate a 2.8°C temperature rise by the end of the century. This highlights the urgent need for swift and comprehensive measures to mitigate GHG emissions across organizations. We recognize the gravity of the situation and are accelerating our efforts to achieve ambitious decarbonization targets.

By 2030, we aim to reduce our Scope 1 and Scope 2 GHG emissions by 15%, benchmarked against 2019-20 levels.

To help achieve this goal, we are implementing process and product efficiency measures, increasing the use of renewable energy at our operating locations, and procuring green energy from the grid. Furthermore, we are implementing energy efficiency initiatives at our sites to reduce our carbon footprint.[4]

Emission Reduction Through Cloud Technology

We have embarked on a comprehensive transition to cloud technology, aiming to shift away from physical storage and server options. As part of this move, we have successfully implemented Microsoft Cloud Based Technologies across our various sites and offices. By leveraging these technologies, we have achieved operational efficiency and significantly reduced our carbon emissions. We use the Microsoft Emissions Impact Dashboard to quantify and track our progress, which enables us to accurately measure the emissions savings resulting from migrating our production workloads to the cloud.

In FY23, our collective efforts translated into a reduction of approximately 27 tCO_2e across our operations. This achievement underscores our commitment to sustainable practices and paves the way for our gradual transition toward a fully cloud-based setup.

Scope 3 Inventorization

As an organization committed to sustainability, we recognize the significance of Scope 3 emissions in our total emissions. Our comprehensive Scope 3 assessment in FY23 enabled an improved understanding of our greenhouse gas emissions across our value chain and beyond.

As part of this assessment, we engaged with multiple stakeholders internally and across our value chain to calculate Scope 3 emissions for eight categories. The categories shortlisted for our Scope 3 assessment include Purchased Goods and Services, Capital Goods, Fuel and Energy, Waste Generated and Disposed, Upstream Transport, Downstream Transport, Business Travel, and Employee Commute. Our assessment aligns with recognized global frameworks such as the GHG Protocol, ensuring our analysis is robust and reliable.

This analysis has identified the underlying causes and potential mitigation measures for our Scope 3 emissions. As a result, we are now better positioned to develop strategic goals for reducing these emissions. These goals are being discussed internally and will be published in the coming financial year (FY24).

[4] Refer Manufactured Capital, Page 64

Total GHG Emissions Globally[5]

Indicator	Unit	FY22	FY23
Scope 1 emissions (from energy use in own operations)[6]	tCO_2e	86,175	87,068
Scope 2 emissions (from purchased energy sources)	tCO_2e	380,306	340,945
Scope 3 emissions	tCO_2e	676,018	651,664
Emission Intensity for Scope 1,2	tCO_2e/₹ Mn revenue	2.88	2.63
Emission Intensity for Scope 3	tCO_2e/₹ Mn revenue	4.17	4.01
Percentage Change (Scope 1+2)	%	7.55%	8.25%
% of reduction from based year (Scope 1+2)			13%

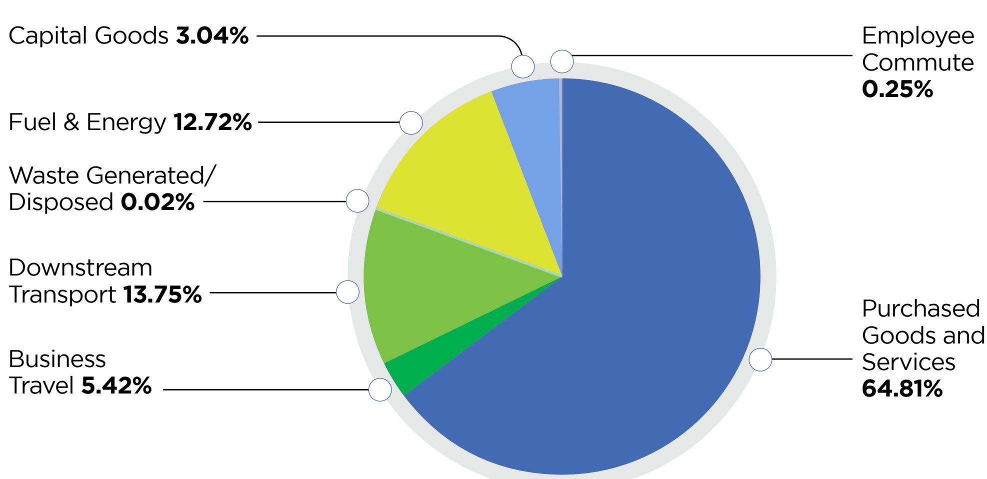
Biogenic Emissions

Indicator	Unit	FY22	FY23	% Change
Steam Generated	tCO_2e	11,087	10,713	
Steam Purchased	tCO_2e	9,197	0	
Total	tCO_2e	20,285	10,713	(47%)

Scope 3: Category-wise Split

Categories	FY22	FY23
Purchased Goods and Services (including upstream transport and upstream leased assets)	**310,560**	**422,316**
Capital Goods	43,878	19,814
Fuel and Energy	86,561	82,924
Waste Generated and Disposed	139	121
Downstream Transport	**224,579**	**89,601**
Business Travel	9,563	35,289
Employee Commute	738	1,599

Scope 3: Category-wise Split FY23



[6] Includes fugitive emissions and emissions from owned vehicles.

Climate Strategy

By building resilience, we prioritize protecting our business and stakeholders against external threats and shocks. To achieve this, we have launched strategic initiatives to gain a comprehensive understanding of how climate change affects our business and enhance our ability to withstand external shocks.

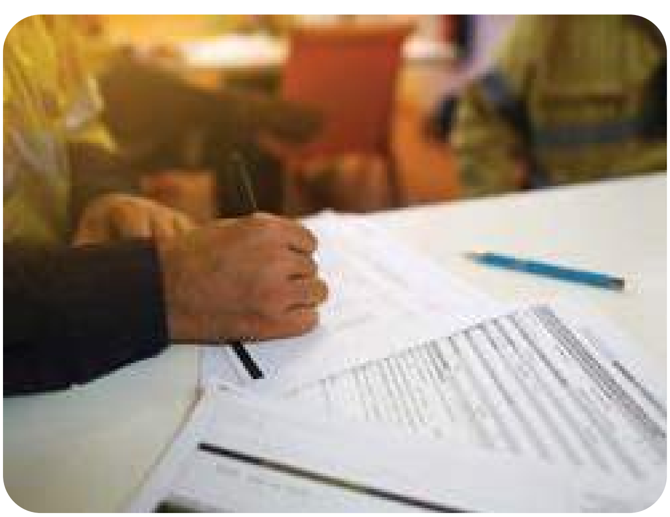
Our initiatives align with leading international frameworks and guidelines, such as the Task Force on Climate-Related Financial Disclosure (TCFD) and the CDP. We are conducting physical and transition scenario analysis using the TCFD recommendations, Scope 3 inventorization, and developing a comprehensive decarbonization plan as part of these efforts.

We consider these initiatives crucial to our overall business strategy and have our Board of Directors oversee climate strategy initiatives. The Board regularly reviews progress against these initiatives in dedicated meetings focusing on climate-related issues. Our CFO leads the ESG Core Committee, which comprises key internal stakeholders and senior management. The committee implements climate-related measures within the organization and provides direct management supervision on key climate-related issues. Our Board of Directors and ESG Core Committee are trained bi-annually on climate-related issues and risks.

Scenario Analysis

The Task Force on Climate-Related Financial Disclosure (TCFD), its recommendations, and strategies are crucial for companies to manage climate-related risks and opportunities. Lupin's TCFD methodology is grounded in rigorous climate risk studies, GHG inventorization, and analysis of existing institutional arrangements.

Our TCFD report, which is published independently, covers all four key pillars: Governance, Strategy, Risk Management, Metrics, and Targets. By collecting and analyzing data based on these pillars, we can comprehensively understand climate-related risks and opportunities for our business. Our climate risk assessments consider physical and transition risks and use the outputs to draft responses under different scenarios.



Physical Risk Assessment:

Climate change poses physical risks in sudden events (acute) or long-term changes (chronic) in climate patterns, which can have financial implications for organizations. Lupin's physical risk assessment considers two climate scenarios: SSP 2 (Middle of the Road) and SSP 5 (Fossil-fueled Development). These scenarios represent the **Above 2-degree** and **Below 2-degree** scenarios.

The assessment includes two time periods: 2020-2039 and 2040-2059. Historical reference/baseline (1995-2014) data was extracted. Anomaly (difference from the average or baseline) was calculated for various indicators such as temperature, precipitation, cooling degree days, cyclones, and water stress.

Composite climate risk index and vulnerability index were developed to assess the financial impact on Lupin's business units. The assessment focuses on near- and mid-term periods (2020-2039, 2049-2059) as the impacts of climate change are already being experienced.

Transition Risk Assessment:

Transitioning to a lower-carbon economy requires addressing risk mitigation and adaptation requirements related to climate change through policy, legal, technology, and market changes. Lupin conducted a scenario analysis until 2050 to assess the financial and reputational risks associated with upcoming/anticipated changes in policies, regulations, markets, and technologies resulting from climate change impacts.

The assessment utilized the Network for Greening the Financial System (NGFS) Scenarios - NDC Scenario, Below 2°C Scenario, Net Zero 2050 Scenario, Delayed Transition Scenario, and Divergent Net Zero Scenario, which differentiate transition pathways based on long-term temperature targets, net-zero targets, short-term policy, overall policy coordination, and technology availability.

By implementing TCFD guidelines, we provide stakeholders with a confident analysis of our climate-related risks and opportunities. Leveraging the core elements of TCFD, we offer reliable and informed investment, credit, and insurance underwriting decisions critical for managing climate-related risks and opportunities effectively.

Results of our Scenario Analysis

Physical Risk Assessment

Under SSP 2 scenario, Vadodara and Kalpataru (Mumbai) sites will be most impacted by climate hazards by 2060. Under SSP 5 scenario, Vadodara, Kalpataru (Mumbai), Aurangabad, and Mandideep sites will be most impacted by climate hazards by 2060. Both scenarios will experience an increase in consecutive wet spell days, potentially leading to localized urban flooding. Mumbai and Vadodara will face increased water stress and scarcity, affecting industrial water usage. Alternative water usage and storage strategies need to be explored. Mumbai will experience the highest rise in very hot days, which can result in heat waves impacting staff health and infrastructure. Cooling costs for product storage will increase. To mitigate this risk, more efficient cooling systems have been installed.

Transition Risk Assessment

Based on the above-mentioned 5 NGFS scenarios (NDC scenario, Net Zero 2050, Delayed transition, Divergent Net Zero Transition, and Below 2°C scenario), the analysis for Lupin is as follows:

- **Policy and Legal Risk (Low-Medium level):** Currently, no carbon price or tax is implemented in India, resulting in low regulatory implications from a policy perspective. However, units based in India may face regulatory consequences on their operations due to different carbon pricing and tax policies in other regions. Lupin is proactively implementing initiatives to reduce direct and indirect greenhouse gas (GHG) emissions. These initiatives include replacing old conventional luminaries with energy-efficient LED lights, using Electronically Commuted motors in AHUs, installing solar rooftops, employing air and water pollution control equipment, installing energy-efficient cooling towers, utilizing smart and efficient HVAC equipment, installing heat exchangers, and more. These measures aim to reduce fuel consumption, water usage, and carbon emissions for multiple sites worldwide, aligning with Lupin's target of reducing GHG emissions by 15% by 2030.
- **Market Risk (Low-Medium level):** High investment in renewable energy sources and higher carbon taxes for units outside India would pose a significant market risk.
- **Technology Risk (Low-Medium level):** Currently, the proportion of energy consumption from renewable sources is low compared to non-renewables. Shifting to renewable energy sources would require higher investments in advanced technologies. Lupin is taking a proactive approach by adopting newer and greener technologies. For instance, developing green propellants with significantly low global warming potential (GWP), such as HFA152a and HFO1234ze, is underway. Lupin is actively working on reducing the GWP footprint of inhalation products by incorporating low GWP propellants while maintaining therapeutic efficacy. Additionally, our Jammu, Goa, and Aurangabad sites already use cleaner fuels derived from agro-waste. We are also introducing agro-waste boilers at more of our sites across India.
- **Reputational Risk (Low level):** No major reputational risk due to low carbon transition.

Decarbonisation Strategy

Lupin has taken a proactive approach to mitigating climate change. Our comprehensive decarbonization strategy enables us to have an improved understanding of our impact on the environment, and institute necessary measures to minimize it.

We have several ongoing initiatives, such as procuring renewable energy (Solar and Wind) through various market options and switching our boiler operations to renewable fuel sources.

In addition to this, we have also conducted a phase-wise study of all our facilities to identify any potential for further efficiency improvements. Our analysis considers geographic, economic, and social factors, to identify optimal energy source options for each site.

As an outcome of this analysis, we have transitioned our Tarapur and Pithampur sites from furnace oil to natural gas, which is less emission-intensive. While our Jammu, Goa, and Aurangabad sites have already been using cleaner fuels derived from Agro-waste. We are also introducing Agro waste boilers as a more environmentally friendly fuel source at our Nagpur, Mandideep, Pithampur, Sikkim, Tarapur, Dabhasa & Ankleshwar.

Furthermore, by adopting a hybrid renewable power model comprising wind and solar, the contribution of renewable power at our Ankleshwar and Dabhasa sites in FY23 has increased by ~5.3 MW. While our total procurement of renewable electricity has increased to 5.37% in FY23.

109,274 metric tons CO_2 (9.45 % reduction compared to FY20)

Overall Reduction in Scope 1, 2 & 3 GHG Emissions due to Decarbonization Efforts

TCFD Alignment

Principle	TCFD Recommended Disclosures	Report Chapter	Report Chapter	CDP Alignment
Governance				
Disclose the Company's governance around climate-related risks and opportunities.	Describe the board's oversight of climaterelated risks and opportunities.	ESG Strategy; Managing Risks - An Integrated Approach	38; 43	C1.1a; C1.1b; C1.2
	Describe management's role in assessing and managing climate-related risks and opportunities.	ESG Strategy	38	
Strategy				
Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the Company has identified over the short, medium, and long term.	Natural Capital: Climate Strategy	132-133	C2.1; C2.1a; C2.2; C2.2a
	Describe the impact of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning.	Natural Capital: Climate Strategy	132-133	
	Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Natural Capital: Climate Strategy	132-133	
Risk Management				
Disclose how the Company identifies, assesses, and manages climate-related risks.	Describe the Company's processes for identifying and assessing climate-related risks.	Managing Risks - An Integrated Approach	41-42	C2.3; C2.3a; C2.4; C2.4a; C3.1; C3.2; C3.2a; C3.3; C3.4
	Describe the Company's processes for managing climate-related risks.	Managing Risks - An Integrated Approach	41-42	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Company's overall risk management.	Managing Risks - An Integrated Approach	41-42	
Metrics and Targets				
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics the Company uses to assess climate-related risks and opportunities in line with its strategy and risk management process.	Natural Capital and ESG Data Book	162-164	C4.1; C4.1a; C4.1b; C4.1b; C4.2a; C4.2b; C6.1; C6.3; C6.5; C6.5a; C9.1
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Natural Capital and ESG Data Book	162-164	
	Describe the targets used by the Company to manage climate-related risks and opportunities and performance against targets.	Natural Capital and ESG Data Book	162-164	

* TCFD - Task Force on Climate-Related Financial Disclosures

Water Management

Water is crucial for our operations worldwide and is utilized in various production and packaging processes. Recognizing the significance of a reliable water source and the need to be responsible stewards, we prioritize sustainable water management. Our strategy focuses on business continuity, water risk mitigation, and conservation efforts.

We implement technical interventions like water recycling plants, reusing AHU condensate and rainwater, and adopting water-efficient mechanisms to achieve these goals. These measures help us reduce our water consumption and minimize our impact on other sectors, such as agriculture and domestic water needs.

We have taken a target of recycling 50% of our total water withdrawal in our operations by 2025. In FY23 we recovered 42% of water, which puts us on track to meet this target.

Total Water Usage and Recovery	FY22 (in KL)	FY23 (in KL)
Total Water Consumption Global	**1,632,878**	**1,578,451**
Total Wastewater Generation Global	**1,039,654**	**998,586**
Recovered Water Used in Operations in India	**695,008**	**657,536**
Total Water Recycled as a Percentage of Total Fresh Water Withdrawal in Indian Operations	**41.8**	**41.9**

Total Fresh Water Withdrawal by Source	FY22	FY23
Ground Water (Borewell)	**11.3%**	**11.9%**
Third Party Water (Municipal Supplier, etc)	**81.0%**	**79.8%**
Surface Water (River)	**7.7%**	**8.3%**

Water Risk Assessment

In FY22, we partnered with external consultants to conduct a baseline assessment of water risk at our manufacturing locations in India. The assessment revealed that five operating locations – Pithampur, Nagpur, Jammu, Aurangabad, and Ankleshwar – are in regions of Extreme High-Water Risk, as measured by the WRI Aqueduct Water Risk Atlas tool. This information helps us identify sites that may be exposed to Baseline Water Stress by 2030 and the ratio of total water withdrawals to available renewable surface and groundwater supplies. We continue to use this assessment to devise our water management strategies and prioritize key focus areas for optimal water management.

Our Commitment to Water Stewardship

Lupin Foundation undertakes water stewardship activities at Maharashtra and Andhra Pradesh. We have been able to create water recharge potential of the order of 400% of our total water withdrawn, thereby making an overall water-positive impact.

Zero Liquid Discharge

Lupin is committed to minimizing negative impacts in all aspects of our operations, including our water discharge practices. We recognize the potential harm water discharge from manufacturing sites can cause communities and the environment. We have implemented technologies and systems to achieve Zero Liquid Discharge at six manufacturing sites to address this. This ensures that effluents from our processes are not discharged into water bodies through run-offs. We are also working towards certifying our remaining sites as Zero Liquid Discharge facilities.

Further, at nine of our sites in India, after primary treatment, the wastewater is further processed in state-of-the-art water recovery plants consisting of Reverse Osmosis (RO), Multiple Effect Evaporator (MEE), and Agitated Thin Film Dryer (ATFD) plants to recover water from the wastewater efficiently. The recovered water is then redirected for other internal uses.

Anti-Microbial Resistance Stewardship

Lupin recognizes the importance of Anti-Microbial Resistance (AMR) stewardship in our sustainability strategy, as it directly impacts human and ecological well-being.

AMR poses a significant threat to public health by reducing the effectiveness of antibiotics and other anti-microbial drugs. The excessive use and improper disposal of these drugs can lead to contamination of water bodies, soil, and food chains, aggravating the problem further. This contamination disrupts the natural balance of ecosystems and their overall functionality.

Therefore, in response to the AMR challenge, Lupin focuses on three of the four key areas: appropriate antibiotic use, access, and environmental impact.

Waste Management

Lupin incorporates efficient waste management and circularity practices across our entire value chain. This involves conscious inventory/purchase management, employing long-lasting chemical products, and utilizing equipment that generates minimal hazardous waste. Our employees receive training in safely handling, labeling, and storing hazardous products.

We take non-hazardous waste from our operations, such as canteen and mycelia, and send it to piggeries or composters to convert into usable organic fertilizer. In FY23, we successfully sent 5,713 MT of canteen and mycelia waste and 1,265 MT of agro-waste boiler to their respective destinations. Agro-waste boiler ash is also utilized for brick manufacturing, soil enrichment, and landfilling. There is no other means of waste disposal adopted by Lupin, apart from ones mentioned below:

Non-Hazardous Waste Management Profile

Category (in MT)	**FY22**	**FY23**
Total waste recycled: Canteen waste, Mycelia waste & Agro-waste boiler ash	7,344	6,978
Waste Landfilled	0	0
Incineration & pre-processing and co-processing in cement plants	0	0
Waste incinerated without energy recovery	0	0

Hazardous Waste Management Profile

Category (in MT)	FY22	FY23
Recycling/Recovery/ Utilization	14,724	11,679
Waste Landfilled	12,940	9,651
Incineration & pre-processing and co-processing in cement plants	6,954	6,838
Total hazardous waste disposed	**34,618**	**28,168**
Waste incinerated without energy recovery	3,854	2,663

Co-Processing of Waste

We take our commitment to responsible waste management seriously. That's why we prioritize waste recycling and reducing landfill and incineration. Seven of our thirteen sites, including R&D, send incinerable hazardous waste to Co-processors/Pre-processors. In March 2023, we received permission to dispose off incinerable hazardous waste to the pre-processor for the Tarapur site.

In FY23, we sent 4,175.21 MT (60.9%) of incinerable hazardous waste for co-processing, an increase from 3,099.3 MT (44.5%) in FY22. It indicates that we have already achieved the 60% target aimed for 2025 in FY23.

Moreover, as our global API sales continue to increase yearly, we recognize our responsibility to implement and enhance processes that help recover, reuse, and recycle spent solvents generated from the API manufacturing process. We also ensure that spent or used oil generated from our operations is sent to authorized recyclers or registered disposal facilities.

Finally, as part of our resource conservation initiatives, we sent 4,452 MT of spent calcium sulfate to cement plants for utilization as raw material in their operations.

Extended Producer Responsibility

We are fully committed to our Extended Producer Responsibility (EPR) obligations, ensuring the efficient recovery of post-consumer plastic waste from our products in India. This waste is either recycled or used as an alternative energy source. In addition, we have digitized all our consumer and patient information leaflets, reducing both costs and paper consumption.

In FY23, we achieved our EPR target with 100% completion, collecting and channelizing, 1,956 MT of plastic waste to processors.

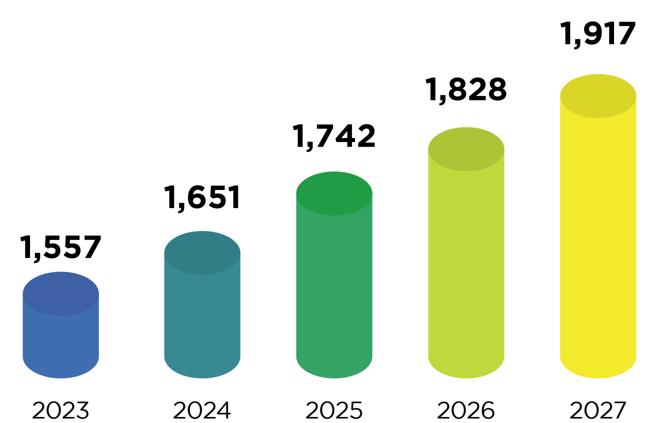
Lupin will also perform Life Cycle Assessment in FY24 for top revenue generating products to affirm its commitment to product stewardhip

Business Review

(Management Discussion and Analysis)

Global Trends in the Pharmaceutical Industry

Global Pharmaceutical market is expected to grow from $1.3 trillion in 2022 to $1.9 trillion in 2027 growing at a CAGR of 4.5% (IQVIA Market Prognosis January 2023). Global spending on medicines from 2020 to 2027 is expected to exceed the pre-pandemic outlook, largely due to new spending on COVID-19 vaccines and novel therapeutics, as well as the impact on other therapeutic areas. The use of medicines globally plateaued in 2022 following a significant rebound in 2021 as markets recovered from the pandemic. Spending and volume growth will follow diverging trends by region with larger established markets demonstrating slower growth rates. In contrast, growth markets in Eastern Europe, Asia and Latin America are expected to grow in both volume and spending. Overall volume is projected to grow 1.6% CAGR in days of therapy through 2027, driven by Asia-Pacific, India, Latin America, Africa and the Middle East, and China, all of which are expected to exceed global volume growth. Higher income countries in Western Europe and North America as well as Japan and Eastern Europe are expected to grow at 0.1 to 0.4% through 2027, partly due to their already higher per capita use. Eastern Europe volume growth is also hampered by disruptions from the ongoing Ukraine conflict.



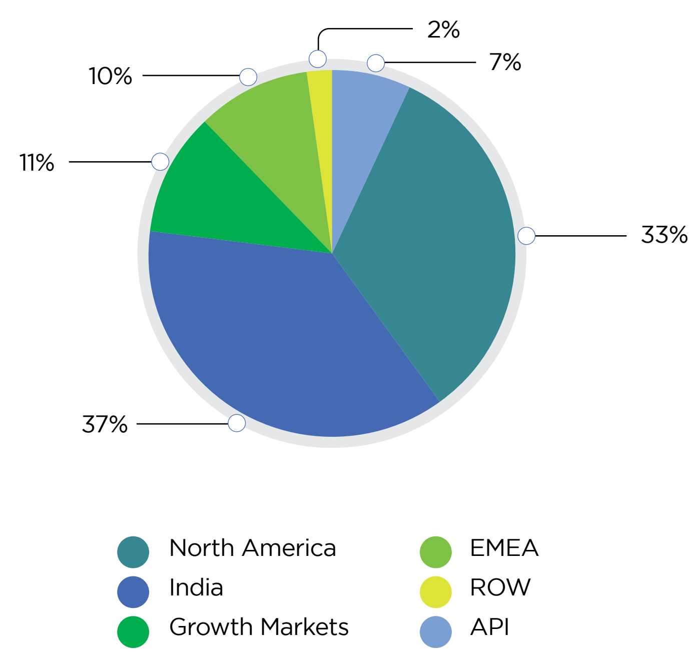
The global generics industry witnessed significant challenges, such as intense price competition, rising costs of raw materials and manufacturing, regulatory uncertainties and supply chain disruptions. Despite these headwinds, the industry also benefited from some positive developments, such as the increasing adoption of biosimilars, the emergence of new markets and segments, innovation in drug delivery systems and formulations, and support from governments and regulators to promote generic competition and access. Looking ahead, the global generics industry is expected to maintain its growth momentum, as the demand for cost-effective therapies continues to rise, especially in emerging markets and for chronic diseases.

Lupin is responding to these trends by investing in its inhalation and injectables portfolio and pipeline. Lupin plans to make these complex areas the future pillars of its business. Lupin has also invested in growing its presence in India and reach more customers and increase its volume growth. In other markets, Lupin is growing faster than the local market by using its global portfolio and resources.

The global generics industry also witnessed significant challenges, such as intense price competition, rising costs of raw materials and manufacturing, regulatory uncertainties and supply chain disruptions. The U.S. market, saw a new wave of price pressure in FY23. Despite these headwinds, the industry also benefited from some positive developments, such as the increasing adoption of biosimilars, the emergence of new markets and segments, the innovation in drug delivery systems and formulations, and the support from governments and regulators to promote generic competition and access. Looking ahead, the global generics industry is expected to maintain its growth momentum, as the demand for affordable medicine continues to rise, especially in emerging markets and for chronic diseases.

Despite the challenges, Lupin has come a long way in FY23 and is strategically poised for sustainable growth in FY24 as we launch products like Tiotropium, Darunavir and others in the U.S. and drive consistent double-digit growth in India business. Lupin remains focused on driving operating margin improvement as its grows our business.

FY23 Product Sales Mix



Growth of the Generic Drug Market

The demand for generic drugs is increasing worldwide due to patent expirations, cost containment efforts, and improved access to affordable healthcare.

Rise of Specialty and Complex Products

There is a growing focus on specialty pharmaceuticals, including biosimilars and specialized formulations, to address complex diseases and meet specific patient needs.

Technological Advancements and Digital Transformation

The industry is experiencing significant technological advancements, such as artificial intelligence, big data analytics, and digital health solutions, which are revolutionizing research, development, manufacturing, and patient care.

Evolving Regulatory Landscape

The pharmaceutical industry continues to operate within a complex regulatory environment, with evolving regulations and increased emphasis on quality standards, patient safety, and intellectual property protection.

Global Market Expansion and Emerging Economies

Pharmaceutical companies are exploring new markets and opportunities in emerging economies, such as India, China, Brazil, and other regions with expanding middle-class populations and growing healthcare infrastructure.

Continued Focus on Research and Development

The industry continues to invest heavily in research and development to discover innovative therapies, improve existing treatments, and address unmet medical needs.

Pivoting to adjunct services for patient-centric holistic approach

Companies are also expanding their offerings to encompass adjunct services, aligning with a patient-centric and holistic approach. This strategic shift allows for additional growth opportunities, particularly in countries like India.

Sustainability and Environmental Responsibility

Pharmaceutical companies are increasingly adopting sustainable practices, reducing their environmental impact, and promoting responsible manufacturing to contribute to a healthier planet.

These global trends shape the pharmaceutical industry's landscape and influence the strategies and decisions of companies operating within it.

India

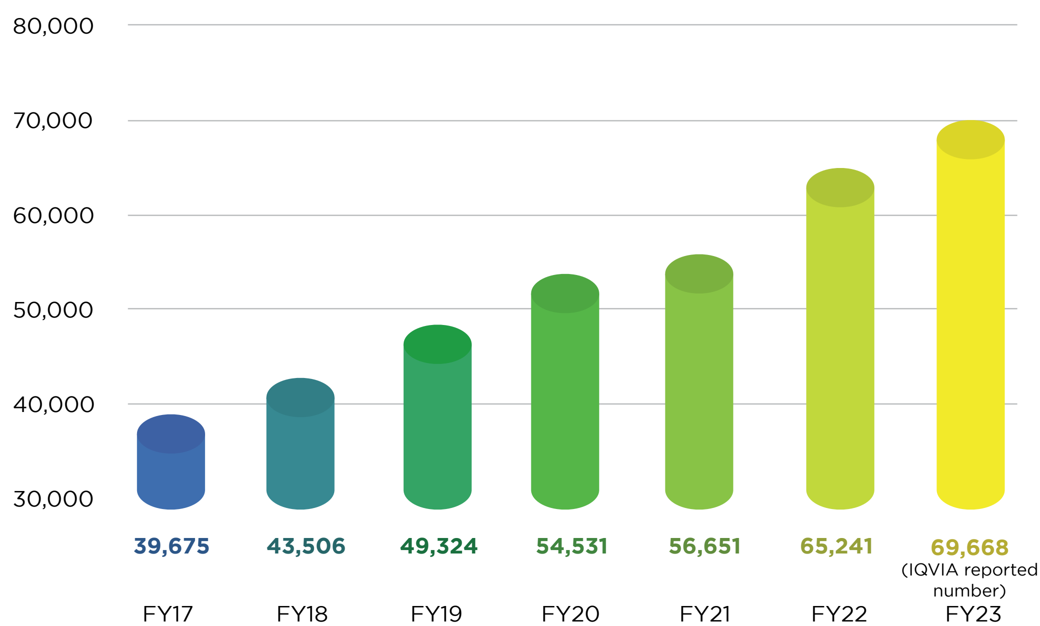
6th Rank
in Indian Pharma Market

10%
Five-Year CAGR

8 Lupin Brands
Feature in the Top 300 brands

Lupin's India business has been a strong success story within the Indian Pharma Market (IPM) especially in the chronic and fast growing therapeutic areas. With sales of ₹60,759 Mn, this segment contributes 37% to Lupin's overall sales, driving high profitability and creating substantial sustainable value for the company. Having a portfolio of high-quality and affordable drugs, coupled with a robust customer engagement strategy, Lupin is the preferred partner for medical practitioners across India. The company's achievements are exemplified by its sixth rank in the Indian Pharmaceutical Market (IPM) as of MAT March 2023. Notably, Lupin's branded generics sales witnessed 6.5% increase in FY23, attaining a five-year compound annual growth rate (CAGR) of 10.4%, surpassing the market CAGR of 9.9%. These results have propelled Lupin's market share to 3.45% in FY23.

India Formulation Sales* (in ₹Mn)



Lupin's India Region Formulations (IRF) business has firmly established its dominance in the pharmaceutical landscape, with the chronic segment serving as its primary sales driver. Notably, Lupin holds the fifth position in the highly promising and rapidly expanding chronic segment. Lupin has an industry leading PCPM of ₹7.3 lakhs. The company's success is further magnified by its focus on the top five therapy areas in India, namely Cardiology, Anti-diabetes, Respiratory, Gastrointestinal, and Anti-infectives, which collectively account for 73% of Lupin's sales. Leveraging its expertise, Lupin has consistently been the leader in the Anti-TB segment, holding a steadfast second position in the overall Respiratory segment, and the third position in the Anti-diabetes and Cardiology segments each. The Anti-diabetes and Cardiology therapies, valued at nearly ₹1,500 crore each for Lupin, exemplify Lupin's substantial presence in these crucial therapeutic areas. Moreover, Lupin's Respiratory therapy has crossed the milestone of ₹1,000 crore, while its Gastro+Hepato therapy has surpassed the benchmark of ₹600 crore in sales in FY23. Similarly, in the Cardiac Segment, Lupin recorded a growth rate of 7.1%, compared to a market growth rate of 8.7%. Additionally, in the Respiratory segment, Lupin achieved a growth rate of 8.1%, surpassing the market growth rate of 7%. These results firmly position Lupin as a major player in the industry, poised for continued success and expansion in the years to come.

Lupin now has Eight brands in the Top 300 brands category of the IPM

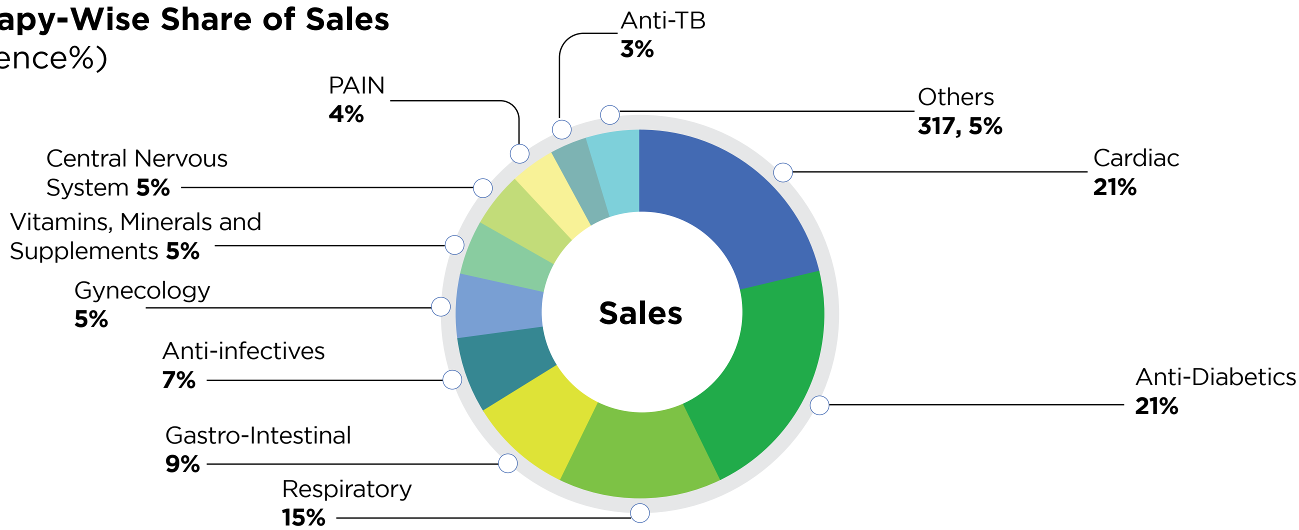
Gluconorm-G	Budamate	Huminsulin	Ivabrad
Ajaduo	Tonact	Ondero	Rablet-D

Lupin's unwavering commitment to fostering stronger connections with medical practitioners and driving better patient outcomes is evident through its proactive initiatives. In line with this commitment, the company has strategically expanded its field force and undertaken portfolio optimization across multiple therapeutic divisions. Notably, in FY23, Lupin introduced six new divisions within the India Region Formulations (IRF) segment, reinforcing its dedication to key areas of healthcare with an addition of more than 1,000 personnel on the ground which brings our sales force to over 9,100. These divisions specifically target Diabetes care, Cardiovascular diseases, Respiratory ailments, Gastrointestinal disorders, and Gynecological conditions. They also notably include an extra-urban division, where we will go to doctors in geographies that we don't cover at this point. By establishing a focused approach in these critical therapeutic areas, Lupin aims to provide enhanced support to healthcare professionals, ensuring they have access to a comprehensive portfolio of innovative and effective solutions. This strategic expansion further underscores Lupin's proactive stance in addressing pressing medical needs, ultimately leading to a higher standard of care and improved patient outcomes.

Lupin's Therapy-wise Ranking

Therapy	Rank	Market Share
Anti-TB	1	58.7%
Anti-Diabetic	3	8.2%
Cardiology	3	6.2%
Respiratory	2	5.8%
Gynaecology	9	3.7%
Neuro/CNS	6	2.8%
Gastro Intestinal	11	2.8%

Therapy-Wise Share of Sales
(Salience%)



Source: IQVIA MAT March 2023 (MIDAS)

Lupin's commitment to leveraging digital and technology-based solutions to support patients extends to enhancing customer engagement, creating disease awareness, and promoting therapy adherence. Some notable initiatives include:

Leveraging Digital

Lupin has developed exclusive digital assets such as LegalRx to assist physicians with their medico-legal issues, SciFlix for knowledge upgradation of young PG Pulmonologists, and multiple webinars and eCMEs to facilitate Doctor training and development. LegalRx helps physicians with the medico-legal issues and is very well accepted by doctors. There are 50,000+ downloads to date and a high engagement rate. There are over 1,750 doctors onboarded on SciFlix.

Lupin possesses a number of innovative assets, such as ANYA (an AI powered health chatbot) which is now available in 5 languages, across six therapeutic areas including diabetes, heart diseases, respiratory diseases, urology, tuberculosis and the newly launched women's health category. Anya has received an overwhelming response with over 3.1 Mn queries to date. By taking a holistic approach, we aim to continue to build a digital eco-system that improves patient health outcomes.

Lupin's strong presence in social media is evidenced by the 56% growth in its Lupin India digital platform and 26% growth in its Shaping Health platform in terms of followers. A sales force nudge tool, SmartRep has been launched across 21 divisions. It will also integrate training videos, call notes, etc. to increase engagement.

OTC

LupinLife Consumer Healthcare, our OTC business, has been experiencing consistent growth driven by a well-positioned brand portfolio, effective marketing strategies, and strong retail presence. Since its inception in 2017 with just one brand, the business has evolved into a business with multiple brands and has achieved double-digit growth year after year. Despite the challenges posed by the pandemic, the OTC business recorded a healthy growth rate of 18% for the last 4 years. Our strategic focus revolves around building consumer relevance, enabling agile execution, and demonstrating operational excellence. Some of our top OTC products include:

- Flagship brand Softovac recorded a strong growth of 14% (FY23 YoY) and has cemented its place as market leader in the category. Aptivate is growing at 20% (4 year CAGR) and also continues to maintain market share despite slowdown in the category.
- Consumer engagement initiatives like Back to Office for Be One helped us reach out to office goers battling stress and low energy.
- The first ever Aptivate Run 2023 for moms and kids, helped us reach out to 4 Mn consumers.
- With an expanding footprint, "Vovilup" in the Pain management category and "Lupihist" in the Cough and Cold category have been recently transitioned to our consumer health business in line with our future growth strategy.
- Omnichannel presence, and sharp focus on engagement and education via social media, and building presence in digital media have been key business drivers.

Patient Centric Approaches:

Lupin prioritizes patient-centricity as the cornerstone of its healthcare strategy. The Company has strategically diversified into adjacent verticals to offer comprehensive solutions. While maintaining steadfast focus in our core prescription pharmaceutical space, Lupin recognizes the critical importance of doctor-patient relationships.. By judicially investing in these ventures, Lupin successfully capitalizes on substantial growth opportunities, positioning itself as a formidable force within the industry as a broader healthcare provider. With an unwavering dedication to patient-centricity, Lupin pursues innovation to generate positive transformation in healthcare outcomes.

Lupin Diagnostics

Lupin Diagnostics began its operations with the launch of the National Reference Laboratory (NRL) in New Mumbai on December 10, 2021. Since then, it has expanded to 23 processing laboratories across different regions of India, including Hospital Lab Management/ Retail Lab Management (HLMs/RLMs) in the West and East zones, and five Regional Reference Labs (RRLs) in Kolkata, Guwahati, Patna, Indore, Hyderabad and Bangalore. Additionally, Lupin Diagnostics has opened a Satellite Lab in Raipur and a HLM in Mumbai.

In FY23, Lupin Diagnostics proudly served more than 300,000 patients. Diagnostic tests have become a crucial component of evidence-based treatment, with approximately 70% of treatment decisions in India being based on diagnostic results. Lupin Diagnostics ensures the accuracy of its results by following stringent quality control protocols and consistently monitoring performance against international benchmarks.

We have received final NABL accreditation for our satellite laboratories in Pune and Nashik, regional reference laboratory in Kolkata, and hospital-linked laboratories at Burdwan and Bankura. Additionally, the assessment of our National Reference Laboratory is under final review with NABL. The accreditation of our labs in Mumbai (Andheri), Nagpur, Guwahati, Dhanbad and other cities including Latur, Satara, Solapur and Varad are in the pipeline.

To enhance accessibility, Lupin Diagnostics has established over 400 collection centers, including company-owned centers and franchise-owned centers called LupiMitra. Recognizing the increased demand for home health services in the post-COVID era, the company has built a strong home collection service team and network in all the cities where it operates. Patients can easily book home visits and track their assigned phlebotomist's location and rating through a convenient online platform.

Lupin Diagnostics has focused on brand awareness and patient engagement through retail and digital marketing strategies. Digital marketing campaigns on platforms such as Google, Facebook, and Instagram have reached more than 60 Mn impressions throughout the FY23. The introduction of a Loyalty Card has been well-received by patients and clients, with over 30,000 repeat patients benefiting from the card in the third and fourth quarters of the fiscal year. Retail marketing efforts have included conducting more than 4,800 camps in our Labs and LupiMitra network, and offering free screening for common ailments like diabetes, thyroid disorders, cholesterol, and anemia to over 64,000 patients in residential societies and parks. Lupin Diagnostics has also engaged healthcare professionals through 60+ Continued Medical Education (CME) sessions and Regional Training Meetings (RTMs) to emphasize the increasing role of pathology in overall healthcare management.

Value-added services provided by Lupin Diagnostics include dynamic smart reports for patients, which offer tips for monitoring their health, as well as historical trends for effective treatment of chronic diseases. Recognizing that pre-analytical errors account for the majority of lab errors, the company has placed a strong emphasis on temperature-controlled sample movement, and its 100+ field executives consistently ensure the integrity and quality of each sample.

Lupin Digital Health, Lyfe

Lupin Digital Health, established in 2021, plays a crucial role in Lupin's venture into digital healthcare. Its primary focus is to provide a Digital Therapeutics (DTx) platform to doctors and patients across various therapies. To support its ambitions, Lupin Digital Health has established a Tech, Product & Data hub in Bengaluru and a 24x7 Nerve Centre in Mumbai, aimed at building and operating a world-class digital healthcare product. The team comprises talented individuals from leading organizations in the digital and healthcare domains. Currently, Lupin Digital Health operates in 14 cities in India and has plans to expand its presence to the top 100 cities and towns by the end of 2023.

In FY23, Lupin Digital Health introduced "Lyfe," India's first evidence-based holistic heart care program. Lyfe is designed to significantly reduce the risk of heart attacks and improve the vitals and quality of life for cardiac patients. It provides an end-to-end solution for cardiac patients, encouraging adherence to protocols established by their treating cardiologists. Lyfe integrates the power of artificial intelligence (AI) and machine learning (ML) with FDA or CE-approved connected devices, a user-friendly app interface, and dedicated experts to mitigate risks for cardiac patients.

By launching LYFE, Lupin Digital Health aims to alleviate the burden of cardiovascular diseases in India, which is the leading cause of deaths in the country. The goal is to extend the continuum of care beyond hospitals and offer smart solutions for remote monitoring and behavioral modification, ultimately enhancing patient outcomes.

Furthermore, Lupin Digital Health conducted a groundbreaking study in India that demonstrated the efficacy of digital therapeutics among patients with acute coronary syndrome (ACS) and post-percutaneous coronary interventions (PCI). The study, conducted in March 2023 (during the 90-day interim analysis), revealed positive results, with 90% of patients adhering to recommended medication, diet, and exercise regimens. Additionally, 83.3% of patients maintained normal vital signs, and there were no re-hospitalizations within the first 30 days of enrollment.

In the coming years, Lupin Digital Health aims to positively impact the lives of many thousands of patients across multiple therapy areas and solidify its position as one of India's leading health tech companies.

Atharv Ability

Atharv Ability, Lupin's Neurological Rehabilitation Center, was inaugurated on the International Day of Persons with Disability in Mumbai's Bandra Kurla Complex. It serves as a cutting-edge outpatient facility for adults and children, specializing in neurological rehabilitation. The center offers comprehensive rehabilitation programs based on best clinical practices and utilizes state-of-the-art equipment. A team of qualified neurorehabilitation experts deliver quality care, making Atharv Ability a unique and all-encompassing rehabilitation destination.

Neurological disorders account for the highest percentage of total Disability Adjusted Life Years DALY*(6.3%) as compared to other diseases like Respiratory, HIV and TB, globally. While In India it is 10%, one Indian suffers a stroke every 40 seconds and 60% of stroke cases in India lead to disability. Neuro disabilities can range from paralysis or problems controlling movement (motor control), problems using or understanding language (aphasia), swallowing disorders (dysphagia), and problems with thinking and memory (cognition). Patients with such disabilities need a multidisciplinary rehabilitation program to help them resume their functional and cognitive abilities.

In India, there is a significant gap both for trained neuro physiotherapists and well-equipped rehabilitation centers. Atharv Ability aims to address this gap by providing rehabilitation programs for post-stroke patients, patients with traumatic brain injury, spinal cord injury, and pediatric neurological conditions as well as for other neurological conditions including Parkinson's, cerebral palsy, and multiple sclerosis and pediatric neurological conditions. The center offers all these treatments under one roof, including neuro physiotherapy, advanced robotics therapy, speech and language therapy, occupational therapy, cognitive therapy, aqua therapy, pain management, spine rehabilitation, activities of daily living training, and pediatric neurological rehabilitation.

Since its launch, Atharv Ability has treated over 1,000 patients and conducted more than 3,000 multidisciplinary treatment sessions in just four months. Patients have experienced remarkable progress, with many who were previously wheelchair-bound regaining their independence. Post-stroke and post-TBI patients have successfully walked out of Atharv Ability with restored confidence and dignity. The pediatric section of the center provides specialized attention, empathy, care, and customized treatment programs for children with conditions like cerebral palsy and developmental delays.

The vision of Atharv Ability is to provide accessible, affordable, and world-class rehabilitation treatment programs to every patient with a neurological disability, ensuring they regain their abilities and reintegrate into society.

Outlook

Lupin's India business has a very positive outlook and is well poised to achieve sustainable growth. The company is actively working on various initiatives to enhance its performance. These efforts include focusing on business imperatives, process improvement, and engaging with stakeholders such as doctors, patients, distribution channels, and consumers.

By leveraging its brand-building capabilities, enhanced manpower and robust portfolio of products, and by targeting depth into specific therapeutic segments, the company is well-positioned to achieve new milestones and contribute to a brighter future.

North America

3rd
in the U.S. by prescriptions

31%
of Lupin's overall FY23 sales

>20
products have market share greater than 50%

United States

According to the latest Global Use of Medicines report by IQVIA, patent expirations in the U.S. are projected to reach nearly $109 Bn by 2026. Of this amount, biosimilars are expected to contribute $35 Bn as market dynamics mature and major products face genericization.

During FY23, as the pandemic receded, we continued to provide high-quality products to our valued customers and patients across the United States. Thus, maintaining our 3rd ranking in prescription volume, our products accounted for 5.88% of the total generic prescriptions dispensed and 4.7% on total prescrption in the U.S. on an extended unit basis. And hence has been a key contributor to the $373 Bn savings to the U.S. government. Lupin's portfolio sees decline in average list price for all its marketed drugs each year, reflecting its commitment to provide affordable and accessible medicines to the U.S. patients. (Source: https://accessiblemeds.org/sites/default/files/2022-09/AAM-2022-Generic-Biosimilar-Medicines-Savings-Report.pdf)

Notably, U.S. sales significantly contributed ₹54,173 Mn to the company's sales, representing a substantial 33% of our overall sales. Driving this performance were key products such as Albuterol, Lisinopril, Arformoterol, Suprep and Gavilyte. In FY23 we launched 9 products featuring notable introductions such as AG Cyclosporin (May 2022), Gx Suprep (September 2022), Gx Performomist (November 2022), and Gx Pennsaid (December 2022). Lupin achieved higher margins in the U.S. for the third consecutive quarter by optimizing our portfolio, focusing on high value products and reducing costs. We also improved our margins even as we increased our R&D spending quarter on QoQ.

Our flagship inhalation product Albuterol, has maintained a 17% share of the total market for Albuterol (or 20.4% of the generic-only market) and increasing post March-23 quarter. Lupin also continues its leadership in other legacy oral solids like lisinopril, levothyroxine and supported by its class leading and differentiated manufacturing capabilities.

After receiving approval of generic Spiriva recently, Lupin is poised to launch this first time generic in U.S.. This is the first generic inhalation Dry Powder Inhalation drug-device combination that will get launched from India and will be a large contributor to savings for U.S. government drug spending for the future.

Specialty:

In FY23, we strategically expanded our Specialty business portfolio by incorporating two inhalation products, Xopenex® and Brovana®, into our offerings. These products were acquired from Sunovion in October 2022, marking a significant milestone for Lupin. The addition of Xopenex® and Brovana® strengthens our respiratory portfolio, enabling us to provide advanced treatment options for patients with respiratory conditions. This strategic acquisition reinforces our commitment to delivering innovative solutions and further establishes Lupin as a key player in the Inhalation Specialty segment.

Lupin has built a strong market position for Brovana and its generic Arformoterol, reaching a combined share of 48% in Q4 FY23. However, we observed a trend of more prescriptions moving from the brand product to the generic product in each quarter, indicating a preference for lower-cost alternatives.

Furthermore, we solidified and reinforced our Specialty Women's Health business through our partnership with Exeltis in the promotion of our flagship product, Solosec®. This collaborative alliance is instrumental in our mission to broaden the reach of Solosec® and raise awareness among Healthcare Providers regarding its remarkable benefits in the treatment of Bacterial Vaginosis in women and Trichomoniasis patients.

Outlook:

With oral solid dosage forms continuing to be under pressure due to heightened competition in recent times, the company continues to pivot towards more complex products with a larger spend on research for respiratory and complex injectables. Lupin has taken several measures in recent times to optimise on its portfolio and address inefficiencies and stem any value erosion in the system. Lupin continues to focus on building up an impressive line of first to market products for U.S. across the inhalation and complex injectables space that will provide for significant growth and provide significant healthcare budget savings in the coming future.

Canada

The pharmaceutical market in Canada is valued at $25 Bn USD, with a growth rate of 2.7%. Lupin's subsidiary in Canada, Lupin Pharma Canada Ltd., is a specialty brand company with a presence in gastroenterology and women's health. Lupin also focuses in niche and complex generics and it is the first company with an approval of generic Tiotropium dry powder inhalation in Canada. Since its commercial inception in 2015, Lupin Pharma Canada has demonstrated steady growth and finished the year with sales over $40 Mn CAD.

Europe, Middle East and Africa (EMEA)

10%
of Global Sales

NaMuscla
EU expansion ongoing

#8th largest
generics player in South Africa

The pharmaceutical market in Europe, Middle East, and Africa (EMEA) is estimated to be worth $333 Bn, accounting for 25% of the global market. The EMEA region accounts for 10% of Lupin's sales.

Lupin's focus on branded generics, biosimilars, and inhalation products presents a noteworthy growth opportunity for expanding its portfolio in the region.

Europe

The pharmaceutical market in Europe is $304 Bn, with the Generic (Gx) business accounting for over $62 Bn. With several pharmaceutical brands approaching patent expiration, the European pharmaceutical market is projected to experience significant growth in the coming years. In fact, spending in Europe is expected to increase by $59Bn through 2027, with a focus on generics and biosimilars, and escalating pressures on the value and negotiated prices of novel medicines. (IQVIA Market Prognosis 2023)

Within the Neurology segment in Europe, our flagship product is NaMuscla®, a prescription medication for adults suffering from non-dystrophic myotonic disorders (NDM), a severe and debilitating neuromuscular condition classified as an Orphan disease. By offering NaMuscla, Lupin not only addresses the unmet needs of patients but also expands its market presence in Europe, while actively exploring opportunities to introduce the product to other regions.

During FY23, Lupin achieved sales of ₹15,514 Mn in its European business. The launch of the inaugural respiratory product in Europe and the expansion of NaMuscla beyond the markets of the UK, Germany, and France have been key drivers of sales growth. Furthermore, we have made significant strides in enhancing our digital engagement with healthcare practitioners, effectively leveraging digital channels for promotional activities

Germany

Our subsidiary in Germany, Hormosan Pharma GmbH, experienced rebound following the challenging years influenced by the pandemic. The business units demonstrated substantial growth, for all focus products in our portfolio, spanning across Neurology, Pain, and Sexual Health. The portfolio consistently outperformed the market's CAGR.

Additionally, Lupin successfully closed a series of business development deals in FY23, which have laid a solid foundation for future growth. These strategic initiatives further enhance our prospects for continued success in the coming years.

United Kingdom

In the United Kingdom, we introduced Luforbec High Strength to complement our existing low strength product. Notably, similar to the low strength formulation, Luforbec High Strength has received independent certification as carbon neutral through carbon offsetting. This achievement positions Luforbec as the first certified carbon neutral pressurized metered-dose inhaler (pMDI) in the UK.

The launch of Luforbec High Strength, combined with its carbon neutral certification, marks a significant

advancement for Lupin's respiratory product portfolio and aligns with our commitment to sustainability in the UK. This milestone represents a significant step forward in our efforts to provide innovative respiratory solutions while contributing to a greener future.

Also, Lupin's Pithampur facilities underwent a successful inspection by the UK MHRA, validating our commitment to maintaining the highest quality standards

South Africa

The pharmaceutical market in South Africa is valued at ZAR 53 Bn. Pharma Dynamics, Lupin's South African subsidiary registered sales of ZAR 1,364 Mn. The market experienced a 3.48% year-on-year growth, which can be attributed to sustained expansion in key pharmaceutical segments, including Cardiovascular (CVS), Central Nervous System (CNS), and the over-the-counter (OTC) franchise.

However, following the impact of the Covid-19 pandemic, the growth was adversely affected by a decline in sales from the Efferflu C Immune booster due to a continued decrease in the category's demand. Furthermore, our chronic product portfolio faced challenges due to benchmark pricing pressures imposed by medical aid funding agencies, resulting in downward price trends.

Pharma Dynamics remains committed to complying with the government's Broad-Based Black Economic Empowerment (BBBEE) policy, which aims to promote economic participation among the black population. The compliance not only allows them to engage effectively with key industry stakeholders but also grants them preferred status compared to non-compliant competitors.

In the FY23, Pharma Dynamics secured approvals for 42 products from South African Health Products Regulatory Authority (SAHPRA), and introduced 14 new products to the South African market. Looking ahead to FY24, Pharma Dynamics anticipates sustaining the growth momentum with the planned launch of an additional 14 new products.

Despite the challenges faced, Pharma Dynamics proudly holds the position of the largest Cardiovascular (CVS) company in South Africa, retaining a value share of 14.2%. Their portfolio boasts 20 products currently ranked as top-products in the country, with an additional 21 products in the second position.

Road Ahead

In the European market, Lupin has strategic plans in place to expand on the respiratory franchise with the introduction of Luforbec metered dose inhaler (MDI). This expansion will be complemented by continued efforts to grow the presence of NaMuscla®, Moreover, the company remains focused on launching several new products across different therapy segments during FY24.

In addition to our European focus, we are dedicated to expanding our portfolio in the over-the-counter self-help (CAMS) category for the South African market. This expansion will allow Pharma Dynamics to tap into new opportunities and meet the evolving needs of consumers in the region.

Data Source: IQVIA MAT February 2023

Growth Markets

#2
Branded generic player in Philippines

#4
Generic player in Australia

Asia Pacific (APAC)

The APAC region, excluding India, is sized at $251 Bn, representing approximately 20% of the global pharmaceutical market. Lupin's strategic presence in this dynamic region has been marked by direct presence in Australia and Philippines. Furthermore, our operations in Japan and South Korea are facilitated through trusted local business partners, ensuring effective market access and engagement.

In FY23, the APAC region, accounting for a 6% of overall sales, Lupin outpaced the market's growth rate of 3.5%. Lupin has delivered robust performance in the region, demonstrating the commitment to innovation, quality, and customer satisfaction.

Philippines

The pharmaceutical market in the Philippines is valued at USD 4.8 Billion, with a growth rate of 5.2%. Lupin's subsidiary in the Philippines, Multicare Pharmaceuticals Philippines Inc., is a premium branded generics company with a strong presence in the rheumatology, gastrointestinal, and diabetes segments. Within the reference market, Lupin is ranked second among branded generic companies. Multicare demonstrated strong resilience against the COVID outbreak and ended the year with a total sale of PHP 1,895 Mn, compared to a sales of PHP 1,881 Mn for FY22.

We have a portfolio of over 100 products, covering various therapeutic areas such as anti-infectives, cardiovascular, central nervous system, dermatology, and women's health. We have a pipeline of new launches planned for FY24 and FY25, including biosimilars and specialty products.

Multicare has been certified as "Best Place to Work" for the second time. This esteemed award underscores the company's commitment to fostering an exceptional work environment that nurtures employee well-being, growth, and engagement. The "Best Place to Work" recognition also serves as a celebration of the collective efforts of the exceptional team members

Australia

Generic Health (GH), Australia is the fourth largest generics player in the region (IQVIA MIDAS MAT Dec 2022). Following the acquisition of Southern Cross Pharma (SCP), a leading hospital generics company, we recorded a consolidated growth of 29% in FY23 to AUD 96 Mn, compared to a sales of AUD 74 Mn for FY22. The Hospital business Integration is now complete where SCP portfolio is being marketed by GH. We have been able to consolidate our warehouses to a single partner, resulting in operational efficiency and cost savings. We have a good basket of 10-15 products that will be launched in next 12 to 18 months, which will further strengthen our position in the market.

Since acquisition, SCP has grown considerably and has started realizing synergy gains. With the acquisition, overall business of GH including SCP now comprises of 60% retail business and 40% B2B business. This gives us a balanced and diversified portfolio across various therapeutic areas and channels. We are also exploring opportunities to expand our presence in other adjacent markets in the region, such as New Zealand.

Outlook:

We are committed to delivering value to our customers and stakeholders in the APAC region by providing high-quality, affordable, and innovative medicines and solutions. We aim to address the unmet medical needs of the region, especially in chronic and specialty segments. We also strive to enhance our market presence and penetration by leveraging our strong portfolio of products, pipeline of new launches, and strategic partnerships with local players.

#2
Ophthalmic player in Mexico

#6
Player in Brazil in volume

LATAM

The LATAM region reached sales of $53 Bn in 2022, reflecting a robust growth rate of 10.9%. In FY23, Lupin's LATAM business demonstrated sustainable growth, with sales growth of 30.1% year on year, contributing 4.7% to overall sales. Among the countries in the LATAM region, Brazil and Mexico stand out as the largest markets, collectively accounting to 70% share. These key markets experienced growth rate of 11% in 2022, underscoring the immense potential and opportunities they offer.

To strengthen our footprint in the region, Lupin has strategically pursued distribution agreements with key players in Chile, Peru, and Colombia. Through this network, Lupin has enhanced presence in these countries, enabling us to better serve local healthcare needs and contribute to the growth of the pharmaceutical industry.

Mexico

With a size of $12.3 Bn, Mexico stands as the second-largest pharmaceutical market in Latin America. Despite facing macroeconomic challenges driven by the pandemic, the market grew at 12% in 2022. Laboratorios Grin, outpaced the market recording a 13% growth rate. It continues to hold the second position in the ophthalmic market in terms of units sold.

The growth in Laboratorios Grin's sales can be attributed to its presence in the private Branded channel, which has been supported by a robust innovative pipeline. By leveraging our global product pipeline, we plan to expand beyond the ophthalmic segment by launching products in the respiratory and CNS segments. We are committed to transforming Lab Grin's portfolio that would serve across multiple therapy areas.

With a focus on innovation and customer satisfaction, Lupin is well-positioned to further strengthen its position in the Mexican pharmaceutical market and continue driving growth in the coming years.

Brazil

With a market size of $27 Bn, the Brazilian pharmaceutical industry holds the distinction of being the largest in the Latin American (LATAM) region, contributing to approximately 50% of the region's sales. In 2022, the Brazilian pharmaceutical market witnessed a growth rate of 13.2%,

MedQuimica, Lupin's subsidiary in Brazil, has made significant strides in the market and now holds the 10th position in terms of value and the 6th position in terms of volume within the reference market. MedQuimica retains a 2.53% market share, reaching sales of BRL 273 Mn, in FY23, marking a 22% growth, compared to a sales of BRL 224 mn for FY22.

In line with our growth strategy, in FY23, MedQuímica entered acquired nine medicines from BL Indústria Ótica Ltda., a subsidiary of Bausch Health Companies Inc. This strategic acquisition further reinforces our commitment to expanding our product portfolio and catering to the evolving healthcare needs of the Brazilian population.

We are well-positioned to emerge stronger in the coming quarters with our efficient manufacturing platform and an optimal commercial structure

Outlook:

We remain committed to leveraging our expertise, innovative product portfolio, and strong partnerships to continue driving growth and delivering high-quality healthcare solutions to patients throughout the LATAM region. With the LATAM market's promising trajectory and our expanding presence, we are well-positioned to capture new opportunities and reinforce our commitment to improving health outcomes.

Source: IQVIA Global Midas Sales Audit (Dec 2022); IQVIA Brazil PMB (Jan 2023), Knobloch Mexico MFPM (Jan 2023)

API Business

Lupin's API business operates with a strategic focus, aiming to become a leader in its chosen market segments by building scale and efficiency. Our production expertise and in-house fermentation capabilities uniquely position us to meet the stringent regulatory and quality requirements of global markets. Despite challenges such as cost escalation in the chemical industry due to geopolitical situations, we have effectively managed the impact through strategic product life cycle management and overall efficiency improvements.

The API business in the last three years has been impacted by two major factors—lower demand for cephalasporin products in several parts of the globe and higher cost of PenG from China. But, in FY23 , it saw a returning of growth, increasing revenues by 12% in to reach ₹11,092 Mn, primarily due to the resumption of demand for Cephalosporin products to a certain degree of normalcy. However, the high cost of Penicillin G continues to impact the business profitability. Despite the headwinds, we retained our reach to customers in over 50 countries worldwide, and at the same time, attracting new customers by forging strong partnerships. To drive sustainable business for the future, we are actively adopting greener chemistry technologies, improving efficiency, and protecting the environment. Additionally, we have intensified our focus on commercializing new APIs, resulting in doubling of new product sales compared to the previous year.

Lupin's extensive experience in fermentation chemistry positions us as a leading producer of fermentation-based anti-TB products and certain anti-infective products globally. Leveraging this core expertise, we are committed to introducing newer products in the coming years, fostering business growth while ensuring the availability of quality drugs at affordable rates.

Global Institutional Business (GIB)

For many years, Lupin has been dedicated to providing high-quality, affordable, and reliable medicines to underserved communities, enabling a healthy and disease-free life. Our commitment to reducing the burden of tuberculosis (TB), particularly among marginalized populations facing socioeconomic challenges, is deeply rooted in our values.

Lupin has evolved into a comprehensive solution for all anti-TB medications, offering a portfolio that covers first-line drugs for treatment, drugs to combat multi-drug-resistant TB, and drugs for preventing new incidences of TB. We have developed a range of second-line anti-TB medications, including generic versions of newer anti-TB molecules and re-purposed molecules like Bedaquiline, Pretomanid and Delamanid and re-purposed molecules like Clofazimine, Linezolid and Moxifloxacin. With backward integration into key APIs, we can provide these medications at affordable prices without compromising on world-class quality assurance.

Preventing new cases of TB is crucial in achieving the goal of eradicating tuberculosis from the planet. Leveraging our expertise in Rifa-based products, we have developed Rifapentine API, emphasizing our commitment to meeting emerging requirements. We are proud to be among the first companies to commercialize fixed-dose medications of Rifapentine-Isoniazid formulation for preventing new cases of TB. Additionally, we prioritize the development of child-friendly formulations to address pediatric TB. Our pediatric TB portfolio is comprehensive and comprises of all the needed priority drugs for the management of TB in children.

Our TB products reach more than 70 countries across Africa, Latin America, CIS, and Asia, positioning us as a global leader in the first-line management of TB.

In FY23, we made our commercial entry into the antiretroviral (ARV) market, where we anticipate significant market share in access countries. We are enthusiastic about collaborating with international and national public health organizations to provide high-quality and affordable ARV drugs, ensuring uninterrupted supply.

Lupin's Principle to Principle (P2P) business capitalizes on our expertise in API research and formulation development. This business segment focuses on launching first-to-market products in India and establishing ourselves as a reliable supplier partner. We continuously strive to develop new products, novel formulations, and patient-friendly formulations, which are key drivers of our business growth.

Looking ahead, Lupin's API PLUS SBU is excited about the future and is well-prepared to pursue new milestones and successes. We are committed to continuous improvement, expansion, and meeting the evolving needs of our customers in the API market.

Awards & Recognitions

Vinita Gupta, named among **India's 20 Most Influential Women in Healthcare** by BW Healthcare World

Rajendra Chunodkar named among the **Game Changers in Manufacturing** by Fortune India

'Factories of the Future' accoladeat the **Economic Times Promising Plant Awards 2022**

Marketing Campaign Of The Year by ET India Pharmaworld Awards for its Awareness, Screening, and Treatment (AST) Campaign

Bioprocessing Excellence in South Asia Award at the prestigious Asia Pacific Bioprocessing Excellence Awards 2022 by IMAPAC

Team Pithampur won four awards at **43rd CII National Kaizen Competition**

LHWRF won the **Water Sustainability Awards 2022-23** for **Excellence in Participatory Water Management**

Excellence in Patient Centric Initiative at Zee Health Awards 2022

Lupin Ankleshwar won the Par Excellence Award for Ethambutol Yield Improvement Project and Excellent Award for 7ACCA Yield Improvement Project in the Lean Six Sigma Category

Business World's Diversity and Inclusion Award 2022 for **"Outstanding Diversity Network"**

Cyber Security Excellence Awards 2022 for the **Best Zero Security** in the Healthcare & Pharma category

Goa and Nagpur teams have been awarded Gold Medal at the National Awards for **Manufacturing Competitiveness 2022-23**

ATD (Association of Talent Development) BEST Award

Dabhasa Site Recognized in the silver category at the **India Green Manufacturing Challenge 2021-22** organized by International Research Institute for Manufacturing

'Digital Pharma Marketing Excellence Award' for 'Leveraging Technology for Patient Care' at the **6th Edition of DIGIPHARMAX Conclave** on Emerging Health Trends in Pharma Digital Marketing & Awards 2022

Softovac recognized as Epitome of New-Age Success at the **Most Preferred Brands 2022 Event**

Global Supply Chain & Operations (GSCO) team won the **'Apex 10 Supply Chains (West)' award** at the **Top 200 Supply Chains Awards (West),** organized by the Alden Group

Lupin Diagnostics Bags the Award for **Best Pathology Lab (National Category)** at **The Economic Times ET Healthcare Awards 2022**

Team Goa won First prize and one platinum award at **16th CII Six Sigma National Level Competition 2022**

Team Goa and Team Nagpur Unit-1 received the Gold Medal at National Awards for **Manufacturing Competitiveness 2022-23**

Lupin's Pithampur team wins two awards - **1 Platinum, and 1 Gold at the CII National Technology Competition**

Lupin's corporate communication team named among the **Top 30 Corporate Communications Team** for 2022 by **Reputation Today**

Lupin ESG Databook

(Data captured covers the global figures)

Economic Performance

Economic Value Generated

Category	Unit	FY22	FY23
Total Revenue	₹Mn	164,055	166,417

Economic Value Distributed and Retained

Category	Unit	FY23
Total Operating Cost	₹Mn	50,500
Total Employee Related Expenses (Salaries + Benefits)	₹Mn	30,872

Philanthropic Contributions

Category	Unit	FY23
CSR Expense	₹Mn	356.5
Political Contributions	₹Mn	180

Research & Development

Category	Unit	FY22	FY23
Research & Development spending	₹Mn	14,024	12,800
Research & Development spending	$Mn	185	156
R&D spending as percentage of Sales	%	8.66	7.86
No. of R&D positions	No.	1,392	1,400

Fines/Settlements/Complaints

Category	Unit	FY22	FY23
Fines or settlements related to Anti-competitive practices	₹Mn	18,784	0
Confirmed cases of Corruption & Bribery	No.	None	0
Current involvement in any ongoing corruption and bribery cases	No.	0	None
Contributions to and spending for trade associations (AAM, FICCI, CII, among others)	₹Mn	95.14	90.9
No. of incidents of discrimination and harassment	No.	0	2
No. of incidents of Conflicts of Interest	No.	2	0
No. of incidents of Money Laundering or Insider trading	No.	0	0
No. of complaints related to Child Labour/Forced Labour/Involuntary Labour	No.	0	0
Upheld regulatory complaints concerning marketing and selling practices	No.	0	0
Upheld self-regulatory complaints concerning marketing and selling practices	No.	0	0
Class I product recalls	No.	0	0
Class II product recalls	No.	11	7
U.S. FDA inspections	No.	2	9
Form 483's	No.	2	7
Total Number of Observations	No.	20	55
U.S. FDA Warning Letters (or equivalent)	No.	0	1
Total number of clients, customers and employees affected by the breaches	No.	0	0
Complaints concerning breaches of customer privacy and losses of customer data	No.	0	0
Total number of information security breaches	No.	0	0

*Somerset received warning letter and came out of it within FY22

Environmental Performance

Energy Consumption

Our Global Energy Consumption Profile

Indicator	Unit	FY20	FY21	FY22	FY23
Renewable Sources	GJ	453,564 (12%)	375,696 (10%)	254,819 (8%)	1,46,674 (5%)
Non-Renewable Sources	GJ	3,186,558 (88%)	3,288,078 (90%)	2,948,475 (92%)	25,83,769 (95%)

Energy from Renewable Sources

Indicator	Unit	FY22	FY23
Solar-captive	GJ	5,713 (2.2%)	9,141 (6.2%)
Wind-grid	GJ	46,874 (18.4%)	30,727(20.9%)
Steam purchased (Agrowaste)	GJ	91,694 (36%)	0 (0.0%)
Steam generation (Agrowaste)	GJ	110,538 (43.4%)	106,806 (72.8%)

Energy from Non-Renewable Sources

Indicator	Unit	FY22	FY23
Diesel	GJ	64,435 (2.2%)	97,091 (3.8%)
Furnace oil	GJ	408,105 (13.8%)	398,332 (15.4%)
Natural gas	GJ	372,783 (12.6%)	356,593 (13.8%)
LPG	GJ	3,519 (0.1%)	1,921 (0.1%)
LSHS	GJ	23,296 (0.8%)	27,397 (1.1%)
Steam purchased	GJ	710,657 (24.1%)	358,486 (13.9%)
Grid electricity purchase	GJ	1,365,680 (46.3%)	1,343,949 (52%)

Emissions Avoided

Renewable Energy Sources	Unit	FY20	FY21	FY22	FY23
Solar Captive	tCO_2e	1,248	1,248	1,254	1,803
Wind Power	tCO_2e	8,170	8,170	10,286	6,060
Total	tCO_2e	9,418	9,418	11,540	7,863

Total GHG Emissions Globally**

Indicator	Unit	FY20	FY21	FY22	FY23
Scope 1 emissions (from energy use in own operations)[1]	tCO_2e	103,887	100,726	86,175	87,068
Scope 2 emissions (from purchased energy sources)	tCO_2e	371,883	403,829	380,306	340,945
Scope 3 emissions	tCO_2e	680,968	802,465	676,018	651,664
Emission Intensity for Scope 1,2	tCO_2e/₹Mn revenue	3.25	3.38	2.88	2.63
Emission Intensity for Scope 3	tCO_2e/₹Mn revenue	4.50	5.38	4.17	4.01
Percentage Change (Scope 1+2)	%	-	2.54	(7.55)	(8.25)

Disclosure on Scope 3 Categories - FY23

Category	Unit	FY23
Purchased Goods and Services	tCO_2e	422,316
Downstream Transportation	tCO_2e	89,601
Capital Goods	tCO_2e	19,814
Waste Generated and Disposed	tCO_2e	121

Category	Unit	FY23
Fuel and Energry	tCO_2e	82,924
Business Travel	tCO_2e	35,289
Employee Commute	tCO_2e	1,599

Biogenic Emissions

Source	Unit	FY22	FY23	% Change
Steam Generated	tCO_2e	11,087	10,713	
Steam Purchased	tCO_2e	9,197	0	
Total	tCO_2e	20,285	10,713	(47%)

Carbon Sequestration

Tree Plantation	Unit	FY22	FY23	% Change
From tree plantation initiatives of LHWRF and facilities	tCO_2e	24,048	25,167	4.65%

Water Withdrawal, Consumption and Discharge

Total Water Usage and Recovery	FY20 (in KL)	FY21 (in KL)	FY22 (in KL)	FY23 (in KL)
Total Water Withdrawal Global	1,865,632	1,848,896	1,697,242	1,622,222
Total Water Consumption Global	1,776,203	1,769,387	1,632,878	1,578,451
Total Wastewater Generation Global	1,220,157	1,138,343	1,039,654	998,586
Recovered Water used in Operations in India	812232	742,179	695,008	657,536
Total Water Recycled as a Percentage of Total fresh Water Withdrawal in Indian Operations	44.4	40.9	41.8	41.9

*FY 2022 includes across our 13 Indian locations and 3 overseas locations in Brazil, Mexico, and Somerset U.S. In the previous years, data was only reported for the 13 Indian Sites

** Includes fugitive emissions and emissions from owned vehicles.

[1]Includes fugitive emissions and emissions from owned vehicles.

[2]FY 2022 includes across our 13 Indian locations and 3 overseas locations in Brazil, Mexico, and Somerset U.S. In the previous years, data was only reported for the 13 Indian sites

Global Water Withdrawal from Sources	FY20 (in KL)	FY21 (in KL)	FY22 (in KL)	FY23 (in KL)
Ground Water (Borewell)	231,246	218,347	191,534	192,343
Third Party water (Municipal supply, etc.)	1,536,878	1,510,472	1,375,093	1,294,733
Surface Water (River)	97,508	120,077	130,614	135,146

Total Fresh Water Withdrawal by Source	FY20	FY21	FY22	FY23
Ground Water (Borewell)	12.4%	11.8%	11.3%	11.9%
Third Party water (Municipal, etc.)	82.4%	81.7%	81%	79.8%
Surface Water (River)	5.2%	6.5%	7.7%	8.3%

Waste generation and disposal and method

Non-Hazardous Waste Management Profile[3]

Category	Unit	FY20	FY21	FY22	FY23
Total waste recycled: Canteen waste, Mycelia waste & Agrowaste boiler ash	MT	6,714	5,461	7,344	6,978
Waste Landfilled	MT	0	0	0	0
Incineration & pre-processing and co-processing in cement plants	MT	0	0	0	0
Waste incinerated without energy recovery	MT	0	0	0	0

Hazardous Waste Management Profile[4]

Category	Unit	FY20	FY21	FY22	FY23
Recycling/Recovery/Utilization	MT	16,199	14,862	14,724	11,679
Waste Landfilled	MT	16,480	17,397	12,940	9,651
Incineration & pre-processing and co-processing in cement plants	MT	9,418	8,653	6,954	6,838
Total Hazardous waste disposed	MT	42,097	40,912	34,618	28,168
Waste incinerated without energy recovery	MT	4,165	3,735	3,854	2,663

Air Emissions

Parameter	Unit	FY22	FY23
NOx	MT	25.3	26.5
SOx	MT	3.04	3.18

[3]FY 2022 includes across our 13 Indian locations and 3 overseas locations in Brazil, Mexico, and Somerset U.S. In the previous years, data was only reported for the 13 Indian sites

[4]FY 2022 includes across our 13 Indian locations and 3 overseas locations in Brazil, Mexico, and Somerset U.S. In previous years, data was only reported for the 13 Indian sites

Social Performance

Employee Information

Our Global Workforce (excluding North America) in 2023

Category	<30 Yrs.		30-50 Yrs.		>50 Yrs.		Total
	M	F	M	F	M	F	
Employee (Permanent)	6,616	493	10,166	1,027	522	147	18,971
Employees (Other than Permanent)	231	25	35	8	7	2	308
Workers (Permanent)	194	23	699	32	265	13	1,226
Workers (Other than Permanent)	3,422	175	1,430	134	65	1	5,227

M-Male F-Female

Our North America Workforce in 2023

Category	Male	Female
Employee (Permanent)	230	138

Our India Workforce in 2023*

Category	<30 Yrs.		30-50 Yrs.		>50 Yrs.		Total
	M	F	M	F	M	F	
Employee (Permanent)	6,530	412	9,730	486	413	35	17,606
Senior Management	0	0	93	13	101	3	210
Middle Management	132	37	3,143	183	146	16	3,657
Junior Management	6,398	375	6,494	290	166	16	13,739
Employees (Other than Permanent)	211	30	4	1	0	0	246
Workers (Permanent)	169	2	680	2	263	9	1,125
Workers (Other than Permanent)	3,422	175	1,430	134	65	1	5,227

M-Male F-Female

*Exclusion: India workforce data does not include Lupin Diagnostics Limited and Lupin Digital Health which employed 430 and 85 permanent employees respectively at the end of reporting period FY23

Gender Representation Across Employee Groups in FY23

Category	Total Number of Employees	% Share of Women
Permanent Employees	19,339	9.25
Employees (Interns, trainees/apprentices, part-time employees, etc.)	308	11.36
Workers (Permanent)	1,226	5.55
Workers (Other than Permanent)	5,227	5.93

FY23 Women workforce in different positions

Category	FY23
Share of women in total workforce	9%
Share of women in junior management positions	52%
Share of women in STEM-related positions	11%
Share of women in management positions in revenue generating functions (such as sales or that contribute directly to the output of products or services)	5%
Share of women in management level positions	3%
Share of women in top management positions	1%

Gender Pay Gap - Mean and Median Pay Gap (India) (₹)

Category	Women	Men
Mean	978,905	779,884
Median	598,393	512,125

Gender Pay Break Up in FY23 (India)

<table>
<tr><th>Level (India)</th><th>No. of Women</th><th>No. of Men</th><th>Average Men Salary (₹)</th><th>Average Women Salary (₹)</th></tr>
<tr><td>Executive level (base salary only)</td><td rowspan="2">17</td><td rowspan="2">213</td><td>9,612,440</td><td>6,614,779</td></tr>
<tr><td>Executive level
(base salary + other cash incentives)</td><td>11,054,306</td><td>7,606,996</td></tr>
<tr><td>Management level (base salary only)</td><td rowspan="2">925</td><td rowspan="2">17,603</td><td>698,821</td><td>881,503</td></tr>
<tr><td>Management level
(base salary + other cash incentives)</td><td>739,229</td><td>941,385</td></tr>
<tr><td>Non-management level
(base salary only)</td><td>13</td><td>1,053</td><td>415,258</td><td>539,420</td></tr>
</table>

*Exclusion: India workforce data does not include Lupin Diagnostics and Lupin Digital Health.

Employee Information

New Employee Hires (excluding North America) - FY23

Category	<30 Yrs.		30-50 Yrs.		>50 Yrs.		Total
	M	F	M	F	M	F	
Employee (Permanent)	2,898	185	682	176	30	16	3,987
Employees (Other than apprentices, trainees, interns, part-timers)	203	30	3	0	0	0	236
Workers (Permanent)	58	1	34	0	0	0	93
Workers (Other than Permanent)	7,768	482	2,065	255	75	12	10,657

M-Male F-Female

Total Hires (North America) - FY23

Category	Men	Women
Employee (Permanent)	56	56

Employee Turnover

Employee Turnover (India) - FY23

Category	<30 Yrs.		30-50 Yrs.		>50 Yrs.		Total
	M	F	M	F	M	F	
Employee (Permanent)	1,943	117	2,088	141	109	7	4,405
Employees (Other than permanent such as interns, trainees / apprentices, part time employees, etc)	11	1	0	0	0	0	12
Workers (Permanent)	52	0	46	0	41	0	139
Workers (Other than Permanent)	6,915	348	1,385	135	59	1	8,843

M-Male F-Female

Total Turnover Rate (excluding North America) - FY23

Category	<30 Yrs.		30-50 Yrs.		>50 Yrs.	
	M	F	M	F	M	F
Total Employee Turnover rate	31.08%	44.24%	21.15%	17.52%	21.85%	9.52%

M-Male F-Female

*Exclusion: India workforce data does not include Lupin Diagnostics and Lupin Digital Health.

Trainings Man Hours

Training Data per Topic (India) - FY23

Topics	Total Participants		Total Training Hours	
	M	F	M	F
Technical	1,219,556	89,465	622,097	46,942
Non-Technical	9,132	865	65,656	6,355
Prevention of Sexual Harassment	11,868	623	8,091	467
Skill-Upgradation	9,894	44	60,505	484
Total Training amount spent per FTE	57,412,756			
Average amount spent per FTE	3,025			

Training Data Across Geographies - FY23

Category	2021-22	2022-23
Total training hours	924,960	1,711,297
Total amount spent on training	59,371,345	65,309,761.88

The amount has been calculated basis live conversion rates

Training Data per Topic (India) - FY23

Category	Unit	Permanent Employees		Permanent Workers	
		M	F	M	F
Employees entitled for parental leave	No.	16,673	933	263	9
Employees that took parental leave	No.	767	76	17	1
Employees that returned to work in the reporting period after parental leave ended	No.	767	65	17	1
Rate of Return to work that took parental leave	%	100%	86%	100%	100%

*Exclusion: India workforce data does not include Lupin Diagnostics and Lupin Digital Health.

Health and Safety

Category	FY22				FY23			
	Lost Time Injury Frequency Rate	Total recordable Work related injuries/ illness	No. of fatalities	Accident Frequency Rate (per one Mn man hours worked	Lost Time Injury Frequency Rate	Total recordable Work related injuries/ illness	No. of fatalities	Accident Frequency Rate (per one Mn man hours worked
Employee	0.26	65	0	2.81	0.05	37	0	1.75
Contractual	0.16	145	0	5.82	0.09	86	0	3.85
Total	0.21	210	0	4.37	0.07	123	0	2.83

Category	FY20				FY21			
	Lost Time Injury Frequency Rate	Total recordable Work related injuries/ illness	No. of fatalities	Accident Frequency Rate (per one Mn man hours worked	Lost Time Injury Frequency Rate	Total recordable Work related injuries/ illness	No. of fatalities	Accident Frequency Rate (per one Mn man hours worked
Employee	0.35	120	0	5.24	0	79	0	3.58
Contractual	0.34	242	0	9.1	0.21	179	0	7.63
Total	0.34	362	0	7.32	0.11	258	0	5.67

Suppliers and Procurement Split

Supplier Segment	Unit	FY23
Strategic	%	10%
Critical	%	8%
Leverage	%	14%
Routine	%.	68%

Critical Supplier Identification

Category	Unit	FY20	FY21	FY22	FY23
Total tier - 1 suppliers	No.	1,215	1,215	1,400	1,007
Critical tier - 1 suppliers	No.	175	175	179	115
Critical non-tier - 1 suppliers	No.	732	732	538	740
MSMEs/ small producers	No.	2,691	2,691	2,664	2,472

Share Of Total Procurement Budget Spent (%)

Category	Unit	FY20	FY21	FY22	FY23
MSMEs/ small producers	%	16%	17%	7%	15%
Critical non-tier - 1 suppliers	%	28%	33%	36%	32%
Critical tier - 1 suppliers	%	53%	47%	45%	47%
Total tier - 1 suppliers	%	66%	58%	56%	59%

Trainings Man Hours

A. Coverage and progress of our supplier assessment program

Sr. No.	Supplier Assessment[5]	FY23
1.1	Total number of suppliers assessed via desk assessments/ on-site assessments	488
1.2	Number of suppliers assessed with substantial actual/ potential negative impacts	NA
1.3	% of significant suppliers assessed	48
1.4	% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	NA
1.5	Number of suppliers with substantial actual/potential negative impacts that were terminated	NA

B. Coverage and progress of suppliers with corrective action plans

Sr. No.	Corrective Action Plan Support	FY23
1.1	Total number of suppliers supported in corrective action plan implementation	NA
1.2	% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	NA
1.3	% of significant suppliers assessed	NA
1.4	% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	NA
1.5	Number of suppliers with substantial actual/potential negative impacts that were terminated	NA

[5]Desk based assessment conducted using third-party data

C. Coverage and progress of suppliers in capacity building programs

Sr. No.	Capacity Building Programs	FY23
1.1	Total number of suppliers in capacity building programs	NA
1.2	% of significant suppliers in capacity building programs	NA

Benefits provided to Permanent employees and Temporary employees

Category/Types of Benefits Provided	FY23	
	Permanent Employees	Contractors
Life insurance	Yes	NA
Health insurance	Yes	Yes
Accident insurance	Yes	Yes
Parental Medical Insurance	Yes	NA
Disability	Yes	NA
Paid parental leave for the primary caregiver (please enter total number of paid leave in weeks offered to the majority of your employees)	Yes - 26 Weeks	NA
Paid parental leave for the non-primary caregiver (please enter total number of paid leave in weeks offered to the majority of your employees)	Yes - 1 Week	
Paid family or care leave beyond parental leave (care for a child, spouse, partner, dependent, parent, sibling, or other designated relation with a physical or mental health condition)	No	
Bereavement leave (additional to Normal leaves allotted)	No	NA
Leave for Haj (additional to Normal leaves allotted)	No	NA
Leave for Baptism (additional to Normal leaves allotted)	No	NA
Leave for Circumcision Ceremony (additional to Normal leaves allotted)	No	NA
Retirement provision	Yes	NA
Stock ownership	Yes	NA
Transportation	Yes	NA
Housing	Yes	NA
Food allowance	No	NA
Extra paid holidays	Yes	NA
Citizenship leave	No	NA
Children Education Reimbursement	No	NA
Higher Education Policy	No	NA
Day care facilities	Yes	NA
Employee Car Scheme policies	Yes	NA

DNV

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV represented by DNV Business Assurance India Private Limited ('DNV'), has been commissioned by the Management of Lupin Limited ('Lupin' or 'the Company', Corporate Identity Number (CIN) L24100MH1983PLC029442) to undertake an independent assurance of the Company's Integrated Report 2022-23 in its online and printed format ('the Report'). The disclosures in this Report have been prepared by the Company based on the Guiding Principles and Content Elements of the International <IR> Framework ('<IR> Framework') of the International Integrated Reporting Council ('IIRC') and using selected topic-specific Standards from the Global Reporting Initiative's (GRI's) Sustainability Reporting Standards 2021 ('GRI Standards') to bring out the Company's sustainability performance during the reporting period 1st April 2022 to 31st March 2023. The disclosures in this Report have been mapped based on the requirements of SEBI Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, prescribing format of the BRSR and the guidance notes and the nine principles of the National Guidelines on Responsible Business Conduct, 2019 ('NGRBC') of the Ministry of Corporate Affairs, Government of India.

The intended user of this assurance statement is the Management of Lupin. We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion and this process did not involve engagement with any external stakeholders. Our assurance engagement was planned and carried out in April 2023 – July 2023.

Responsibilities of the Management of Lupin and of the Assurance Provider

The Management of the Company has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analyzing and reporting the information presented in the printed Report. Lupin is also responsible for ensuring the maintenance and integrity of its website and referenced disclosures on sustainability performance. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of Lupin.

We provide a range of other services to the Company, none of which in our opinion, constitute a conflict of interest with this assurance work. Our assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and are free from misstatements.

Scope, Boundary and Limitations

The reporting scope and boundary encompasses economic, social and governance performance of Lupin operations where the Company exercises operational control (product manufacturing operations and research and development facilities) located in India and overseas and is as brought out in the Report in the section *'About this Report'* for the activities undertaken by the Company during the financial year 1st April 2022 – 31st March 2023. The boundary excludes the performance of subsidiaries and joint ventures, which are primarily related to marketing activities.

We performed our assurance (Type 2, Moderate level) activities based on AccountAbility's AA1000 Assurance Standard v3, and DNV's assurance methodology VeriSustain™[1]. In doing so, we evaluated the qualitative and quantitative disclosures presented in the Report, together with using the Guiding Principles of the <IR> Framework, together with Lupin's protocols for measuring, recording and reporting sustainability performance.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. The reported data on economic performance, expenditure towards Corporate Social Responsibility (CSR) activities, and other financial data are based on audited financial statements issued by the Company's

[1] The VeriSustain protocol is available on request from www.dnv.com and is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and GRI's Reporting Principles. GRI's Principles for defining Report Content and Quality.

statutory auditors which is subject to a separate audit process. We were not involved in the review of financial information within the Report.

Basis of our Opinion

As part of the assurance process, a multi-disciplinary team of sustainability specialists performed assurance work for selected sample sites of Lupin. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We undertook onsite & remote audits with sampled operations and the Company's Corporate Office in Mumbai, India in line with DNV's assessment methodology. We carried out the following activities:

- Reviewed the Company's approach to addressing the reporting requirements of <IR> Framework including stakeholder engagement and its materiality determination process;
- Reviewed disclosures related to value creation as per the <IR> Framework and claims made in the Report, and assessed the robustness of related management systems, data accuracy, information flow and controls for the reported disclosures;
- Interviews with selected senior managers responsible for management of sustainability issues and review of selected evidence to support topics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives.
- Onsite verification at sample operations of Formulations and Active pharmaceutical ingredients (API's), ie., Nagpur, Maharashtra; Goa; Pithampur, Madhya Pradesh; Tarapur, Maharashtra to review processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We have conducted desk review of overseas sites to review the sustainability performance data and systems for collation. We were free to choose sites for conducting our assessments on the basis of their materiality.
- Reviewed the process of reporting on Organizational Profile, Strategy, Ethics and Integrity, Governance, Stakeholder Engagement and Reporting Practices based on GRI Standard 2: General Disclosures 2021.
- Reviewed the performance disclosure of identified material topics and related GRI Standards; that is, carried out an assessment of the processes for gathering and consolidating performance data related to identified material topics and, for a sample, checked the processes of data consolidation to assess the Reliability and Accuracy of performance disclosures reported based on GRI's Topic-specific Standards.
- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness as per VeriSustain for a limited level of verification.
- Reviewed policies related to identified sustainability issues of the organisation and their effectiveness.
- Reviewed the process of reporting on BRSR requirements including Section A: General Disclosures, Section B: Management and Process Disclosures, and Section C: Principle-wise Performance Disclosures.

Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention that causes us to believe that the Report does not properly describe Lupin adherence to the Guiding Principles and Content Elements of the <IR> Framework including representation of the material topics, business model, disclosures on value creation, related strategies and management approach, and GRI topic-specific Standards chosen related to the material topics identified by Lupin to bring out its performance against its identified material topics.
Without affecting our assurance opinion, we also provide the following observations.

Principles of the AA1000 Accountability Principles Standard (2018)
Inclusivity
The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.
The Report explains the processes for identification, as well as modes and frequencies of engagement with key internal and external stakeholders, that is, employees, suppliers, shareholders and investors, communities and non-governmental organizations (NGOs), senior leadership, regulators and B2B customers in the section

DNV

'Stakeholder Engagement & Materiality' of the Report. The stakeholder engagement process includes identification of key concerns for significant stakeholder groups through formal and informal mechanisms.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity.

Materiality
The process of determining the issues that are most relevant to an organization and its stakeholders.
The Report presents the double materiality assessment process carried out by the Company for this reporting year and process for arriving at significant material topics. It includes engagement of key stakeholders and assessment of its key issues towards long-term value creation during the reporting period, as well as determination of strategic focus areas for its business. The process has considered the GRI Standards, Sustainability Accounting Standards Board Materiality (SASB) standards and topics identified by peers, as well as the key expectations of internal and external stakeholders.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness
The extent to which an organization responds to stakeholder issues.
The Report brings out the process through which internal and external stakeholders are engaged to understand their key expectations, and to gain their inputs towards prioritizing and defining the Company's action plans, procedures and strategies related to identified material issues, and guiding ESG reviews with the Board. The Company has established a sustainability management system including processes for monitoring and reviewing key performance indicators and metrics to measure, monitor and evaluate impacts related to identified material issues using selected GRI Standards.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Impact
The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems.
The Report describes the key metrics and management processes followed by Lupin for monitoring, measuring and evaluating the non-financial impacts related to its identified material matters and key stakeholder groups across its various businesses and significant value chain entities.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.

Specific Evaluation of the Information on Sustainability Performance
We consider the methodology and the process for gathering information developed by Lupin for its sustainability performance reporting to be appropriate, and the qualitative and quantitative data included in the Report was found to be identifiable and traceable; the personnel responsible were able to demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the reported sustainability activities and goals achieved for the reporting period.

Reliability
The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.
The Report brings out Lupin's sustainability performance related to its identified material matters using selected GRI topic-specific Standards. The sustainability performance data is captured on a quarterly basis from across its businesses through its data management system, and audited internally. The majority of the data and information verified through our assessments at sampled operational sites and aggregated at the corporate level were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and these errors have been identified, communicated and corrected.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Additional principles as per DNV VeriSustain
Completeness
How much of all the information that has been identified as material to the organisation and its stakeholders is reported.
The Report brings out the key requirements related to the <IR> framework including strategies and descriptions of business model and management approach towards creating value, and GRI General Disclosures and selected topic-specific Standards for bringing out its sustainability performance.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness with respect to scope, boundary and time.

Neutrality
The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.
The Report presents Lupin's performance during the reporting period in a neutral manner so as to not unduly influence stakeholder opinions made on reported data and information, which includes descriptions of significant challenges and concerns related to stakeholders and business sectors, and overall macroeconomic environment and business outlook.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[2] during the assurance engagement and maintain independence where required by relevant ethical requirements including the AA1000AS v3 Code of Practice. This engagement work was carried out by an independent team of sustainability assurance professionals. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to Lupin or its subsidiaries in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited

Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India.	Karthik Ramaswamy Technical Reviewer DNV Business Assurance India Private Limited, India.

7th July, 2023, Mumbai, India.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

[2] *The DNV Code of Conduct is available on request from www.dnv.com*

DNV

Annexure I: Verified Sustainability Performance Data

Indicator	Parameter	UoM	Verified Value (April 22 to March 23)
Disclosure on total energy consumption	Total energy consumption- Non Renewable sources (A)	GJ	25,83,768.65
	Total Energy consumption- Renewable sources (B)	GJ	1,46,673.83
	Total energy consumption (A+B)	GJ	27,30,442.48
Disclosure on water	Total volume of water withdrawal	KL	16,22,222.46
	Ground Water (Borewell)	KL	192,343.33
	Third Party water (Municipal etc)	KL	1,294,732.93
	Surface Water (River)	KL	135,146.20
	Total volume of water consumption	KL	15,78,451.02
	Total volume of water discharge	KL	43,771.44
Disclosure on GHG emissions (Scope 1, Scope 2 and Scope 3 emissions)	Total Scope 1 emissions	TCO_2e	87,067.63
	Total Scope 2 emissions	TCO_2e	340,944.99
	Total Scope 3 emissions (9 categories Purchased goods and services, Capital goods, Fuel and energy related activities, Waste generated and disposed in operations, Upstream transportation, Downstream transportation, Business travel, Employee commute)	TCO_2e	6,51,663.81
Disclosure on Scope 3 key categories	Scope 3: Purchased Goods and Services	TCO_2e	422,316.00
	Scope 3: Downstream Transportation	TCO_2e	89,601.40
	Scope 3: Capital Goods	TCO_2e	19,813.99
Disclosure related to waste management	**Non-hazardous waste**		
	Total waster recycled: Canteen waste, Mycelia waste & Agrowaste boiler ash	MT	6978.00
	Waste Landfilled	MT	0
	Incineration & pre-processing and co-processing in cement plants	MT	0
	Waste incinerated without energy recovery	MT	0
	Hazardous waste		
	Recycling/Recovery/ Utilization	MT	11,678.89
	Waste Landfilled	MT	9,650.61
	Incineration & pre-processing and co-processing in cement plants	MT	6,837.87
	Total hazardous waste disposed	MT	28,167.36
	Waste incinerated without energy recovery	MT	2,662.67
Disclosure of Critical suppliers	Total number of Tier-1 suppliers	No's	1,007
	Total number of significant suppliers in Tier-1	No's	115
	% of total spend on significant suppliers in Tier-1	%	80%
	Total number of significant suppliers in non Tier-1	No's	740
Disclosure on Health and Safety Indicators	Total number of fatalities (Employees)	No's	0
	Total number of fatalities (Contractors)	No's	0
	Total Lost-Time injury frequency rate (employees)	%	0.05
	Total Lost-Time injury frequency rate (Contractors)	%	0.09
	OHS programs (procedures and guidelines)	No's	305
Disclosure on Gender pay indicators (only India)	**Average Men Salary**		
	Executive level (base salary only)	INR	9,612,440
	Executive level (base salary + other cash incentives)	INR	11,054,306
	Management level (base salary only)	INR	698,821
	Management level (base salary + other cash incentives)	INR	739,229
	Non-management level (base salary only)	INR	415,258
Disclosure on Gender pay indicators (only India)	**Average Women Salary**		
	Executive level (base salary only)	INR	6,614,779
	Executive level (base salary + other cash incentives)	INR	7,606,996
	Management level (base salary only)	INR	881,503
	Management level (base salary + other cash incentives)	INR	941,385
	Non-management level (base salary only)	INR	539,420

Reports and Financials

Ten Years Financial Summary

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at March 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SOURCES OF FUNDS										
Shareholders' funds										
Equity Share Capital	896.8	899.0	901.2	903.2	904.2	905.0	906.0	907.4	909.0	910.0
Reserves & Surplus	68,418.9	90,833.3	110,732.5	134,072.5	134,866.4	136,517.3	124,461.0	137,124.0	120,623.7	123,735.0
	69,315.7	91,732.3	111,633.7	134,975.7	135,770.6	137,422.3	125,367.0	138,031.4	121,532.7	124,645.0
Non-Controlling Interest	669.4	241.0	320.8	345.2	400.8	468.6	444.6	549.7	687.1	783.2
Borrowings	6,537.4	5,371.2	71,775.2	79,660.9	71,428.0	84,961.5	63,053.2	47,829.8	38,441.6	42,440.5
Deferred Tax Liabilities (net)	2,486.6	1,527.5	3,266.8	3,948.5	2,855.3	2,882.8	1,995.4	2,297.7	2,408.3	2,294.3
Other Liabilities (incl. Provisions)	23,051.2	33,737.7	39,252.1	47,142.5	52,599.1	53,758.5	58,978.3	47,395.8	55,142.5	59,396.3
TOTAL	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**	**249,838.5**	**236,104.4**	**218,212.2**	**229,559.3**
APPLICATION OF FUNDS										
Property, Plant & Equipment and Other Intangible Assets	26,977.3	27,200.3	64,515.2	87,229.2	79,135.0	87,063.9	60,866.3	59,183.4	52,575.2	61,364.6
Capital Work-in-Progress and Intangible Assets under Development (incl. Capital Advances)	4,110.2	6,745.3	32,145.5	24,639.0	26,555.6	17,293.9	10,953.4	11,013.1	12,392.4	13,758.5
	31,087.5	33,945.6	96,660.7	111,868.2	105,690.6	104,357.8	71,819.7	70,196.5	64,967.6	75,123.1
Goodwill	6,578.7	16,252.8	22,654.4	23,100.1	24,484.9	23,803.2	18,514.8	19,624.2	21,241.0	22,187.8
Investments	20.6	55.4	143.3	220.0	267.1	317.7	360.7	780.7	776.0	771.3
Deferred Tax Assets (net)	708.1	2,561.7	3,358.5	5,076.4	7,165.6	7,340.0	1,743.1	1,802.1	1,697.3	1,556.5
Other Assets										
Inventories	21,294.5	25,036.1	32,736.5	36,422.8	36,624.9	38,367.7	34,568.7	40,920.1	46,307.3	44,917.6
Receivables	24,641.0	26,475.2	45,487.6	43,073.4	51,922.1	51,498.0	54,459.3	44,743.2	42,619.4	44,807.0
Cash & Bank Balances (Refer note iii)	9,739.1	21,304.7	8,237.7	28,135.4	16,431.7	32,523.5	47,935.2	41,203.2	19,214.4	17,505.8
Others	7,990.8	6,978.2	16,969.9	18,176.5	20,466.9	21,285.8	20,437.0	16,834.4	21,389.2	22,690.2
	63,665.4	79,794.2	103,431.7	125,808.1	125,445.6	143,675.0	157,400.2	143,700.9	129,530.3	129,920.6
TOTAL	**102,060.3**	**132,609.7**	**226,248.6**	**266,072.8**	**263,053.8**	**279,493.7**	**249,838.5**	**236,104.4**	**218,212.2**	**229,559.3**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Year ended March 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
INCOME										
Sales	111,671.2	126,932.2	137,578.7	171,198.0	155,598.4	143,180.5	151,428.0	149,269.9	161,927.9	162,699.8
Other Operating Income	1,999.3	1,703.0	4,976.7	3,745.3	2,443.1	3,465.1	2,319.6	2,359.7	2,126.9	3,716.8
Other Income	1,164.8	2,397.5	1,851.9	1,065.1	1,503.5	3,330.1	17,001.9	1,362.9	1,416.9	733.6
Total Revenue	**114,835.3**	**131,032.7**	**144,407.3**	**176,008.4**	**159,545.0**	**149,975.7**	**170,749.5**	**152,992.5**	**165,471.7**	**167,150.2**
EXPENSES										
Cost of Materials	38,173.8	41,570.4	43,325.7	50,014.3	52,744.0	49,460.9	54,306.0	53,622.4	64,812.4	67,797.6
Employee Benefits Expense	14,646.5	17,473.4	21,416.2	28,495.2	28,647.1	27,701.7	29,868.4	28,259.0	29,893.0	30,871.5
Manufacturing and Other Expenses	30,822.3	33,395.5	40,960.0	51,502.4	45,175.3	47,275.6	49,817.0	44,079.4	66,477.2	49,766.3
Total Expenses	**83,642.6**	**92,439.3**	**105,701.9**	**130,011.9**	**126,566.4**	**124,438.2**	**133,991.4**	**125,960.8**	**161,182.6**	**148,435.4**
Profit before Interest, Depreciation & Tax	31,192.7	38,593.4	38,705.4	45,996.5	32,978.6	25,537.5	36,758.1	27,031.7	4,289.1	18,714.8
Finance Cost	266.5	98.1	594.7	1,525.3	2,043.5	3,024.9	3,629.8	1,406.4	1,427.7	2,743.0
Depreciation, Amortisation and Impairment Expense	2,609.7	4,347.0	4,871.3	9,122.3	25,502.2	8,460.5	25,595.4	8,874.1	16,587.1	8,806.9
Profit before Tax	**28,316.5**	**34,148.3**	**33,239.4**	**35,348.9**	**5,432.9**	**14,052.1**	**7,532.9**	**16,751.2**	**(13,725.7)**	**7,164.9**
Current Tax	9,536.0	10,041.6	11,433.5	10,882.1	5,349.8	8,496.8	6,869.7	4,384.7	1,611.5	2,464.2
Deferred Tax	85.5	(337.6)	(840.1)	(1,097.0)	(2,465.2)	382.6	4,701.4	100.5	(240.0)	223.8
Net Profit/(Loss) before Discontinued Operations, Share of Profit from Jointly Controlled Entity and Non-Controlling Interest	18,695.0	24,444.3	22,646.0	25,563.8	2,548.3	5,172.7	(4,038.2)	12,266.0	(15,097.2)	4,476.9
Profit from Discontinued Operations	-	-	-	-	-	944.6	1,301.0	-	-	-
Share of Profit from Jointly Controlled Entity	-	-	49.0	82.5	35.2	37.5	39.4	13.3	3.6	-
Share of Profit/(Loss) attributable to Non-Controlling Interest	331.3	411.9	87.6	71.7	70.9	89.3	(3.9)	114.0	186.8	176.1
Net Profit/(Loss)	**18,363.7**	**24,032.4**	**22,607.4**	**25,574.6**	**2,512.6**	**6,065.5**	**(2,693.9)**	**12,165.3**	**(15,280.4)**	**4,300.8**

Notes :

i) Figures are suitably regrouped to make them comparable.

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

iii) Cash and bank balances includes Current Investments and Non Convertible Debentures having maturity more than 12 months which represents investments of surplus funds.

Directors' Report

To the Members

Your Directors are pleased to present their report on business and operations of your Company for the year ended March 31, 2023.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2022-23	**2021-22**	**2022-23**	**2021-22**
Sales	110430.7	112584.8	162699.8	161927.9
Other operating income	2157.6	5131.9	3716.8	2126.9
Other Income	912.6	1504.2	733.6	1416.9
Profit before business compensation expense, interest, depreciation and tax	**11739.2**	**23045.1**	**18714.8**	**23072.9**
Less: Business compensation expense	-	18783.8	-	18783.8
Less: Finance costs	984.4	734.7	2743.0	1427.7
Less: Depreciation, amortisation and impairment expenses	5483.4	5141.9	8806.9	16587.1
Profit/(Loss) before share of profit from Jointly Controlled Entity and Tax	**5271.4**	**(1615.3)**	**7164.9**	**(13725.7)**
Add: Share of profit from Jointly Controlled Entity	-	-	-	3.6
Less: Provision for taxation (including deferred tax)	1019.3	271.7	2688.0	1371.5
Profit/(Loss) after tax	**4252.1**	**(1887.0)**	**4476.9**	**(15093.6)**
Share of Profit/(Loss) attributable to Non-controlling Interest	-	-	176.1	186.8
Net Profit/(Loss) attributable to Shareholders of the Company	**4252.1**	**(1887.0)**	**4300.8**	**(15280.4)**

Performance Review

Consolidated Revenue from Operations for the year ended March 31, 2023 was ₹ 166416.6 million. International business contributed 60.4%. Consolidated profit before tax was ₹ 7164.9 million. Net Profit after tax was ₹ 4300.8 million, as against loss of ₹ 15280.4 million in FY 2021 - 22. Earnings per share (Basic) stood at ₹ 9.46.

Dividend

Your Directors recommend dividend of 200% (₹ 4/- per equity share). The total dividend amount is ₹ 1820.1 million.

Pursuant to 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 (weblink: https://www.lupin.com/wp-content/uploads/2023/04/Dividend-Distribution-Policy.pdf.

Share Capital

Consequent to the allotment of 506321 equity shares of ₹ 2/- each, during the year, to employees of the Company and its subsidiaries upon exercising vested options under various stock option plans, the paid-up share capital of the Company increased by ₹ 1 million. The paid-up equity share capital as on March 31, 2023 was ₹ 910 million.

Credit Rating

ICRA Limited ('ICRA') assigned the rating **'A1+'** (pronounced 'ICRA A one plus') for the Company's bank facilities of ₹ 30000 million, which indicates very strong degree of safety regarding timely payment of financial obligations.

Subsidiary Companies/Joint Venture

As on March 31, 2023, the Company had 28 subsidiaries and a joint venture.

In compliance with the first proviso to Section 129(3) of the Companies Act, 2013 ('Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statements, performance and financial position of each subsidiary and joint venture are given in Form No. AOC - 1 as **Annexure 'A'** to this Report. Pursuant to Section 136 of the Act, financial statements of subsidiaries and a joint venture are available for inspection by Members at the registered office of the Company during business hours. The Company shall provide a copy of the financial statements of its subsidiaries and a joint venture to Members free of cost upon their request. The said financial statements are also available on the Company's website www.lupin.com.

Pursuant to Regulation 46(2)(h) of the Listing Regulations, policy for determining material subsidiaries has been hosted on the Company's website www.lupin.com (web link: https://www.lupin.com/wp-content/uploads/2021/04/policy-for-determining-material-subsidiaries.pdf. Nanomi B.V., the Netherlands ('Nanomi'), Lupin Atlantis Holdings SA, Switzerland ('LAHSA') and Lupin Pharmaceuticals, Inc., USA ('LPI'), are wholly owned material subsidiaries of the Company. In compliance with Regulation 24(1) of the Listing Regulations, Mr. Mark D. McDade, Independent Director, is on the Board of Nanomi and Mr. Jean-Luc Belingard, Independent Director, is on the Boards of LAHSA and LPI.

Integrated Report

In the fast-evolving corporate landscape, Integrated Reporting is an ideal tool to explore value creation. The Integrated Report is focused on driving authentic, comprehensive and meaningful information covering all aspects of the Company's performance. It encompasses financial and non-financial information, to help Members have a better understanding of the Company's long-term perspective and take well-informed decisions. The Report inter-alia covers the Company's strategy, governance framework, performance, prospects and value creation on the six forms of capital i.e. financial capital, human capital, manufacturing capital, social capital, intellectual capital and natural capital.

Management Discussion and Analysis

In compliance with Regulation 34(3) read with Schedule V(B) of the Listing Regulations, Management Discussion and Analysis forms part of the Integrated Report.

Corporate Governance Report

As stipulated by Regulation 34(3) read with Schedule V(C) of the Listing Regulations, a report on Corporate Governance forms part of the Integrated Report. In terms of Schedule V(E) of the Listing Regulations, Auditors' certificate confirming compliance with the conditions of corporate governance is annexed to the Corporate Governance Report. The Company is committed to benchmark itself with the highest standards of corporate governance and ethical practices.

Business Responsibility and Sustainability Report

In compliance with Regulation 34(2)(f) of the Listing Regulations, Business Responsibility and Sustainability Report forms part of the Integrated Report.

Corporate Social Responsibility

Corporate Social Responsibility ('CSR') activities of the Company are mainly routed through its social responsibility arm Lupin Human Welfare and Research Foundation ('LHWRF'). LHWRF was established by Dr. Desh Bandhu Gupta, the founder Chairman of the Company, to serve the poor, outreaching the neediest and most excluded geographies in India. Over the last three decades, LHWRF has worked with 5,431 villages across nine states in India, positively impacting the lives of over twelve lakh families.

A detailed write-up on Company's initiatives towards CSR forms part of the Integrated Report.

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

Directors' Responsibility Statement

In compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, to the best of their knowledge and belief your Directors confirm that: -

i) in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanations relating to material departures;

ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2023 and of the profit of your Company for the year;

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

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

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

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

Directors

As recommended by the Nomination and Remuneration Committee ('NRC'), the Board, at its meeting held on May 9, 2023, re-appointed Mr. Nilesh D. Gupta, Managing Director, (DIN: 01734642), for a period of five years, effective September 1, 2023, subject to approval of Members, by way of an Ordinary Resolution at the ensuing Annual General Meeting ('AGM').

Mr. Nilesh D. Gupta is a Chemical Engineer from the University Department of Chemical Technology (UDCT), Mumbai and a graduate with honors from the Wharton School, University of Pennsylvania, USA, where he specialised in healthcare, strategic management and finance. Mr. Gupta has been instrumental in formulating and executing the core strategy that has helped the Company emerge as a global specialty and complex generics pharmaceutical powerhouse. Mr. Gupta is Member of the Audit Committee, Stakeholders' Relationship Committee, CSR Committee and Risk Management Committee.

Dr. Kamal K. Sharma, Non-Executive Vice Chairman, (DIN: 00209430), stepped-down from the Board of Directors of the Company effective October 14, 2022. Dr. Sharma was on the Board of the Company for over 19 years. He helped lead the Company in setting the vision and strategic direction, assessing inorganic growth initiatives, and mentoring senior management. The Company immensely benefited from his guidance, rich experience and advice. The Board and the Management places on record their sincere appreciation for the services rendered by Dr. Sharma during his long association with the Company.

Ms. Christine Mundkur, Independent Director, (DIN: 08408494), stepped-down from the Board of Directors of the Company, effective January 1, 2023, to avoid any conflict of interest since she joined the Board of Cardinal Health, USA as an Independent Director. The Company immensely benefited from her skills, expertise, competencies, wide experience in the pharma industry and valuable advice. The Board and the Management places on record their sincere appreciation for the services rendered by Ms. Mundkur during her association with the Company.

In accordance with the provisions of Section 152 of the Act, Mr. Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head – Corporate Affairs, (DIN: 01833346), retires by rotation at the ensuing AGM and is eligible for re-appointment.

Mr. Ramesh Swaminathan brings to the Company rich experience of over three decades. In addition to having worked with the Company for over 13 years, he has also worked with reputed organisations in diverse industry sectors. Mr. Ramesh has worked with VST Industries Ltd., SPIC Group, Standard Chartered Bank, Henkel and L&T. As CFO, he has won several accolades with coveted awards being conferred on him. Mr. Ramesh is a qualified Chartered Accountant, Cost Accountant and Company Secretary. In addition to being a Lord Chevening Scholar, UK, Mr. Ramesh completed an advanced management program from INSEAD, France. He is Member of the Risk Management Committee of the Board. Mr. Ramesh is Chief Risk Officer of the Company and Member of its Leadership team.

In terms of Regulation 17(1A) of the Listing Regulations, approval of Members, vide Special Resolution shall be sought at the ensuing AGM of the Company, for the continuation of directorship of Mr. Jean-Luc Belingard, Independent Director, (DIN: 07325356), who shall attain the age of 75 years on October 28, 2023.

Mr. Jean-Luc Belingard, a French national, graduated from Ecole des Hautes Etudes Commerciales, France and completed Master of Business Administration from Cornell University, USA. Mr. Belingard started his career with Merck, Sharp and Dohme before moving to F. Hoffman-La Roche, Basel, Switzerland. He was Member of the Executive Committee, F. Hoffman-La Roche and CEO, Roche Diagnostics, Basel, Switzerland. Mr. Belingard was CEO, bioMerieux-Pierre Fabre, France. He was Chairman & CEO, Ipsen Group, France. In the past, Mr. Belingard was also on the board of Laboratoire Pierre Fabre, France. Mr. Belingard joined bioMerieux S.A. as CEO and became its Chairman. He was a Member of the Bill and Melinda Gates Foundation. He is also Foreign Trade Advisor to the French Government. Mr. Belingard has been conferred upon the prestigious National Awards, Chevalier de l'Ordre National du Merite and Chevalier de la Legion d'Honneur awards. Mr. Belingard is Chairman of the Nomination & Remuneration Committee of the Company. He is also on the Boards of Lupin Pharmaceuticals, Inc., USA and Lupin Atlantis Holdings S.A., Switzerland, material subsidiaries of the Company.

In compliance with the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, all Independent Directors have furnished declarations that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that there has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year, eight Board meetings were held on May 18, 2022, June 15, 2022, August 3, 2022, October 7, 2022, October 10, 2022, November 9, 2022, December 21, 2022 and February 9, 2023, details of which, are given in the Corporate Governance Report which forms part of the Integrated Report.

Board Evaluation

In compliance with provisions of Section 134(3)(p) of the Act and Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board carried out an annual evaluation of its own performance, that of each Director including Chairman as also Committees of the Board. In line with SEBI guidance note, board evaluation was carried out in a structured manner on qualitative parameters based on feedbacks on questionnaire. In terms of Regulation 17(10) of the Listing Regulations, performance evaluation of Independent Directors was carried out by the Board without the participation of the Director being evaluated. The Independent Directors carried out performance evaluation of non-independent directors, the Board as a whole and Chairman of the Company. In evaluating performance of the Board, criteria such as involvement in long-term strategic planning, participation in Board and Committee meetings, Board composition and structure, effectiveness of Board processes, monitoring corporate governance practices, Board communication and relationship etc. were taken into consideration. Performance evaluation of Committees was reviewed by the Board after taking into account criteria viz. composition of Committees, attendance and participation, effectiveness of Committee meetings, fulfillment of functions assigned to the Committees, frequency and adequacy of time allocated for discussions at meetings, etc. While evaluating the performance of individual Directors, criteria such as leadership qualities, qualifications, responsibilities shouldered, contributions at meetings, analytical skills, knowledge, attendance, preparedness on the issues discussed and also parameters such as, initiative, independent judgement, understanding the business environment/strategic issues were considered. The Board agreed to further improve the effectiveness and functioning of the Board and Committees.

Audit Committee

The Audit Committee comprises of Dr. Punita Kumar-Sinha (Chairperson), Mr. K. B. S. Anand, Independent Directors and Mr. Nilesh D. Gupta, Managing Director.

Dr. Kamal K. Sharma, Non-Executive Vice Chairman and Ms. Christine Mundkur, Independent Director were Members of the Audit Committee up to October 13, 2022 and December 31, 2022, respectively. Mr. Anand and Mr. Gupta were appointed Members of the Audit Committee w.e.f. October 13, 2022 and January 1, 2023, respectively.

Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. All recommendations made by the Audit Committee were accepted by the Board. The functions performed by the Committee, particulars of meetings held and attendance of the Members at the said meetings are mentioned in the Corporate Governance Report, which forms part of the Integrated Report.

Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee ('NRC'), formulated a Nomination and Remuneration Policy pertaining to remuneration of directors, key managerial personnel and senior management as stipulated by Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations. The policy lays down guiding principles, philosophy and basis for recommending payment of remuneration to executive/non-executive directors and key managerial personnel. It includes criteria for determining qualifications, positive attributes and independence of directors. The NRC evaluates balance of skills, knowledge and experience of Independent Directors and recommends them to the Board for appointment as mentioned in the Policy. The functions of the NRC are disclosed in the Corporate Governance Report, which forms part of the Integrated Report. In compliance with proviso to Section 178(4) of the Act, the policy has been hosted on the Company's website www.lupin.com (web link: https://www.lupin.com/wp-content/uploads/2023/04/nomination-and-remuneration-policy-LL-2023.pdf).

Related Party Transactions

All transactions entered by the Company with the related parties during the financial year were in the ordinary course of business and on an arm's length basis in accordance with the Act and Rules made thereunder and the Listing Regulations. No transaction with related parties conflicted with the interests of the Company and that material related party transactions were entered into by the Company only with its subsidiaries. There is no pecuniary transaction with any director, apart from remuneration and sitting fees, which had potential conflict of interest with the Company. In compliance with the Act and Listing Regulations, the Independent Directors of the Audit Committee periodically review and approve related party transactions. Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, disclosure of particulars of contracts/arrangements entered into by the Company with related parties are given in Form No. AOC - 2, as **Annexure 'C'** to this Report. As mandated by Regulation 46(2)(g) of the Listing Regulations, the policy on 'Related party transactions and materiality of related party transactions', as approved by the Board is available on the Company's website www.lupin.com and web link for the same is https://www.lupin.com/wp-content/uploads/2022/03/rpt-policy-03-02-2022.pdf

Risk Management

The Company has a consistent, structured and defined continuous process for identifying, assessing, deciding on responses to and reporting on critical 'risks that matter'. The Risk Management framework of the Company essentially comprises of two elements i.e. the process to identify, prioritise and manage risks adopting the value-based driver tree approach and risk mitigation action plan. The Risk Management framework applies to all business units, functions, geographies and departments within the Company. It compliments and does not replace other existing programs, such as those relating to emission, quality and compliance matters. Composition, frequency and quorum of meetings of the Risk Management Committee constituted by the Board is in compliance with Regulation 21 of the Listing Regulations. Roles, responsibilities and functions of the Committee have been defined by the Board. Terms of reference of the Committee, details of meetings held and attendance thereat are mentioned in the Corporate Governance Report, which forms part of the Integrated Report. Mr. Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head – Corporate Affairs, Chief Risk Officer, drives the ESG integration and adoption across the Company and brings a more nuanced understanding and blend of both ESG and business to the table.

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 disclosed in the notes to the financial statements forming part of the Integrated Report.

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

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

Human Resources

Employees are the most valuable assets of the Company. Providing support and care to the employees is part of the Company's DNA and it strives to create an environment conducive to their development. Systems, policies, technology and business functions of the Company are aligned with industry best practices which enables the Company to provide fair, professional and diverse work environment to its employees.

As stipulated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. Employees are regularly sensitized about matters pertaining to prevention of sexual harassment.

Employees Stock Options

Pursuant to provisions of Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, details of stock options as on March 31, 2023, are given in **Annexure 'E'** to this Report.

Vigil Mechanism/Whistleblower Policy

Your Company has established a reputation for conducting its business with uncompromising integrity by strictly abiding to well-accepted norms of ethical, lawful and moral conduct and has zero tolerance for any form of unethical behaviour. In terms of Section 177(9) and (10) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has in place a robust Vigil mechanism/Whistleblower Policy for directors and employees to report concerns, details of which are covered in the Corporate Governance Report which forms part of the Integrated Report. In compliance with Regulation 18(3) read with Schedule II Part C(18) of the Listing Regulations, the Audit Committee reviews the functioning of the Vigil mechanism/Whistleblower Policy.

Directors and employees are at liberty to report unethical practices and raise their concerns to the office of the Ombudsperson without any fear of retaliation or retribution. Complaints, including anonymous ones are investigated/examined by teams of strategic business unit heads/officers appointed by the Ombudsperson and the same are swiftly redressed. The office of the Ombudsperson has official authority to receive, respond and investigate all offences within the scope of this policy. No person has been denied access to the Chairperson of the Audit Committee.

During the year, the Ombudsperson received 22 complaints, mostly of minor nature. The Vigil mechanism/Whistleblower Policy is hosted on the Company's website https://www.lupin.com/wp-content/uploads/2022/02/Whistleblower-Policy-Website.pdf.

Particulars of Employees Remuneration

Particulars of remuneration of employees required to be disclosed pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 'F'** to this Report. Particulars of remuneration of employees, for the year ended March 31, 2023, required to be furnished in terms of Rules 5(2) and 5(3) of the said Rules, forms part of this Report and shall be provided to Members upon written request pursuant to second proviso of Rule 5. Pursuant to provisions of Section 136(2) of the Act, particulars of remuneration of employees are available for inspection by Members at the Registered office of the Company during business hours on all working days up to the date of the ensuing AGM.

Auditors

At the 39th AGM held on Tuesday, August 10, 2021, Members re-appointed B S R & Co. LLP, Chartered Accountants (Firm Reg. No. 101248W/W-100022), as auditors of the Company, for a second term of five years from the conclusion of the 39th AGM till the conclusion of the 44th AGM. Pursuant to the provisions of Section 141 of the Act, the Company has received a certificate from B S R & Co. LLP, certifying that their appointment is in compliance with the conditions prescribed by the said Section. The Company continues to have unqualified audit reports.

Internal Audit

The in-house corporate internal audit team carries out Internal audit of the Company's operations. The strength of the in-house corporate internal audit team is adequate to undertake audits. Local chartered accountant firms regularly conduct audits of Carrying & Forwarding Agents and Central Warehouses of the Company in India. Internal audit findings are presented at the Audit Committee meetings. Services of external auditors/specialist firms are engaged for undertaking special audit assignments, as required.

Cost Audit

In compliance with provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014 and as recommended by the Audit Committee, the Board of Directors, at its meeting held on May 18, 2022, appointed Mr. S. D. Shenoy, Practising Cost Accountant (FCMA No. 8318), as Cost Auditor, to conduct cost audit for the year ended March 31, 2023. Mr. Shenoy is a Cost Accountant as defined under Section 2(1)(b) of the Cost and Works Accountant Act, 1959 and holds a valid certificate of practice. Mr. Shenoy confirmed that he is free from the disqualifications specified in Section 141 read with Sections 139 and 148 of the Act and that his appointment meets the requirements prescribed in Sections 141(3)(g) and 148 of the Act. Mr. Shenoy also confirmed that he was independent, maintained an arm's length relationship with the Company and that no orders or proceedings were pending against him relating to matters of professional conduct before the Institute of Cost Accountants of India or any competent court/authority.

In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration of the cost auditor is required to be ratified by Members. Accordingly, the Members vide an ordinary resolution at the 40th AGM held on August 3, 2022, ratified the remuneration payable to Mr. Shenoy, for conducting cost audit for the year ended March 31, 2023.

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

Pursuant to provisions of Section 148(6) of the Act read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, cost audit report, in Form No. CRA-4 (in XBRL mode), for the year ended March 31, 2022, was filed with the Ministry of Corporate Affairs, well within the prescribed time.

Secretarial Audit and Annual Secretarial Compliance Reports

At its meeting held on May 18, 2022, the Board of Directors appointed Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661), to undertake Secretarial Audit and issue Annual Secretarial Compliance Report for the year ended March 31, 2023.

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on May 9, 2023, took on record, the Secretarial Audit Report (Form No. MR-3) which is enclosed as **Annexures 'G' and 'G-1'** to this Report. The Company continues to have an unqualified Secretarial Audit Report.

In compliance with Regulation 24A(2) of the Listing Regulations, the Board, at its meeting held on May 9, 2023, took on record, the Annual Secretarial Compliance Report for the year ended March 31, 2023. The Report, which is in the format suggested by The Institute of Company Secretaries of India ('ICSI'), confirms that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or its material subsidiaries or promoters/directors by SEBI/BSE/NSE. The Company shall disseminate the Report on the websites of BSE and NSE within the prescribed time.

Compliance with Secretarial Standards

The Company continues to comply with Secretarial Standards on Board Meetings (SS-1) and General Meetings (SS-2), including amendments thereto, issued by ICSI.

Annual Return

In compliance with Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company for the year ended March 31, 2023, has been hosted on the Company's website www.lupin.com and web link for the same is https://www.lupin.com/investors/reports-filings/.

Acknowledgements

Your Directors commend all employees of the Company for their dedication, commitment, hard work and contributions. The Board wishes to express its deep gratitude and looks forward to the continued support of the Central and State governments, banks, financial institutions, local bodies/associations, stakeholders, medical professionals, analysts and business associates.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)
Mumbai, May 9, 2023

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM NO. AOC - 1

[Pursuant to the first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014] Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part 'A': Subsidiaries

(INR in million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of share holding
Lupin Pharmaceuticals, Inc., USA	30.06.2003	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	[Refer note Nos. 1 and 8]	9403.6	59297.0	49893.4	Nil	49793.8	551.5	40.1	511.4	Nil	100%
Pharma Dynamics (Proprietary) Limited, South Africa	01.03.2008	N.A.	ZAR and Exchange Rate INR 4.62 for ZAR 1	0.5	4354.9	5568.6	1213.2	44.6	6481.4	837.1	224.8	612.3	Nil	100%
Hormosan Pharma GmbH, Germany	25.07.2008	N.A.	Euro and Exchange Rate INR 89.44 for 1 Euro	8.1	2103.3	3930.9	1819.5	Nil	3356.8	631.5	153.5	478.0	Nil	100%
Multicare Pharmaceuticals Philippines, Inc., Philippines	26.03.2009	N.A.	PHP and Exchange Rate INR 1.51 for PHP 1	26.9	1571.9	2799.2	1200.4	Nil	2533.4	497.5	119.2	378.3	Nil	51%
Generic Health Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate INR 55.03 for 1 AU $	1344.3	1607.6	4662.8	1710.9	Nil	3765.7	1524.3	476.0	1048.3	Nil	100%
Lupin Atlantis Holdings SA, Switzerland	05.06.2007	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	115.9	41018.6	44053.1	2918.6	Nil	4558.0	(89.2)	(19.8)	(69.4)	Nil	100%
Lupin Healthcare (UK) Limited, UK	05.06.2009	N.A.	GBP and Exchange Rate INR 101.65 for 1 GBP	279.7	(1077.8)	1489.1	2287.2	Nil	1530.2	(21.7)	3.3	(25.0)	Nil	100%
Lupin Australia Pty Limited, Australia	01.12.2004	N.A.	AU $ and Exchange Rate INR 55.03 for 1 AU $	33.3	(29.0)	15.2	10.9	Nil	Nil	(0.7)	Nil	(0.7)	Nil	100%
Lupin Pharma Canada Limited, Canada	18.06.2009	N.A.	CAD and Exchange Rate INR 60.67 for 1 CAD	155.5	217.0	1825.1	1452.6	Nil	2496.9	130.6	36.8	93.8	Nil	100%
Lupin Mexico S.A. de C.V., Mexico	23.08.2010	N.A.	MXN $ and Exchange Rate INR 4.55 for MXN $ 1	52.2	(43.7)	8.5	[Refer note No. 9]	Nil	Nil	1.2	Nil	1.2	Nil	100%
Bellwether Pharma Pty Limited, Australia	27.09.2010	N.A.	AU $ and Exchange Rate INR 55.03 for 1 AU $	264.5 [Refer note No. 4]	(274.3)	Nil	9.8	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Philippines Inc., Philippines	20.12.2010	N.A.	PHP and Exchange Rate INR 1.51 for PHP 1	59.9	140.4	577.9	377.6	Nil	375.1	47.4	11.8	35.6	Nil	100%
Lupin Diagnostics Limited, India (formerly known as Lupin Healthcare Limited)	17.03.2011	N.A.	INR	26.2	(749.0)	1240.6	1963.4	Nil	254.5	(738.4)	(7.6)	(730.8)	Nil	100%
Generic Health SDN. BHD., Malaysia	18.05.2011	N.A.	RM and Exchange Rate INR 18.62 for RM 1	9.3	(9.1)	0.5	0.3	Nil	Nil	(0.6)	Nil	(0.6)	Nil	100%
Lupin Inc., USA	27.06.2013	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	67938.9	(94261.2)	27186.8	53509.1	Nil	20026.7	(1206.8)	(6.2)	(1200.6)	Nil	100%
Nanomi B.V., the Netherlands	30.03.2007	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	22633.9	56928.6	82545.4	2982.9	Nil	Nil	(1467.9)	12.9	(1480.8)	Nil	100%
Laboratorios Grin, S.A. de C.V., Mexico	01.10.2014	N.A.	MXN $ and Exchange Rate INR 4.55 for MXN $ 1	854.2	2285.5	4486.6	1346.9	Nil	3303.2	559.6	148.4	411.2	Nil	100%

(INR in million)

Name of the Subsidiary	Date since when subsidiary was acquired/ incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of share holding
Medquimica Industria Farmaceutica LTDA, Brazil [Refer note No. 5]	24.06.2015	N.A.	BRL and Exchange Rate INR 16.17 for BRL 1	5462.5 [Refer note No. 5]	(5142.3)	6616.7	6296.5	Nil	4257.4	(534.8)	(25.6)	(509.2)	Nil	100%
Novel Laboratories, Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	[Refer note No. 10]	6187.7	7388.8	1201.1	Nil	6693.3	(468.8)	45.1	(513.9)	Nil	100%
Lupin Research Inc., USA	08.03.2016	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	[Refer note No. 11]	1349.7	3478.0	2128.3	Nil	1349.6	193.2	97.8	95.4	Nil	100%
Lupin Management, Inc., USA	10.10.2017	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	Nil	129.5	496.9	367.4	Nil	Nil	63.6	21.7	41.9	Nil	100%
Lupin Europe GmbH, Germany	05.02.2018	N.A.	Euro and Exchange Rate INR 89.44 for 1 Euro	2.0	76.2	140.0	61.8	Nil	52.0	(38.7)	Nil	(38.7)	Nil	100%
Lupin Biologics Limited, India	28.01.2021	N.A.	INR	1.5	(1.3)	0.2	[Refer note No. 12]	Nil	Nil	(0.1)	Nil	(0.1)	Nil	100%
Lupin Oncology Inc., USA	15.03.2021	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	1135.8	(2814.9)	543.6	2222.7	Nil	Nil	(1326.7)	Nil	(1326.7)	Nil	99.30%
Lupin Foundation, India	28.06.2016	N.A.	INR	[Refer note No. 13]	(0.9)	0.3	0.1	Nil	Nil	(65.1)	Nil	(65.1)	Nil	100%
Avenue Coral Spring LLC, USA	29.11.2021	N.A.	US $ and Exchange Rate INR 82.17 for 1 US $	[Refer note No. 15]	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Southern Cross Pharma Pty Limited, Australia	03.02.2022	N.A.	AU $ and Exchange Rate INR 55.03 for 1 AU $	[Refer note Nos. 4 and 14]	1451.2	2240.4	789.2	Nil	1537.7	355.7	106.7	249.0	Nil	100%
Lupin Digital Health Limited, India	21.05.2021	N.A.	INR	445.8	36.0	759.3	277.5	Nil	0.2	(351.2)	6.6	(357.8)	Nil	100%

Notes:

1) The shares in Lupin Pharmaceuticals, Inc., USA, are held by Lupin Inc., USA (97%) and Lupin Limited (3%).

2) The entire shareholdings of Pharma Dynamics Pty Limited, South Africa, Lupin Inc., USA, Hormosan Pharma GmbH, Germany, Generic Health Pty Limited, Australia, Lupin Mexico S.A. de C.V., Mexico, Lupin Philippines Inc., Philippines and Generic Health SDN. BHD., Malaysia, are held by Nanomi B.V., the Netherlands.

3) The entire shareholdings of Lupin Healthcare (UK) Limited, UK, Lupin Pharma Canada Limited, Canada, Laboratorios Grin S.A. de C.V., Mexico and Lupin Europe GmbH, Germany, are held by Lupin Atlantis Holdings SA, Switzerland.

4) The entire shareholding of Bellwether Pharma Pty Limited, Australia and Southern Cross Pharma Pty Limited, Australia are held by Generic Health Pty Limited, Australia.

5) Lupin Atlantis Holdings SA, Switzerland, holds 73.88% and Nanomi B.V., the Netherlands, holds 26.12% shares in Medquimica Industria Farmaceutica LTDA, Brazil.

6) The entire shareholdings of Novel Laboratories, Inc., USA, Lupin Research Inc., USA and Lupin Management, Inc., USA are held by Lupin Inc., USA.

7) Lupin Mexico S.A. de C.V., Mexico, Generic Health SDN. BHD., Malaysia, Lupin Biologics Limited, India, Avenue Coral Springs LLC, USA and Lupin Oncology Inc., USA have not yet commenced commercial operations.

8) Lupin Pharmaceuticals, Inc., USA, has Share Capital of US $ 1 i.e. INR 62/-.

9) Total liabilities in Lupin Mexico S.A. de C.V. Mexico, are INR 54,031/-.

10) Novel Laboratories, Inc., USA, has Share Capital of US $ 1 i.e. INR 67/-.

11) Lupin Research Inc., USA, has Share Capital of US $ 1 i.e. INR 67/-.

12) Total liabilities in Lupin Biologics Limited, India, are INR 29,500/-.
13) Lupin Foundation, India, has a corpus fund of INR 1.1 million.
14) Southern Cross Pharma Pty Limited, Australia, has Share Capital of AU $ 100 i.e. INR 5,334/-.
15) The entire shareholding of Avenue Coral Spring LLC, USA, is held by Lupin Research Inc., USA.
16) Figures in brackets denote negative amounts.

For and on behalf of the Board of Directors

Manju D. Gupta	**Vinita Gupta**	**Nilesh D. Gupta**	**Ramesh Swaminathan**	**R. V. Satam**
Chairman	***Chief Executive Officer***	***Managing Director***	***Executive Director, Global CFO & CRO and Head – Corporate Affairs***	***Company Secretary***
(DIN: 00209461)	(DIN: 00058631)	(DIN: 01734642)	(DIN: 01833346)	(ACS - 11973)

Mumbai, May 9, 2023

Part 'B': Joint Ventures

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

(INR in million)

Name of the Jointly Controlled Entity	YL Biologics Limited, Japan
1) Latest Audited Balance Sheet Date	March 31, 2023
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	300.7
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	300.7
7) Profit/(Loss) for the year	
(i) Considered in Consolidation (after inter company adjustment)	-
(ii) Not Considered in Consolidation	-

* **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	**Vinita Gupta**	**Nilesh D. Gupta**	**Ramesh Swaminathan**	**R. V. Satam**
Chairman	***Chief Executive Officer***	***Managing Director***	***Executive Director, Global CFO & CRO and Head – Corporate Affairs***	***Company Secretary***
(DIN: 00209461)	(DIN: 00058631)	(DIN: 01734642)	(DIN: 01833346)	(ACS - 11973)

Mumbai, May 9, 2023

**ANNEXURE 'B' TO
THE DIRECTORS' REPORT**

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

1. Brief outline on CSR policy of the Company:

The CSR Policy aims at:

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

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Manju D. Gupta	*Chairman, Non-Executive Director*	2	1
2.	Dr. Kamal K. Sharma (up to October 13, 2022)	*Member, Non-Executive Director*	1	1
3.	Ms. Vinita Gupta	*Member, Chief Executive Officer*	2	2
4.	Mr. Nilesh D. Gupta	*Member, Managing Director*	2	2
5.	Mr. K. B. S. Anand	*Member, Independent Director*	2	2

3. Provide the web-links where composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of the CSR Committee, CSR Policy and CSR Projects have been hosted on the Company's website www.lupin.com and web links for the same are https://www.lupin.com/investors/committees-of-the-board/, https://www.lupin.com/wp-content/uploads/2023/04/CSR-POLICY-2023.pdf and https://www.lupinfoundation.in/ respectively.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

As none of the CSR projects undertaken by the Company had outlays of ₹ one crore or more, there was no need to undertake impact assessment study.

5. **(a) Average net profit of the Company as per Section 135(5):**

   The average standalone 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 ₹ 14515 million.

   (b) Two percent of the average net profit of the Company as per Section 135(5): ₹ 290.3 million.

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil.

   (d) Amount required to be set off for the financial year, if any: Nil.

   (e) Total CSR obligation for the financial year (5b + 5c – 5d): ₹ 290.3 million.

6. **(a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project):** ₹ 282.9 million

   (b) Amount spent on Administrative Overheads: ₹ 9.5 million

   (c) Amount spent on Impact Assessment, if applicable: Nil

   (d) Total amount spent for the financial year (6a+6b+6c): ₹ 292.4 million

   (e) CSR amount spent or unspent for the financial year:

Total amount spent during the Financial Year	Amount Unspent (₹)				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
292.4 million	Nil	N.A.	N.A.	Nil	N.A.

   (f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ million)
i.	Two percent of average net profit of the Company as per Section 135(5)	290.3
ii.	Total amount spent for the financial year	292.4
iii.	Excess amount spent for the financial year [(ii)-(i)]*	2.1
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.1

* Prepaid expenses of ₹ 2.1 million is accounted in Company's accounts.

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s) (FY 2019-20, FY 2020-21 and FY 2021-22)	Amount transferred to Unspent CSR account under Section 135(6) (₹)	Balance Amount in Unspent CSR Account under Section 135(6) (₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (₹)	Deficiency, if any
					Amount (₹)	Date of transfer		
N.A.								

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

   If Yes, enter the number of Capital assets created/acquired: N.A.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

1.	2.	3.	4.	5.	6.		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR spent (₹)	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
N.A.							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): N.A.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 9, 2023

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, 2023, were at arm's length basis.

2. Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis: -

Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value	Dates of approval by the Audit Committee/Board	Amount paid as advances
Lupin Pharmaceuticals, Inc., USA (wholly owned subsidiary)	Sale of Goods	Continuous	Based on Transfer Pricing Guidelines - ₹ 17602.7 million	August 2, 2022/August 3 2022; November 8, 2022/November 9, 2022; February 9, 2023/February 9, 2023; and May 9, 2023/May 9, 2023.	Nil

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 9, 2023

ANNEXURE 'D' TO
THE DIRECTORS' REPORT

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

(A) Conservation of energy:

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

- **(a)** Installed fitch fuel catalyst for Boiler.
- **(b)** Replaced old evaporators with efficient ones.
- **(c)** Installed steam operated pumping trap and pressure reducing valve.
- **(d)** Installed ball-based automatic tube cleaning system.
- **(e)** Replaced conventional blowers with energy efficient ones.
- **(f)** Replaced steam-based heat pump with energy efficient ones.
- **(g)** Installed motion sensors in new warehouse.
- **(h)** Replaced star delta electric panel with VFD panel.
- **(i)** Installed EC motors for air handling and ventilation units.
- **(j)** Installed economiser in TPH boiler.
- **(k)** Replaced non-variable frequency drive chillers with new screw chillers.
- **(l)** Installed flash-jet pump.
- **(m)** Installed variable frequency drive for utility cooling tower pump.
- **(n)** Optimised reverse osmosis plant permeate recovery.
- **(o)** Installed zero-purge air dryer.
- **(p)** Installed double-effect evaporator system.
- **(q)** Replaced conventional lights with energy-efficient ones.

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

- **(a)** Installed solar roof-top.
- **(b)** Purchased hybrid power energy.
- **(c)** Purchased low-cost steam.
- **(d)** Increased alternate fuel mix.
- **(e)** Used wind power.

(iii) capital investment on energy conservation equipments: - ₹ 96.5 million.

(B) Technology absorption:

(i) efforts made towards technology absorption;

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

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

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

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

(a) details of technology imported;

No specific technology was imported during FY 2022-23. 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	₹ 906.5 million
(b)	Recurring (excluding depreciation of ₹ 1056.0 million)	₹ 11744.0 million
	Total:	**₹ 12559.0 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	₹ 48057.3 million
Foreign Exchange outgo in terms of actual outflows	₹ 21751.7 million

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)

Mumbai, May 9, 2023

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Disclosure envisaged in terms of Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEBSE Regulations').

Details of diluted EPS on issue of shares pursuant to all the schemes as on March 31, 2023, were as under: -

DESCRIPTION	DETAILS
Diluted earnings per share (EPS) (Consolidated) on issue of shares pursuant to all the schemes covered under the Regulations, calculated in accordance with Accounting Standard IND (AS) 33 'Earnings per share'.	Diluted earnings per share (consolidated) as on 31.03.2023: ₹ 9.41 No. of Options outstanding as on 31.03.2023: **3262331** Shares

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2023

Particulars of Employee Stock Option Scheme (ESOS) as on March 31, 2023, were as under: -

(i) Description of each ESOS existed during 01.04.2022 and 31.03.2023:

Sl. No.	Name of the Plan	Date of shareholder's approval	Total no. of options approved	Vesting Requirements	Exercise price or pricing formula	Maximum term of options granted	Source of shares	Variation in terms of options
1.	Lupin Employees Stock Option Plan 2003 (ESOP 2003)	05.12.2003	3957310	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
2.	Lupin Employees Stock Option Plan 2005 (ESOP 2005)	28.07.2005	3211290	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
3.	Lupin Employees Stock Option Plan 2011 (ESOP 2011)	10.05.2011	3600000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
4.	Lupin Employees Stock Option Plan 2014 (ESOP 2014)	21.10.2014 & 07.08.2019	2975000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
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

Sl. No.	Name of the Plan	Date of shareholder's approval	Total no. of options approved	Vesting Requirements	Exercise price or pricing formula	Maximum term of options granted	Source of shares	Variation in terms of options
6.	Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011)	10.05.2011	900000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
7.	Lupin Subsidiary Companies Employees Stock Option Plan 2014 (SESOP 2014)	21.10.2014 & 07.08.2019	1525000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation

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

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

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

Sl. No.	Particulars	Details	
1.	Number of options outstanding at the beginning of the period	**Plan**	**No. of options**
		ESOP 2003	95030
		ESOP 2005	8350
		ESOP 2011	860643
		ESOP 2014	1125367
		SESOP 2011	402638
		SESOP 2014	962421
		Total	**3454449**
2.	Number of options granted during the year	**Plan**	**No. of options**
		ESOP 2011	100000
		ESOP 2014	19546
		SESOP 2011	98161
		SESOP 2014	459557
		Total	**677264**
3.	Number of options forfeited/lapsed during the year	Lapsed on account of resignation of employees:	
		Plan	**No. of options**
		ESOP 2003	16325
		ESOP 2011	142833
		ESOP 2014	58634
		SESOP 2011	11280
		SESOP 2014	133989
		Total	**363061**
4.	Number of options vested during the year	**Plan**	**No. of options**
		ESOP 2011	53459
		ESOP 2014	312090
		SESOP 2011	56469
		SESOP 2014	134754
		Total	**556772**
5.	Number of options exercised during the year	**Plan**	**No. of options**
		ESOP 2011	72061
		ESOP 2014	294451
		SESOP 2011	19790
		SESOP 2014	120019
		Total	**506321**
6.	Number of shares arising as a result of exercise of options	**Plan**	**No. of shares**
		ESOP 2011	72061
		ESOP 2014	294451
		SESOP 2011	19790
		SESOP 2014	120019
		Total	**506321**

Sl. No.	Particulars	Details	
7.	Money realised by exercise of options (INR), if scheme is implemented directly by the company	**Plan**	**Amount (₹)**
		ESOP 2011	18528609.10
		ESOP 2014	588902.00
		SESOP 2011	39580.00
		SESOP 2014	240038.00
		Total	**19397129.10**
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	78705
		ESOP 2005	8350
		ESOP 2011	745749
		ESOP 2014	791828
		SESOP 2011	469729
		SESOP 2014	1167970
		Total	**3262331**
10.	Number of options exercisable at the end of the year	**Plan**	**No. of options**
		ESOP 2003	78705
		ESOP 2005	8350
		ESOP 2011	561478
		ESOP 2014	415459
		SESOP 2011	288139
		SESOP 2014	440884
		Total	**1793015**

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

Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	**(i)** Weighted average exercise price of options granted during the year whose: -	
	a. Exercise price equals market price:	N.A.
	b. Exercise price is greater than market price:	N.A.
	c. Exercise price is less than the market price:	₹ 2.00
	(ii) Weighted average fair value of options granted during the year whose: -	
	a. Exercise price equals market price:	N.A.
	b. Exercise price is greater than market price:	N.A.
	c. Exercise price is less than the market price:	₹ 722.62

(vi) Employee-wise details of options granted to:

a.	Senior Managerial Personnel (Chairman, Vice Chairman, CEO and Managing Director)	Nil
b.	Employees to whom options granted amounting to 5% or more, of the total options granted during the year.	**(i)** Mr. Ramesh Swaminathan was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(ii)** Dr. Rajender Kamboj was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(iii)** Mr. Naresh Kumar Gupta was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(iv)** Mr. Rajeev Sibal was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(v)** Dr. Cyrus Karkaria was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(vi)** Mr. Sunil Makharia was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(vii)** Mr. Yashwant Mahadik was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(viii)** Mr. Rajendra Baburao Chunodkar was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00. **(ix)** Mr. Thierry Volle was granted 15000 options under SESOP 2011 at an exercise price of ₹ 2.00. **(x)** Mr. Patrick Nadeau was granted 7554 options under SESOP 2011 at an exercise price of ₹ 2.00. **(xi)** Dr. Dhananjay Bakhle was granted 2470 options under ESOP 2014 at an exercise price of ₹ 2.00. **(xii)** Mr. Makarand Avachat was granted 3700 options under ESOP 2014 at an exercise price of ₹ 2.00. **(xiii)** Mr. Pradeep Chakravarty was granted 3700 options under ESOP 2014 at an exercise price of ₹ 2.00. **(xiv)** Mr. Arunabha Raychaudhuri was granted 2676 options under ESOP 2014 at an exercise price of ₹ 2.00. **(xv)** Mr. Gautam Pareek was granted 7000 options under ESOP 2014 at an exercise price of ₹ 2.00. **(xvi)** Dr. Shahin Fesharaki was granted 142014 options under SESOP 2014 at an exercise price of ₹ 2.00. **(xvii)** Mr. Spiro Gavaris was granted 33137 options under SESOP 2014 at an exercise price of ₹ 2.00.
c.	Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year.	Nil

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

- Fair value calculated by using Black-Scholes option pricing model.
- Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- Exercise Price: Exercise Price is the price payable by the employee for exercising the ESOP granted in pursuance of the terms of the Plan.
- 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 five to six 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	**SESOP 2011**	**SESOP 2011**	**SESOP 2014**	**ESOP 2011**	**ESOP 2014**	**SESOP 2011**	**ESOP 2014**	**SESOP 2011**
Grant date	25.04.2022	19.07.2022	19.07.2022	21.11.2022	21.11.2022	21.11.2022	12.12.2022	12.12.2022
Risk free rate (%)	6.58	6.98	6.33	6.99	6.99	6.99	7.01	7.00
Expected life (years)	6.25	6.25	2.60	6.25	6.25	6.25	6.25	6.25
Volatility (%)	31.28	31.35	32.20	31.23	31.23	31.23	31.18	31.18
Dividend yield (%)	0.60	0.60	0.60	0.57	0.57	0.57	0.60	0.60
Stock price (NSE closing rate) ₹	725.40	643.80	643.80	720.90	720.90	720.90	752.00	752.00
Option Fair Value ₹	**696.10**	**617.75**	**631.78**	**694.20**	**694.20**	**694.20**	**724.23**	**724.23**

Variables	**Weighted Average Information**		
	9.	**10.**	**11.**
Plan	**SESOP 2014**	**SESOP 2014**	**SESOP 2014**
Grant date	12.12.2022	30.01.2023	20.02.2023
Risk free rate (%)	6.63	6.78	6.83
Expected life (years)	2.60	2.60	2.60
Volatility (%)	31.43	31.20	31.53
Dividend yield (%)	0.60	0.60	0.60
Stock price (NSE closing rate) ₹	752.00	734.70	667.10
Option Fair Value ₹	**739.20**	**722.23**	**655.63**

DETAILS OF STOCK APPRECIATION RIGHTS AS ON MARCH 31, 2023

A description of each SAR Scheme existed during 01.04.2022 and 31.03.2023: No Scheme existed

DETAILS RELATED TO TRUST AS ON MARCH 31, 2023

(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 9, 2023

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	% increase in the remuneration for the year ended March 31, 2023	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mrs. Manju D. Gupta, *Chairman*	-78.4%	3
2.	Dr. Kamal K. Sharma, *Vice Chairman* *(up to October 13, 2022)*	-68.6% (Refer note No. vi)	23
3.	Ms. Vinita Gupta, *Chief Executive Officer*	-24.7% (Refer note No. v)	202
4.	Mr. Nilesh D. Gupta, *Managing Director*	-30%	92
5.	Mr. Ramesh Swaminathan, *Executive Director, Global CFO & CRO and Head – Corporate Affairs*	-4.1%	143
6.	Mr. Jean-Luc Belingard *Independent Director*	-82.3%	3
7.	Ms. Christine Mundkur *Independent Director* *(up to December 31, 2022)*	-19.8% (Refer note No. vii)	12
8.	Mr. K. B. S. Anand *Independent Director*	-79.9%	3
9.	Dr. Punita Kumar-Sinha *Independent Director*	-79.4%	3
10.	Mr. Mark D. McDade *Independent Director*	-81.5%	3
11.	Mr. R. V. Satam, *Company Secretary*	6.3%	N.A.

i) The median remuneration of employees of the Company for the year ended March 31, 2023 was ₹ 0.54 million.

ii) During the year ended March 31, 2023, there was an increase of 3.85 % in the median remuneration of employees.

iii) During the year ended March 31, 2023, there was an average increase of 11.3% in the salaries of employees other than key managerial personnel.

iv) As on March 31, 2023, the Company had 18731 permanent employees.

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

vi) Dr. Kamal K. Sharma was on the Board of the Company till October 13, 2022, hence his remuneration for FY 2022-23 is not comparable with that of FY 2021-22.

vii) Ms. Christine Mundkur was on the Board of the Company till December 31, 2022, hence her remuneration for FY 2022-23 is not comparable with that of FY 2021-22.

viii) We affirm that payment of remuneration is as per the Nomination & Remuneration policy of the Company.

For and on behalf of the Board of Directors

Manju D. Gupta
Chairman
(DIN: 00209461)
Mumbai, May 9, 2023

ANNEXURE 'G'
TO THE DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].

To,
The Members,
Lupin Limited

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

Based on my verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company as also information provided by the Company, its officers, agents and authorised 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, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: -

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the year ended March 31, 2023, according to the provisions of: -

1. The Companies Act, 2013, amendments thereto and Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
3. The Depositories Act, 1996 and Regulations and Byelaws framed thereunder;
4. Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder to the extent of Foreign Direct Investment, as amended from time to time;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -
   - **a.** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time;
   - **b.** The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time; and
   - **c.** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

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

   - **(i)** Secretarial Standards issued by The Institute of Company Secretaries of India; and
   - **(ii)** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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

I further report that

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

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

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

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

I further report that

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

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

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

I further report that during the financial year: -

1) The Company has issued and allotted 506321 equity shares aggregating ₹ 1,012,642 to eligible employees of the Company and its subsidiaries on exercising options under various stock option plans.

2) Dr. Kamal K. Sharma, Vice Chairman and Ms. Christine Mundkur, Independent Director, stepped down from the directorships of the Company effective October 14, 2022 and January 1, 2023, respectively.

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

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

Place: Mumbai
Date: May 9, 2023
UDIN: F009492E000272843
Peer reviewed no.: 1012/2020

ANNEXURE 'G'-1

(TO THE SECRETARIAL AUDIT REPORT OF LUPIN LIMITED FOR YEAR ENDED MARCH 31, 2023).

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 secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Mumbai
Date: May 9, 2023
UDIN: F009492E000272843
Peer reviewed no.: 1012/2020

Corporate Governance Report

[1] Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is founded on its rich legacy of transparency, accountability, fairness, integrity, detailed disclosures and professionalism.
The Company firmly believes that sound Corporate Governance practices are key boosters of long-term value of stakeholders and forms an integral part of its business. Corporate Governance is not just a destination but has been a continuous journey for the Company in its pursuit to achieve sustainable value creation. The Company constantly endeavours to benchmark itself with the best standards of Corporate Governance in letter, form and spirit and delivers on its promise of providing affordable healthcare to patients across the globe. Corporate Governance initiatives are implemented by the management with guidance and support from the Board. Effective leadership together with good Corporate Governance practices have been the Company's strength.

The Company has a diversified Board which has an ideal combination of entrepreneurship, leadership and professionalism. Board members possess rich experience in pharma, strategy, finance and general management. The Board has an optimum blend of executive, non-executive and independent directors which ensure that best standards of Corporate Governance are nurtured and practiced. The Board gives strategic directions and provides tactical insights to the management. Apart from complying with all mandatory requirements, the Company also complies with non-mandatory requirements stipulated under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') regarding unmodified audit opinions on financial statements, maintaining line of reporting of the Head of Internal Audit to the Audit Committee and appointment of separate persons as Chairman, Chief Executive Officer and Managing Director.

The Company encourages and promotes a culture of intensive deliberations, transparency and impartiality in its dealings with stakeholders and the public at large. In line with the belief that, 'where the mind is without fear, the head is held high', the Company instituted **P.L.E.D.G.E.** (**P**reparing **L**upin **E**mployees to **D**emonstrate **G**overnance and **E**thical Conduct), which enforces Lupin Code of Business Conduct and Ethics (CODE) which allows employees to report concerns on actual or suspected violations of the CODE without any fear of retaliation or retribution. Employees can even report their concerns anonymously.

The Company adheres to uncompromising integrity in conduct of business and has zero tolerance for corrupt and immoral practices. The Company's operations are guided by strong control systems which are reviewed regularly by internal and external auditors. Code of Conduct, Whistleblower Policy and Prevention of Workplace Harassment and initiatives on creating awareness of sexual harassment at workplace, empower employees to report unethical practices. Specified mechanisms have been set up to deal with workplace harassments and facilitate their swift redressal. Employees can raise their concerns to the Office of Ombudsperson about potential issues concerning fraudulent business practices, unethical behaviour, discriminating or gender-biased misconduct and violation of the Company's policies or CODE. No person has been denied access to the Chairperson of the Audit Committee. During the year, the Ombudsperson office received 22 complaints through multiple reporting channels. Teams of strategic business unit heads/officers appointed by the Ombudsperson are engaged by the Ethics and Compliance office, for resolution of reported cases in accordance with the Whistleblower Policy. During the year, three sexual harassment complaints were investigated and resolved by the Internal Complaints Committee within the specified turnaround time as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Codes of Conduct have been adopted for directors and senior management personnel. Additionally, a separate code for independent directors has also been adopted. The codes 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 compliance with their respective codes for the year ended March 31, 2023. In compliance with Schedule V(D) of the Listing Regulations, Mr. Nilesh D. Gupta, Managing Director, provided a declaration to this effect which is annexed to this Report.

The Company has in-built, sound mechanism/ systems of internal checks and balances which are regularly evaluated and updated. In order to protect and safeguard information and provide assurance to its internal and external stakeholders, the Company has established industry-renowned and highly secured ISMS security framework. Through dedicated efforts, the Company ensures evolvement of secure technologies and processes to counter the threat landscape. Information security management system program implemented under the brand name ‘KAVACH’ ensures that people, process and technology aspects are covered. KAVACH protects Company information by implementing various policies, procedures and guidelines. With a view to protect end users from spam/phishing mails/cyber frauds, KAVACH regularly shares security advisories and regularly imparts cyber security trainings. Internal and external KAVACH audits are undertaken every year wherein every department representative assures compliance with KAVACH policies. The Company has been accredited ISO/IEC 27001:2013 certification for its information security management systems at select locations viz. Head office, Pune research park and manufacturing facilities at Biotech, Mandideep, Pithampur, Ankleshwar, Visakhapatnam, Goa and Nagpur. Plans are afoot to add more locations in the certification list in the coming years. Under the brand name ‘SHIELD’, the Company has also extended its information security commitment to global locations namely USA, EMEA, APAC and LATAM regions to provide information security assurance to stakeholders.

In compliance with Regulation 25(1) of the Listing Regulations, directors and members of the senior management are covered under Directors and Officers Insurance (D&O) policy.

The Company is in compliance with Chapter IV of the Listing Regulations on Corporate Governance.

[2] Board of Directors:

Board Diversity

The Company recognises the importance of a diverse Board. It firmly believes that a diverse Board contributes to achieving its strategic and commercial objectives, including driving business results. It makes Corporate Governance more effective, enhances quality & responsible decision-making, ensures sustainable development and enhances reputation of the Company. While designing the Board’s composition, a number of aspects, including but not limited to culture, gender, age, geographical background, nationality, race, industry experience, skills and knowledge, were considered. The board diversity policy is hosted on the website of the Company, web link of which is https://www.lupin.com/wp-content/uploads/2022/08/board-diversity-policy-signed.pdf.

Directors Independence

Independent directors demonstrate an appropriate degree of independence in character and judgement and are independent from the management. They do not have any business or other pecuniary relationship with the Company which could materially impact exercise of their judgement.

Board Composition and Number of Meetings

The strength of the Board as on March 31, 2023, was eight, comprising two executive promoter-directors, one non-executive promoter-director, one executive director and four independent directors, which is in conformity with provisions of Section 149 of the Companies Act, 2013 (‘Act’) and Rules made thereunder and Regulation 17 of the Listing Regulations. The Board has three women directors of which, one is an independent director which is in compliance with Regulation 17(1)(a) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, all independent directors have confirmed that they meet the criteria of independence prescribed in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. Based on disclosures received from all independent directors, the Board is of the opinion that the independent directors fulfill the conditions of independence as specified in the Act and the Listing Regulations. In compliance with Schedule V(C)(10)(i) of the Listing Regulations, Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661) has certified that no director of the Company has been disqualified by SEBI, Ministry of Corporate Affairs (‘MCA’) or any statutory authority from being appointed or continuing as director of the Company. Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has received confirmations from all independent directors as regards registration with the independent directors databank maintained by the Indian Institute of Corporate Affairs.

In addition to regular Board meetings, independent directors are also invited to attend separate meetings with the management of the Company for discussions on strategy and business review.

In compliance with Regulation 17(10) of the Listing Regulations, the Board carried out performance evaluation of independent directors without participation of the director being evaluated. The performance was evaluated based on various parameters like knowledge, leadership qualities, contributions, initiatives, inter-personal relationships, analytical skills, understanding strategic issues/business environment and independent judgement. Independent directors are a diversified group of recognised professionals with wide horizon of knowledge, competence and integrity who express their opinions freely and exercise their own judgements in the decision-making process. There were no conflicts of interest of independent directors with the Company. Particulars specified under Schedule V(C)(2) of the Listing Regulations for the year are given below: -

Sl. No.	Name of the Director	Whether Promoter/ Executive/ Independent	No. of Board Meetings during the year			Board Tenure (Years)	Attendance at the last Annual General Meeting ('AGM')	Number of directorships of companies other than subsidiaries of Lupin	Number of directorships of other listed companies (including company listed outside India)	Member/ Chairman of committees of companies other than subsidiaries of Lupin
			Held	Attended	Attendance in %					
1.	Mrs. Manju D. Gupta, *Chairman*	P. & N-E.D.	8	8	100%	40.1	Yes	5	-	-
2.	Dr. Kamal K. Sharma,* *Vice Chairman (up to October 13, 2022)*	N-E.D.	5	4	80%	19.2	Yes	7	2	1/-
3.	Ms. Vinita Gupta, *Chief Executive Officer*	P. & E.D.	8	8	100%	21.7	Yes	4	1	-
4.	Mr. Nilesh D. Gupta, *Managing Director*	P. & E.D.	8	8	100%	14.6	Yes	5	-	-
5.	Mr. Ramesh Swaminathan, *Executive Director, Global CFO & CRO and Head – Corporate Affairs*	E.D.	8	7	87.5%	3.0	Yes	-	-	-
6.	Mr. Jean-Luc Belingard, *Independent Director*	I. N-E.D.	8	4	50%	7.5	Yes	2	2	-
7.	Ms. Christine Mundkur, *Independent Director (up to December 31, 2022)*	I. N-E.D.	7	6	85.7%	3.9	Yes	2	2	-
8.	Mr. K. B. S. Anand, ** *Independent Director*	I. N-E.D.	8	7	87.5%	2.8	Yes	5	5	3/-
9.	Dr. Punita Kumar-Sinha, *** *Independent Director*	I. N-E.D.	8	8	100%	2.8	Yes	8	2	7/2
10.	Mr. Mark D. McDade, *Independent Director*	I. N-E.D.	8	7	87.5%	2.2	No	4	2	-
					Average:	11.8				

* Dr. Kamal K. Sharma is an Independent Director & Chairman of Sequent Scientific Limited and Independent Director of Shilpa Medicare Limited, companies listed in India.

** Mr. K. B. S. Anand is an Independent Director of Tata Chemicals Limited, Borosil Limited, UFO Moviez India Limited, Bharat Forge Limited and Galaxy Surfactants Limited, companies listed in India. He holds more than four board mandates of listed companies other than Lupin Limited.

*** Dr. Punita Kumar-Sinha is an Independent Director of JSW Steel Limited and Rallis India Limited, companies listed in India.

Notes:

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

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

(c) No director holds directorships in more than ten public companies/seven listed companies and no independent director holds independent directorships in more than seven listed companies.

(d) No independent director is Member of more than ten committees or Chairman of more than five committees across all public limited companies whether listed or not in which they are directors. Private Companies and Foreign Companies are excluded. Membership/Chairmanship of committees of only Audit Committee and Stakeholders' Relationship Committee are considered.

Core Skills/Expertise/Competencies identified by the Board

The Board has identified the following core skills/expertise/competencies for the efficient functioning of the Company: -

Corporate Governance	Commitment to the highest standards of corporate governance and practices with a view to foster efficient conduct of business and maximise long-term value of stakeholders.
Leadership & General Management	Sharing experience and guiding senior management teams to make strategic decisions and seize growth opportunities. General management including talent acquisition & development, promoting ethical work culture and ensuring health & safety measures at workplace.
Healthcare/ Pharma, Science & Technology	Rich experience in healthcare/pharma space with domain expertise in complex generics, specialty and biosimilars across various geographies.
Manufacturing, Quality & Supply Chain	Functional/operational expertise and technical know-how in manufacturing, quality and supply chain.
Finance & Accounts	Proficiency in financial management viz. treasury operations, budgeting & analysis, audit and capex.
Risk Management	Ability to identify and evaluate critical risks, monitor the risk mitigation plans and make informed decisions based on risk assessment.
Information Technology	Keeping abreast of the latest developments in the fast-changing space of information technology and apply them in developing business models.
Environment, Social & Governance	Align and integrate diverse global ESG practices across the Company.
Mergers & Acquisitions	Evaluation of strategic acquisitions to grow organically and inorganically in line with the Company's business.

The skills which are currently available with the board members have been mapped below: -

Director Name	Whether Promoter/ Executive/ Independent	Corporate Governance	Leadership & General Management	Healthcare/ Pharma, Science & Technology	Manufacturing, Quality & supply Chain	Finance & Accounts	Risk Management	Information Technology	Environment Social and Governance	Mergers & Acquisition
Mrs. Manju D. Gupta	P. & N-E.D.	✔	✔							
Ms. Vinita Gupta	P. & E.D.	✔	✔	✔	✔	✔	✔	✔	✔	✔
Mr. Nilesh D. Gupta	P. & E.D.	✔	✔	✔	✔	✔	✔	✔	✔	✔
Mr. Ramesh Swaminathan	E.D.	✔	✔	✔		✔	✔	✔	✔	✔
Mr. Jean-Luc Belingard	I. N-E.D.	✔	✔	✔	✔		✔	✔	✔	✔
Mr. K. B. S. Anand	I. N-E.D.	✔	✔		✔	✔	✔	✔	✔	✔
Dr. Punita Kumar-Sinha	I. N-E.D.	✔	✔			✔	✔	✔	✔	✔
Mr. Mark D. McDade	I. N-E.D.	✔	✔	✔	✔		✔	✔	✔	✔

Of the above eight board members, Ms. Vinita Gupta - Chief Executive Officer, Mr. Nilesh D. Gupta - Managing Director, Mr. Ramesh Swaminathan - Executive Director, Global CFO & CRO and Head – Corporate Affairs, Mr. Jean-Luc Belingard and Mr. Mark D. McDade, Independent Directors, have relevant experience in the Company's line of business i.e. Healthcare/Pharma.

Board Meetings

The Board of Directors evaluate the effectiveness of Company's management policies, set corporate objectives, provides strategic directions and guides the senior management to create sustainable growth and enhance shareholder value. The Board is regularly apprised of key business developments. Detailed business presentations are made at board meetings by the CEO, MD, CFO and functional heads which enables the Board to set goals and seek accountability for their fulfilment. The Board and its various Committees, provide direction and exercise control to ensure that stakeholders' aspirations and societal expectations are met. The Board believes in 'safety first', thus, health/safety concerns are deliberated in detail at its meetings.

Dates of Board meetings are finalised after ascertaining convenience of all directors. Tentative annual calendar of Board meetings is circulated to all directors in advance in order to enable them in planning their schedules.

Board members bring up matters for consideration and discussions at its meetings. Board approvals, for urgent matters, are sought by way of circular resolutions, which are noted and confirmed at subsequent Board meetings. Directors intimate the Board about changes in their board/committee positions (including chairmanships) held by them and their shareholdings in other companies.

In compliance with the Act and Rules made thereunder and Secretarial Standards - 1, agendas (along with detailed notes), actions taken/status report (on decisions taken at Board/Committee meetings) and presentations to be made at meetings of the Board/Committees are circulated in advance through a secure platform. With the unanimous consent of the Board, information which is in the nature of unpublished price sensitive, is circulated to directors at a shorter notice. Draft minutes of the Board/Committees are circulated to directors within 15 days from the date of the meeting. Copies of minutes of Board meetings of subsidiaries, minutes of Committees of the Board and reports/certificates confirming compliance with various applicable laws are tabled at Board meetings.

Details of Board Meetings

During the year, eight Board meetings were held as mentioned below. In compliance with provisions of Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations, the time-gap between two consecutive meetings was not more than 120 days. The Board approved two Resolutions by circulation, vide Circulars dated September 22, 2022 and October 13, 2022.

Board meeting wise attendance

18-05-2022	15-06-2022	03-08-2022	07-10-2022	10-10-2022	09-11-2022	21-12-2022	09-02-2023	Average
90%	80%	100%	100%	80%	78%	89%	88%	88%

Thus, the average attendance at Board meetings was nearly 90% with minimum attendance criteria being 80%.

Board Selection Process

Board Members are elected individually by the following process: -

The screening and selection process has been delegated by the Board, to the Nomination and Remuneration Committee, which comprises of independent directors.

On the basis of parameters defined in the Nomination and Remuneration Policy of the Company, the Nomination and Remuneration Committee recommends eligible candidates to the Board.

The Board appoints director subject to approval of Members which is obtained within three months or at the next general meeting, whichever is earlier.

The proposal is placed before Members for seeking their approval.

Brief profiles, other directorships/committee memberships of directors seeking re-appointment/continuation of directorship at the 41st Annual General Meeting.

Mr. Nilesh D. Gupta - Managing Director

Mr. Nilesh D. Gupta, (DIN: 01734642) is a Chemical Engineer from the University Department of Chemical Technology (UDCT), Mumbai and a graduate with honors from the Wharton School, University of Pennsylvania, USA, where he specialised in healthcare, strategic management and finance. Mr. Gupta has been instrumental in formulating and executing the core strategy that has helped the Company emerge as a global specialty and complex generics pharmaceutical powerhouse. Mr. Gupta is Member of the Audit Committee, Stakeholders' Relationship Committee, CSR Committee and Risk Management Committee.

List of directorships of companies other than subsidiaries of Lupin	Chairman/Member of Committees of companies other than subsidiaries of Lupin
Lupin Investments Private Limited Synchem Properties Private Limited Zyma Properties Private Limited Polynova Industries Limited Visiomed Investments Private Limited	-

Mr. Ramesh Swaminathan - Executive Director, Global CFO & CRO and Head – Corporate Affairs

Mr. Ramesh Swaminathan, (DIN: 01833346), brings to the Company rich experience of over three decades. In addition to having worked with the Company for over 13 years, he has also worked with reputed organisations in diverse industry sectors. Mr. Ramesh has worked with VST Industries Ltd., SPIC Group, Standard Chartered Bank, Henkel and L&T. As CFO, he has won several accolades with coveted awards being conferred on him. Mr. Ramesh is a qualified Chartered Accountant, Cost Accountant and Company Secretary. In addition to being a Lord Chevening Scholar, UK, Mr. Ramesh completed an advanced management program from INSEAD, France. He is Member of the Risk Management Committee of the Board. Mr. Ramesh is Chief Risk Officer of the Company and Member of its Leadership team.

List of directorships of companies other than subsidiaries of Lupin	Chairman/Member of Committees of companies other than subsidiaries of Lupin
-	-

Mr. Jean-Luc Belingard - Independent Director

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

List of directorships of companies other than subsidiaries of Lupin	Chairman/Member of Committees of companies other than subsidiaries of Lupin
bioMérieux S.A., France Laboratory Corporation of America, USA	-

[3] Audit Committee:

The Audit Committee comprises Dr. Punita Kumar-Sinha, Independent Director, *Chairperson*, Mr. K. B. S. Anand, Independent Director and Mr. Nilesh D. Gupta, Managing Director. Mr. R. V. Satam, Company Secretary, acts as Secretary of the Committee. Consequent upon Dr. Kamal K. Sharma, Vice Chairman and Ms. Christine Mundkur, Independent Director stepping-down from the Board, they ceased to be members of the Audit Committee effective October 14, 2022 and January 1, 2023, respectively.

The composition of the Committee is as prescribed under Section 177 of the Act and Regulation 18(1) of the Listing Regulations. In compliance with Regulation 18(1)(c) of the Listing Regulations, all members of the Committee have the ability to read and understand financial statements and have accounting or related financial management expertise. The Audit Committee acts as a vital link between the statutory, internal, cost auditors, management and the Board. It is entrusted with the responsibility of monitoring internal financial controls and financial reporting process, adequacy of provisions for liabilities, evaluating appropriateness of audit test checks and reviewing the governance systems. Dr. Kumar-Sinha attended the 40th AGM held on August 3, 2022. Meetings of the Audit Committee are regularly attended by statutory auditors, internal auditor and senior executives from finance. Internal auditor makes presentations on audit findings at the meetings of the Committee. The cost auditor attends the Audit Committee meeting at which the cost audit report is considered.

The Audit Committee performs functions enumerated in Section 177(4) of the Act and Regulation 18(3) of the Listing Regulations. Matters deliberated upon and reviewed by the Committee include: -

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

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

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

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

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

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

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

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

8) Scrutinising inter-corporate loans and investments.

9) Valuation of undertakings or assets of the Company, wherever necessary.

10) Evaluating internal financial controls and risk management systems.

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

12) 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.

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

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

15) 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.

16) Reviewing the functioning of Whistle Blower mechanism.

17) Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

18) Reviewing utilization of loans and/or advances from/investment in subsidiaries exceeding ₹ 1000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

19) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

20) Reviewing compliance with the provisions of Prohibition of Insider Trading Regulations and verifying that the systems for internal control for prohibition of insider trading are adequate and are operating effectively.

21) 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.

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

23) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter.

24) To look into the reasons for substantial defaults, if any, in payments to depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors.

25) 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, management letters and internal audit reports relating to observations on internal controls.

Details of Committee meetings

As stipulated by Regulation 18(2)(a) of the Listing Regulations, seven Audit Committee meetings were held during the year and the time-gap between two consecutive meetings was not more than 120 days. Meetings were held on April 8, 2022, May 17, 2022, August 2, 2022, September 21, 2022, November 8, 2022, February 9, 2023 and March 1, 2023, attendance at which was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Dr. Punita Kumar-Sinha, *Chairperson*	7	7
b.	Dr. Kamal K. Sharma (up to October 13, 2022)	4	3
c.	Ms. Christine Mundkur (up to December 31, 2022)	5	4
d.	Mr. K. B. S. Anand (w.e.f. October 13, 2022)	3	3
e.	Mr. Nilesh D. Gupta (w.e.f. January 1, 2023)	2	2

[4] Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee ('SRC') comprises Mr. K. B. S. Anand, Independent Director, *Chairman*, Mr. Nilesh D. Gupta, Managing Director and Dr. Punita Kumar-Sinha, Independent Director. Mr. R. V. Satam, Company Secretary, acts as Secretary of the SRC. The SRC reviews and evaluates facets of operations pertaining to investors services including activities related to the Investor Education & Protection Fund. Mr. Anand attended the 40th AGM held on August 3, 2022.

In compliance with Regulation 20(4) read with Part D of Schedule II of the Listing Regulations, the Committee deliberates and reviews matters related to: -

1) Resolving grievances of shareholders including complaints related to transfer/transmission of shares, non-receipt of annual report/dividend, issue of duplicate certificates, demat/remat of shares, annual general meetings, etc.

2) Review measures taken for effective exercise of voting rights by shareholders.

3) Review adherence to the service standards adopted by the Company in respect of services rendered by the Registrar & Share Transfer Agent.

4) Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the year, the Company received and resolved 22 complaints from shareholders regarding transfer of shares, non-receipt of annual report/dividend etc. As on March 31, 2023, no complaint remained pending/unattended. No share transfer/complaint remained pending for more than 15 days.

Details of Committee meetings

During the year, two meetings of the SRC were held on October 13, 2022 and February 9, 2023, the attendance at which was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Mr. K. B. S. Anand, *Chairman*	2	2
b.	Mr. Nilesh D. Gupta	2	2
c.	Dr. Punita Kumar-Sinha	2	2

[5] Nomination and Remuneration Committee:

The Nomination and Remuneration Committee ('NRC') comprises independent directors. While Mr. Jean-Luc Belingard is the *Chairman*, Dr. Punita Kumar-Sinha and Mr. Mark D. McDade are Members. The constitution of the NRC is in compliance with the provisions of Section 178(1) of the Act and Regulation 19(1) of the Listing Regulations and also in compliance with Regulation 19(2) of the Listing Regulations, which mandates that the Chairman of the NRC should be an Independent Director. Consequent to Ms. Christine Mundkur, Independent Director, stepping-down from the Board, she ceased to be member of the NRC effective January 1, 2023. Mr. R. V. Satam, Company Secretary, acts as Secretary of the NRC. Mr. Jean-Luc Belingard, Chairman of the NRC attended the 40th AGM held on August 3, 2022.

Role of the NRC:

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

1) formulation of 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 directors, key managerial personnel and other employees;

2) for every appointment of an independent director, the NRC evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepares a description of the role and capabilities required of an independent director. The NRC ensures that person recommended to the Board for appointment as an independent director has the capabilities identified in such description. For the purpose of identifying suitable candidates, the NRC: -

a. may engage services of external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

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

4) devise a policy on diversity of the Board of directors;

5) identify 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;

6) recommend whether to extend or continue the term of appointment of an independent director, based on the report of performance evaluation of the independent director;

7) recommend remuneration payable to executive directors and key managerial personnel;

8) specify 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

9) administer employees stock option plans and phantom stocks.

Remuneration of executive directors:

The NRC reviews the performance of every director and recommends to the Board, the remuneration payable to executive directors and key managerial personnel at the time of their appointment/re-appointment subject to approval by Members. In line with the annual increment cycle of the Company, the NRC approves annual revisions and performance linked incentives of executive directors and key managerial personnel within the limits approved by Members. Remuneration is approved by the NRC based on several factors such as qualifications, experience, expertise, leadership qualities, position, responsibilities shouldered by the individual and volume of business/profits of the Company. Remuneration limits of executive directors are as prescribed by Section 197 and Schedule V of the Act and Rules made thereunder. Remuneration of promoter & executive director does not exceed the limits specified under Regulation 17(6) of the Listing Regulations. The Company follows a market-linked remuneration policy and benchmarks its remuneration/benefits with its industry peers.

Details of remuneration paid to executive directors are as under: -

(₹ in million)

Name of the Director	Salary & Perquisites	Stock Options	Others (Performance-Linked Incentive)	Total
Ms. Vinita Gupta, *Chief Executive Officer*	78.29	-	30.91	**109.20**
Mr. Nilesh D. Gupta, *Managing Director*	38.20	-	11.40	**49.60**
Mr. Ramesh Swaminathan, *Executive Director, Global CFO & CRO and Head – Corporate Affairs*	57.35	10.51	9.51	**77.37**

Notes:

1) Ms. Vinita Gupta is an employee of Lupin Management, Inc., USA ('LMI'), wholly owned subsidiary of the Company. She receives remuneration from LMI and does not receive any remuneration from Lupin Limited.

2) Performance-linked incentive depends on corporate performance indicators viz. revenue growth, EBIDTA margin and earnings per share.

Remuneration of non-executive directors:

Non-executive directors are paid sitting fees for attending meetings of the Board and its Committees, which are within the limits prescribed by the Act and Rules made thereunder. In recognition of their contributions to the Company's business, apart from sitting fees, they are paid commission as approved by Members at the 38th AGM held on August 12, 2020. Non-executive directors are eligible for commission not exceeding in the aggregate 0.5% per annum of the Company's standalone net profits, computed in the manner laid down by Sections 197, 198 and other applicable provisions of the Act, for a period of five years commencing April 1, 2020. An amount of ₹ 21.24 million has been approved by the Board towards commission to non-executive directors for FY 2022-23. As stipulated by Regulation 17(6) of the Listing Regulations, annual remuneration of a single non-executive director does not exceed fifty per cent of the total annual remuneration payable to all non-executive directors.

Details of remuneration of non-executive directors are as under: -

Name of the Director	No. of Equity Shares held as on March 31, 2023	Remuneration for 2022-23 (₹ in million)			
		Sitting Fees	Commission	Value of Perquisites	Total
Mrs. Manju D. Gupta, *Chairman*	3871162	0.18	1.27	-	**1.45**
Dr. Kamal K. Sharma, *Vice Chairman (up to October 13, 2022)*	139900	0.18	8.70	3.77	**12.65**
Mr. Jean-Luc Belingard, *Independent Director*	-	0.12	1.27	-	**1.39**
Ms. Christine Mundkur, *Independent Director (up to December 31, 2022)*	-	0.24	6.19	-	**6.43**
Mr. K. B. S. Anand, *Independent Director*	-	0.30	1.27	-	**1.57**
Dr. Punita Kumar-Sinha, *Independent Director*	500	0.38	1.27	-	**1.65**
Mr. Mark D. McDade, *Independent Director*	-	0.18	1.27	-	**1.45**

Details of NRC meetings

In compliance with Regulation 19(3A) of the Listing Regulations, a meeting of the NRC was held on November 21, 2022, attendance at which, was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Mr. Jean-Luc Belingard, *Chairman*	1	1
b.	Ms. Christine Mundkur (up to December 31, 2022)	1	1
c.	Dr. Punita Kumar-Sinha	1	1
d.	Mr. Mark D. McDade (w.e.f. January 1, 2023)	-	-

Vide seven Circulars dated April 25, 2022, May 10, 2022, July 19, 2022, December 12, 2022, December 22, 2022, January 30, 2023 and February 20, 2023, the NRC passed 17 Resolutions.

[6] Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee ('CSRC') comprises, Mrs. Manju D. Gupta, Chairman, Ms. Vinita Gupta, Chief Executive Officer, Mr. Nilesh D. Gupta, Managing Director and Mr. K. B. S. Anand, Independent Director. The composition of CSRC is in compliance with the provisions of Section 135(1) of the Act. Consequent to Dr. Kamal K. Sharma, Vice Chairman, stepping-down from the Board, he ceased to be member of the CSRC effective October 14, 2022.

Role of the CSRC: -

- formulate and recommend to the Board, a CSR policy covering activities to be undertaken by the Company in areas/subjects specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on CSR activities;
- monitor the CSR policy of the Company; and
- formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include items mentioned in Rule 5(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Details of CSRC meetings

Meetings of the CSRC were held on August 26, 2022 and March 13, 2023, attendance at which was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Mrs. Manju D. Gupta, *Chairman*	2	1
b.	Dr. Kamal K. Sharma, (up to October 13, 2022)	1	1
c.	Ms. Vinita Gupta	2	2
d.	Mr. Nilesh D. Gupta	2	2
e.	Mr. K. B. S. Anand	2	2

[7] Risk Management Committee:

As stipulated by Regulation 21(2) and (3) of the Listing Regulations, the Board constituted a Risk Management Committee ('RMC') comprising of Ms. Vinita Gupta, Chief Executive Officer, Mr. Nilesh D. Gupta, Managing Director, Mr. Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head – Corporate Affairs, Mr. Mark D. McDade, Independent Director and Mr. Sunil Makharia, President - Finance. The composition of the RMC is in compliance with Regulation 21(3A) and (3C) of the Listing Regulations. Consequent upon Dr. Kamal K. Sharma, Vice Chairman and Ms. Christine Mundkur, Independent Director, stepping-down from the Board, they ceased to be members of the RMC effective October 14, 2022 and January 1, 2023, respectively. The quorum at RMC meetings was in compliance with Regulation 21(3)(B) of the Listing Regulations. It met twice in the year and the gap between two meetings was less than 180 days.

The roles, responsibilities and functions of the RMC are as under: -

1) To formulate a detailed Risk Management Policy including: -

- **a)** a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the RMC;
- **b)** measures for risk mitigation including systems and processes for internal control of identified risks; and
- **c)** business continuity plan.

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.

4) To review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.

6) To review the appointment/removal and terms of remuneration of the Chief Risk Officer of the Company.

7) To discuss and review the status and financial implications of major litigations in India and overseas.

8) To review GMP compliances by manufacturing facilities of the Company in India and overseas.

9) To review the status of inspections/observations by regulatory bodies and remedial measures taken.

10) To review the financial impact of hedging, derivatives, forward contracts, etc. entered into by the Company.

11) To review and report to the Board, matters as may be delegated to the RMC by the Board.

Details of RMC meetings

Meetings of the RMC were held on August 22, 2022 and February 16, 2023, attendance at which was as under: -

Sl. No.	Name of the Director/Executive	No. of Meetings	
		Held	Attended
a.	Dr. Kamal K. Sharma (up to October 13, 2022)	1	1
b.	Ms. Vinita Gupta	2	2
c.	Mr. Nilesh D. Gupta	2	2
d.	Mr. Ramesh Swaminathan	2	2
e.	Ms. Christine Mundkur (up to December 31, 2022)	1	1
f.	Mr. Mark D. McDade	2	1
g.	Mr. Sunil Makharia	2	2

[8] Independent directors' meeting:

As on March 31, 2023, the Company had four independent directors which was in compliance with Regulation 17(1)(b) of the Listing Regulations. As stipulated by Section 149(8) read with Clause VII of Schedule IV of the Act, Regulation 25(3) of the Listing Regulations and Clause 2.3 of the Secretarial Standards - 1, a meeting of the Independent Directors was convened on March 3, 2023, without the presence of non-independent directors and members of the management.

The meeting was chaired by Mr. Jean-Luc Belingard and attended by all independent directors. The independent directors appreciated the contributions of Dr. Kamal K. Sharma, Vice Chairman and Ms. Christine Mundkur, independent director, who stepped-down from directorships of the Board effective October 14, 2022 and January 1, 2023, respectively. The meeting reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole and assessed the quality, quantity, effectiveness and timeliness of flow of information between Company management and the Board after taking into account, views of executive/non-executive directors. The independent directors appreciated the detailed presentations made at Board meetings, by the CEO, MD, CFO and business heads which inter-alia covered business operations across all geographies, budgets, quarterly/yearly financial results, capex, inorganic initiatives, growth plans, environment social and governance, regulatory challenges, R & D activities, etc.

[9] Familiarisation program for independent directors:

In compliance with Regulation 25(7) of the Listing Regulations, the Company regularly familiarises its independent directors through different programs which provides them with an in-depth understanding of the Company and the pharma industry. The Company firmly believes that knowledge about latest developments in pharma industry should be shared with the directors to enable them to participate effectively. Presentations are made by business heads at Board meetings on SBU performance, strategies, operations, policies, procedures, risk assessment/minimisation, environment, health and safety measures, which provides independent directors a thorough understanding of the pharma space. Letters of appointment of independent directors inter-alia cover roles, functions, duties and responsibilities. Important press releases disseminated on the exchanges are shared with independent directors and they are regularly appraised about material information/developments. In compliance with Regulation 46 of the Listing Regulations, details of familiarisation programs are available on the Company's website www.lupin.com web link for which is https://www.lupin.com/wp-content/uploads/2021/04/familiarisation-programme.pdf.

[10] General Body Meetings:

Details of the last three AGMs: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
2019-20	Wednesday, August 12, 2020, at 4:00 p.m.	Video conferencing/other audio-visual means. Venue of the meeting was deemed to be the Registered Office of the Company, 3rd Floor, Kalpataru Inspire, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.	One Special Resolution was passed for the re-appointment of Mr. Jean-Luc Belingard as an Independent Director of the Company for a second term of five years i.e. up to August 11, 2025.
2020-21	Wednesday, August 11, 2021, at 4:30 p.m.	-do-	One Special Resolution was passed for the re-appointment of Ms. Christine Mundkur as an Independent Director of the Company for a second term of five years i.e. up to August 10, 2026.
2021-22	Wednesday, August 3, 2022, at 4:00 p.m.	-do-	None.

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

No postal ballot was conducted during the financial year 2022-23.

[11] Related party transactions and other disclosures:

During the year, all transactions entered into by the Company with related parties, were in accordance with the provisions of the Act and Rules made thereunder as also the Listing Regulations. All such contracts and arrangements were in the ordinary course of business and on an arm's length basis. Material related party transactions were entered into by the Company only with its subsidiaries. No related party transactions conflicted with the interests of the Company. There was no pecuniary transaction with any director, apart from remuneration as approved by the shareholders and sitting fees for attending the meetings of the Board and its Committees.

As stipulated by Sections 177(4)(iv) and 188 of the Act and Regulation 23(2) of the Listing Regulations, related party transactions were periodically reviewed and approved by the Independent Directors of the Audit Committee. 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 approvals to transactions which were likely to be entered into by the Company with related parties other than its wholly owned subsidiaries. The Committee reviewed details of transactions entered into by the Company pursuant to each omnibus approval on a quarterly basis. As stipulated by Regulation 46(2)(g) of the Listing Regulations, the policy on 'Related party transactions and materiality of related party transactions', as approved by the Board has been hosted on the Company's website www.lupin.com web link of which is https://www.lupin.com/wp-content/uploads/2022/03/rpt-policy-03-02-2022.pdf.

In compliance with Ind AS 24, details of transactions with related parties are disclosed in the notes forming part of the financial statements. As stipulated by Regulation 23(9) of the Listing Regulations, disclosures of related party transactions were electronically submitted to the stock exchanges i.e. BSE - Listing Centre and NSE - NEAPS for half-years ended March 31, 2022 and September 30, 2022, within the prescribed time from the date of publication of financial results and were also hosted on the Company's website.

Pursuant to Section 189(1) of the Act and Rules made thereunder, particulars of transactions entered into by the Company with related parties, in which directors are interested, were recorded in Form No. MBP - 4 in the 'Register of Contracts with related party and contracts and bodies, etc.' and signed by directors present at Board Meetings.

As stipulated by Schedule V(C)(10)(n) of the Listing Regulations, details of wholly owned material subsidiaries of the Company are as follows: -

Name of the material subsidiary	Place and date of incorporation	Name of the audit firm	Date of appointment
Nanomi B.V., the Netherlands ('Nanomi')	the Netherlands, March 30, 2007	Baker Tilly (Netherlands), N.V.	July 1, 2022
Lupin Atlantis Holdings SA, Switzerland ('LAHSA')	Switzerland, June 5, 2007	KPMG AG	October 20, 2022
Lupin Pharmaceuticals Inc., USA ('LPI')	USA, June 30, 2003	KPMG LLP	July 21, 2022

In compliance with Regulation 24(1) of the Listing Regulations, Mr. Mark D. McDade, Independent Director, is on the Board of Nanomi and Mr. Jean-Luc Belingard, Independent Director, is on the Boards of LAHSA and LPI. The policy for determining material subsidiaries has been hosted on the Company's website web link of which is policy-for-determining-material-subsidiaries.pdf (lupin.com).

[12] Fees paid to Statutory Auditors:

For FY 2022-23, the Company and its subsidiaries, paid a consolidated amount of ₹ 147.7 million (including out of pocket expenses) to B S R & Co. LLP, Chartered Accountants, statutory auditors and all other entities in its network globally (KPMG).

[13] Means of communication:

The Company communicates with its stakeholders through multiple channels viz. press releases, integrated reports, investor meets/calls and hosting the same on the website of the Company as also disseminating material events on the stock exchanges. The Company emphasises on prompt, continuous and efficient communication to all its stakeholders as it recognises that proper communication is the key element to the overall corporate governance framework. In compliance with Regulation 33 of the Listing Regulations, unaudited quarterly/audited annual financial results are disseminated on the stock exchanges within 45 days of the end of the quarter and 60 days from the end of the financial year, respectively. Quarterly/annual financial results are electronically submitted to the stock exchanges within 30 minutes of their approval by the Board. Pursuant to Regulation 47 of the Listing Regulations, the quarterly/annual financial results are published in one leading English language national daily newspaper circulating in the whole/substantially the whole of India and in one prominent daily newspaper published in Marathi, the language of the region, where the registered office of the Company is situated as also hosted on the Company's website. In terms of Schedule III Part A Para A(15) of the Listing regulations, analysts/institutional investors/earnings call, presentations made thereat as also audio recordings are promptly disseminated on the stock exchanges and hosted on the website of the Company. Transcripts of earnings calls are disseminated on the stock exchanges and hosted on the Company's website within five working days from the conclusion of the calls. Unpublished price sensitive information is not disclosed at investors meets and presentations made to analysts. Shareholding pattern and corporate governance reports are disseminated on a quarterly basis on the stock exchanges. Video recordings of AGMs have been hosted on the website of the Company.

Policy for determining materiality of events for the purpose of making disclosures to the Exchanges as also disclosures made thereunder are available on the website of the Company. The Company promptly disseminates on the websites of the stock exchanges, information required to be disclosed under Regulation 30 read with Schedule III Part A of the Listing Regulations, including material information having a bearing on the performance/operations of the Company or other price sensitive information. As a good corporate practice, black-out period is observed a week before the date of the Board meeting at which financial results are considered and directors/senior management personnel are advised not to communicate with investors/analysts and media during the said period. The Company has complied with all requirements of the MCA, stock exchanges, SEBI, RBI and other statutory authorities on matters relating to capital markets and that no penalty has 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 website of the Company.

[14] General Members' information:

INVESTORS' SERVICES

Link Intime India Pvt. Ltd. ('Link Intime'), Registrar and Share Transfer Agent ('RTA'), leaders in the corporate registry business, manage activities related to the shares of the Company. They are equipped with modern infrastructure, experienced staff and have in place, best systems and controls. Link Intime deploys the latest technology and have a professional team of domain experts.

Members can approach Link Intime for any query or assistance through e-mails, letters, over telephone or by visiting their office situate at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, Tel: +91 81 0811 6767, Toll Free No. 1800 1020 878, E-mail: rnt.helpdesk@linkintime.co.in.

ANNUAL GENERAL MEETING

In compliance with MCA General Circular No. 10/2022 dated December 28, 2022 read with General Circular Nos. 20/2020 dated May 5, 2020 and 02/2022 dated May 5, 2022, the 41st AGM will be held on Thursday, August 3, 2023, through video conferencing/other audio-visual means. Kindly refer to the Notice of the 41st AGM for details.

FINANCIAL CALENDAR - FY 2023-24

First quarter results (Unaudited)	:	July/August 2023
Second quarter results (Unaudited)	:	October/November 2023
Third quarter results (Unaudited)	:	January/February 2024
Annual results (Audited)	:	April/May 2024
42nd AGM	:	July/August 2024

RECORD DATE

Friday, July 14, 2023, shall be the Record date for determining the entitlement of Members for dividend for the year ended March 31, 2023, if declared at the 41st AGM. Dividend shall be paid to: -

a) beneficial owners at the end of business hours on Friday, July 14, 2023, as per lists furnished by Central Depository Services (I) Limited (CDSL) and National Securities Depository Limited (NSDL), in respect of shares held in electronic form; and

b) persons whose names appear on the Register of Members as at the end of business hours on Friday, July 14, 2023, in respect of shares held in physical form.

DIVIDEND PAYMENT

Dividend, if declared shall be remitted electronically i.e. through NACH/NEFT etc., wherever bank details of shareholders are available and in other cases, through demand drafts.

SHARES LISTED AT

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 2023-24 have been paid to BSE and NSE.

STOCK CODES

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

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

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

CORPORATE IDENTITY NUMBER (CIN)

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

EXCLUSIVE E-MAIL ID FOR COMMUNICATION OF INVESTORS' GRIEVANCES

The E-mail ID **rnt.helpdesk@linkintime.co.in** has been designated exclusively for communicating investors' grievances, if any.

MARKET PRICE DATA

The market price data covering the year April 2022 to March 2023 is given below: -

Month/Year	BSE				NSE			
	High (₹)	Date	Low (₹)	Date	High (₹)	Date	Low (₹)	Date
Apr - 2022	798.90	05.04.22	723.10	25.04.22	797.50	20.04.22	723.00	25.04.22
May - 2022	755.55	02.05.22	583.05	25.05.22	760.00	02.05.22	583.00	25.04.22
Jun - 2022	640.70	27.06.22	592.55	17.06.22	640.90	27.06.22	592.90	17.06.22
Jul - 2022	665.05	21.07.22	608.75	01.07.22	665.30	21.07.22	608.70	01.07.22
Aug - 2022	703.60	24.08.22	602.80	04.08.22	703.80	24.08.22	603.00	04.08.22
Sep - 2022	682.80	30.09.22	623.20	19.09.22	682.80	30.09.22	623.00	19.09.22
Oct - 2022	750.00	04.10.22	670.65	20.10.22	750.55	04.10.22	671.30	20.10.22
Nov - 2022	768.55	30.11.22	688.35	09.11.22	769.00	30.11.22	688.05	09.11.22
Dec - 2022	788.90	23.12.22	718.00	20.12.22	788.90	23.12.22	718.00	20.12.22
Jan - 2023	769.70	18.01.23	723.00	02.01.23	770.00	18.01.23	722.55	02.01.23
Feb - 2023	785.65	09.02.23	645.80	27.02.23	785.75	09.02.23	645.30	27.02.23
Mar - 2023	673.55	27.03.23	628.10	31.03.23	673.75	27.03.23	628.00	31.03.23

DEMATERIALISATION OF SHARES AND LIQUIDITY

Trading in shares of the Company is permitted only in dematerialised form. Trading can be carried out through both the depositories, CDSL and NSDL. With a view to expedite the demat process, requests received for dematerialisation of shares are closely monitored.

Shareholders are advised to dematerialise shares held in physical form as also update details of their bank account, e-mail IDs etc. to ensure prompt disbursement of dividend amount and speedy assimilation of Company information.

During the year, demat requests received in respect of 111695 shares were electronically confirmed. As on March 31, 2023, 99.83% of the share capital of the Company was held in dematerialised form.

Shares of the Company are actively traded on BSE and NSE. Trading data for the year was as under: -

(Value in million ₹)

Month/Year	BSE		NSE		Total	
	Shares	Value (₹)	Shares	Value (₹)	Shares	Value (₹)
Apr - 2022	924631	710.51	21325258	16,410.28	22249889	17,120.79
May - 2022	1767123	1,185.02	33403117	21,790.98	35170240	22,976.00
Jun - 2022	1113907	685.94	21608998	13,291.01	22722905	13,976.95
Jul - 2022	804981	513.40	16436727	10,495.61	17241708	11,009.01
Aug - 2022	1784635	1,166.01	38219514	25,195.80	40004149	26,361.81
Sep - 2022	1052052	690.74	24403376	16,111.09	25455428	16,801.83
Oct - 2022	1806351	1,267.41	26949414	19,049.97	28755765	20,317.38
Nov - 2022	1350309	993.91	37360151	27,389.93	38710460	28,383.84
Dec - 2022	710374	537.47	22127518	16,680.08	22837892	17,217.55
Jan - 2023	464796	348.36	13965736	10,459.55	14430532	10,807.91
Feb - 2023	765489	542.44	23322804	16,330.60	24088293	16,873.04
Mar - 2023	639116	418.48	17395627	11,411.56	18034743	11,830.04
Total	**13183764**	**9,059.69**	**296518240**	**204,616.46**	**309702004**	**213,676.15**

PERFORMANCE IN COMPARISON WITH BROAD BASED INDICES

Share price of the Company compared with S&P BSE Sensex and Nifty 50 (Month-end closing) during the year was as under: -

Month/Year	BSE		NSE	
	Lupin share price (₹)	S&P BSE Sensex	Lupin share price (₹)	Nifty 50
Apr - 2022	745.05	57060.87	744.65	16824.70
May - 2022	619.20	55566.41	618.60	15735.75
Jun - 2022	611.40	53018.94	610.95	15183.40
Jul - 2022	644.55	57570.25	644.10	15511.05
Aug - 2022	669.10	59537.07	669.10	17154.80
Sep - 2022	679.60	57426.92	679.85	16747.70
Oct - 2022	698.35	60746.59	699.00	16855.55
Nov - 2022	765.85	63099.65	766.10	17959.20
Dec - 2022	732.90	60840.74	733.70	17774.25
Jan - 2023	737.95	59549.90	737.30	17405.55
Feb - 2023	659.20	58962.12	659.25	17255.20
Mar - 2023	647.85	58991.52	648.40	16828.35

EVOLUTION OF SHARE CAPITAL

Particulars of share capital of the Company: -

Year	Allotment of shares (of the face value of ₹ 10/- each)	Total issued	
		No. of shares during the year	Capital at the end of the year (₹)
2001 - 02	40141134 shares upon amalgamation*	40141134	401411340
2006 - 07	11360 shares under ESOP (Pre - Bonus) 40152494 shares as bonus (in the ratio of 1:1) 39576 shares under ESOP (Post - Bonus)	40203430	803445640
2007 - 08	1656100 shares upon conversion of FCCB 80231 shares under ESOP	1736331	820808950
2008 - 09	571069 shares upon conversion of FCCB 167586 shares under ESOP	738655	828195500
2009 - 10	5816742 shares upon conversion of FCCB 307541 shares under ESOP	6124283	889438330
2010 - 11	170691 shares under ESOP (Pre Sub-division) **Allotment of shares (of the face value of ₹ 2/-each)** 628569 shares under ESOP (Post Sub-division)	1482024	892402378
2011 - 12	440492 shares under ESOP	440492	893283362
2012 - 13	887812 shares under ESOP	887812	895058986
2013 - 14	846311 shares under ESOP	846311	896751608
2014 - 15	1112531 shares under ESOP	1112531	898976670
2015 - 16	1094634 shares under ESOP	1094634	901165938
2016 - 17	993900 shares under ESOP	993900	903153738
2017 - 18	505981 shares under ESOP	505981	904165700
2018 - 19	410847 shares under ESOP	410847	904987394
2019 - 20	504424 shares under ESOP	504424	905996242
2020 - 21	682012 shares under ESOP	682012	907360266
2021 - 22	794881 shares under ESOP	794881	908950028
2022 - 23	506321 shares under ESOP	506321	909962670

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

SHARE TRANSFER SYSTEM

Shares of the Company are traded only in dematerialised form and are transferable through the depository system. Transfer of shares held in physical form are approved by Link Intime and confirmed at meetings of the Board of directors of the Company.

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

SHARE ALLOTMENT COMMITTEE

Share Allotment Committee comprises of Mrs. Manju D. Gupta, *Chairman*, Dr. Kamal K. Sharma (up to October 13, 2022), Mr. Nilesh D. Gupta and Mr. Ramesh Swaminathan (w.e.f. May 9, 2023). The Committee approves allotment of fully paid-up equity shares of ₹ 2/- each to employees of the Company and its subsidiaries, upon exercising vested options granted under various employees stock option plans of the Company. The Committee met 13 times during the year and approved allotment of shares aggregating 506321. Persons authorised by the Committee complete the pre and post allotment formalities including listing of allotted shares on BSE and NSE.

UNCLAIMED SHARES

As on April 1, 2022, 800 shares of six shareholders were outstanding as unclaimed in the 'Unclaimed Suspense Account' of the Company. During the year, no share was eligible for transfer to the Investor Education & Protection Fund ('IEPF') authority pursuant to the provisions of Section 124(6) of the Act. Accordingly, as on March 31, 2023, 800 shares of the six shareholders, continued to remain outstanding in the Unclaimed Suspense Account. Voting rights in respect of the said shares shall remain frozen till claims of the rightful shareholders are approved by the Company.

SHAREHOLDING PROFILE AS ON MARCH 31, 2023

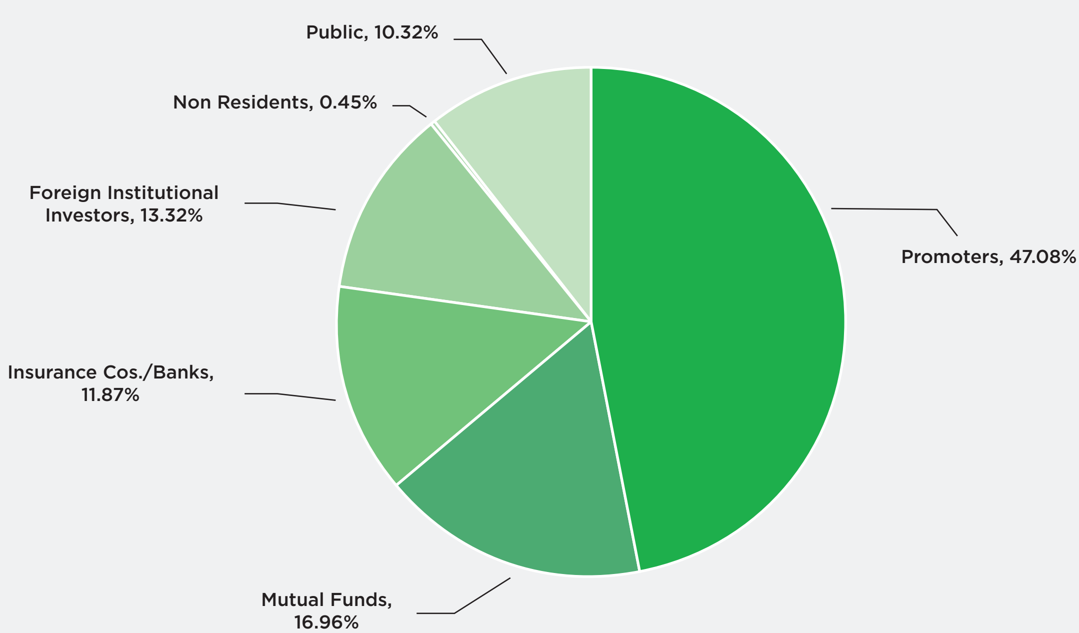
i. Distribution of Shareholding

Shareholding range (No. of shares)	Shareholders		Shareholding	
	Numbers	%	Numbers	%
1 - 500	344803	96.57	17746555	3.90
501 - 1000	6157	1.73	4627453	1.02
1001 - 2000	3695	1.03	5022440	1.10
2001 - 3000	767	0.21	1916234	0.42
3001 - 4000	325	0.09	1144046	0.25
4001 - 5000	184	0.05	849252	0.19
5001 - 10000	376	0.11	2675348	0.59
10001 and above	732	0.21	421000007	92.53
Total:	**357039**	**100.00**	**454981335**	**100.00**

ii. Shareholding Pattern

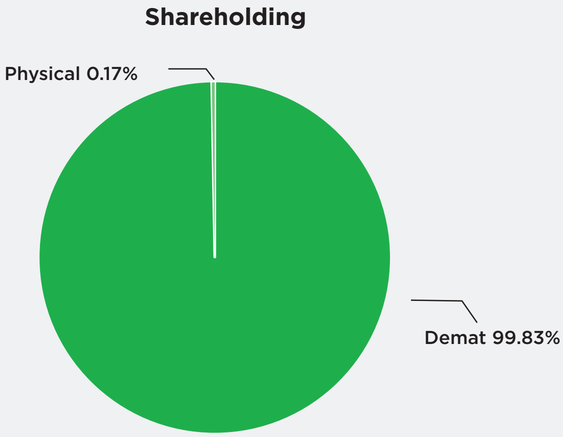
Category	As on 31.03.2023		As on 31.03.2022	
	No. of shares	%	No. of shares	%
Promoters	214199649	47.08	212605094	46.78
Mutual Funds	77168906	16.96	71429918	15.72
Insurance Cos./Banks	53995154	11.87	50530878	11.12
Foreign Institutional Investors	60601842	13.32	66596009	14.65
Foreign Bodies	5000	0.00	5000	0.00
Non Residents	2047552	0.45	1969007	0.43
Public	46963232	10.32	51339108	11.30
Total:	**454981335**	**100.00**	**454475014**	**100.00**

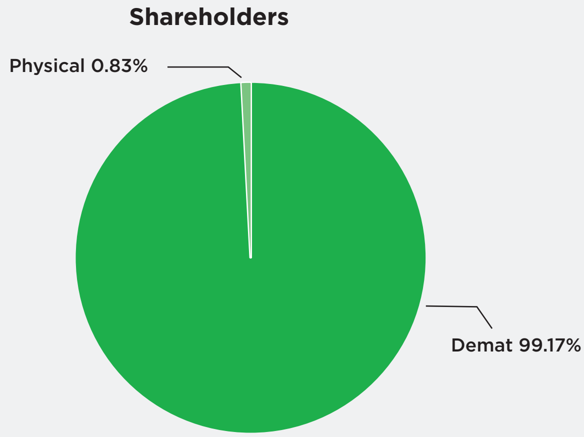
Shareholding Pattern as on March 31, 2023



iii. Shareholding Profile

	Demat		Physical		Total
	(Nos.)	%	(Nos.)	%	(Nos.)
Shareholding	454202434	99.83	778901	0.17	454981335
Shareholders	354088	99.17	2951	0.83	357039





iv. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	16399	4.59	Madhya Pradesh	11258	3.15
Assam	1820	0.51	Maharashtra	109020	30.53
Bihar	6313	1.77	North Eastern States	1209	0.34
Chhattisgarh	2486	0.70	Orissa	4087	1.14
Delhi	19445	5.45	Punjab	5163	1.45
Goa	1938	0.54	Rajasthan	13908	3.90
Gujarat	38139	10.68	Tamilnadu	19959	5.59
Haryana	10375	2.91	Telangana	1426	0.40
Himachal Pradesh	1099	0.31	Uttarakhand	2117	0.59
Jammu and Kashmir	924	0.26	Uttar Pradesh	23986	6.72
Jharkhand	4102	1.15	West Bengal	22022	6.17
Karnataka	24590	6.89	Others	6386	1.78
Kerala	8868	2.48	**Total:**	**357039**	**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
*2022 - 23	14.07.2023	200	4.00	03.08.2023	-
2021 - 22	15.07.2022	200	4.00	03.08.2022	05.08.2022
2020 - 21	28.07.2021	325	6.50	11.08.2021	17.08.2021
2019 - 20	05.08.20 - 12.08.20	300	6.00	12.08.2020	18.08.2020
2018 - 19	31.07.19 - 07.08.19	250	5.00	07.08.2019	13.08.2019
2017 - 18	01.08.18 - 08.08.18	250	5.00	08.08.2018	13.08.2018
2016 - 17	26.07.17 - 02.08.17	375	7.50	02.08.2017	05.08.2017
2015 - 16	27.07.16 - 03.08.16	375	7.50	03.08.2016	06.08.2016
2014 - 15	16.07.15 - 23.07.15	375	7.50	23.07.2015	27.07.2015
2013 - 14 (Final)	23.07.14 - 30.07.14	150	3.00	30.07.2014	31.07.2014
2013 - 14 (Interim)	14.02.14	150	3.00	03.02.2014	21.02.2014
2012 - 13	31.07.13 - 07.08.13	200	4.00	07.08.2013	08.08.2013
2011 - 12	17.07.12 - 24.07.12	160	3.20	24.07.2012	25.07.2012
2010 - 11	20.07.11 - 27.07.11	150	3.00	27.07.2011	28.07.2011
2009 - 10	21.07.10 - 28.07.10	135	13.50	28.07.2010	29.07.2010
2008 - 09	22.07.09 - 29.07.09	125	12.50	29.07.2009	30.07.2009
2007 - 08	15.07.08 - 22.07.08	100	10.00	22.07.2008	23.07.2008
2006 - 07	12.07.07 - 19.07.07	50	5.00	19.07.2007	20.07.2007
2005 - 06	11.07.06 - 12.07.06	65	6.50	25.07.2006	26.07.2006
2004 - 05	19.07.05 - 20.07.05	65	6.50	28.07.2005	29.07.2005
2003 - 04	15.07.04 - 16.07.04	65	6.50	29.07.2004	30.07.2004
2002 - 03	17.07.03 - 18.07.03	50	5.00	06.08.2003	07.08.2003
2001 - 02 (Final)	20.08.02 - 21.08.02	25	2.50	02.09.2002	03.09.2002
2001 - 02 (Interim)	07.02.02	25	2.50	17.01.2002	15.02.2002

*Subject to approval by shareholders.

Notes: 1. Dividend for financial year 2006-07 onwards was on the enhanced share capital, consequent to the bonus issue in the ratio of 1:1.

2. Effective August 31, 2010, the face value of the share was reduced from ₹ 10/- each to ₹ 2/- each.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Code of Conduct adopted by the Company, as prescribed by SEBI (Prohibition of Insider Trading) Regulations, 2015, ('PIT Regulations'), is designed to maintain the highest ethical standards. The Code is applicable to Promoters, Directors, Key Managerial Personnel, Designated Persons ('DPs') and their immediate relatives. It elaborately prescribes the procedures to be followed by them while dealing in shares of the Company. In compliance with the PIT Regulations, they are prohibited from dealing in shares of the Company during the period in which the trading window is closed. To ensure easy access and increased awareness, the Code has been hosted on the Company's intranet.

As envisaged by the PIT Regulations, the Company has adopted 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information', which has been hosted on the Company's website (www.lupin.com). Promoters, Directors, Key Managerial Personnel and DPs are restricted in dealing with the shares of the Company while in the possession of any unpublished price sensitive information.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As mandated by Clause 76(1) of SEBI (Depositories and Participants) Regulations, 2018, with a view to reconcile the total admitted capital with NSDL, CDSL and those held in physical form, with the total issued, paid-up and listed capital of the Company, an audit of the share capital of the Company is conducted by a Practising Company Secretary for every calendar quarter.

The Reconciliation of Share Capital Audit Report of the Practising Company Secretary, inter-alia, confirms that the Register of Members is duly updated and that demat/remat requests were duly confirmed to the depositories within the stipulated time. The Report also covers details of changes in the share capital during each quarter. The Report is disseminated on BSE and NSE and is also placed at meetings of the Board of Directors and the Stakeholders' Relationship Committee of the Company.

UNCLAIMED DIVIDENDS

Pursuant to the provisions of Section 124(6) of the Act read with Rule 6 of the Investor Education & Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends declared by the Company up to the financial year 2014-15, which remained unclaimed/unpaid were transferred to the IEPF authority, as and when the same were due.

The Company sends reminders to its esteemed shareholders requesting them to claim their unclaimed/unpaid dividends before transferring the same to the IEPF authority. Unclaimed/unpaid dividends for the financial years 2015-16 onwards will be transferred to the IEPF authority, as under: -

Financial Year	Date of Declaration	Due date for transfer to IEPF
2015 - 16	03.08.2016	08.09.2023
2016 - 17	02.08.2017	07.09.2024
2017 - 18	08.08.2018	13.09.2025
2018 - 19	07.08.2019	12.09.2026
2019 - 20	12.08.2020	17.09.2027
2020 - 21	11.08.2021	16.09.2028
2021 - 22	03.08.2022	08.09.2029

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

OUTSTANDING GDRs/ADRs/WARRANTS/ CONVERTIBLE INSTRUMENTS

Stock options have been granted by the Company to its employees and those of its subsidiaries under various employee stock option plans.
In compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as also in terms and conditions of the respective plans, the Company allots shares from time to time, upon the employees exercising their vested options. The Company has not issued any GDR/ADR and that no warrants and convertible instruments are outstanding.

PLANT LOCATIONS

The Company's plants are located at: -

i)	T-142, MIDC Industrial Estate, Tarapur Industrial Area, Boisar, Dist. Palghar, Maharashtra - 401 506.
ii)	198-202, New Industrial Area II, Mandideep, Dist. Raisen, Madhya Pradesh - 462 046.
iii)	Plot no. 9, 123, 123/1, 124, 125, GIDC Industrial Estate, Ankleshwar, Gujarat - 393 002.
iv)	A-28/1, MIDC Area, Chikalthana, Aurangabad, Maharashtra - 431 001.
v)	B-15, Phase I-A, Verna Industrial Area, Verna Salcette, Goa - 403 722.
vi)	EPIP, Kartholi, SIDCO Industrial Complex, Bari Brahmana, Dist-Samba, Jammu (J&K) - 181 133.
vii)	Gat No. 1156, Village Ghotawade, Taluka Mulshi, Dist. Pune, Maharashtra - 411 042.
viii)	Block 21, Village Dabhasa, Padra Taluka, Dist. Vadodara, Gujarat - 391 440.
ix)	Plots Nos. M-1, M-2, M-2A and M-3-A, Special Economic Zone, Phase - II, Misc. Zone, Apparel Park, Pithampur, Dist. Dhar, Madhya Pradesh - 454 775.
x)	Plot 6A1, 6A2 and 6B, Sector-17, Special Economic Zone, Mihan Notified Area, Nagpur, Maharashtra - 441 108.
xi)	Plot #130, Road #11, J. N. Pharma City Parwada, Visakhapatnam, Andhra Pradesh - 531 019.
xii)	4th Mile, Bhasmey Kamarey-Bhasmey Block Duga Ilaka, Dist- Pakyong Sikkim - 737 132
xiii)	Novel Laboratories Inc., 400, Campus Drive, Somerset, New Jersey - 00873 - 1145, USA.
xiv)	Laboratorios Grin S.A. de C.V., Rodriguez Saro#630, Col Del Valle, Mexico DF, CP 03100, RFC LGR8309144M3.
xv)	Medquimica Industria Farmaceutica LTDA, RUA FERNANDO LAMARCA, 255 - Bairro Distrito Industrial Juiz de Fora, Minas Gerais, CEP 36092-030, Brazil.

ADDRESS FOR CORRESPONDENCE

Members may address their queries/communications to:

Registrar and Share Transfer Agent
Link Intime India Pvt. Ltd.
Unit: Lupin Limited
C 101, 247 Park, LBS Marg,
Vikhroli (West),
Mumbai - 400 083
Tel: 8108 116 767
Toll Free No. 1800 1020 878
E-mail: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board of Directors

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 9, 2023

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

We, Mr. Nilesh D. Gupta, Managing Director and Mr. Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head – Corporate Affairs, do hereby certify to the Board that: -

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2023 and that to the best of our knowledge and belief: -

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

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

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

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

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

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

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

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

For LUPIN LIMITED

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

For LUPIN LIMITED

Ramesh Swaminathan
Executive Director, Global CFO & CRO and Head – Corporate Affairs
(DIN: 01833346)

Mumbai, May 9, 2023

DECLARATION FOR COMPLIANCE WITH THE CODES OF CONDUCT

I hereby declare that all the Directors and the Senior Management of the Company have affirmed compliance with the Codes of Conduct as applicable to them for the year ended March 31, 2023.

For LUPIN LIMITED

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 9, 2023

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 15 September 2021 with addendum to our Engagement letter dated 9 May 2023.
2. This report contains details of compliance of conditions of corporate governance by Lupin Limited ('the Company') for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibilities

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the 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 of enabling the Company to comply with the requirement of the Listing Regulations and 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 9, 2023

UDIN: 23113156BGYUJF1526

Business Responsibility & Sustainability Report (BRSR) FY23

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24100MH1983PLC029442
2.	Name of the Listed Entity	Lupin Limited
3.	Year of Incorporation	1983
4.	Registered office address	Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055. India
5.	Corporate address	Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055. India
6.	E-mail id	hosecretarial@lupin.com
7.	Telephone	+ 91 22 6640 2323
8.	Website	www.lupin.com
9.	Financial year for which reporting is being done	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE, NSE
11.	Paid-up Capital	₹ 910 mn
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head – Corporate Affairs +91 22 6640 2323, hosecretarial@lupin.com
13.	Reporting Boundary	Standalone

14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture of Pharmaceuticals	Manufacturing and sales of Pharmaceuticals	97.62

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of Pharmaceuticals	210 Medical and Healthcare	100

II. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	14	4	18
International	5	7	12

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 and 8 Union territories
International (No. of Countries)	65

b. What is the contribution of exports as a percentage of the total turnover of the entity?

40.4% of the Company's total revenue (standalone) can be attributed to its earnings from exports.

c. A brief on types of customers

Customers form the critical component of our value chain and growth strategy. Our operations span globally and cater to several health segments benefitting diverse patients, including cardiology, respiratory, diabetes, gynecology, and gastrointestinal. Our customer base broadly includes wholesalers, distributors, pharmacy chains, patients, healthcare providers, hospitals, government institutions, and other pharmaceutical companies. We are focused on delivering high-quality and efficacious generic drug components and medications to partners and healthcare systems across the globe.

18. *Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No	Particulars	Total(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	17,606	16,673	95%	933	5%
2.	Other than Permanent (E)	246	215	87%	31	13%
3.	Total employees (D + E)	**17,852**	**16,888**	**95%**	**964**	**5%**
WORKERS						
4.	Permanent (F)	1,125	1,112	99%	13	1%
5.	Other than Permanent (G)	5,227	4,917	94%	310	6%
6.	**Total workers (F + G)**	**6,352**	**6,029**	**95%**	**323**	**5%**
7	**Total Permanent Workforce**	**18,731**				

b. Differently-abled Employees and Workers

We understand that diversity drives innovation and enhances our ability to serve our communities better. We are committed to building an organization where every employee, regardless of their disability, gender, age or sexual orientation, is respected and appreciated for their individuality. We employ differently abled employees at our offices and plants as per their suitability. Our sites are equipped with the basic facilities required for people with any form of disability.

S.No	Particulars	Total(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	NA				
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA				
5.	Other than Permanent (G)					
6.	Total differently-abled workers (F + G)					

19. **Participation/Inclusion/Representation of Women

	Total(A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	3	37
Key Management Personnel	4	1	25

**These numbers exclude the newly incorporated subsidiaries of Lupin Diagnostics and Lupin Digital Health which employed 430 and 85 permanent employees, respectively, as of FY23. The data will be reflected granularly from FY24 considering the nascent stage of HR operations for these subsidiaries.*

***3 KMPs are also part of the Board of Directors.*

20. *Turnover rate for permanent employees and workers

Category	FY 2023 (Turnover rate in current FY)		
	Male	Female	Total
Permanent Employees	24.31	27.35	24.47
Permanent Workers	12.4	0	12.21

Category	India
Number of Employees at the beginning of FY 23	19,566
Number of Employees at the end of FY 23	18,731
Average number of Employees	19,149
Number of Employees left	4,544
Number of New Employees Hired	3,709
Turnover Rate	23.8%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S.No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/Associate/Joint Venture	% of shares held by listed entity
1.	Lupin Inc., USA	Subsidiary	100%
2.	Lupin Pharmaceuticals Inc., USA	Subsidiary	100%
3.	Pharma Dynamics (Proprietary) Limited, South Africa	Subsidiary	100%
4.	Hormosan Pharma GmbH, Germany	Subsidiary	100%
5.	Multicare Pharmaceuticals Philippines, Inc., Philippines	Subsidiary	51%
6.	Generic Health Pty Limited, Australia	Subsidiary	100%
7.	Naomi B.V., Netherlands	Subsidiary	100%
8.	Lupin Atlantis Holdings SA, Switzerland	Subsidiary	100%
9.	Lupin Healthcare (UK) Limited, UK	Subsidiary	100%
10.	Lupin Australia Pty Limited, Australia	Subsidiary	100%
11.	Lupin Pharma Canada Limited, Canada	Subsidiary	100%
12.	Lupin Mexico S.A. de C.V., Mexico	Subsidiary	100%
13.	Bellwether Pharma Pty Limited, Australia	Subsidiary	100%
14.	Lupin Philippines Inc., Philippines	Subsidiary	100%
15.	Lupin Healthcare Limited, India	Subsidiary	100%
16.	Generic Health SDN. BHD., Malaysia	Subsidiary	100%
17.	Laboratoris Grin S.A. de C.V., Mexico	Subsidiary	100%
18.	Medquimica Industria Farmaceutica LTDA, Brazil	Subsidiary	100%
19.	Novel Laboratories, Inc., USA	Subsidiary	100%
20.	Lupin Research Inc., USA	Subsidiary	100 %
21.	Avenue Coral Springs, LLC, USA	Subsidiary	100%
22.	Lupin Management, Inc., USA	Subsidiary	100%
23.	Lupin Europe GmbH, Germany	Subsidiary	100%
24.	Lupin Biologics Limited, India	Subsidiary	100%
25.	Lupin Oncology Inc., USA	Subsidiary	99.3%
26.	Lupin Digital Health Limited, India	Subsidiary	100%
27.	Southern Cross Pharma Pty Ltd., Australia	Subsidiary	100%
28.	YL Biologics Ltd., Japan	Joint Venture	45%
29.	Lupin Foundation, India	Subsidiary	100%

**These numbers exclude the newly incorporated subsidiaries of Lupin Diagnostics and Lupin Digital Health which employed 430 and 85 permanent employees, respectively, as of FY23. The data will be reflected granularly from FY24 considering the nascent stage of HR operations for these subsidiaries.*

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - **Yes**

(ii) Turnover (in Rs.) - ₹ 112,588.3 Mn

(iii) Net worth (in Rs.) - ₹ 184,118.6 Mn

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

As per our operations, business model, and social welfare activities, Lupin stakeholders include its communities, investors, customers, employees, channel partners/franchises, regulators, and research analysts. Stakeholders can raise their complaints through various platforms. We have a Whistle Blower Policy, which provides a formal mechanism for all employees to report any actual or suspected concerns related to Violation of the Code of Conduct or any other unethical behavior. We also have Internal Committees for handling the grievances arising from sexual harassment at the workplace, thereby adhering to the Prevention of Sexual Harassment Act.

Our whistle-blower policy is available at https://www.lupin.com/pdf/Whistleblower-Policy.pdf. For details on investor complaints, refer to the 'Investor contacts' on our website:

S no	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	2021-22			2022-23		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
1.	Communities	There is a hotline available to address any concerns or issues that may arise.	0	0		2	0	
2.	Shareholders	https://www.lupin.com/investors/	20	0		0	0	
3.	Investors	https://www.lupin.com/investors/	0	0		0	0	
4.	Employees and workers	Yes https://www.lupin.com/pdf/Whistleblower-Policy.pdf	2	0		11	3	
5.	Customers	https://lupinindia.azurewebsites.net/contact-us/	30,000	0		25,500	0	
6.	Value Chain Partners	Yes https://www.lupin.com/wp-content/uploads/2022/08/third-party-code-of-onduct-policy-signed.pdf	0	0		6	2	
7.	Other: Anonymous Contract employee Former Employee	-	0	0		3	0	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Occupational Health and Safety (OHS)	Risk	As a responsible corporate citizen, it is Lupin's prerogative to maintain a safe working environment that is free of injuries, accidents, and fatalities. Poor occupational health and safety (OHS) performance can negatively impact labor costs through lower productivity. Moreover, it can also the company's reputation and the morale of the staff through incidents of injuries and fatalities at the site. Non-adherence to OHS requirements may result in penalties and fines for the company.	Measures undertaken to mitigate risks include: - All the facilities are implementing ISO 45001 Management systems (health & safety management systems), which help ensure employees' physical and mental well-being are prioritized over operations - OHS risks are regularly and proactively identified through Hazard Identification and Risk Assessment systems at all our locations. Additional risk assessments include HAZOP for API products, processes, and risk assessment for Formulation Units. - Regular safety training, drills for response management systems, and capacity-building sessions are conducted. - Internal and external audits are conducted every year for all the facilities.	**Negative:** Improper safety mechanism of life, high-consequence injury, and reputational damage.
2.	Diversity and Inclusion	Opportunity	Diversity and Inclusion improve company performance by bringing together people with varied knowledge, views, and perspectives. This results in identifying innovative ideas and improves talent attraction and retention at the workplace.	Various initiatives have been undertaken to drive Inclusivity in the workplace. This includes Lupin's women's network, Returning Mother's program, gender sensitization program, and Impact - a women's mentoring program. We are also committed to including 15% of women employees across all business units by 2027. This goal is in line with our Diversity Strategy.	**Positive:** A diverse workforce from different genders, ages, ethnicities, and special abilities enables a productive environment and drives innovative thinking, helping in employee engagement and resulting in higher efficiency.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Product Quality	Risk	With increasing regulatory compliances, it is essential to maintain the high quality of products. Non-adherence to such quality requirements may result in heavy fines, fees, penalties, etc. Consumers' expectations are constantly changing, and to stay ahead of their peers, it is important to stay aligned with such requirements.	Initiatives to improve product quality are: - Use of advanced automated systems to detect product defects - Compliance with CGMP requirements, FDA guidelines, etc. - Dedicated Pharmacovigilance team to track the incidence of any adverse event caused by any medication and ensure its timely redressal or recall. We follow a quality-first approach where we implement systems and processes that help enhance quality management through training, corrective action plans, etc.	**Negative:** A company can incur severe reputational and operational damage in product quality-related issues. This may also lead to a decrease in customer satisfaction and trust
4.	Resource Efficiency	Risk	By using fewer resources and optimizing their use, businesses can become more environmentally friendly, competitive, and profitable. It also helps in achieving sustainable green growth. Additionally, it maintains investors' and shareholders' confidence in the company. Non-adherence to regulatory requirements can result in penalties, fines, plant shutdown, etc., and impact a company's reputation.	Initiatives to improve resource efficiency are: - All our facilities are implementing ISO 14001 certification (Environmental management system) - Our 6 out of 13 Indian sites are zero liquid discharge. - Utilising cleaner energy sources in our manufacturing operations and focusing on using renewable energy sources such as solar, wind, etc. - We have set targets related to water recycling, hazardous waste better utilization, and reduction of GHG emissions. - Internal and external energy audits are environmental audits conducted annually.	**Positive:** Judicious use of resources can yield cost benefits, reduce the negative environmental impact and build reputational synergy in the sector.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Supply chain sustainability	Risk	An efficient supply chain ensures business continuity. With increasing cross-border dependency on raw materials, managing the risks (e.g., geo-political crisis, etc.) associated with it is essential. Non-availability of raw materials could impact production and timely availability of products in the market resulting in financial losses.	Through Adopting an Integrated Business Planning (IBP) process, we have improved the transparency of data, clear insights, and identification of any existing/emerging gaps have enabled us to make the right decisions to ensure that we maximize our ability to service the market and mitigate the costs of Failure to Supply. We conduct ESG risk assessments for our critical suppliers, which enables us to assess suppliers' performance on environmental, social & governance parameters.	**Negative:** Value chain disruption can significantly impact operations, and production, impacting the timely availability of products and profits generated.
6.	Digitization	Opportunity	Transitioning to digital tools enables enhanced efficiency and effectiveness of operational processes, resulting in increased productivity across operations. Advancements in digitization can also be utilized to build digital therapeutic solutions.	At Lupin, we have invested in automation and digitization to enhance the efficiency and effectiveness of our processes. We have implemented Project ADAPT, which leverages the power of big data, predictive analytics, and digital tools across the value chain to build in-house capabilities and develop the required IT/OT infrastructure. We launched LYFE, a digital therapeutic solution to help patients improve their heart health modules. FDA and CE-approved wearable devices record vital parameters and notify caregivers and doctors about off-range vitals and emergencies.	**Positive:** Digitization helps reduce human errors, improves systems efficiency, saves time & effort, increases data capturing and analysis, and provides a competitive advantage.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Business ethics and governance	Opportunity	Good governance ensures that the company meets its corporation's stated objectives, complies with applicable laws and regulations, and protects shareholder rights and interests.	- We have a well-defined Code of Business Conduct highlighting a company's commitment to conduct business with integrity and professionalism. - Formulated the ESG core committee to provide accountability for ESG-related risks and opportunities.	**Positive:** Ethical conduct improves profitability, increases talent attraction and retention, and increases the trust of customers and shareholders in the organization.
8.	Regulatory Compliance	Risk	The Pharmaceutical Industry is one of the most heavily regulated industries in the world. Therefore, it is essential to abide by the regulatory requirements applicable across different aspects of the business. Non-adherence could impact on business profits and the company's reputation. This could also impact stakeholders' trust in the organization.	Adherence to the applicable regulatory requirements is a key priority, and at Lupin, we ensure that the regulatory compliances for health and safety, quality, human rights are followed at all times. Our facilities across the globe observe Good Manufacturing Practice (GMP) standards and have accreditations from leading global regulatory authorities such as US FDA, UK MHRA, WHO, and Japanese PMDA. Compliance related to Environment, Health and safety (EHS) as provided in the consent to operate, environmental monitoring, etc. are diligently followed at the sites.	**Negative:** Non-compliance could result in plant shutdown, penalties, fines, etc., and may impact profits and financial gain.
9.	Community Engagement	Opportunity	It is crucial that Lupin engages with the communities we operate in to increase trust and foster harmony.	The Lupin Human Welfare and Research Foundation engages with communities to identify their most critical social development needs and strategizes to create impact oriented programs. The Foundation has been working in the two niche domains of livelihoods and healthcare with a strong bottom-up approach	**Positive:** Maintaining goodwill with the nearby communities helps mitigate future grievances or concerns. This safeguards the business from possibilities of conflicts and any adverse events.

Section B: Management And Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Principle Description	Reference of LUPIN Policies
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.	Refer to our Code of Conduct web page https://www.lupin.com/investors/code-of-conduct/
P2	Businesses should provide goods and services in a manner that is sustainable and safe	Refer to Third party Code of Conduct https://www.lupin.com/wp-content/uploads/2022/08/third-party-code-of-onduct-policy-signed.pdf
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains	Refer to human rights policy on https://www.lupin.com/wp-content/uploads/2022/08/human-rights-policy-signed.pdf
P4	Businesses should respect the interests of and be responsive to all its stakeholders	Refer to Whistleblower policy on https://www.lupin.com/wp-content/uploads/2022/02/Whistleblower-Policy-Website.pdf
P5	Businesses should respect and promote human rights	Refer to human rights policy on https://www.lupin.com/wp-content/uploads/2022/08/human-rights-policy-signed.pdf
P6	Businesses should respect and make efforts to protect and restore the environment	Refer to EHSS policy on https://www.lupin.com/wp-content/uploads/2022/08/environment-health-safety-and-sustainability-policy-signed-rev.pdf
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Details of our interaction with industry associations have been provided in Principle 7
P8	Businesses should promote inclusive growth and equitable development	Refer to Diversity and Inclusion Policy on our website
P9	Businesses should engage with and provide value to their consumers in a responsible manner	The safety of all our products is managed and monitored using solid systems and processes by the Pharmacovigilance function. We have also launched a Global Quality Action Plan to ensure that the highest standards of product safety and quality are adhered to within our operations. Additionally, our team tracks and addresses customer grievances brought forth by stakeholders such as regulators and customers.[1] Refer to privacy policy on - https://www.lupin.com/privacy-policy/

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	All statutory policies are approved by the Board of Directors, whereas other policies are signed by the Chairman or the respective business head.								
c. Web Link of the Policies, if available*	All business responsibility policies are made publicly available to all our stakeholders via our company website P1 – P9 - Lupin Code of Conduct https://www.lupin.com/investors/code-of-conduct/ P1 - Whistleblower Policy https://www.lupin.com/wp-content/uploads/2022/02/Whistleblower-Policy-Website.pdf P2 – Refer to Third Party Code of Conduct https://www.lupin.com/wp-content/uploads/2022/08/third-party-code-of-onduct-policy-signed.pdf P3 – P5 – Refer to Human Rights Policy https://www.lupin.com/wp-content/uploads/2022/08/human-rights-policy-signed.pdf P4, P7, P8 – Refer to Corporate Social Responsibility Policy https://www.lupin.com/wp-content/uploads/2021/10/csr-policy.pdf P6 – Refer to EHSS Policy https://www.lupin.com/wp-content/uploads/2022/08/environment-health-safety-and-sustainability-policy-signed-rev.pdf P9 - Refer to Privacy Policy https://www.lupin.com/privacy-policy/								

2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Refer to Third Party Code of Conduct https://www.lupin.com/wp-content/uploads/2022/08/third-party-code-of-onduct-policy-signed.pdf								

4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.

The company has received the following certifications:

1. Information Security System (ISO 27001:2013)
2. ISO 8 Class 100,000 Clean Rooms Standards
3. Good Manufacturing Practice (GMP) compliance across facilities
4. Several facilities have received US FDA, UK MHRA, WHO, and Japanese PDMA accreditations
5. ISO 14001 & ISO 45001 Certification for 3 Facilities under process

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	**1. Environmental targets** • *Reduce direct and indirect GHG emissions by 15% (Baseline year of FY 19-20) by 2030.* • *Recycle and Reuse 50% of the total water withdrawn in Indian sites by 2025.* • *Send 60% of total incinerable hazardous waste generated in operations in India for co-processing to cement plants by 2025.* • *Regularly review and revise goals in alignment with our decarbonization strategy and Scope 3 reduction objectives.* **2. Product Accessibility and Affordability** **Access to Medicines** • *Targeting 80+ registrations of anti-TB and ARV medicines in 2024.* **Implementation of Patient Assistance Programs** • *Two programs by 2025, benefitting 100,000 patients each.* **Education for Patients and Doctors** • *Touching 1 million Patients by 2028 and 20,000 doctors by 2030.* **Local Manufacturing Partnership** • *Developing partnerships in Africa by 2027 to improve accessibility.* **3. Innovation Management** **Complex Generics Launches in Regulated Markets by 2028** • *20 complex product launches in the areas of inhalation, injectables, among others.* **Biosimilar and Novel Complex Products** • *Complete 3 biosimilar filings in regulated markets by 2028.* • *Launch 10 novel complex pipeline products in India by 2028.* **Process/Open Innovations** • *Target 15-20 process innovations annually, resulting in $2-3 million in savings.* • *Pursue open innovation partnerships in API, formulations, digital solutions, and diagnostics.* **4. Driving Regulatory Compliance, Quality, and Patient Safety** **Regulatory Compliance** • *Zero sites with Warning Letter status (WL) by FY25* **Recalls** • *Maintain zero class I recalls* **Data Integrity** • *No data integrity-related observations in any regulatory audits.* **Quality Audits** • *Lupin's India sites undergo annual audits, while supplier sites are audited every three years and during vendor qualification.* **CGMP Training** • *Ensure 100% completion of mandatory training to.* **5. Patient Centricity** **Diagnosis** • *By 2030, assist in the diagnosis of lung disease using fractional exhaled nitric oxide (FENO) and Spirometry tests for more than 1 million patients.* • *Target the diagnosis of breast cancer in 1,400 women in FY24.* **Rehabilitation** • *"Lungs on Care" campaign: Provide in-clinic services for Interstitial Lung Diseases (ILD) rehabilitation in 300 clinics by 2030.* • *Atharv Ability, our neuro rehabilitation center is targeting an outreach to 10,000 patients in FY24.* **Full care** • *Lyfe provides post-ACSz (acute coronary syndrome) patient care, aiming to reach 25,000 patients in FY24.*

	6. Supply chain targets • *Undertake detailed ESG audits of 100% of raw material and packaging materials Tier 1 suppliers by 2025.* • *Incorporate ESG aspects in the evaluation criteria for onboarding all new vendors by 2025.* **7. Social targets** • *Diversity target: 15% women employees across all business units by 2027.* • *Reduce Lost Time Injury Frequency Rate (LTIFR), Severity Rate, Accident Frequency Rate, and Incident Frequency Rate year on year, taking FY20 as the base year.* **8. Biodiversity** • *Plant 16,00,000 trees by 2025.*
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	To continuously progress in its journey towards sustainably conducting business, the company has taken various measures across segments, some of which have also received external recognition: **Water** • *Waste water generated from all sites except one is treated in waste water treatment plants. At nine of our sites, waste water after treatment is further processed in state-of-the-art water recovery plants consisting of Reverse Osmosis (RO), Multiple Effect Evaporator (MEE) and Agitated Thin film Dryer (ATFD) plants to recover water from the waste Agitated. The recovered water is utilized in utilities, flushing etc.* **Waste** • *In FY23, we sent 4,175.21 MT (60.9%) of incinerable hazardous waste for co-processing, as compared to 3,099.3 MT (44.5%) in FY22* • *We achieved our EPR target with 100% completion, collecting and channelizing 1,956 MT of plastic waste to processors.* • *To manage ETP sludge, a sludge drying system was set up to reducethemoisturecontentfrom80%toapproximately15%atsomeof our sites.* **Emissions and Renewable Energy** • *Initiated risk and opportunity analysis through Climate Change by following guidelines covered under the TCFD framework.* • *Conducted Scope 3 Accounting for eight categories. The shortlisted categories include, Purchased Goods and Services, Capital Goods, Fuel and Energy, Upstream and Downstream Transport, waste generated in operations, Business Travel, Employee Commute, and Downstream transportation and distribution.* • *Our share of renewable power to total power has been increased to 5.4 % in FY23 from 3.9 % in FY22* **Supply Chain** • *In FY23, we engaged with 7,716 suppliers compared to 9,683 suppliers in FY22.* • *Our procurement budget for MSMEs/small producers is increased to 15%* • *Lupin and DKSH signed an exclusive Licensing and Supply Agreement to Market Five Biosimilar Candidates in the Philippines* • *Lupin's Pithampur and Mandideep Facility won Gold at the National Awards for Manufacturing Competitiveness (NAMC) 2021 and a special award for advanced manufacturing systems.* • *Lupin Dabhasa received Prestigious 'Silver Category Award' at India Green Manufacturing Challenge 2021-22 Awards event organized by the International Research Institute for Manufacturing (IRIM).*

	Social • *Our share of women in the total workforce stands at **6**%* • *As part of our CSR initiatives, we planted ~137,000 trees during FY23.* • *Our LTIFR rate for FY23 stands at 0.07, a decrease of 67% compared to FY22.* • *To help new hires familiarise themselves with the culture of Lupin and smoothly pass through the initial challenges, we initiated a new hire program named Udbhav.* • *We won Business World's Diversity & Inclusion Awards 2022 in the Outstanding Diversity Network" category. It recognizes a company's strong sense of connection and belonging towards its workplace.* *For more information, our performance across various environmental and social parameters has been mentioned in the Natural Capital (Pg. number- **126**), Human Capital (Pg. number- **108)**, and Social Capital chapters (Pg. number- **86)** of the Integrated Report 22-23*
Governance, leadership and oversight	
7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure). Refer to the Executive Director's statement in our Integrated Report (Page number 50)	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head – Corporate Affairs
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes. The ESG performance of the Company is regularly monitored by the Company and reviewed by the ESG Core Committee. The CFO chairs it and is responsible for decision-making on sustainability-related issues. Meetings are held once a month to discuss progress and actions on ESG initiatives, targets, and implementation.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by the Director/ Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Company's performance across all aspects of the nine principles of the NGRBC is regularly monitored by the ESG Committee and reviewed by the CFO and respective departmental heads periodically.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.	Lupin strives to maintain the highest degree of conformance and compliance with the laws of the land in all locations of our operations. Any statutes and legislation pertaining to the nine principles of the NGRBC are complied with. This is the second year of our BRSR reporting to disclose our performance on the nine principles of the BRSR.																	

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
	No.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: NA

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE: 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness Programmes
Board of Directors	2	1. Whistle Blower mechanism 2. Anti – Retaliation 3. Conflict of Interest 4. Gift, Entertainment & Hospitality 5. Workplace Harassment 6. Working with Third Parties 7. Making commitment to the Lupin CODE of Conduct & its principles	100%
Key Managerial Personnel	2	1. Whistle Blower mechanism 2. Anti – Retaliation 3. Conflict of Interest 4. Gift, Entertainment & Hospitality 5. Workplace Harassment 6. Working with Third Parties 7. Making commitment to the Lupin CODE of Conduct & its principles	100%
Employees other than BoD and KMPs	74	1. Whistle Blower mechanism 2. Anti – Retaliation 3. Conflict of Interest 4. Gift, Entertainment & Hospitality 5. Workplace Harassment 6. Working with Third Parties 7. Making commitment to the Lupin CODE of Conduct & its principles	100%
Workers	9	1. Whistle Blower mechanism 2. Anti – Retaliation 3. Conflict of Interest 4. Gift, Entertainment & Hospitality 5. Workplace Harassment 6. Working with Third Parties 7. Making commitment to the Lupin CODE of Conduct & its principles	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 3 - of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In ₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	Nil				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/enforcement agencies/judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
N.A.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company does not have a standalone anti-bribery and corruption policy. However, the code of conduct highlights its commitment to anti-bribery and corruption. It is applicable to all subsidiaries, associates, and business partners. Lupin strictly prohibits any form of bribery and corruption in its operations and is committed to conducting its business ethically and transparently. It has implemented various internal controls such as conducting audits, internal reviews, no political contribution, regular compliance checks, whistleblower policy, etc. to ensure the company or its employees do not engage in unethical practices. The Company encourages and promotes a culture of intensive deliberations, transparency, and impartiality in its dealings with stakeholders and the public at large. The policy forms part of the Code of Business Conduct and Ethics and applies to all Employees, Senior Management, and the Board of Directors. It is present on the company's website and can be accessed at https://www.lupin.com/investors/code-of-conduct/.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23	**FY 2021-22**
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/ action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

PRINCIPLE: 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
*R&D	**₹ 12,800 million**	Not available	For details on environmental and social benefits driven by the Company, please refer to chapters - (Human Capital), (Intellectual Capital), (Social Capital) and (Natural Capital) in the Integrated Report FY23.
Capex	**Environmental:** 2.52% Company has invested Rs. 641,288,600 on the following interventions: - Paddle Dryer for drying sludge generated from ETP - MDP - Infrastructure for 16 TPH Briquette Boiler - Briquette Boiler 6TPH at Dabhasa - Briquette Boiler 5TPH at Ankleshwar - Briquette Boiler 2TPH at Sikkim - Installed rooftop solar at multiple locations with total 1833kW capacity - Start up of Briquette Boilers at Tarapur 16 TPH and 5 TPH at Nagpur - Paddle Dryer for Sludge Disposal in Tarapur - ETP Sludge Paddle Dryer (50 kg/Hr. Capacity) - Briquette Boiler 5TPH at Pithampur **Social:** Company has invested in new businesses through its wholly owned subsidiaries (i.e Lupin Diagnostics Limited ₹ 1,581.7 millions, Lupin Digital Health Limited ₹ 1,000.0 millions)	**3.88%**	

*Consolidated figure

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

The Company has appropriate measures in place for sustainable sourcing. Lupin aims to complete ESG assessment of ~40% of its direct suppliers (~350) in FY24 and detailed site audits of 15-20 strategic suppliers per year. Lupin has initiated desk based screening for tier 1 suppliers. As part of its Third party code of conduct, all the business partners are required to adhere to basic sustainability parameters such as labor rights, health & safety, environment, ethical conduct, data privacy, etc. The company has categorized its suppliers as Strategic, Critical, Leverage, and Routine and conducts periodic evaluations to identify, minimize and mitigate risks.

For more details on the company's Supplier Code of Conduct, please refer to our website: https://www.lupin.com/wp-content/uploads/2022/05/third-party-coc.pdf

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.

We have requisite waste management systems in place at all our facilities. Our waste disposal mechanisms are in line with local regulations and are focussed on minimum waste being sent to landfill.

- Plastic waste is either co-processed or recycled based on the type of waste generated.
- E-waste is sold to authorized recyclers for safe disposal.
- Hazardous waste is sent to authorized recyclers/Pre-processor/cement industries for co-processing or to the TSDF site.
- Non-hazardous waste, such as glass, Mils Steel scrap, wood waste, etc., is sent to authorized recyclers Ash generated from agro waste boilers is sent to brick manufacturers/landfill.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, as part of our Extended Producer Responsibility obligations, we are recycling an equivalent quantity of the post-consumer plastic waste generated from our products in India. It is channelized to create recycled products or utilized as an alternate energy source. Further, we have eliminated patient information leaflets from our products by digitizing them. In addition to reducing costs, this has also reduced paper consumption and waste. In FY23, we achieved our EPR target with 100% completion, collecting and channelizing 1,956 MT of plastic waste to processors

Leadership Indicators

1. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed off:

As part of our Extended Producer Responsibility obligations around post-consumer plastic waste management, we are recovering an equivalent quantity of the post-consumer plastic waste generated from our products in India and the plastic waste is being channelized to create recycled products or being utilized as an alternate energy source. Further, we have eliminated patient information leaflets from our products by digitizing them. In addition to reducing costs, this has also reduced paper consumption and waste.

2. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Not applicable in any category

*PRINCIPLE: 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	16,673	16,673	100%	16,673	100%	NA	NA	16,673	100%	NA	NA
Female	933	933	100%	933	100%	933	100%	NA	NA	NA	NA
Total	17,606	17,606	100%	17,606	100%	933	100%	16,673	100%	NA	NA
Other than Permanent employees											
Male	215	215	100%	215	100%	NA	NA	215	100%	NA	NA
Female	31	31	100%	31	100%	31	100%	NA	NA	NA	NA
Total	246	246	100%	246	100%	31	100%	215	100	NA	NA

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,112	1,112	100	1,112	100%	-	-	1,112	100	-	-
Female	13	13	100	13	100%	13	100%	-	-	-	-
Total	1,125	1,125	100	1,125	100%	13	100%	1,112	100	-	-
Other than Permanent workers											
Male	4,917	4,917	100	4,917	100	-	-	0	0	-	-
Female	310	310	100	310	100	310	100	-	-	-	-
Total	5,227	5,227	100	5,227	100	310	100	0	0	-	-

2. Details of retirement benefits.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100	100	Y
Gratuity	100%	100%	Y	100	100	Y
ESI	16%	41%	Y	11%	39%	Y
Others (Superannuation)	3%	0%	Y	4	0	Y
Others (NPS)	2.5%	0%	Y	3	0	Y

**These numbers exclude the newly incorporated subsidiaries of Lupin Diagnostics and Lupin Digital Health which employed 430 and 85 permanent employees, respectively, as of FY23. The data will be reflected granularly from FY24 considering the nascent stage of HR operations for these subsidiaries.*

3. **Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our facilities have ramps, support staff, and other provisions to help support people with disabilities Please refer to page number 113 within the "Enabling a Culture of Acceptance, Diversity, and Inclusion" subsection under the "Human Capital Chapter"

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

We are an equal opportunity employer and this is reflected in our Code of Conduct. We provide equal employment opportunities and respect the personal dignity of every individual regardless of race, age, ancestry, gender, color, ethnic origin, citizenship, sexual orientation, gender identity, marital status, family status, disability, religion, handicap, or other classifications protected by applicable laws. These principles extend to all employment decisions including recruiting, training, evaluation, promotion, reward, or any other terms and conditions of work.

https://www.lupin.com/investors/code-of-conduct/

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	NA	100%	NA
Female	86%	71%	100%	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? (Yes/No)**

Yes, the Company has a mechanism to receive and redress grievances.

If yes, give details of the mechanism in brief.

Category of employees and workers	Mechanism for grievance redressal
Permanent Workers	The commitment to fostering a culture that prioritizes employee well-being and safety is strengthened through our robust complaint and grievance redressal mechanism. Lupin has a Whistle Blower Policy which provides a formal mechanism to all employees, with either permanent, probationary, trainee, retainer, temporary or contractual appointment, to report any actual or suspected concerns related to Violation of the Code of Conduct or any other unethical behavior. We also have Internal Committees for handling the grievances arising from sexual harassment at the workplace, thereby adhering to the Prevention of Sexual Harassment Act. At Lupin, we believe in protecting the privacy of our people, and all concerns of discrimination and harassment are dealt with confidentiality.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	17,606	0	0	0	0	0
- Male	16,673	0	0	0	0	0
- Female	933	0	0	0	0	0
Total Permanent Workers	1,125	554	49	1,378	913	66
- Male	1,112	552	49.64	1,366	909	65
- Female	13	2	15	12	4	25

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total(A)	On Health and safety measures		On Skill upgradation		Total(D)	On Health and safety measures		On Skill upgradation	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	16,673	16,673	100%	9,894	59.3					
Female	933	933	100%	44	4.7					
Total	17,606	17,606	100%	9,938	56.44	19,453	Ensuring that our workforce is effectively trained on safety issues is crucial for the success of our operations, It also aids in preserving a work environment that prioritizes and protects the health and wellbeing of our workforce. In line with this, for FY22, 650,698 hours were imparted on safety training.		11,843	60.9%
Workers										
Male	6,029	-	-	0	0	-	-	-	-	-
Female	323	-	-	0	0	906	-	-	-	-
Total	6,352	-	-	0	0	12	-	-	-	-

9. Details of performance and career development reviews of employees and worker:

Category	**FY 2022-23**			**FY 2021-22**		
	Total(A)	**No. (B)**	**% (B/A)**	**Total(C)**	**No. (D)**	**% (D/C**
Employees						
Male	16,888	16,888	100%	17,269	17,629	100%
Female	964	964	100%	1,056	1,056	100%
Total	**17,852**	**17,852**	**100%**	**18,325**	**18,325**	**100%**
Workers						
Workers	**NA**					

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?

The company has requisite health and safety management systems for all its facilities. Our Goa, Nagpur, and Indore manufacturing sites are in the process of getting certified for ISO 45001 (occupational health and safety management system). Rest of the units will get certified under ISO 45001 subsequently. However, all the facilities are equipped with adequate safety standards and state-of-the-art safety controls. The coverage is 100% of our entity and covers both regular employees and contractors.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Health and safety at Lupin are driven by our EHS team, who are responsible for developing and implementing EHS&S policies, procedures, and programs across all site locations. We have well established Hazard identification and risk assessment (HIRA) system in place to assess the risks associated with our product activities and services. This provides a systematic approach to assess risks and identify the priority of risks for mitigation. We also conduct risk assessments like HAZOP for API products and processes, Risk Assessments for Formulation Units, and daily Job Safety Analysis for a more comprehensive understanding of potential risks. All our health and safety systems are subject to detailed internal and external audits.

For more information, refer to the section “Fostering a safe and secure workplace” on page no. 121 under the “Human Capital” chapter.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, we have provisions for employees and workers to report work-related hazards and hazardous situations. The concerned person can contact departmental heads for any near misses, injury and incidents on the shop floor. We have a dedicated safety team to assess the root cause analysis of an incident and take preventive measures to ensure it is not repeated. For emergencies, the team ensures all the mitigation measures are in place through mock drills. We also ensure that the proactive steps taken to ensure quick access to medical facilities, such as arranging ambulances, antidotes availability etc.

For more information, refer to the section “Fostering a safe and secure workplace” on page no. 121 under the “Human Capital” chapter.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, the Company's employees can access non-occupational medical and healthcare services. First aid kits are kept at the departments for any minor cuts or injuries or tablets for any non-occupational injuries and illness. Eligible employees/laborers are provided ESI benefits per the Employees State Insurance Act. It protects employees against disablement/death due to employment injury, sickness, and maternity. Employees are provided with medical and health insurance based on their applicability which an individual can avail of if admitted to a hospital for a particular injury.

For more information, refer to the section "Fostering a safe and secure workplace" on page no. 121 under the "Human Capital" chapter.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.05	0.26
	Workers	0.09	0.16
Total internal recordable work-related injuries (includes First aid but not recordable as per the factories act)	Employees	37	65
	Workers	86	145
No. of fatalities	Employees	0	0
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We prioritize the health and safety of our employees as a core value. We conduct regular mock drills, safety quizzes, firefighting exercises, and informative sessions to enhance safety awareness and equip our employees with essential skills. This reinforces our commitment to maintaining a secure work environment for all. Our sites have dedicated EHS units that facilitate safety management systems integrated with annual performance appraisals to establish safety performance targets. We conduct comprehensive training that covers a wide range of topics to ensure the well-being of our employees. For additional information please refer to the "Fostering a safe and secure workplace" section on page 121 under the Human Capital chapter.

13. Number of complaints on the following made by employees and workers

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Customer audits & Lupin Corporate audits are conducted at all the sites to ensure the compliance as against the established EHS systems and to ensure the health & safety practices are followed and healthy working conditions are ensured.
Working Conditions	

All the accidents including First aid cases and incidents are recorded and further evaluated for the root cause. The corrective and preventive actions initiated at particular site and across all the locations has drastically reduced the number of accidents and incidents during FY23 as compared to FY22, 41 %, and 51 % respectively.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the company extends life insurance or any compensatory package for its workforce in the event of death for its workforce.

PRINCIPLE: 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder engagement is a critical component of addressing sustainability-related issues. Engaging stakeholders helps ensure that diverse perspectives are considered, facilitates collaboration, builds trust, and promotes effective decision-making processes. We have identified our stakeholders based on the impact they have on the value we create and the impact our business has on them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct & other communication mechanisms including mailers, Intranet, employee committees, engagement initiatives, newsletters	Continuous	Learning opportunities, building a safety culture, and inculcating safe work practices among employees, and improving diversity and inclusion.
Shareholders/ Investors	No	Press Releases, Social Media, Website, Analyst meets, Analyst briefings, quarterly results, Annual General Meetings, Integrated Report, Financial Reports, email advisories, Intimation to stock exchanges, annual/ quarterly financials, and investor meetings/ conferences	Frequent and need-based	Educating them about Lupin's business strategy for the long-term, to stay abreast of developments in the Corporation and its subsidiary companies and understanding their expectations
Customers	Yes, if they qualify based on specified criteria such as income, etc.	Customer meets, mailers, news bulletins, brochures, social media, and website	Frequent and need-based	For stronger customer relationships. To enhance business. Stay in touch with them to understand the industry and business challenges and address any issues that the customers may have
Channel Partners, franchises, and key partners	No	Partner meets and events, mailers, news bulletins, brochures, social media, website	Frequent and need-based	Stronger partnerships, helps to increase reach and enhance business, ethical business, and fair business practices and governance
Regulators	No	Working committee meetings, email, one-on-one meetings, conceals, conferences, seminars, and forums	Need-based	For good governance and compliance. Discussions with regard to various regulations and amendments, inspections, and approvals.
Research Analysts	No	Website, social media, Email, one-on-one meetings, conceals, videoconference, and forums	Frequent and need-based	Stay abreast of developments of the Corporation and its subsidiaries
Communities and NGOs	Yes	Site visits, meetings, press releases, project meetings, consultative sessions, social media, participation in events, case studies, brochures, and emails	Frequent and need-based.	Understand areas of sustainable development, manage Lupin's brand and reputation, work in partnership to develop solutions to challenging areas, improve livelihoods and access to healthcare. Support socially high-impact, replicable and sustainable projects

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Consistent and proactive communication with key stakeholders helps us effectively convey our strategies and performance. We continue to engage and facilitate open and constructive dialogues with our stakeholders to understand their needs, expectations, and aspirations,and to uphold them in all our decisions.We have identified and prioritized material topics based on their impact on our stakeholders and business. Our ESG core committee meets monthly to discuss feedback gathered from these consultations.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, stakeholder consultations are used to support the Company's identification and management of environmental and social topics. In FY22, the company conducted a detailed materiality assessment aligned with Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and Dow Jones Sustainability Index (DJSI) to identify key ESG topics for Lupin.

   As part of the process, we engaged with 191 stakeholders across various groups, including business partners, employees, customers, investors, suppliers, and NGOs. The aim of the engagement was to understand the stakeholders' view on key priorities and corresponding ESG risks and opportunities that may impact Lupin's business and value chain. The assessment identified forty topics based on the macro business landscape and sector-specific trends relevant to business and operating locations. These topics were narrowed down to seventeen key material topics, categorized into six thematic areas: Environmental Performance and Climate Change, Employment Practices, Supply Chain Management, Governance, Community Engagement, Product, and Consumer. The Board of Directors and the ESG Core Committee discussed and approved the results.

   As responsible citizens, we are re-evaluating our 40 material issues and aligning our results with the requirement of a double materiality. Due to the constantly evolving socio-economic and environmental scenario, it is important to align our material issues with company goals and strategic focus areas. This helps mitigate risk and create long-term value for stakeholders.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

   Dr. Desh Bandhu Gupta established the foundation to serve the poor and needy, outreaching some of the neediest and most excluded geographies in India. Over the last three decades, foundation has worked with 5,431 villages across nine states in India, positively impacting the lives of over twelve lakh families.

   The year was a landmark year for the foundation, as it made a strategic shift from implementing holistic rural development to two structured pivotal programmes as Lives and Livelihoods. The programs focus on implementing outcome-oriented projects, serving the poor and needy, enabling better livelihoods, access to health care services, quality of lives and well-being in the long term.

   Read about our foundation at https://www.lupinfoundation.in/

*PRINCIPLE: 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(is) of the entity, in the following format:

Permanent employees given Human Rights training - 4,001
Permanent employees given Human Rights training - 38
Total hours of training conducted on Human Rights - 6,985 hrs

(The data is currently not captured as per the BRSR requirements. Going forward, we will capture and it and will report from next year)

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	17,606	2,288	12.9	15,318	87	18,325	37	0.20	18,288	99.8
Male	16,673	2,271	13.6	14,402	86.3	17,269	35	0.20	17,234	99.8
Female	933	17	1.8	916	98.1	1,056	2	0.18	1,054	99.8
Other than permanent	246	6	2.4	240	97.5					
Male	215	5	2.3	210	97.6	Not Available				
Female	31	1	3.2	30	96.7					
Workers										
Permanent	1,125	439	39	686	60.9	1,128	0	0	0	99.8
Male	1,112	439	39.5	673	60.5	1,116			1,116	99.8
Female	13	0	0	13	100	12	0	0	12	99.8
Other than permanent	5,227	5,227	100	0	0					
Male	4,917	4,917	100	0	0	Not Available				
Female	310	310	100	0						

3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	**Median remuneration/ salary/wages (₹ mn)**	**Number**	**Median remuneration/ salary/wages (₹ mn)**
Executive Directors	2	63,485,000	1	109,200,000
Board of Directors (Non-Executive and Non-Independent)			1	1,450,000
Board of Directors (Non-Executive and Independent)	3	1,450,000	1	1,650,000
Key Managerial Personnel	1	9,705,162		
Employees other than BoD and KMP	16,871	551,549	941	630,390
Workers	1,040	500,468	13	663,415

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

At Lupin, the protection and promotion of human rights are core principles that guide our business practices. We are deeply committed to upholding and respecting human rights, including the eradication of forced labour, child labour, and modern slavery through our business operations. To ensure that continuous safeguarding of human rights within our operations, including the prevention of human trafficking, forced labor, child labor, and discrimination, we have implemented a comprehensive Human Rights Policy. Within our Indian operations, we have identified 93 employees as Trainers and Lead Implementors of Human Rights. They serve as the Human Rights champions, ensuring the effective implementation of our policy in their respective location/function. For additional information please refer page 125 within Human rights subsection of Human capital chapter

**These numbers exclude the newly incorporated subsidiaries of Lupin Diagnostics and Lupin Digital Health which employed 430 and 85 permanent employees, respectively, as of FY23. The data will be reflected granularly from FY24 considering the nascent stage of HR operations for these subsidiaries.*

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
Please refer to page number 125 within the "Human Rights" subsection of the "Human Capital" Chapter.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	3	0	NA	0	0	NA
Discrimination at workplace	2	0	NA	2	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	x	0	0	NA
Wages	0	0	x	0	0	NA
Other human rights related issues	0	0	x	0	0	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Discrimination has no place within our organization, and we maintain a zero-tolerance policy towards all forms of discrimination, including sexual discrimination. We actively encourage employees, contractors, and suppliers to report any instances of discrimination they witness. We promptly and effectively address these reports, ensuring that appropriate action is taken.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)
Yes.

9. Assessments for the year:

During the year, we conducted our first human rights assessment for Lupin Bioresearch Centre as the pioneering site for this comprehensive assessment format, followed by the Lupin Research Park, Biotech, Lupin Diagnostic, and Aurangabad facility. As an outcome of the Human Rights Assessment Audits, Lupin Research Park, Lupin Biotech and Lupin Diagnostics Limited have been awarded a Platinum rating and Lupin Bioresearch Centre has received gold rating.
Over the next year, we plan to extend these audits to cover all our sites, ensuring a comprehensive evaluation of our human rights practices throughout the organization. During the Human Rights Assessment Audits, our sites underwent a thorough evaluation against key parameters essential for ensuring human rights excellence. These parameters include:

- Non-Discrimination
- Diversity and Inclusion
- Forced Labour & Human Trafficking
- Child Labour
- Freedom of Association & Right to Collective Bargaining
- Fair Wages, Equal Remuneration, and Benefits
- Anti-Harassment
- Environment, Health & Safety
- Community Engagement
- Reporting Concerns
- Non-Retaliation

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.
Not Applicable

PRINCIPLE: 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter		FY 2022-23	FY 2021-22
Total electricity consumption (A)		1,267,950 GJ	1,289,682 GJ
Total fuel consumption (B)	Diesel	96,823 GJ	64,173 GJ
	Furnace Oil	398,332 GJ	408,105 GJ
	Natural Gas	356,295 GJ	372,486 GJ
	Low Sulphur Heavy Stock (LSHS)	27,397 GJ	23,296 GJ
Energy consumption through other sources (C)	Solar Captive generation	9,141 GJ	5,713 GJ
	Steam generated from agro-waste	30,727 GJ	110,538 GJ
	Coal based steam purchase	358,486 GJ	710,657 GJ
	Wind – grid	30,727 GJ	46,874 GJ
	Agro-waste based steam purchase	0	91,694 GJ
Total energy consumption (A+B+C)		2,651,957 GJ	3,123,218 GJ
Energy intensity per million rupees of turnover (Total energy consumption/turnover in million rupees)		24.01	26.53

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, The energy data has been independently assured by DNV GL Business Assurance India Private Limited

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
(i) Surface water	135,146 KL	130,614 KL
(ii) Groundwater	161,832 KL	173,300 KL
(iii) Third party water (Municipal water supplies and tanker water)	1,270,912 KL	1,357,253 KL
(iv) Any others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv)	1,567,890 KL	1,661,168 KL
Total volume of water consumption (in kilolitres)	2,240,995 KL	2,369,480 KL
Water intensity per rupee of turnover (Water consumed/turnover)	19.90 KL/INR Mn	20.13 KL/INR

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, DNV GL Business Assurance India Private Limited has independently assured the water data.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Achieving Zero Liquid Discharge in 50% of our Indian manufacturing sites demonstrates our commitment to antimicrobial resistance (AMR) stewardship. 6 out of 13 Indian sites have been installed with Zero Liquid Discharge facilities in accordance with the standards and as prescribed by the regulatory authorities.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	tonnes/annum	2.65	2.53
SOx	tonnes/annum	3.18	3.04
Particulate matter (PM)	tonnes/annum	-	-
Persistent organic pollutants (POP)	tonnes/annum	-	-
Volatile organic compounds (VOC)	tonnes/annum	-	-
Hazardous air pollutants (HAP)	tonnes/annum	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	tonnes/annum	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N/A

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (includes emissions from energy consumption, fugitive emissions and emissions from owned vehicles)	Metric tonnes of CO2 equivalent	86,910	85,950
Total Scope 2 emissions	Metric tonnes of CO2 equivalent	323,845	359,447
Total Scope 1 and Scope 2 emissions per rupee of turnover	tonnes of CO2 equivalent/ Million INR	3.6	3.78

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, The emissions data has been independently assured by DNV GL Business Assurance India Private Limited

7. Does the entity have any project related to reducing GreenHouse Gas emission? If Yes, then provide details.

At Lupin, we have taken various initiatives to reduce the emission of GHG gases from our operations, including procurement of renewable energy, switching to cleaner use of fuels, replacing conventional lights with LED, installation of variable frequency drives (VFDs), etc.

We have also adopted an ambitious target to reduce our Scope 1 and Scope 2 GHG emissions by 15% by 2030. Our GHG emission reduction initiatives include:

1. We have increased renewable energy contribution by 3.71 MW at Ankleshwar and 1.58 MW at Dabhasa, reducing 34,688 tonnes of CO2 emissions.
2. We are implementing rooftop solar panels with a capacity of 0.52 MW in FY23, and an additional 1.83 MW in progress.
3. We have introducted electronically commutated (EC) motors at Pithampur and Aurangabad, which has significantly reducing power consumption by 5 lakh units per annum. We plan to implement EC motors at Lupin Biotech, Lupin Research Park, Sikkim, and Nagpur for further energy reduction.
4. We are executing proposal for briquette boilers and installation of bag filters & electrostatic precipitators (ESP) at multiple locations for energy optimization and reduction of particulate matters in flue gas.
5. We have initiated scope 3 inventorization and calculated emissions for 8 categories including Purchased Goods and Services, Capital Goods, Fuel and Energy, Waste Generated and Disposed, Upstream Transport, Downstream Transport, Business Travel, and Employee Commute.
6. We have successfully implemented Microsoft Cloud Based Technologies across our various sites and offices. By leveraging these technologies, we have achieved operational efficiency and significantly reduced approximately 27 tCO2e across our operations.

7. We have installed advanced chillers and condensers in our manufacturing plants to improve the effectiveness of recovery and further reduce utility costs.
8. We are transitioning to Low Sulphur Heavy Stock (LSHS) as boiler fuel at our 4 facilities has resulted in a significant reduction in steam costs and GHG emissions.
9. We are implementing efficient equipment, such as finned tube condensers, dry vacuum pumps, nano-filtration, and heat integration systems.
10. We have replaced AC motors with DC electronically commutated motors in AHUs, which has resulted in energy efficiency and power cost savings.
11. Our manufacturing facility in Mandideep, India has been awarded the "GOLD LEED".
12. Our commitment to climate stewardship also contributes to product innovation in the development phase. Lupin Healthcare UK' product, Luforbec, has recently achieved Carbon neutrality certification. Lupin Healthcare offsets the total emissions from the inhaler's production, use and disposal, thus achieving carbon neutrality.

*(For more information, please visit chapters "Natural Capital" and "Manufacturing Capital" on page no. **126** and **60**, respectively of the Integrated report.)*

8. Provide details related to waste management by the entity, in the following format:

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2022-23 Hazardous waste (MT)	FY 2021-22 Hazardous waste (MT)
(i) Incineration/co-processing/pre-processing	6,837.8	6,954
(ii) Landfilling	9,651	12,940
(iii) Other disposal operations - sent for co-processing to cement kilns	4,163	3,099
(iv) Recycling/Recovery/Utilisation	11,679	14,229
Total	28,167	34,123

Category of waste	FY 2022-23 Hazardous waste (MT)	FY 2021-22 Hazardous waste (MT)
(i) Canteen waste and Mycelia waste sent for recycling – feed for piggeries/composting	5,713	5,844
(ii) Agro-waste boiler ash sent for brick manufacturing, soil enrichment and landfilling	1,265	1,500
Total	6,978	7,344

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes: The waste data has been independently assured by DNV GL Business Assurance India Private Limited

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

*(For information on Lupin's waste management practices, please refer to the section "**Waste Management**" on page **136** under Natural Capital Chapter.)*

We have implemented efficient waste management and circularity practices across our entire value chain. We prioritize waste recycling and are actively reducing landfill and incineration. Seven of our thirteen sites, including R&D, send incinerable hazardous waste to Co-processors/ Pre-processors. In FY23, we sent 4,175.21 MT (60.9%) of incinerable hazardous waste for co-processing. By 2050, we aim to re-direct 60% of incinerable hazardous waste from Indian operations to co-processing such as cement plants.

Spent solvents generated during the manufacture of APIs are either recovered and used locally or transferred to registered disposal sites or approved recyclers. Also, as part of our resource conservation measures, we send the used calcium sulphate to cement factories so they may be used as raw material and alternative fuel. Non-hazardous waste from our operations, including canteen and mycelia waste, is either composted to create usable organic fertiliser or sent to piggeries.

We are dedicated to reducing waste through the following methods:

- Promoting non-hazardous and less toxic materials during R&D stage or as a part of process improvement
- Process improvement to improve the yield of the product and in turn reducing the waste generated.
- Training staff on the proper handling, labelling, and storage of hazardous products

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Lupin does not operate in ecologically sensitive areas		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Not Applicable- EIA is not mandatory for the projects carried out by Lupin					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter		FY 2022-23	FY 2021-22
From renewable sources			
Total electricity consumption (A)	Solar – captive generation	9,141 GJ	5,713 GJ
	Wind – grid	30,727 GJ	46,874 GJ
Total fuel consumption (B)	-		
Energy consumption through other sources (C)	Steam generated from agro-waste	106,806 GJ	110,538 GJ
	Agro-waste based steam purchase	0 GJ	91,694 GJ
Total energy consumed from renewable sources (A+B+C)		146,674 GJ	254,819 GJ

From non-renewable sources		FY 2022-23	FY 2021-22
Total electricity consumption (D)		1,267,950 GJ	1,289,682 GJ
Total fuel consumption (E)	Diesel	96,823 GJ	64,173 GJ
	Furnace Oil	398,332 GJ	408,105 GJ
	Natural Gas	356,295 GJ	372,486 GJ
	Low Sulphur Heavy Stock (LSHS) fuel	27,397 GJ	23,296 GJ
Energy consumption through other sources (F)	Coal based steam purchase	358,486 GJ	710,657 GJ
Total energy consumed from non-renewable sources (D+E+F)		2,505,284 GJ	2,868,398 GJ

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, The energy data has been independently assured by DNV GL Business Assurance India Private Limited

2. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Lupin conducted a water risk assessment using the WRI Aqueduct water risk atlas tool. Five of the company's operating locations – Indore, Nagpur, Jammu, Aurangabad, and Ankleshwar are in regions of Extremely High-Water Risk.

We have taken up steps like check dams, rain water harvesting, reusing AHU condensate and rainwater, water efficiency mechanisms, and raising awareness about water conservation among the stakeholders as a part of water risk mitigation plan.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

The details have been provided in the manufacturing capital chapter and natural capital chapters (Page number- **126 and 60 respectively**)

5. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

None

6. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No value chain partners were assessed for environmental impacts.

PRINCIPLE: 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations. Twelve

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.[3]

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2.	Confederation of Indian Industry (CII)	National
3.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
4.	Indian Drug Manufacturers Association (IDMA)	National
5.	Foundation of Pharma Entrepreneurs (FOPE)	National
6.	International Generic and Biosimilar Medicines Association (IGBA)	International
7.	Association for Accessible Medicines (AAM)	International
8.	Medicines for Europe, Medicines for Europe Regulatory Group	International
9.	Quality Circle Forum of India	National
10.	National Safety Council	National
11.	Pharmaceuticals Export Promotion Council	National
12.	Association of Biotechnology Led Enterprise (ABLE)	National

2. Provide details of corrective action taken or underway on any issues related to anti competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable[4]

PRINCIPLE: 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The company conducts internal monitoring and identifies the outcome and impact. The details of the assessments are further shared during the CSR meetings.CSR program at four major locations of Foundation have been evaluated by an external agency in the last year to gauge the social impact against objectives and expected outcomes of the projects. Social return on investment for major program components are also tracked.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The communities we work with are treated as equal partners in development and are engaged in implementing the projects from the beginning. The work is monitored by the community and upon its completion, the Panchayat takes responsibility for sustenance of the same. For grievance redressal, we have developed guidelines and procedures at village institution level for timely resolutions.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	2,472	2,664
Sourced directly from within the district and neighbouring districts	Not available	

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

None

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Details of the project	Amount spent (In ₹ lakhs)
1.	Maharashtra	Nandurbar	TDF WADI Amoni - The Tribal Development Fund WADI project started at Amoni on 30th March 2016. It is a 6 years' project funded by NABARD and involves orchard development and livelihood support through vegetable cultivation. The project supports 500 farmer families and 50 landless families.	27.21
2.	Maharashtra	Nandurbar	TDF WADI Padalpur - The Tribal Development Fund WADI project started at Padalpur on 30th March 2016. It is a 6 years' project funded by NABARD and has the same number of families covered.	26.65
3.	Maharashtra	Nandurbar	Akkalkuwa - TDF Akkalkuwa - Tribal Development Fund WADI project that covers 550 families. Major project components are; • Horticulture, SWC and WRD • Horticulture plantation & maintenance • Soil Conservation • Water resource development • Vegetable cultivation • Other livelihoods for landless families • Women development • Health Programme • Training & capacity building	44.81

S. No	State	Aspirational District	Details of the project	Amount spent (In ₹ lakhs)
4.	Maharashtra	Nandurbar	IWMS - This Integrated Water Management System Project is supported by NABARD. The Project covers 5 villages (Moramba, Mahukhadi, Kakdiamba, Khadkuna, Umarkuwa) of Akkalkuwa block. The project treats about 100 hectare of land in each of the five villages, thus covering a total of 500-hectare area. Key project components are : 1. Soil and water conversion (2) Crop and land development (3) Capacity building and demonstration.	
			IWMS Moramba	4.44
			IWMS Khadkuna	5.72
			IWMS Mahukhadi	6.88
			IWMS Umarkuwa	6.75
			IWMS Kakdiamba	6.70
5.	Maharashtra	Nandurbar	CCA Shendhavan - This Climate Change Adaptation project funded by NABARD has components of Soil and water conservation, soil health for productivity enhancement, Sustainable NRM, CCA farming practices & nutritional security. It aims to build the adaptive capacity of farmers through livelihood development. The project also includes the provision of weather and crop based agricultural advisories to farmers to cope with climate change	0.86
6.	Maharashtra	Nandurbar	FPO Asthamba - It was formed in July-2019 with financial support of NABARD. It is working on input supply/procurement and making of Bio Fertilizer & Pesticides. There are total 396 shareholders	5.47
7.	Maharashtra	Nandurbar	FPO Akkarani It was formed in July-2019 with financial support of NABARD. It is working on input supply/ procurement. There are a total 323 shareholders.	0.00
8	Maharashtra	Nandurbar	FPO Ranikajal- It was formed in July-2019 with financial support of NABARD. It is working on input supply/ procurement, Agri Processing - cleaning, grading and packaging of Wheat & other Grains and Organic Pesticides & Fertilizers packaging Unit. There are a total 475 shareholders.	8.18
9	Maharashtra	Nandurbar	ACCF-This Livelihood development project funded by Atlas Copco Charitable Foundation is ongoing in Nandurbar district of Maharashtra at Akkalkuwa Block. Objective of the project is livelihood development of tribal families through the Group Well Irrigation system. Project is implemented in 25 villages of Akkalkuwa block for 3 years project period since Mar-2020	130.86
10	Maharashtra	Nandurbar	ACIL- Livelihood development of 300 families through an Integrated Farming approach is being implemented in 14 villages of Navapur block of Nandurbar district, Maharashtra since July-2022. The project also going to create water storage and availability of irrigation facilities to 100 farmers by repairing of the existing defunct water harvesting structures	145.13
11	Maharashtra	Nandurbar	BRLF-This Integrated Water Management System Project is supported by NABARD The Project covers 5 villages (Moramba, Mahukhadi, Kakdiamba, Khadkuna, Umarkuwa) of Akkalkuwa block. The project treats about 100 acres of land in each of the five villages, thus covering a total 500 Acres area.	0.68

S. No	State	Aspirational District	Details of the project	Amount spent (In ₹ lakhs)
12	Maharashtra	Nandurbar	Better Cotton Initiative- The Better Cotton Initiative (BCI) aims to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future, by developing Better Cotton as a sustainable mainstream commodity. It involves training and capacity building of farmers for sustainable cotton production by promotion of best package of practices on integrated pest management, integrated nutrient management, and selection of variety by conducting training, exposure of farmers and demonstrations at village level. LHWRF has been implementing this BCI project with smallholder cotton growers in Nandurbar districts since 2019. We are working with 40000 Better cotton farmers across 08 Producer Units in Nandurbar, Akkalkuwa, Navapur & Taloda blocks of Nandurbar district. 60048 co-farmers and 7254 farm workers are also the stakeholder of the project. Total 49% of farmers in the project area are rained farmers and average land holding of 1.50 Ha. The Project is helping BCI farmers in the project area to upgrade their knowledge to adopt BCSS practices which will reduce their cost of cultivation, increase productivity & production of cotton.	344.65
13	Rajasthan	Dholpur	ACCF-This Livelihood development project funded by Atlas Copco Charitable Foundation is ongoing in Dholpur district of Rajasthan at Bari & Baseri Blocks. Objective of the project is restoring Livelihoods of 1500 poor Farmer Families through Water Resource Development. Project is implemented in 24 villages of Bari & Baseri Blocks for a 3 year project period from Jan-2022. Major project objectives are; • Improving the livelihoods of farming community by increasing the crop productivity & cropping intensity • Crop diversification to increase the incomes from crops • Increasing the drinking water availability for human beings and cattle • Reducing the migration by establishing micro-enterprise for 150 landless families • Food security of the families throughout the year. • Bringing additional areas under cultivation. • Augmentation of water table through groundwater recharge.	
14	Rajasthan	Dholpur	FPO Sarmathura- It was formed in July-2019 with financial support of SFAC under the Central Support Scheme (CSS-10000) of GoI. It is working on input supply/ procurement. There are a total of 416 shareholders.	3.79
15	Madhya Pradesh	Vidisha	WDF- Non Watershed Project: This project is supported by NABARD under WDF Non watershed schemes. It is working in 4 villages, Tarwariya, Fazalpur, Chhapu and Reechhan in block Sironj of district Vidisha since Nov-2021. Major project objective is to improve economic condition of the poor rural families through multi-functional cropping system and integrated farming system in order to increase their supplementary income and quality of life	8.57
16	Madhya Pradesh	Vidisha	FPO Sironj- It was formed in Aug-2021 with financial support of NABARD under the Central Support Scheme (CSS-10000) of GoI. It is working on input supply/ procurement. There are a total 340 shareholders from 6 different villages in cluster approach.	3.93
17	Madhya Pradesh	Vidisha	FPO Vidisha- It was formed in Aug-2021 with financial support of NABARD under the Central Support Scheme (CSS-10000) of GoI. It is working on input supply/ procurement. There are a total 419 shareholders from 5 different villages in cluster approach.	6.57

S. No	State	Aspirational District	Details of the project	Amount spent (In ₹ lakhs)
18	Madhya Pradesh	Vidisha	FPO Lateri- It was formed in April-2022 with financial support of SFSC under the Central Support Scheme (CSS-10000) of GoI. It is working on input supply/ procurement. There are a total 300 shareholders from 9 different villages in cluster approach.	3.98
19	Madhya Pradesh	Vidisha	Livelihood Project: It is executed with 89 poor families of district Vidisha at block Sironj and Vidisha. Major activities are goat rearing, backyard poultry, fish rearing and cattle induction.	31.57
20	Sikkim	Sikkim East	FSPF-NABARD-Cardamom Project: It is a NABARD funded project for a 3-year period for 21 beneficiaries. We supported 21-acre land by providing 39900 saplings of cardamom to poor farmers as demonstration for value addition and supply chain to get better price & adaptation of new practices. We also provided 1000 lit water tanks, sprinkler irrigation system & PVC pipes, vermicompost units.	23.88
21	Andhra Pradesh	Visakhapatnam	CSR Project: LHWRF supported Model Anganwadi, model school as well as micro enterprise development for poor families.	24.03
			Total	**974.48**

Note: The total spent includes beneficiary contribution, share of grant received from external agency and share from LHWRF under CSR.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Livelihoods program - Skill development	637 youth	100%
2.	Livelihoods program - Natural resource management	2250 families	100%
3.	Livelihood program- Agriculture and allied activities	94880 farmers	100%
4.	Livelihood program – Intensive livelihood and economic empowerment program	1150 families	100%
5.	Livelihood program- Community collectives (51 Farmer Producer Organisations)	16872 farmers	100%
6.	Lives program- Specialised health camp on CVD and COPD	300 individuals	100%

Details of the number of beneficiaries of CSR projects has been provided in the Social & Relationship capital section of the IR (Page number-186)

PRINCIPLE: 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our Pharmacovigilance function serves as the central point for monitoring the quality and safety of our goods. We also have a dedicated team to track and address consumer concerns and issues. Regular surveys are conducted to record customer feedback and identify areas to ensure timely resolution of complaints.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	100%- There are social parameters relevant to the responsible, safe and prescribed usage of the products
Safe and responsible usage	100%- All products of Lupin have the usage/directions mentioned on leaflets/packaging.
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil		Nil		
Advertising	x	x		Nil		
Cyber-security	Nil	Nil		Nil		
Delivery of essential services	x	x		Nil		
Restrictive Trade Practices	x	x		Nil		
Unfair Trade Practices	x	x		Nil		
Other - Drug Safety	25,500	All Adverse drug reports with Lupin products received at DSRM are appropriately handled, i.e., the reports are processed in the global company safety database, thoroughly reviewed, medically assessed, and submitted to global regulatory authorities (wherever applicable)		30,000	All Adverse drug reports with Lupin products received at DSRM are appropriately handled, i.e., the reports are processed in the global company safety database, thoroughly reviewed, medically assessed, and submitted to global regulatory authorities (wherever applicable)	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	7	NA
Forced recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has defined and implemented a global Privacy Policy for all its legal entities and businesses. This can be accessed on our website.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

We take proactive steps in case any issue arises pertaining to any one of these categories. Corrective actions are also taken to prevent recurrences of similar instances.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

The required information is available on our website at the following link: https://www.lupin.com/our-products/product-finder/

Lupin has a website that provides all the necessary information on the company. For further information, visit the link, https://www.lupin.com/about-us[5]

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our products leaflet provides the requisite information on the safe and responsible use of the product or medicine. We also conduct promotional and non-promotional meetings wherein we create awareness in Clinical Pharmacies on responsible usage of our products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We inform regulatory authorities before discontinuing drugs in the National List of Essential Medicines. If regulatory authorities ask us to continue any such medicine, we continue manufacturing until we get permission to discontinue.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable, we publish all information required under the law on the product.

5. Provide the following information relating to data breaches:[8]

a. Number of instances of data breaches along with impact - Zero

b. Percentage of data breaches involving personally identifiable information of customers

Not applicable

For and on behalf of the Board of Directors

Nilesh D. Gupta
Managing Director
(DIN: 01734642)

Mumbai, May 9, 2023

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Lupin Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Lupin Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and a joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of audit reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
1. Revenue Recognition: Refer note 1B (m) of accounting policy and note 30 to consolidated financial statements	
Revenue from the sale of pharmaceutical products is recognized when control over goods is transferred to a customer. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered with customers. The Group has many customers operating in various geographies and sales contracts with customers have distinct terms relating to the recognition of revenue, the right of return and price adjustments. We identified the recognition of revenue from sale of products as a key audit matter considering: Revenue is a key performance indicator for the group. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders and/ or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed during the year and at period end.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following: – Compared the accounting policies in respect of revenue recognition with applicable accounting standards to test for compliance. – Tested design, implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue. – Performed substantive testing of selected samples of revenue transactions recorded during the year. – For a sample of year-end sales, we verified contractual terms of sales invoices/ contracts, shipping documents and acknowledged delivery receipts for those transactions including management assessment and quantification of any sales reversal for undelivered goods.

The key audit matter	How the matter was addressed in our audit
• Group's assessment of accrual towards rebates, discounts, returns, service level penalties and allowances require estimates and judgement and change in these estimates can have a significant financial impact.	– Verified Group's assessment of accruals of rebates, discounts, returns, service level penalties and allowances in line with the past practices to identify bias. – Tested any unusual non-standard journal entries that impacted revenue recognized during the year.

2. Goodwill

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

The key audit matter	How the matter was addressed in our audit
The carrying value of goodwill aggregates to Rs. 22,187.8 millions as at 31 March 2023. Goodwill is evaluated for any indicators of impairment and is tested annually as required under Ind AS 36. The group evaluates for any impairment with respect to goodwill annually, at each cash generating unit (CGU) level. The recoverable amount of the CGUs to which such goodwill pertains, being the higher of the value in use and fair value less costs of disposal, is compared with the carrying value of goodwill to identify any impairment. Value in use is usually derived from discounted future cash flows. The discounted cash flow model uses several assumptions. These include estimates of long-term growth rate, discount rate, terminal value growth rates, potential product obsolescence, new product launches and the weighted average cost of capital. Considering the inherent uncertainty, subjectivity and judgement involved and the significance of the value of the goodwill, impairment assessment of goodwill has been considered as a key audit matter.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following: – Tested the design and operating effectiveness of internal controls over impairment assessment including approval of forecasts and valuation models used. – Assessed the Valuation methodology used by the Company and tested the mathematical accuracy of the impairment models. – Assessed identification of CGUs with reference to the guidance in the applicable accounting standards. – Evaluated valuation assumptions with macro-economic factors, such as discount rates, growth in sales, probability of success of new products, operating and selling costs used, in consultation with valuation specialist. – Performed sensitivity analysis of key assumptions and evaluated past performances where relevant to assess accuracy of the forecasts made. – Evaluated adequacy of disclosures given in the financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

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

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

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

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

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

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

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

been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other Matters

(a) We did not audit the financial statements of 26 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 259,351.7 millions as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 117,470.4 millions and net cash flows (before consolidation adjustments) amounting to Rs. 3,985.8 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive losses) of Rs. 2.7 millions for the year ended 31 March 2023, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture is based solely on the reports of the other auditors.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 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 companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its joint venture. Refer note 39 to the consolidated financial statements.

b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 60 to the consolidated financial statements in respect of such items as it relates to the Group and its joint venture.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d) (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary companies respectively that, to the best of its knowledge and belief, other than as disclosed in the note 74(F) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary companies respectively that, to the best of its knowledge and belief, other than as disclosed in the note 74(F) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The final dividend paid by the holding company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
As stated in note 38 to the consolidated financial statements, the Board of Directors of the holding company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN:23113156BGYUJE9210

Place: Mumbai
Date: 09 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Lupin Limited for the year ended 31 March 2023

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

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

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Lupin Limited	L24100MH1983PLC029442	Parent Company	Clause (i)(c)
2	Lupin Digital Health Limited	U74999MH2021PLC360783	Subsidiary	Clause (xvii)
3	Lupin Diagnostics Limited (Formerly known as Lupin Heathcare Limited)	U24100MH2011PLC214885	Subsidiary	Clause (xvii)
4	Lupin Biologics Limited	U24299MH2021PLC354211	Subsidiary	Clause (xvii)

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN: 23113156BGYUJE9210

Place: Mumbai
Date: 09 May 2023

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Lupin Limited for the year ended 31 March 2023

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Lupin Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matters

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

Our opinion is not modified in respect of above matters.

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN: 23113156BGYUJE9210

Place: Mumbai
Date: 09 May 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in million)

	Note	**As at 31.03.2023**	As at 31.03.2022
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	42,896.0	41,740.7
b. Capital Work-in-Progress	3	8,948.2	8,474.7
c. Goodwill	52	22,187.8	21,241.0
d. Other Intangible Assets	4	14,914.4	7,076.9
e. Right-of-use Assets	5	3,554.2	3,757.6
f. Intangible Assets Under Development	6	3,431.7	2,988.1
g. Investments accounted for using equity method	7	300.7	303.3
h. Financial Assets			
(i) Non-Current Investments	8	470.6	472.7
(ii) Non-Current Loans	9	40.4	2.1
(iii) Other Non-Current Financial Assets	10	987.1	817.8
i. Deferred Tax Assets (Net)	47(d)	1,556.5	1,697.3
j. Non-Current Tax Assets (Net)		3,778.6	3,687.6
k. Other Non-Current Assets	11	1,980.1	1,375.6
		105,046.3	93,635.4
Current Assets			
a. Inventories	12	44,917.6	46,307.3
b. Financial Assets			
(i) Current Investments	13	4,397.7	8,224.0
(ii) Trade Receivables	14	44,807.0	42,619.4
(iii) Cash and Cash Equivalents	15	12,318.1	9,913.7
(iv) Other Bank Balances	16	613.2	1,067.6
(v) Current Loans	17	21.2	22.9
(vi) Other Current Financial Assets	18	5,560.9	3,987.0
c. Current Tax Assets (Net)		367.2	385.1
d. Other Current Assets	19	11,510.1	12,049.8
		124,513.0	124,576.8
TOTAL		**229,559.3**	**218,212.2**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	20	910.0	909.0
b. Other Equity		123,735.0	120,623.7
Equity attributable to Owners of the Company		124,645.0	121,532.7
c. Non-Controlling Interest	54(a)	783.2	687.1
		125,428.2	122,219.8
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	21	275.1	1,418.6
(ii) Lease Liabilities	44	1,863.9	2,219.6
(iii) Other Non-Current Financial Liabilities	22	2,013.6	2,509.2
b. Non-Current Provisions	23	3,430.3	3,329.9
c. Deferred Tax Liabilities (Net)	47(d)	2,294.3	2,408.3
d. Other Non-Current Liabilities	24	1,600.2	1,342.4
		11,477.4	13,228.0
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	25	42,165.4	37,023.0
(ii) Lease Liabilities	44	1,110.8	922.6
(iii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	26	763.3	860.7
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	26	24,552.0	21,968.4
(iv) Other Current Financial Liabilities	27	5,952.4	5,939.0
b. Other Current Liabilities	28	8,709.0	7,079.5
c. Current Provisions	29	5,151.1	4,830.1
d. Current Tax Liabilities (Net)		4,249.7	4,141.1
		92,653.7	82,764.4
TOTAL		**229,559.3**	**218,212.2**
See accompanying notes forming part of the consolidated financial statements			

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

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairman
DIN: 00209461

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 09, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in million)

	Note	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
INCOME:			
Revenue from Operations	30	166,416.6	164,054.8
Other Income	31	733.6	1,416.9
Total Income		**167,150.2**	**165,471.7**
EXPENSES:			
Cost of Materials Consumed	32	36,878.1	32,357.1
Purchases of Stock-in-Trade		29,382.2	34,438.5
Changes in Inventories of Finished Goods,	33	1,537.3	(1,983.2)
Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]			
Employee Benefits Expense	34	30,871.5	29,893.0
Finance Costs	35	2,743.0	1,427.7
Depreciation, Amortisation and Impairment Expense	2,4,5 & 55	8,806.9	16,587.1
Other Expenses	36	50,541.8	48,377.4
Net (gain)/loss on Foreign Currency Transactions		(775.5)	(684.0)
Business compensation expense	57	-	18,783.8
Total Expenses		**159,985.3**	**179,197.4**
Profit/(Loss) before Share of Profit of Jointly Controlled Entity and Tax		**7,164.9**	**(13,725.7)**
Share of Profit from Jointly Controlled Entity (net of tax)		-	3.6
Profit/(Loss) before Tax		**7,164.9**	**(13,722.1)**
Tax Expense:	47		
- Current Tax (net)		2,464.2	1,611.5
- Deferred Tax (net)		223.8	(240.0)
Total Tax Expense		**2,688.0**	**1,371.5**
Profit/(Loss) for the year		**4,476.9**	**(15,093.6)**
Share of profit/(loss) attributable to Non-Controlling Interest		176.1	186.8
Profit/(Loss) for the year attributable to Owners of the Company		**4,300.8**	**(15,280.4)**
Other Comprehensive Income/(Loss)			
(A) (i) Items that will not be re-classified subsequently to profit or loss:			
(a) Remeasurements of Defined Benefit Liability		(16.4)	46.6
(ii) Income tax relating to items that will not be re-classified to profit or loss	47	9.4	(14.4)
(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		(472.0)	(3.3)
(b) Exchange differences in translating the financial statements of foreign operations		589.3	1,006.8
(ii) Income tax relating to items that will be re-classified to profit or loss	47	131.9	4.4
Other Comprehensive Income/(Loss) for the year, net of tax		**242.2**	**1,040.1**
Less: Share of Other Comprehensive Income/(Loss) attributable to Non-Controlling Interest		40.4	(18.7)
Other Comprehensive Income/(Loss) for the year attributable to Owners of the Company		**201.8**	**1,058.8**
Total Comprehensive Income/(Loss) attributable to:			
Owners of the Company		4,502.6	(14,221.6)
Non-Controlling Interest		216.5	168.1
Total Comprehensive Income/(Loss) for the year		**4,719.1**	**(14,053.5)**
Earnings per equity share (of ₹ 2/- each)	43		
Basic		9.46	(33.65)
Diluted		9.41	(33.65)
Face value of Equity Share (in ₹)		2.00	2.00
See accompanying notes forming part of the consolidated financial statements			

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

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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Chairman
DIN: 00209461

Vinita Gupta
Chief Executive Officer
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Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 09, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital [Refer note 20]

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Balance at the beginning of the reporting year	454,475,014	909.0	453,680,133	907.4
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	454,475,014	909.0	453,680,133	907.4
Changes in equity share capital during the year	506,321	1.0	794,881	1.6
Balance at the end of the reporting year	**454,981,335**	**910.0**	**454,475,014**	**909.0**

B. Other Equity

(₹ in million)

Particulars	Reserves and Surplus								Share Application Money Pending Allotment	Other items of Other Comprehensive Income		Non-Controlling Interest	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Legal Reserve	Securities Premium	Employees Stock Options Outstanding	General Reserve	Retained Earnings	Amalgamation Reserve		Foreign Currency Translation Reserve	Effective portion of Cash Flow Hedges		
Balance as at 31.03.2021	**263.9**	**126.5**	**0.3**	**9,887.1**	**1,894.8**	**16,916.8**	**111,083.2**	**317.9**	**0.5**	**(3,716.5)**	**349.5**	**549.7**	**137,673.7**
Profit/(Loss) for the year	-	-	-	-	-	-	(15,280.4)	-	-	-	-	186.8	(15,093.6)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	32.2	-	-	-	-	-	32.2
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(15,248.2)**	**-**	**-**	**-**	**-**	**186.8**	**(15,061.4)**
Share in equity capital	-	-	-	-	-	-	-	-	-	-	-	8.0	8.0
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	-	1,025.5	0.6	(18.7)	1,007.4
Received during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Final dividend on Equity Shares	-	-	-	-	-	-	(2,950.8)	-	-	-	-	-	(2,950.8)
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(38.7)	(38.7)
Issue of equity shares on exercise of employee stock options	-	-	-	733.3	-	-	-	-	-	-	-	-	733.3
Amortised/Exercised during the year	-	-	-	-	(60.2)	-	-	-	-	-	-	-	(60.2)
Reduction on allotment of shares	-	-	-	-	-	-	-	-	(0.5)	-	-	-	(0.5)
Transfer from share based payments to General Reserve	-	-	-	-	(217.3)	217.3	-	-	-	-	-	-	-
Balance as at 31.03.2022	**263.9**	**126.5**	**0.3**	**10,620.4**	**1,617.3**	**17,134.1**	**92,884.2**	**317.9**	**-**	**(2,691.0)**	**350.1**	**687.1**	**121,310.8**
Profit/(Loss) for the year	-	-	-	-	-	-	4,300.8	-	-	-	-	176.1	4,476.9
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	(7.0)	-	-	-	-	-	(7.0)
Total comprehensive income for the year	-	-	-	-	-	-	**4,293.8**	-	-	-	-	**176.1**	**4,469.9**
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	-	548.9	(338.9)	40.4	250.4
Received during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Final dividend on Equity Shares	-	-	-	-	-	-	(1,818.5)	-	-	-	-	-	(1,818.5)
Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(120.4)	(120.4)
Issue of equity shares on exercise of employee stock options	-	-	-	455.4	-	-	-	-	-	-	-	-	455.4
Amortised/Exercised during the year	-	-	-	-	(29.4)	-		-	-	-	-	-	(29.4)
Reduction on allotment of shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from share based payments to General Reserve	-	-	-	-	(98.5)	98.5	-	-	-	-	-	-	-
Balance as at 31.03.2023	**263.9**	**126.5**	**0.3**	**11,075.8**	**1,489.4**	**17,232.6**	**95,359.5**	**317.9**	**-**	**(2,142.1)**	**11.2**	**783.2**	**124,518.2**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

Nature of Reserves

a) Capital Reserve

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

b) Capital Redemption Reserve

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

c) Legal Reserve

This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of few subsidiaries.

d) Securities Premium

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

e) Employees Stock Options Outstanding

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

f) General Reserve

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

g) Amalgamation Reserve

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

h) Share Application money Pending allotment

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

i) Foreign Currency Translation Reserve

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

j) Cash Flow Hedge Reserve

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

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Dated: May 09, 2023

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

Manju D. Gupta
Chairman
DIN: 00209461

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in million)

		For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
A.	**Cash Flow from Operating Activities**		
	Profit/(Loss) before Tax	**7,164.9**	**(13,722.1)**
	Adjustments for:		
	Depreciation, Amortisation and Impairment Expense	8,806.9	16,587.1
	(Profit)/Loss on sale/write-off of Property, Plant and Equipment/ Intangible Assets (net)	(209.8)	29.3
	Finance Costs	2,743.0	1,427.7
	Net Gain on Sale of Mutual Fund Investments	(117.1)	(332.6)
	Interest on Deposits with Banks and Others	(324.3)	(328.1)
	Interest on Income Tax Refund	3.1	(631.9)
	Bad Trade Receivables/ Advances written off	34.3	46.2
	Unrealised Gain on Mutual Fund Investments (net)	(14.1)	(23.2)
	Unrealised Gain on Non-Current Investment	(3.6)	(2.6)
	Impairment Allowances for Doubtful Trade Receivables/Deposits/ Advances (net)	115.3	(35.8)
	Share Based Payment Expense	407.6	513.9
	Net Loss on Financial Liabilities Measured at Fair Value Through Profit or Loss	(128.3)	282.7
	Share of Profit from Jointly Controlled Entity	-	(3.6)
	Unrealised Exchange Gain on Revaluation (net)	(338.9)	(452.3)
	Operating Cash flows before Working Capital Changes	**18,139.0**	**3,354.7**
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Non-Current Loans	(37.8)	(1.2)
	Other Non-Current Financial Assets	(355.8)	(95.7)
	Other Non-Current Assets	(130.6)	1.1
	Inventories	1,954.4	(4,993.3)
	Trade Receivables	(1,319.8)	2,753.6
	Current Loans	(115.2)	28.1
	Other Current Financial Assets	(1,797.2)	487.8
	Other Current Assets	684.4	(3,576.0)
	Adjustments for increase/(decrease) in operating liabilities:		
	Other Non-Current Financial liabilities	7.4	(397.7)
	Non-Current Provisions	50.3	55.9
	Other Non-Current liabilities	237.7	(99.0)
	Trade Payables	2,168.1	2,341.6
	Other Current Financial liabilities	141.2	1,155.8
	Other Current liabilities	1,521.9	2,062.0
	Current Provisions	256.2	126.6
	Cash Generated from Operations	**21,404.2**	**3,204.3**
	Net Income tax paid	(2,431.8)	468.8
	Net Cash Flow generated from/(used in) Operating Activities	**18,972.4**	**3,673.1**
B.	**Cash Flow from Investing Activities**		
	Payment for acquisition of business, net of cash acquired	(2,910.0)	(1,468.0)
	Capital expenditure on Property, Plant and Equipment/Intangible Assets, including capital advances	(14,996.2)	(9,050.8)
	Proceeds from sale of Property, Plant and Equipment/Intangible Assets	385.3	70.9
	Proceeds from sale of Non-Current Investments	-	(8.5)
	Purchase of Current Investments	(118,232.6)	(113,493.4)
	Proceeds from sale of Current Investments	122,190.1	129,393.3
	Bank balances not considered as Cash and Cash Equivalents (net)	371.4	7,150.7
	Interest on Deposits with Banks and Others	324.3	328.1
	Net Cash Flow generated from/(used in) Investing Activities	**(12,867.7)**	**12,922.3**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in million)

	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
C. Cash Flow from Financing Activities		
Proceeds from Non-Current Borrowings	-	1,418.6
Repayment of Non-Current Borrowings	(1,134.9)	(161.3)
Proceeds from/(Repayment of) Current Borrowings	2,863.0	(12,044.3)
Proceeds from issue of equity shares (ESOPs) and Share application money	1.0	1.6
Securities Premium Received (ESOPs)	18.4	159.2
Payment of Lease liabilities (net off interest)	(1,028.2)	(906.2)
Finance Costs	(2,266.8)	(1,239.9)
Dividend paid	(1,825.0)	(2,950.9)
Net Cash Flow generated from/(used in) Financing Activities	**(3,372.5)**	**(15,723.2)**
Net increase/(decrease) in Cash and Cash Equivalents	**2,732.2**	**872.2**
Cash and Cash Equivalents as at the beginning of the year	9,913.7	9,262.2
Cash and Cash Equivalents as at the end of the year	**12,645.9**	**10,134.4**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet [Refer note 15]	12,318.1	9,913.7
Unrealised loss/(gain) on foreign currency Cash and Cash Equivalents	327.8	220.7
Bank Overdraft	-	-
Cash and Cash Equivalents as at the end of the year	**12,645.9**	**10,134.4**

Notes:

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

   For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.
3. Refer note 66 for Non Cash Changes in Cash Flows from Financing Activities.

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

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

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Partner
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Executive Director, Global CFO & CRO and Head – Corporate Affairs
DIN: 01833346

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 09, 2023

Notes

Forming part of the Consolidated Financial Statements

1A. OVERVIEW:

Lupin Limited, ('the Company' or 'Parent Company') incorporated in 1983, is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded and generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) globally. The Company has significant presence in the Cardiovascular, Diabetology, Asthama, Pediatrics, Central Nervous System, Gastro-Intestinal, Anti-Infectives and Nonsteroidal Anti Inflammatory Drug therapy segments and is a global leader in the Anti-TB and Cephalosporins segments. The Company along with its subsidiaries has manufacturing locations spread across India, USA, Mexico and Brazil with trading and other incidental and related activities extending to the global markets. The Company's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. These Consolidated Financial Statements were authorized for issue by the Company's Board of Directors on May 09, 2023.

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

These Consolidated Financial Statements comprise financial statements of Lupin Limited ("the Company") and its subsidiaries (the Company and its subsidiaries hereinafter referred to as "the Group") and its Jointly controlled entity.

1B. SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of preparation

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

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 Significant Estimates and Judgements

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

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

- Measurement and likelihood of occurrence of provisions and contingencies (Refer note r)
- Impairment of non- financial assets (Refer note g)
- Goodwill impairment (Refer note g)
- Provision for Income Taxes and uncertain tax Positions (Refer note k)
- Impairment of financial assets (Refer note i)

b) Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity.

In assessing control, potential voting rights are considered only if the rights are substantive. The

Notes

Forming part of the Consolidated Financial Statements

financial statements of subsidiaries are included in these Consolidated Financial Statements from the date that control commences until the date that control ceases. These Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

The financials statement of subsidiaries and Joint venture used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

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

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

Consolidation procedure
The Consolidated Financial Statement of the Group has been combined on a line-by-line basis by adding assets, liabilities, equity, income, expense and cash flows. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these Consolidated Financial Statements.

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

Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

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

c) Property, Plant and Equipment & Depreciation:

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

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

Notes

Forming part of the Consolidated Financial Statements

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

Freehold land is carried at Historical cost.

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
Improvements on Leased Premises	Over the period of lease
Building	5 to 80 years
Plant and Equipment	10 to 15 years
Office Equipment (Desktop and Laptop)	4 years

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

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

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

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

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

d) Intangible assets:

I. Recognition and Measurement

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

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

II. Subsequent Expenditure

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

III. Derecognition of Intangible Assets

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

IV. Amortization

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

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

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

e) Non-current assets held for sale:

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

f) Research and Development:

Revenue expenditure pertaining to research is charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred.

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

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

The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

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

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

g) Impairment of non-financial assets:

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

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

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

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

Goodwill impairment

Goodwill is tested for impairment annually. If events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (CGUs) (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the Group using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves

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

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

Management judgement is required in the area of intangible asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs 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 at reporting date at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

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

i) Financial Instruments:

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

I. Financial Assets

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e. the date

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that the Group commits to purchase or sell the asset.

Financial assets at amortized cost

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

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

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

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

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

Subsequent measurement

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

i) Debt instruments at amortised cost.

ii) Debt instruments at fair value through other comprehensive income (FVTOCI).

iii) Derivatives and equity instruments at fair value through profit or loss (FVTPL).

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Equity investments

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

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

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

Derecognition

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

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

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset

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is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

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

ii) Trade receivables.

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

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

II. Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

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

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from

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the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

Embedded derivatives

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Hedge Accounting

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

III. Measurement

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

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

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

(c) Level 3: The fair value of financial instruments that are measured on the

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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. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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

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

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

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

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

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

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

ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

k) Income tax:

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

Current tax

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

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

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

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

Deferred tax

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will

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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.

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

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

l) Inventories:

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

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

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

m) Revenue Recognition:

Sale of Goods

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

Revenue from the sale of goods is measured at the transaction price which is consideration

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received or receivable, net of returns, Goods and Service Tax (GST) and applicable trade discounts, allowances and chargeback. Revenue includes shipping and handling costs billed to the customer.

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

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

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

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

Income from research services

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

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

Services Income

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

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

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

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

n) Employee Benefits:

Short term employee benefits

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

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Group will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

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Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

Other benefit plans

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

o) Share-based payment transactions:

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

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

p) Discontinued Operations:

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

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

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

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

q) Leases:

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

Group as a lessee

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

i) Right-of-Use Assets

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

ii) Lease Liabilities

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

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

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

r) Provisions and Contingent Liabilities:

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

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

Contingent liabilities are disclosed in the Notes to the Consolidated Financial Statements. Contingent liabilities are disclosed for

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

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

s) Cash and Cash equivalents:

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

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

t) Borrowing costs:

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

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

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

u) Government Grants:

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

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

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

v) Earnings per share:

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

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w) Insurance claims:

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

x) Current vs. Non-current:

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

1C. RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The group does not expect this amendment to have any significant impact in its financial statements.

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2. Property, Plant and Equipment

(₹ in million)

Particulars	Freehold Land	Buildings	Improvements on Leased Premises	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block								
As at 01.04.2021	1,921.7	18,034.3	2,189.7	40,168.3	1,574.3	361.9	2,542.6	66,792.8
Additions	9.3	2,352.3	138.2	4,015.4	72.5	97.4	227.2	6,912.3
Disposals	-	43.1	-	392.5	60.5	41.8	90.7	628.6
Translation Adjustments	92.0	212.2	79.3	325.3	79.7	0.2	109.7	898.4
As at 31.03.2022	2,023.0	20,555.7	2,407.2	44,116.5	1,666.0	417.7	2,788.8	73,974.9
Additions	-	583.0	106.2	4,617.0	119.5	59.1	252.8	5,737.6
Disposals	2.9	26.8	3.2	258.4	8.8	120.7	153.4	574.2
Translation Adjustments	123.3	377.5	153.4	535.5	29.7	26.5	57.5	1,303.4
As at 31.03.2023	**2,143.4**	**21,489.4**	**2,663.6**	**49,010.6**	**1,806.4**	**382.6**	**2,945.7**	**80,441.7**
Accumulated Depreciation and Impairment								
As at 01.04.2021	-	3,124.2	1,385.5	19,401.7	895.2	194.0	2,034.2	27,034.8
Depreciation charge for the year	-	716.1	253.9	3,844.3	143.8	71.9	286.1	5,316.1
Impairment charge for the year	-	-	-	-	-	-	-	-
Disposals	-	18.0	-	345.6	56.2	41.4	90.7	551.9
Translation Adjustments	-	32.5	68.3	164.4	68.9	2.0	99.1	435.2
As at 31.03.2022	-	3,854.8	1,707.7	23,064.8	1,051.7	226.5	2,328.7	32,234.2
Depreciation charge for the year	-	776.4	139.6	3,888.6	133.1	70.2	223.4	5,231.3
Impairment charge for the year	-	-	-	-	-	-	-	-
Disposals	-	19.7	2.5	220.8	8.1	114.7	153.3	519.1
Translation Adjustments	-	68.3	108.0	328.9	27.3	16.1	50.7	599.3
As at 31.03.2023	**-**	**4,679.8**	**1,952.8**	**27,061.5**	**1,204.0**	**198.1**	**2,449.5**	**37,545.7**
Net Block								
As at 31.03.2023	**2,143.4**	**16,809.6**	**710.8**	**21,949.1**	**602.4**	**184.5**	**496.2**	**42,896.0**
As at 31.03.2022	2,023.0	16,700.9	699.5	21,051.7	614.3	191.2	460.1	41,740.7

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

b) For details of Impairment Loss [Refer note 55].

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

3. Capital Work-In-Progress (CWIP)

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Opening Balance	8,474.7	8,515.4
Additions (net of capitalisation) during the year	473.5	(40.7)
Impairment during the year	-	-
Closing Balance	**8,948.2**	**8,474.7**

a) Refer note 70 for CWIP ageing and note 40 for details of Expenditure incurred prior to commencement of commercial production.

b) For details of Impairment Loss [Refer note 55].

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4. Other Intangible Assets

(₹ in million)

Particulars	Computer Software	Trademarks and Licences	Dossiers/ Marketing rights	Customer Relationships	Supplier Contracts	Knowhow	Total
Gross Block							
As at 01.04.2021	791.7	1,388.3	53,142.8	-	-	-	55,322.8
Taken over on Acquisition	-	-	-	851.2	434.3	-	1,285.5
Additions	169.3	60.0	36.2	-	-	-	265.5
Disposals	36.7	98.8	20.5	-	-	-	156.0
Translation Adjustments	123.0	91.4	1,985.7	29.0	14.8	-	2,243.9
As at 31.03.2022	1,047.3	1,440.9	55,144.2	880.2	449.1	-	58,961.7
Taken over on Acquisition	-	2,855.3	-	-	-	146.1	3,001.4
Additions	514.2	328.9	6,107.8	-	-	-	6,950.9
Disposals	49.3	27.3	1,495.9	-	26.1	-	1,598.6
Translation Adjustments	28.7	(10.6)	4,408.0	(26.6)	(13.6)	-	4,385.9
As at 31.03.2023	**1,540.9**	**4,587.2**	**64,164.1**	**853.6**	**409.4**	**146.1**	**71,701.3**
Accumulated Amortisation and Impairment							
As at 01.04.2021	425.5	575.3	38,967.6	-	-	-	39,968.4
Amortisation charge for the year	120.3	137.1	1,607.8	12.8	6.5	-	1,884.5
Impairment charge for the year	-	-	8,402.1	-	-	-	8,402.1
Disposals	32.0	87.0	13.5	-	-	-	132.5
Translation Adjustments	81.7	5.5	1,674.5	0.4	0.2	-	1,762.3
As at 31.03.2022	595.5	630.9	50,638.5	13.2	6.7	-	51,884.8
Amortisation charge for the year	138.9	416.8	1,405.8	85.5	42.2	28.7	2,117.9
Impairment charge for the year	-	9.9	228.6	-	-	-	238.5
Disposals	49.3	4.7	1,439.5	-	1.6	-	1,495.1
Translation Adjustments	160.5	(20.0)	3,901.1	(0.5)	(0.3)	-	4,040.8
As at 31.03.2023	**845.6**	**1,032.9**	**54,734.5**	**98.2**	**47.0**	**28.7**	**56,786.9**
Net Block							
As at 31.03.2023	**695.3**	**3,554.3**	**9,429.6**	**755.4**	**362.4**	**117.4**	**14,914.4**
As at 31.03.2022	451.8	810.0	4,505.7	867.0	442.4	-	7,076.9

a) For details of Impairment Loss [Refer note 55].

b) Accumulated Amortization and Impairment Loss includes impairment loss in opening balance of ₹ 31,447.7 million (previous year ₹ 22,130.5 million) and in closing balance of ₹ 34,282.5 million (previous year ₹ 31,447.7 million).

c) Refer note 51 for additional disclosure.

d) The Group has not revalued any of its Intangible Assets.

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5. Right-Of-Use Assets (ROU)

(₹ in million)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 01.04.2021	1,132.1	3,387.8	26.4	443.1	451.2	87.1	5,527.7
Additions	5.3	557.9	-	29.2	171.0	-	763.4
Disposals	-	360.9	-	76.0	161.2	30.9	629.0
Translation Adjustments	-	54.9	-	-	6.9	1.5	63.3
As at 31.03.2022	1,137.4	3,639.7	26.4	396.3	467.9	57.7	5,725.4
Additions	-	521.6	22.0	-	312.5	17.8	873.9
Disposals	-	114.0	26.4	-	117.1	32.1	289.6
Translation Adjustments	-	114.9	-	-	14.5	4.3	133.7
As at 31.03.2023	**1,137.4**	**4,162.2**	**22.0**	**396.3**	**677.8**	**47.7**	**6,443.4**
Accumulated Depreciation							
As at 01.04.2021	59.6	947.0	13.2	211.5	167.6	57.8	1,456.7
Depreciation charge for the year	15.3	711.2	8.8	89.2	136.5	23.4	984.4
Disposals	-	295.9	-	76.0	95.0	30.9	497.8
Translation Adjustments	-	19.0	-	-	4.3	1.2	24.5
As at 31.03.2022	74.9	1,381.3	22.0	224.7	213.4	51.5	1,967.8
Depreciation charge for the year	15.3	773.5	8.1	80.9	178.7	7.6	1,064.1
Disposals	-	54.9	26.4	-	89.2	31.1	201.6
Translation Adjustments	-	49.1	-	-	6.2	3.6	58.9
As at 31.03.2023	**90.2**	**2,149.0**	**3.7**	**305.6**	**309.1**	**31.6**	**2,889.2**
Net Block							
As at 31.03.2023	**1,047.2**	**2,013.2**	**18.3**	**90.7**	**368.7**	**16.1**	**3,554.2**
As at 31.03.2022	1,062.5	2,258.4	4.4	171.6	254.5	6.2	3,757.6

a) Refer note 44 for additional disclosure.
b) The Group has not revalued any of its Right-of-Use assets.

6. Intangible Assets Under Development (IAUD)

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Opening Balance	2,988.1	2,147.2
Additions (net of capitalisation) during the year	598.9	840.9
Impairment during the year	155.3	-
Closing Balance	**3,431.7**	**2,988.1**

a) For details of Impairment Loss [Refer note 55].
b) Refer note 71 for IAUD ageing.

7. Investments Accounted For Using Equity Method

[Refer note 54(b)]

(₹ in million)

Particulars	Number	Face Value	**As at 31.03.2023**	As at 31.03.2022
Unquoted (fully paid)				
In Jointly Controlled Entity:				
- YL Biologics Limited, Japan	450	JPY	300.7	303.3
	(450)	*		
Total			**300.7**	**303.3**

* Shares do not have face value

i) Aggregate amount of unquoted investments	300.7	303.3
ii) Aggregate amount for impairment in value of investments	-	-
iii) Previous year numbers are within brackets below current year numbers		

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8. Non-Current Investments

(₹ in million)

Particulars	Number	Face Value	As at 31.03.2023	As at 31.03.2022
a) In Equity shares at Fair value through Profit or Loss (fully paid):				
Unquoted				
- Biotech Consortium India Limited, India	50,000	₹	0.5	0.5
	(50,000)	10		
- Enviro Infrastructure Co. Limited, India	100,000	₹	1.0	1.0
	(100,000)	10		
- BEIL Infrastructure Limited, India	4,410	₹		
(formerly known as Bharuch Enviro Infrastructure Limited, India)	(4,410)	10		
[31.03.2023 - ₹ 44,100/-, 31.03.2022 - ₹ 44,100/-]				
- Narmada Clean Tech Limited, India	1,100,388	₹	11.0	11.0
	(1,100,388)	10		
- Tarapur Environment Protection Society, India	72,358	₹	7.2	7.2
	(72,358)	100		
- nReach One (Pty) Limited, South Africa	9,650,000	ZAR	44.6	50.4
	(9,650,000)	1		
- Sai Wardha Power Limited, India	3,007,237		-	-
[Aggregate impairment of ₹ 30.1 million (previous year - ₹ 30.1 million)]	(3,007,237)			
			64.3	70.1
b) In Bonds/Debentures/Securities at Amortised Cost				
Unquoted				
- Government Securities				
- National Saving Certificates [Deposited with Government Authority] [31.03.2023 - ₹ 5,500/-, 31.03.2022 - ₹ 5,500/-]				
c) In Membership Share in LLP, Unquoted at Fair Value through Profit or Loss				
- ABCD Technologies LLP, India			406.3	402.6
[As at 31.03.2023, the Company had a 6.45% (31.03.2022 - 6.45%) share of profit/loss and voting rights. The investment is locked upto April 24, 2024]				
Total			**470.6**	**472.7**

i) Aggregate amount of quoted investments and market value thereof		
Book value	-	-
Market value	-	-
ii) Aggregate amount of unquoted investments	470.6	472.7
iii) Previous year numbers are within brackets below current year numbers		

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9. Non-Current Loans

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Others (including Loans to Employees for Housing/Medical/Others)	40.4	2.1
Total	**40.4**	**2.1**

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

10. Other Non-Current Financial Assets

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good unless otherwise stated Security Deposits		
- with Related Parties [Refer note 65 C]	7.4	29.0
- with Others	802.9	730.0
Mark to Market Derivative Assets		
-Forward Contracts	-	19.5
Earmarked Bank Deposits against guarantees & other commitments	176.8	9.1
Others (includes miscellaneous receivables, etc.)	-	30.2
Total	**987.1**	**817.8**

11. Other Non-Current Assets

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Advances	1,378.6	929.6
Balances with Government Authorities (Drawback/Customs and Excise duties receivable)	13.6	77.1
Advance against investments	-	40.8
Prepaid Expenses	386.6	100.2
Other Advances	201.3	227.9
Total	**1,980.1**	**1,375.6**

12. Inventories

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Raw Materials	10,002.2	10,750.3
Packing Materials	3,403.7	2,811.2
Work-in-Progress	6,318.3	6,119.1
Finished Goods	7,389.3	7,888.1
Stock-in-Trade	12,327.9	12,857.6
Consumable Stores and Spares	2,556.0	2,334.3
Goods-in-Transit		
- Raw Materials	397.1	785.4
- Packing Materials	100.4	28.0
- Stock-in-Trade	2,415.9	2,708.1
- Consumable Stores and Spares	6.8	25.2
Total	**44,917.6**	**46,307.3**

During the year, the Group recorded inventory write-downs of ₹ 1,273.3 million (previous year ₹ 4,831.8 million). These adjustments were included in cost of material consumed and changes in inventories.

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13. Current Investments

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	-	505.9
In Commercial Papers	-	988.7
Unquoted		
In Deposits with financial institutions	-	515.9
- Measured at Fair Value through Profit and Loss		
Unquoted		
In Mutual Funds	4,397.7	6,213.5
Total	**4,397.7**	**8,224.0**

a) Aggregate amount of quoted investments and market value thereof		
Book value	-	1,494.6
Market value	-	1,494.4
b) Aggregate amount of Unquoted Investments	4,397.7	6,729.4
c) Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-

14. Trade Receivables

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured		
- Considered Good	44,997.0	42,722.5
- Credit Impaired	300.8	342.8
	45,297.8	43,065.3
Less: Allowances for credit losses	490.8	445.9
Total	**44,807.0**	**42,619.4**

Refer note 68 for Trade Receivable ageing.

[There are no other trade receivables which have significant increase in credit risk. Refer note 60(C) for information about credit risk and market risk for reference]

15. Cash And Cash Equivalents

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Bank Balances		
- In Current Accounts (including money-in-transit)	7,600.5	6,320.0
- In EEFC Account	28.9	90.0
- In Deposit Accounts	4,635.0	3,471.9
Cheques on hand	42.0	20.8
Cash on hand	11.7	11.0
Total	**12,318.1**	**9,913.7**

16. Other Bank Balances

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Earmarked Balances with Banks		
- Unpaid dividend accounts	42.0	48.5
- Deposits against guarantees and other commitments	111.1	33.6
Bank Deposits with original maturity of more than 3 months but less than 12 months	460.1	985.5
Total	**613.2**	**1,067.6**

Notes

Forming part of the Consolidated Financial Statements

17. Current Loans

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Others (including Loans to Employees for Housing/Medical/Others)	21.2	22.9
Total	**21.2**	**22.9**

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

18. Other Current Financial Assets

(₹ in million)

	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Mark to Market Derivative Assets [Refer note 62]		
- Forward Contracts	-	223.3
Export Benefits receivable / Refund due from Government Authorities	3,150.9	1,786.5
Security Deposits	64.9	57.9
Others	2,345.1	1,919.3
Total	**5,560.9**	**3,987.0**

19. Other Current Assets

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Advances to Employees	110.9	100.7
Advances to Vendors		
- Considered Good	1,695.4	1,965.2
- Credit Impaired	168.0	129.9
	1,863.4	2,095.1
Less: Impairment Allowances for Credit Impaired	168.0	129.9
	1,695.4	1,965.2
Prepaid Expenses	1,136.2	997.0
Export Benefits receivable/Balances with Government Authorities (GST credit/VAT/Cenvat/Service tax/refund receivable)	8,515.4	8,937.6
Assets Recoverable From Customers	52.2	49.3
Total	**11,510.1**	**12,049.8**

20. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2023		As at 31.03.2022	
	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	454,981,335	910.0	454,475,014	909.0
Total	**454,981,335**	**910.0**	**454,475,014**	**909.0**

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	454,475,014	909.0	453,680,133	907.4
Equity Shares issued during the year pursuant to exercise of ESOPs	506,321	1.0	794,881	1.6
Equity Shares outstanding at the end of the year	**454,981,335**	**910.0**	**454,475,014**	**909.0**

Notes

Forming part of the Consolidated Financial Statements

c) Rights attached to Equity Shares

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

During the year ended March 31, 2023, the amount of dividend per equity share distributed to equity shareholders is ₹ 4 (Previous year ended March 31, 2022, ₹ 6.5)

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 31.03.2023**		As at 31.03.2022	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Lupin Investments Pvt. Limited	207,194,390	45.54	205,608,135	45.24

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

Promoter name	**As at 31.03.2023**		As at 31.03.2022		% Change during the year
	No. of Shares	**% of total shares**	No. of Shares	% of total shares	
Desh Bandhu Gupta HUF	647,580	0.14	647,580	0.14	-
Manju D. Gupta	3,871,162	0.85	3,871,162	0.85	-
Nilesh D. Gupta	901,064	0.20	901,064	0.20	-
Kavita Gupta	200,170	0.04	200,170	0.04	-
Veda Nilesh Gupta	70,129	0.02	65,979	0.01	6.29
Neel Deshbandhu Gupta	26,008	0.01	21,858	0.00	18.99
Shefali Nath Gupta	1,752	0.00	1,752	0.00	-
Lupin Investments Pvt. Ltd	207,194,390	45.54	205,608,135	45.24	0.77
Manju D. Gupta (As a Trustee of Gupta Family Trust)	1,000	0.00	1,000	0.00	-
Vinita Gupta	327,424	0.07	327,424	0.07	-
Anuja Gupta	725,705	0.16	725,705	0.16	-
Richa Gupta	233,265	0.05	233,265	0.05	-

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

Particulars	**As at 31.03.2023**		As at 31.03.2022	
	No. of Shares	**₹ in million**	No. of Shares	` in million
Lupin Employees Stock Option				
Plan 2003	78,705	0.2	95,030	0.2
Plan 2005	8,350	0.0	8,350	0.0
Plan 2011	806,452	1.6	878,513	1.8
Plan 2014	848,347	1.7	1,142,798	2.3
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2011	595,618	1.2	615,408	1.2
Plan 2014	1,237,780	2.5	1,357,799	2.7

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

Particulars	**As at 31.03.2023 Aggregate No. of Shares**	As at 31.03.2022 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	2,898,485	2,898,145

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

Notes

Forming part of the Consolidated Financial Statements

21. Non-Current Borrowings

[Refer note 25]

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Secured		
Term Loans from Banks	-	1,418.6
	-	1,418.6
Unsecured		
Term Loans from Banks	275.1	-
	275.1	-
Total	**275.1**	**1,418.6**

a) The above unsecured loan is taken for acquisition by a subsidiary located in Australia carries interest rate of 4.90% p.a. This loan is repayable in 12 equal quarterly installments commencing from April 23, 2023 and ending January 14, 2026.

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

22. Other Non-Current Financial Liabilities

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Payable for Capital Expenditure	1,178.4	1,681.4
Payable for Purchase of Non-Current Investment	699.5	651.9
Employee Benefits Payables	109.3	62.0
Other Payables	26.4	113.9
Total	**2,013.6**	**2,509.2**

23. Non-Current Provisions

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Provisions for Employee Benefits [Refer note 29]		
Gratuity [Refer note 46 (ii)]	1,968.3	1,930.2
Retirement Benefits	243.3	231.2
Compensated Absences	939.0	993.6
Provident Fund [Refer note 46 (ii)]	279.7	174.9
Total	**3,430.3**	**3,329.9**

24. Other Non-Current Liabilities

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Revenue [Refer note 41(d)]	1,600.2	1,342.4
Total	**1,600.2**	**1,342.4**

25. Current Borrowings

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Secured		
Loans from Banks	-	2,566.2
Unsecured		
Loans from Banks	42,165.4	34,456.8
Total	**42,165.4**	**37,023.0**

Notes

Forming part of the Consolidated Financial Statements

a) Secured Loans comprise of Working Capital Loan and are secured by hypothecation of Inventories and book debts carrying market driven interest rates. Unsecured Loans comprise of Working Capital Loan carrying market driven interest rates.

b) Unsecured Loans of ₹ 3,140.6 million availed by a subsidiary company located in Brazil carries fixed interest rate in the range of 15.80 % to 16.05% and this loan is guaranteed by the Company.

c) Unsecured Loans of ₹ 6,134.6 million comprise of Working Capital Loan carrying interest rate in range 6.90% to 8.05%.

d) Unsecured Loans of ₹ 32,890.2 million availed by a subsidiary company located in USA carries interest rate of Secured Overnight Financing Rate (SOFR) plus 0.79%-1.00% p.a. and this loan is guaranteed by the Company.

e) Current borrowings are repayable within 12 months.

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

g) The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of account.

26. Trade Payables

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Acceptances	720.2	591.5
Other than Acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises [Refer note 59]	763.3	860.7
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	23,831.8	21,376.9
Total	**25,315.3**	**22,829.1**

Refer note 69 for Trade Payable ageing.

27. Other Current Financial Liabilities

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unpaid Dividend *	42.0	48.5
Mark to Market Derivative Liabilities [Refer note 62]		
-Forward Contracts	206.3	281.8
Payable for Capital Expenditure	1,384.4	1,429.4
Payable for Purchase of Non-Current Investment	726.5	801.8
Trade Deposits received	118.9	119.0
Employee Benefits Payables	3,433.0	3,116.5
Other Payables	41.3	142.0
Total	**5,952.4**	**5,939.0**

* During the year ₹ 8.7 million has been credited to Investor Education and Protection Fund relating to FY 14-15.

28. Other Current Liabilities

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	1,519.2	1,227.4
Refund Liabilities	3,759.5	2,761.4
Deferred Revenue [Refer note 41(d)]	479.1	230.1
Deferred Government Grant	106.7	-
Advances from customers	152.5	155.9
Other Payables	2,692.0	2,704.7
Total	**8,709.0**	**7,079.5**

29. Current Provisions

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Provisions for Employee Benefits [Refer note 23]		
Gratuity [Refer note 46(ii)]	386.3	364.9
Retirement Benefits	8.9	18.4
Compensated Absences	678.4	662.9
Other Provisions		
For European Commission Fine [Refer note 58]	4,077.5	3,783.9
Total	**5,151.1**	**4,830.1**

Notes

Forming part of the Consolidated Financial Statements

30. Revenue From Operations

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Sale [Refer note 41]		
Goods	162,132.6	158,069.8
Service Income	254.5	34.8
Research Services	312.7	3,823.3
	162,699.8	161,927.9
Other Operating Revenue		
Export Benefits and Other Incentives	1,417.8	757.7
Service Charges	174.7	88.9
Insurance Claims	81.0	87.3
Business Compensation and Settlement Income	1,122.1	1,044.9
Miscellaneous Income	921.2	148.1
	3,716.8	2,126.9
Total	**166,416.6**	**164,054.8**

31. Other Income

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	204.9	122.4
Other Interest	119.4	205.7
Income on Financial Assets carried at fair value through Profit or loss		
Net gain on Sale of Mutual Fund Investments	117.1	332.6
Unrealised Gain on Mutual Fund Investments (net)	14.1	23.2
Unrealised Gain on Non-Current Investment	3.6	2.6
Provisions no longer required written back	1.9	-
Profit on Sale of Property, Plant & Equipment/Intangible Assets (net)	209.8	-
Miscellaneous Income (including Interest on Income Tax Refund)	62.8	730.4
Total	**733.6**	**1,416.9**

32. Cost Of Materials Consumed

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Raw Materials Consumed	29,319.4	25,353.1
Packing Materials Consumed	7,558.7	7,004.0
Total	**36,878.1**	**32,357.1**

33. Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade [(Increase)/Decrease]

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Opening Stock:		
Finished Goods	7,888.1	7,455.9
Stock-in-Trade	15,565.7	13,729.7
Work-in-Progress	6,119.1	5,945.1
	29,572.9	27,130.7
Less:		
Closing Stock:		
Finished Goods	7,389.3	7,888.1
Stock-in-Trade	14,743.8	15,565.7
Work-in-Progress	6,318.3	6,119.1
	28,451.4	29,572.9
Changes In Inventories:		
Finished Goods	498.8	(432.2)
Stock-in-Trade	821.9	(1,836.0)
Work-in-Progress	(199.2)	(174.0)
Foreign Currency Translation Difference	415.8	459.0
Total	**1,537.3**	**(1,983.2)**

Notes

Forming part of the Consolidated Financial Statements

34. Employee Benefits Expense

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Salaries and Wages	26,601.8	25,835.2
Contribution to Provident and Other Funds	2,278.5	2,116.1
Retirement Benefits Expense	187.7	193.7
Share based payment expense [Refer note 45]	584.3	573.0
Staff Welfare Expenses	1,219.2	1,175.0
Total	**30,871.5**	**29,893.0**

35. Finance Costs

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Interest on Financial Liabilities - borrowings carried at amortised cost	1,925.9	592.9
Net Interest on net defined benefit liability	270.5	236.4
Interest cost on finance lease obligation [Refer note 44]	205.7	207.3
Other Borrowing Costs (includes bank charges, etc.)	340.9	355.1
Interest on Income Tax	-	36.0
Total	**2,743.0**	**1,427.7**

36. Other Expenses

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Processing Charges	1,756.3	1,289.5
Stores and Spares Consumed	4,851.3	6,068.1
Repairs and Maintenance:		
- Buildings	360.2	373.7
- Plant and Machinery	1,855.0	1,736.1
- Others	2,308.7	2,078.5
Rent and Other Hire Charges [Refer note 44]	702.7	680.8
Rates and Taxes	1,667.4	1,795.2
Insurance	1,054.5	950.9
Power and Fuel	4,796.8	4,439.6
Contract Labour Charges	1,598.3	1,505.1
Selling and Promotion Expenses	7,682.2	7,117.0
Commission and Brokerage	1,135.9	1,149.1
Freight and Forwarding	3,069.1	2,694.9
Postage and Telephone Expenses	408.9	421.6
Travelling and Conveyance	2,808.6	2,312.0
Legal and Professional Charges	9,024.4	7,781.8
[Net of recoveries of ₹ 121.6 million (previous year ₹ 113.2 million)]		
Donations [Refer note 73]	248.4	44.7
Clinical and Analytical Charges	1,472.8	1,824.9
Loss on Sale/Write-off of Property, Plant & Equipment/Intangible Assets (net)	-	29.3
Bad Trade Receivables/Advances written off	34.3	46.2
[Net of provision of earlier years adjusted ₹ 47.7 million (previous year ₹ 175.7 million)]		
Impairment Allowances for Doubtful Trade Receivables/Deposits/Advances (net)	117.2	(35.8)
Corporate Social Responsibility Expenses	356.5	385.7
Directors Sitting Fees	1.7	2.3
Business Compensation and Settlement Expenses	1,662.5	2,177.8
Miscellaneous Expenses	1,568.1	1,508.4
Total	**50,541.8**	**48,377.4**

Notes

Forming part of the Consolidated Financial Statements

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

Name of Subsidiaries/Jointly controlled entity	Country of Incorporation	Proportion of Ownership Interest	
		As at 31.03.2023	As at 31.03.2022
Lupin Pharmaceuticals Inc.	USA	100%[1]	100%[1]
Hormosan Pharma GmbH	Germany	100%[2]	100%[2]
Pharma Dynamics (Proprietary) Limited	South Africa	100%[2]	100%[2]
Lupin Australia Pty Limited	Australia	100%	100%
Nanomi B.V.	Netherlands	100%	100%
Lupin Atlantis Holdings SA	Switzerland	100%	100%
Multicare Pharmaceuticals Philippines Inc.	Philippines	51%[2]	51%[2]
Generic Health Pty Limited	Australia	100%[2]	100%[2]
Bellwether Pharma Pty Limited (under liquidation)	Australia	100%[3]	100%[3]
Lupin Healthcare (UK) Limited	UK	100%[4]	100%[4]
Lupin Pharma Canada Limited	Canada	100%[4]	100%[4]
Lupin Diagnostics Limited (Formerly known as 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 Inc.	USA	100%[2]	100%[2]
Laboratorios Grin S.A. de C.V.	Mexico	100%[8]	100%[8]
Medquímica Indústria Farmacêutica LTDA	Brazil	100%[5]	100%[5]
Novel Laboratories Inc.	USA	100%[6]	100%[6]
Lupin Research Inc.	USA	100%[6]	100%[6]
YL Biologics Limited (under liquidation)	Japan	45%[7]	45%[7]
Lupin Europe GmbH	Germany	100%[4]	100%[4]
Lupin Management Inc.	USA	100%[6]	100%[6]
Lupin Biologics Limited	India	100%	100%
Lupin Oncology Inc.	USA	99.3%	99.3%
Lupin Foundation (under de-registering)	India	100%	100%
Lupin Digital Health Limited (w.e.f. 21.05.2021)	India	100%	100%
Avenue Coral Springs LLC (w.e.f. 29.11.2021)	USA	100%[9]	100%[9]
Southern Cross Pharma Pty Ltd (w.e.f. 03.02.2022)	Australia	100%[3]	100%[3]

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

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

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

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

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

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

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

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

[9] Wholly owned subsidiary of Lupin Research Inc, USA.

Notes

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38. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Tangible assets ₹ 2,789.4 million (31.03.2022 ₹ 4,052.0 million) and Intangible assets ₹ 71.5 million (31.03.2022 ₹ 71.4 million) and other purchase related commitments ₹ 750.8 million (31.03.2022 ₹ 646.7 million).

b) Other commitments – Non-cancellable short-term leases is ₹ 3.4 million (31.03.2022 ₹ 23.6 million) and low value leases is ₹ 53.1 million (31.03.2022 ₹ 249.4 million).

c) There are no capital commitments at the jointly controlled entity as at 31.03.2023.

d) Dividends proposed of ₹ 4/- (31.03.2022 ₹ 4/-) per equity share is subject to the approval of the shareholders of the Company at the Annual General Meeting, but not recognised as a liability in the financial statements is ₹ 1,820.1 million (31.03.2022 ₹ 1,818.0 million).

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

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

g) Financial and corporate guarantees issued by the Company on behalf of subsidiaries are disclosed in note 39.

39. Contingent Liabilities:

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
a) Income tax demands/matters on account of deductions/allowances in earlier years, pending in appeals and potential tax demands in future years in respect of some uncertain tax issues [₹ 353.9 million (31.03.2022 ₹ 370.1 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the Company]. Amount paid there against and included under "Non-Current Tax Assets (Net)" ₹ 1,360.3 million (31.03.2022 ₹ 1,878.6 million)	1,770.2	1,765.1
b) Customs duty, Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid there against and included under note 11 "Other Non-Current Assets" ₹ 23.9 million (31.03.2022 ₹ 23.9 million)	127.7	121.8
c) Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, local body tax, employee claims, power*, trademarks, pricing and stamp duty. Amount paid there against without admitting liability and included under note 11 "Other Non-Current Assets" ₹ 48.8 million (31.03.2022 ₹ 201.8 million). *Demand raised by Maharashtra State Electricity Development Corporation Limited (MSEDCL) challenging Group Captive Generating Plant (GCGP) status of power supplier's plant at Tarapur and Pune location.	2,039.3	1,830.2
d) Financial guarantee aggregating to ₹ 5,502.1 million (31.03.2022 ₹ 5,075.1 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-

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

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

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

f) From time to time, Lupin Limited and its subsidiaries are involved in various intellectual property claims and legal proceedings, which are considered normal to its business and the liability, if any, may fall on Lupin Limited. Some of these litigations have been resolved through settlement agreements with the plaintiffs.

g) There are no contingent liabilities at the jointly controlled entity as at 31.03.2023 and 31.03.2022.

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

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

40. Pre-operative expenses:

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

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Opening balance	388.6	378.0
Incurred during the year:		
Salaries, allowances and contribution to funds	94.4	98.5
Legal and Professional Charges	-	0.2
Travelling and Conveyance	7.6	5.6
Power and fuel	2.1	-
Others	16.8	13.1
Total incurred during the year	**120.9**	**117.4**
Less: Capitalised during the year	(108.5)	(106.8)
Closing balance	**401.0**	**388.6**

41. Revenue (Ind AS 115):

a) The operations of the Group are limited to primarily one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery depending on the terms of the sale. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

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

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

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

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

b) Disaggregation of revenue:

(₹ in million)

Nature of segment	**Year ended 31.03.2023**	Year ended 31.03.2022
A. Service line:		
- Sale of pharmaceutical goods	162,132.6	158,069.8
- Service Income	254.5	34.8
- Income from research services and sale of IPs	312.7	3,823.3
Total revenue from contracts with customers	**162,699.8**	**161,927.9**
B. Primary geographical market:		
- India	64,349.1	63,729.2
- USA	51,583.6	55,241.7
- Others	46,767.1	42,957.0
Total revenue from contracts with customers	**162,699.8**	**161,927.9**
C. Timing of the revenue recognition:		
- Goods/Services transferred at a point in time	162,699.6	158,104.6
- Services transferred over time	0.2	3,823.3
Total revenue from contracts with customers	**162,699.8**	**161,927.9**

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

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Revenue as per contracted price	**295,439.5**	**312,505.3**
Adjusted for:		
- Refund liabilities	5,682.7	6,236.7
- Discounts/Chargebacks/Rebates	118,042.4	132,709.1
- Others	9,014.6	11,631.6
Total revenue from contracts with customers	**162,699.8**	**161,927.9**

d) Reconciliation of revenue recognised from Deferred Revenue:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Balance in contract liability at the beginning of the year that was not recognized as revenue	1,572.5	1,760.0
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	846.4	255.5
Less: Decreases due to cash paid during the year upon termination of contracts	-	5.8
Less: Revenue recognized during the year	339.6	437.2
Balance in contract liability at the end of the year that is not recognized as revenue	**2,079.3**	**1,572.5**

42. Operating Segments:

A. Basis for segmentation

The operations of the Group are primarily related to Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only. The Group has started with commercial operations of Digital Healthcare business during the year and Diagnostic business in the previous year which are not material to the Group.

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 primary operating segment for the group.

B. Geographic information

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

a) Revenue from operations

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
India	66,506.7	64,596.0
USA	51,583.6	56,351.9
Others	48,326.3	43,106.9
	166,416.6	**164,054.8**

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
India	56,102.9	51,373.7
USA	25,240.9	18,170.8
Others	21,668.5	22,031.6
	103,012.3	**91,576.1**

C. Major Customer

Revenue from the largest customer based in USA represented ₹ 9,697.4 million (31.03.2022 ₹ 8,635.8 million) out of the Group's total revenues.

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

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit/(Loss) before non-controlling interest attributable to Equity Shareholders (₹ in million)	4,300.8	(15,280.4)
Weighted average number of Equity Shares:		
- Basic	454,692,962	454,042,888
Add: Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	2,254,024	1,197,409
- Diluted	456,946,986	455,240,297
Earnings per Share (in ₹)		
- Basic	9.46	(33.65)
- Diluted	9.41	(33.65)

44. Leases:

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

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

i) Lease liabilities

(₹ in million)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
Balance at 01.04.2022	112.9	2,559.3	4.9	191.6	264.7	8.7	**3,142.2**
Addition	-	505.6	22.0	-	291.5	7.7	**826.8**
Accreditation of interest (refer note 35)	8.9	159.5	0.8	12.3	23.5	0.7	**205.7**
Payments	(7.4)	(918.9)	(9.1)	(98.8)	(191.0)	(8.7)	**(1,233.9)**
Adjustments for Disposals	-	(61.9)	-	-	(27.1)	(0.8)	**(89.8)**
Translation Adjustments	-	87.4	-	-	27.1	9.2	**123.7**
Balance at 31.03.2023	**114.4**	**2,331.0**	**18.6**	**105.1**	**388.7**	**16.8**	**2,974.7**
Current	**4.7**	**805.4**	**7.1**	**94.3**	**193.8**	**5.6**	**1,110.8**
Non-current	**109.7**	**1,525.6**	**11.5**	**10.8**	**194.9**	**11.2**	**1,863.9**

(₹ in million)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
Balance at 01.04.2021	111.4	2,757.2	14.1	253.1	293.4	31.8	**3,461.0**
Addition	-	550.7	-	29.2	171.0	-	**750.9**
Accreditation of interest (refer note 35)	8.8	163.0	0.8	18.9	14.9	0.9	**207.3**
Payments	(7.3)	(819.9)	(10.0)	(109.6)	(140.9)	(25.8)	**(1,113.5)**
Adjustments for Disposals	-	(65.0)	-	-	(66.2)	-	**(131.2)**
Translation Adjustments	-	(26.7)	-	-	(7.4)	1.8	**(32.3)**
Balance at 31.03.2022	**112.9**	**2,559.3**	**4.9**	**191.6**	**264.8**	**8.7**	**3,142.2**
Current	**4.7**	**693.3**	**4.9**	**86.5**	**128.2**	**5.0**	**922.6**
Non-current	**108.2**	**1,866.0**	**-**	**105.1**	**136.6**	**3.7**	**2,219.6**

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

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ii) Amounts recognised in Consolidated Statement of Profit and Loss

(₹ in million)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation expense of right-of-use assets (Refer note 5)	1,064.1	984.4
Interest expense on lease liabilities (Refer note 35)	205.7	207.3
Expense relating to short-term leases (Refer note 36)	12.5	34.5
Expense relating to low value assets (Refer note 36)	234.2	181.6
Total	**1,516.5**	**1,407.9**

iii) Financial risk management

Maturities of financial liabilities:

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

Contractual maturities of financial liabilities	Less than 1 Year	More than 1 Year	Total
As at 31.03.2023			
Lease liabilities	1,208.4	1,853.6	3,062.0
As at 31.03.2022			
Lease liabilities	1,067.9	3,811.5	4,879.4

iv) Commitments and contingencies

The Group has not entered into lease contracts that have not yet commenced as at 31.03.2023.

45. Share-based payment arrangements:

(A) The Company

(i) Employee stock options – equity settled

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

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

Year ended 31.03.2023

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	1387368	556.1-1521.7	1192.8	1.8
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	181294	556.1-1521.7	1066.7	NA
Less: Options exercised during the year	33182	556.1-556.1	556.1	NA
Options outstanding at the year end	1172892	873.5-1521.7	1230.1	1.9
Exercisable at the end of the year	1175495	864.8-1521.7	1220.9	1.9

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Year ended 31.03.2022

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	1953420	455.7-2037.5	1165.8	2.7
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	389526	455.7-2037.5	1335.7	NA
Less: Options exercised during the year	176526	455.7-864.8	583.6	NA
Options outstanding at the year end	1387368	556.1-2037.5	1191.6	2.8
Exercisable at the end of the year	1389971	556.1-1505.8	1191.5	2.8

The weighted average grant date fair value of the options granted under Category A during the year ended 31.03.2023 and 31.03.2022 was ₹ nil and ₹ nil per option, respectively.

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

Year ended 31.03.2023

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	2017081	2.0	2.0	7.1
Add: Options granted during the year	677264	2.0	2.0	9.7
Less: Options lapsed during the year	181767	2.0	2.0	NA
Less: Options exercised during the year	473139	2.0	2.0	NA
Options outstanding at the year end	2039439	2.0	2.0	8.1
Exercisable at the end of the year	567520	2.0	2.0	6.3

Year ended 31.03.2022

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	2166977	2.0	2.0	7.4
Add: Options granted during the year	566540	2.0	2.0	9.7
Less: Options lapsed during the year	198081	2.0	2.0	NA
Less: Options exercised during the year	518355	2.0	2.0	NA
Options outstanding at the year end	2017081	2.0	2.0	8.1
Exercisable at the end of the year	504096	2.0	2.0	6.6

The weighted average grant date fair value of the options granted under Category B during the year 31.03.2023 and 31.03.2022 was ₹ 722.6 and ₹ 861.7 per option, respectively.

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

Year ended 31.03.2023

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	50000	891.5-891.5	891.5	2.6
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	50000	891.5-891.5	891.5	2.6
Exercisable at the end of the year	50000	891.5-891.5	891.5	2.6

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Year ended 31.03.2022

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	675.9	4.6
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	100000	415.7-720.5	568.1	NA
Options outstanding at the year end	50000	891.5-891.5	891.5	3.6
Exercisable at the end of the year	50000	891.5-891.5	891.5	3.6

The weighted average grant date fair value of options granted under Category C during the year ended 31.03.2023 and 31.03.2022 was ₹ nil and ₹ nil per option, respectively.

The weighted average share price during the year ended 31.03.2023 and 31.03.2022 was ₹ 692.7 and ₹ 981.1 per share respectively.

Valuation of stock options

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

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

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

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

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

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

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

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

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

Weighted average information – Year ended 31.03.2023

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

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

Weighted average information – Year ended 31.03.2022

Category	Grant date	Exercise price (₹)	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price (₹)	Weighted Option Fair Value (₹)
B	10.05.2021	2.0	5.1%	3.5	33.3%	0.6%	1,227.4	1,197.7
B	02.09.2021	2.0	5.8%	6.3	31.4%	0.6%	967.8	929.1
B	02.09.2021	2.0	5.8%	6.3	31.4%	0.6%	967.8	929.1
B	02.09.2021	2.0	4.6%	2.6	33.5%	0.6%	967.8	950.5
B	18.10.2021	2.0	5.9%	6.3	31.1%	0.6%	936.5	899.0
B	18.10.2021	2.0	5.9%	6.3	31.1%	0.6%	936.5	899.0
B	30.11.2021	2.0	5.9%	6.3	31.1%	0.6%	884.4	848.9
B	30.11.2021	2.0	5.9%	6.3	31.1%	0.6%	884.4	848.9
B	30.11.2021	2.0	5.9%	6.3	31.1%	0.6%	884.4	848.9
B	30.11.2021	2.0	4.6%	2.6	32.4%	0.6%	884.4	868.4
B	01.03.2022	2.0	6.2%	6.3	31.4%	0.6%	745.9	715.8
B	01.03.2022	2.0	4.9%	2.6	33.2%	0.6%	745.9	732.1

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	861.7	885.3

(ii) Employee stock options – Cash settled

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

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

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Other non-current financial liabilities	78.2	31.1
Other current financial liabilities	76.6	31.1
Total carrying amount of liabilities	**154.8**	**62.2**

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

(₹ in million)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Equity settled share based payments	401.5	393.0
Cash settled share based payments	176.1	59.7
Total expense on share based payments	**577.6**	**452.7**

(B) Lupin Diagnostics Limited

(i) Employee stock options – equity settled

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

The Committee determines which eligible employees will receive options, the number of options to be granted, the vesting period and the exercise period. The options are granted at an exercise price of ₹ 10 each, which is at par with face value of share. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 10 each. The options issued under the above schemes vest in a phased manner after completion of the minimum period of two years with an exercise period of ten years from the respective grant dates.

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

Year ended 31.03.2023

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	-	-	-	-
Add: Options granted during the year	98128	10.0	10.0	9.0
Less: Options lapsed during the year	-	-	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding at the year end	98128	10.0	10.0	9.0
Exercisable at the end of the year	-	-	-	-

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

Valuation of stock options

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

Share price: The fair value of equity shares of Lupin Diagnostics Limited is considered at ₹ 14.2 per share for valuation of ESO. The fair value of equity shares is derived considering Discounted Cash Flow (DCF) Method under the income approach of valuation considering the going concern projections for the period FY 2023 to FY 2027.

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

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

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

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

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

Weighted average information – Year ended 31.03.2023

Grant date	Exercise price (₹)	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price (₹)	Weighted Option Fair Value (₹)
01.08.2022	10.0	6.9%	6	35.2%	NA	14.2	8.7

Weighted Average Option Fair Value	Weighted Average Share Price
8.7	14.2

(ii) Employee stock options – Cash settled

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

Employee benefit expense includes cash settled employee stock options issued to certain employees of Lupin Diagnostics Limited by the Lupin Limited amounting to ₹ 0.6 million (31.03.2022 ₹ 0.3 million).

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Other non-current financial liabilities	0.1	0.1
Other current financial liabilities	-	-
Total carrying amount of liabilities	**0.1**	**0.1**

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

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Equity settled share based payments	0.4	-
Cash settled share based payments	0.6	0.3
Total expense on share based payments	**1.0**	**0.3**

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(C) Lupin Digital Health Limited

(i) Employee stock options – equity settled

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

The Committee determines which eligible employees will receive options, the number of options to be granted, the vesting period and the exercise period. The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 10 each. The options issued under the above schemes vest in a phased manner after completion of the minimum period of two years with an exercise period of ten years from the respective grant dates.

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

Year ended 31.03.2023

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	-	-	-	-
Add: Options granted during the year	1090160	10.0	10.0	4.0
Less: Options lapsed during the year	-	-	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding at the year end	1090160	10.0	10.0	4.0
Exercisable at the end of the year	-	-	-	-

The weighted average grant date fair value of the options granted during the year ended 31.03.2023 was ₹ 27.35 per option.

Valuation of stock options

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

Share price: The fair value of equity shares on the date of grant has been considered for valuing the options granted.

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

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

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

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

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

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

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

Weighted average information – 2022-2023

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

(ii) Employee stock options – Cash settled

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

Employee benefit expense includes cash settled employee stock options issued to certain employees of Lupin Digital Health Limited by Lupin Limited amounting to ₹ 0.1 million (31.03.2022 ₹ nil).

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Other non-current financial liabilities	0.1	-
Other current financial liabilities	0.1	-
Total carrying amount of liabilities	**0.2**	**-**

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

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Equity settled share based payments	5.6	-
Cash settled share based payments	0.1	-
Total expense on share based payments	**5.7**	**-**

46. Post-Employment Benefits:

(i) Defined Contribution Plans:

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

The Group recognised ₹ 1,016.8 million (31.03.2022 ₹ 951.1 million) for superannuation contribution and other retirement benefit contribution in the Consolidated Statement of Profit and Loss.

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

The Group recognised ₹ 282.1 million (31.03.2022 ₹ 282.0 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.

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31.03.2023. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2023	As at 31.03.2022	**As at 31.03.2023**	As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**				
	PVO at the beginning of the year	2,522.3	2,400.5	1,595.5	1,481.0
	Current service cost	233.8	241.7	129.4	130.9
	Past service cost	-	-	-	-
	Interest cost	179.0	160.7	113.2	99.2
	Actuarial loss/(gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	(17.5)	(41.5)	5.5	(7.6)
	- Due to experience adjustment	33.7	31.0	(48.0)	12.5
	Benefits paid	(424.6)	(270.1)	(160.6)	(120.5)
	PVO at the end of the year	**2,526.7**	**2,522.3**	**1,635.0**	**1,595.5**
II)	**Change in fair value of plan assets:**				
	Fair value of plan assets at the beginning of the year	1,824.3	1,723.1	-	-
	Expected return on plan assets	5.8	14.2	-	-
	Interest Income	129.4	115.4	-	-
	Contributions by the employer	281.8	241.7	-	-
	Benefits paid	(424.6)	(270.1)	-	-
	Fair value of plan assets at the end of the year	**1,816.7**	**1,824.3**	**-**	**-**
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	2,526.7	2,522.3	1,635.0	1,595.5
	Fair Value of plan assets at the end of the year	1,816.7	1,824.3	-	-
	Funded status	(710.0)	(698.0)	(1,635.0)	(1,595.5)
	Unrecognised actuarial loss/(gain)	-	-	-	-
	Net liability recognised in the Consolidated Balance Sheet	**(710.0)**	**(698.0)**	**(1,635.0)**	**(1,595.5)**
IV)	**Expense recognised in the Consolidated Statement of Profit and Loss:**				
	Current service cost	233.8	241.7	129.4	130.9
	Past service cost	-	-	-	-
	Interest cost	49.6	45.3	113.2	99.2
	Total expense recognised in the Consolidated Statement of Profit and Loss *	**283.4**	**287.0**	**242.6**	**230.1**
V)	**Other Comprehensive Income**				
	Actuarial loss/(gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	(17.5)	(41.5)	5.5	(7.6)
	- Due to experience adjustment	33.7	31.1	(48.0)	12.5
	Return on plan assets excluding net interest	(5.8)	(14.2)	-	-
	Total amount recognised in OCI	**10.4**	**(24.6)**	**(42.5)**	**4.9**
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)	1,816.7	1,824.2	-	-
VII)	**Actual return on the plan assets**	135.2	129.5	-	-

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(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2023	As at 31.03.2022	**As at 31.03.2023**	As at 31.03.2022
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards			
	Discount rate (%)	7.4	7.1	7.4	7.1
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter
	Average Remaining Service (years)	11.4	11.4	11.4	11.4
	Employee Attrition Rate (%)				
	up to 5 years	15	15	15	15
	above 5 years	5	5	5	5
IX)	Estimate of amount of contribution in immediate next year	370.6	375.3	NA	NA

* ₹ 1.9 million (31.03.2022 ₹ 1.8 million) capitalised as pre-operative expenses out of above amount.

X) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
1 year	638.8	603.5
2 to 5 years	1,454.5	1,401.4
6 to 10 years	1,635.9	1,628.7
More than 10 years	5,221.8	5,043.6

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

Sensitivity analysis

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

(₹ in million)

Gratuity	**31.03.2023**		31.03.2022	
	Increase	**Decrease**	Increase	Decrease
Discount Rate (1% movement)	(318.0)	366.9	(321.2)	371.5
Future salary growth (1% movement)	365.3	(322.2)	368.8	(324.6)
Attrition rate (-/+ 50% of attrition rates)	(35.8)	39.0	(52.8)	62.0

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

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

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 “Employee Benefits”. As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund as at 31.03.2023 and based on the same, there is no shortfall towards interest rate obligation.

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

(₹ in million)

Sr. No.	Particulars	**As at 31.03.2023**	As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**		
	Liability at the beginning of the year	11,641.3	10,524.7
	Interest cost	816.9	725.1
	Current service cost	677.4	639.2
	Employee's contribution	1,045.7	1,008.6
	Liability Transferred in	(398.2)	(282.5)
	Benefits paid	(1,595.5)	(1,051.5)
	Actuarial loss/(gain)		
	-Due to financial assumptions	42.2	(95.4)
	-Due to experience adjustment	81.0	173.1
	Liability at the end of the year	**12,310.8**	**11,641.3**
II)	**Change in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	11,466.4	10,332.3
	Investment income	803.2	710.9
	Employer's contributions	648.4	600.4
	Employee's contribution	1,045.5	1,008.6
	Transfers in	(406.7)	(247.2)
	Benefits paid	(1,595.4)	(1,051.5)
	Return on plan assets, excluding amount recognised in net interest expense	69.7	112.9
	Fair value of plan assets at the end of the year	**12,031.1**	**11,466.4**
III)	**Reconciliation of PVO and fair value of plan assets:**		
	Present Value of defined benefit obligations	12,310.8	11,641.3
	Fair Value of plan assets	12,031.1	11,466.4
	Net Liability/(Asset)	**279.7**	**174.9**
IV)	**Expense recognised in the Statement of Profit and Loss:**		
	Current service cost	677.4	639.2
	Interest cost	816.9	725.1
	Expected return on plan assets	(803.2)	(710.9)
	(Income)/Expense recognised in the Statement of Profit and Loss	**691.1**	**653.4**
V)	**Other Comprehensive Income**		
	Actuarial loss/(gain)		
	- Due to finance assumption	42.2	(95.4)
	- Due to experience adjustment	81.0	173.1
	Return on plan assets excluding net interest	(69.7)	(112.9)
	Total amount recognised in OCI	**53.5**	**(35.2)**
VI)	**Major categories of Plan Assets (As per percentage of Total Plan Assets):**		
	Government of India securities/State Government securities	59.0%	47.1%
	High quality corporate bonds	0.6%	8.4%
	Equity shares of listed companies	1.3%	3.1%
	Debt Mutual Fund	34.8%	37.3%
	Equity Mutual Fund	2.5%	0.0%
	Special Deposit Scheme	1.8%	1.7%
	Bank balance	0.1%	2.5%
	Total	100%	100%
VII)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	7.4	7.1
	Average remaining tenure of investment portfolio (years)	7.7	7.7
	Guaranteed rate of return (%)	8.2	8.1
	Attrition rate - upto 5 years	15.0%	15.0%
	above 5 years	5.0%	5.0%

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b) Multicare Pharmaceuticals Philippines Inc., Philippines

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for retirement benefit were carried out as at 31.03.2023. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (funded)	
		As at 31.03.2023	As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**		
	PVO at the beginning of the year	147.7	134.6
	Current service cost	19.6	18.1
	Past service cost	-	-
	Interest cost	8.3	6.5
	Actuarial loss/(gain)		
	- Due to demographic assumption	23.6	-
	- Due to finance assumption	(20.2)	(11.5)
	- Due to experience adjustment	(2.4)	6.8
	Benefits paid	(2.1)	(1.8)
	Foreign exchange translation difference	6.7	(5.0)
	PVO at the end of the year	**181.2**	**147.7**
II)	**Change in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	35.9	36.2
	Return on plan assets excluding net interest	(2.7)	1.0
	Interest Income	3.2	1.7
	Contributions	44.9	-
	Benefits paid	(2.1)	(1.8)
	Foreign exchange translation difference	0.1	(1.2)
	Fair value of plan assets at the end of the year	**79.3**	**35.9**
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at the end of the year	181.2	147.7
	Fair Value of plan assets at the end of the year	79.3	35.9
	Funded status	(101.9)	(111.8)
	Unrecognised actuarial loss/(gain)	-	-
	Net liability recognised in the Consolidated Balance Sheet	**(101.9)**	**(111.8)**
IV)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	19.6	18.1
	Past service cost	**-**	**-**
	Net Interest	5.1	4.8
	Return on Plan Assets excluding interest income	-	-
	Total expense recognised in the Consolidated Statement of Profit and Loss	**24.7**	**22.9**
V)	**Other Comprehensive Income**		
	Actuarial loss/(gain)		
	- Due to demographic assumption	23.6	-
	- Due to finance assumption	(20.2)	(11.5)
	- Due to experience adjustment	(2.4)	6.8
	Return on plan assets excluding net interest	2.7	(1.0)
	Total amount recognised in OCI	**3.7**	**(5.7)**
VI)	**Category of assets as at the end of the year:**		
	Cash & Cash Equivalents	3.4%	0.0%
	Equity Instruments	0.5%	1.3%
	Debt Instruments - Government Bonds	34.6%	18.9%
	Debt Instruments - Other Bonds	9.6%	6.4%
	Unit Investment Trust Funds	56.5%	79.8%
	Others	(4.6)%	(6.4)%
VII)	**Actual return on the plan assets:**	0.5	1.8
VIII)	**Assumptions used in accounting for the gratuity plan:**		
	Mortality (%)	Rates stipulated in 2001 CSO Table	
	Discount rate (%)	6.6	5.6
	Salary escalation rate (%)	6.0	6.0
	Average Remaining Service (years)	22.1	22.9
	Employee Attrition Rate (%)	11.3	18.2

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IX) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
First year	9.5	10.7
Second year	5.6	7.1
Third year	8.3	7.1
Fourth year	6.0	9.3
Fifth year	7.0	6.8
Beyond five years	165.4	132.5

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.

Sensitivity analysis

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

(₹ in million)

Gratuity	31.03.2023		31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	22.5	(19.2)	16.8	(14.5)
Future salary growth (1% movement)	22.4	(19.5)	16.5	(14.5)

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

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation for retirement benefits were carried out as at 31.03.2023. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (Unfunded)	
		As at 31.03.2023	As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**		
	PVO at the beginning of the year	76.1	51.8
	Current service cost	17.3	10.5
	Past service cost	23.4	13.6
	Interest cost	6.3	3.0
	Actuarial loss/(gain)		
	- Due to Curtailment	26.0	25.1
	- Due to demographic assumption	-	15.3
	- Due to finance assumption	(4.1)	(4.6)
	- Due to experience adjustment	(2.2)	(8.4)
	Benefits paid	(39.4)	(34.3)
	Foreign exchange translation difference	18.0	4.1
	PVO at the end of the year	**121.4**	**76.1**
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at the end of the year	121.4	76.1
	Fair Value of plan assets at the end of the year	-	-
	Funded status	(121.4)	(76.1)
	Unrecognised actuarial loss/ (gain)	-	-
	Net liability recognised in the Consolidated Balance Sheet	**(121.4)**	**(76.1)**

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(₹ in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (Unfunded)	
		As at 31.03.2023	As at 31.03.2022
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	17.3	10.5
	Past service cost	23.4	13.6
	Net Interest	6.3	3.0
	Curtailment effect	26.0	25.0
	Loss/(gain) recognized in OCI	6.0	6.0
	Total expense recognised in the Consolidated Statement of Profit and Loss	**79.0**	**58.1**
IV)	**Other Comprehensive Income**		
	Actuarial loss/(gain)		
	- Due to demographic assumption	-	15.3
	- Due to finance assumption	(4.1)	(4.6)
	- Due to experience adjustment	(2.2)	(8.4)
	Loss/(gain) recognized in OCI	(6.0)	(6.0)
	Total amount recognised in OCI	**(12.3)**	**(3.9)**
V)	**Assumptions used in accounting for the gratuity plan:**		
	Mortality (%)	Experience Social insurance by gender	
	Discount rate (%)	8.6	8.6
	Salary escalation rate (%)	5.0	5.0
	Average Remaining Service (years)	9.6	12.9
	Employee Attrition Rate (%)	16.9	22.0

VI) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
First year	27.5	16.5
Second year	31.8	16.5
Third year	25.1	20.2
Fourth year	23.9	14.7
Fifth year	23.0	14.4
Beyond five years	107.1	64.3

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.

Sensitivity analysis

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

(₹ in million)

Gratuity	**31.03.2023**		31.03.2022	
	Increase	**Decrease**	Increase	Decrease
Discount Rate (0.5 % movement)	(2.1)	2.2	(1.4)	1.4

d) Lupin Diagnostics Limited, India

Lupin Diagnostics Limited 's current gratuity plan is unfunded and the liability is determined based on actuarial valuation. The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at 31.03.2023. 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:

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(₹ in million)

Sr. No.	Particulars	Gratuity (Unfunded) As at 31.03.2023	Gratuity (Unfunded) As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**		
	PVO at the beginning of the year	1.6	-
	Current service cost	1.8	1.4
	Past service cost	-	-
	Interest cost	0.1	-
	Transfer in	1.5	-
	Actuarial loss/(gain)		
	- Due to demographic assumption	-	-
	- Due to finance assumption	-	-
	- Due to experience adjustment	3.6	0.2
	Benefits paid	-	-
	PVO at the end of the year	**8.6**	**1.6**
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at the end of the year	8.6	1.6
	Fair Value of plan assets at the end of the year	-	-
	Funded status	(8.6)	(1.6)
	Unrecognised actuarial loss/(gain)	-	-
	Net liability recognised in the Consolidated Balance Sheet	**(8.6)**	**(1.6)**
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	1.8	1.4
	Past service cost	-	-
	Net Interest	0.1	-
	Total expense recognised in the Consolidated Statement of Profit and Loss	1.9	1.4
IV)	**Other Comprehensive Income**		
	Actuarial loss/(gain)		
	- Due to demographic assumption	-	-
	- Due to finance assumption	-	-
	- Due to experience adjustment	3.6	0.2
	Return on plan assets excluding net interest	-	-
	Total amount recognised in OCI	**3.6**	**0.2**
V)	**Assumptions used in accounting for the gratuity plan:**		
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards	
	Discount rate (%)	7.4	7.1
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter
	Average Remaining Service (years)	26.3	26.2
	Employee Attrition Rate (%)		
	up to 5 years	15.0	15.0
	above 5 years	5.0	5.0

VI) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
1 year	0.2	-
2 to 5 years	1.7	0.2
6 to 10 years	4.9	0.6
More than 10 years	15.4	4.3

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

Sensitivity analysis

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

(₹ in million)

Gratuity	**31.03.2023**		31.03.2022	
	Increase	**Decrease**	Increase	Decrease
Discount Rate (1% movement)	(7.7)	9.6	(1.4)	1.9
Future salary growth (1% movement)	9.6	(7.7)	1.9	(1.4)
Attrition rate (-/+ 50% of attrition rates)	(7.5)	9.8	(1.2)	2.2

e) Lupin Digital Health Limited, India

Lupin Digital Health Limited's current gratuity plan is unfunded and the liability is determined based on actuarial valuation. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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

(₹ in million)

Sr. No.	Particulars	Gratuity (Unfunded)	
		As at 31.03.2023	As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**		
	PVO at the beginning of the year	-	-
	Current service cost	0.7	-
	Past service cost	-	-
	Transfer in	0.3	
	Interest cost	-	-
	Actuarial loss/(gain)	-	-
	PVO at the end of the year	**1.0**	-
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at the end of the year	1.0	-
	Fair Value of plan assets at the end of the year	-	-
	Funded status	(1.0)	-
	Unrecognised actuarial loss/(gain)	-	-
	Net liability recognised in the Consolidated Balance Sheet	**(1.0)**	-
III)	**Expense recognised in the Consolidated Statement of Profit and Loss:**		
	Current service cost	0.7	-
	Past service cost	-	-
	Interest cost	-	-
	Total expense recognised in the Consolidated Statement of Profit and Loss	**0.7**	-
IV)	**Other Comprehensive Income**		
	Actuarial loss/(gain)	-	-
	Total amount recognised in OCI	-	-
V)	**Assumptions used in accounting for the gratuity plan:**		
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards	
	Discount rate (%)	7.4	-
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	
	Average Remaining Service (years)	25.8	-
	Employee Attrition Rate (%)		
	up to 5 years	15	-
	above 5 years	5	-
VI)	Estimate of amount of contribution in immediate next year	NA	NA

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VII) Expected future benefit payments

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
1 year	-	-
2 to 5 years	0.1	-
6 to 10 years	0.5	-
More than 10 years	2.6	-

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

Sensitivity analysis

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

Gratuity	**31.03.2023**	
	Increase	**Decrease**
Discount Rate (1% movement)	0.9	(1.1)
Future salary growth (1% movement)	1.1	(0.9)
Attrition rate (-/ + 50% of attrition rates)	0.7	(1.4)

47. Income taxes:

a) Tax expense/(benefit) recognised in Consolidated Statement of profit and loss:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Current Tax Expense for the year (including non-creditable foreign taxes of ₹ 107.6 million during the year ended 31.03.2023)	2,462.5	1,391.5
Tax expense of prior years	1.7	220.0
Net Current Tax Expense	2,464.2	1,611.5
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	223.8	(240.0)
Tax expense for the year	**2,688.0**	**1,371.5**

b) Tax expense/(benefit) recognised in other comprehensive income:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	9.4	(14.4)
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	131.9	4.4
Total	**141.3**	**(10.0)**

Management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets. During the year, the Company has recognized deferred tax asset of ₹ nil (31.03.2022 ₹ 172.8 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.

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

(₹ in million)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit/(Loss) before share of profit of jointly controlled entity	7,164.9	(13,725.7)
Tax using the Company's domestic tax rate (31.03.2023: 34.94%, 31.03.2022: 34.94%)	2,503.7	(4,796.3)
Tax effect of:		
Differences in Indian and foreign tax rates	(263.5)	2,025.7
Unrecognised Deferred tax Assets/(recognition of previously unrecognised deferred tax assets), net	1,924.0	3,253.4
Expenses not deductible for tax purposes	1,594.4	1,815.9
Incremental deduction on account of Research and Development costs	(163.5)	(130.8)
Exemption of profit link incentives	(2,485.2)	(706.5)
Foreign exchange differences	(238.9)	30.8
Others	(184.7)	(340.7)
Current and Deferred Tax expense (excluding prior year taxes) as per note 47(a)	**2,686.3**	**1,151.5**

d) Movement in deferred tax balances:

(₹ in million)

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

(₹ in million)

Particulars	As at 01.04.2021	Recognised in/under				As at 31.03.2022
Deferred Tax Assets/(Liabilities)	Net balance	Profit or Loss	Retained Earnings/ OCI	Business Combination /Asset Acquisition	FCTR	**Net balance**
Property, Plant and Equipment	(3,224.9)	68.5	-	-	(26.6)	(3,183.0)
Cash Flow Hedge Reserve	26.4	(53.2)	4.4	-	(0.1)	(22.5)
Operating Tax loss and interest loss carry forward	83.9	(38.7)	-	-	0.2	45.4
Provision for Expenses	132.1	82.6	-	-	10.8	225.5
Deferred Income	211.5	(100.3)	-	-	-	111.2
Provision for Employee Benefit	1,229.4	119.7	(14.4)	-	0.8	1,335.5
Impairment Allowances for Trade Receivable/Bad Debts	157.9	(14.0)	-	-	-	143.9
Unrealised Profits on unsold inventories	957.7	(153.2)	-	-	(0.1)	804.5
Others	(69.7)	313.0	-	(417.4)	2.6	(171.5)
Net Deferred tax assets/(liabilities)	**(495.7)**	**224.4**	**(10.0)**	**(417.4)**	**(12.4)**	**(711.0)**

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Reflected in the balance sheet as follows:

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Deferred Tax Asset	1,556.5	1,697.3
Deferred Tax Liability	(2,294.3)	(2,408.3)
Deferred Tax Asset/(Liabilities)(net)	**(737.8)**	**(711.0)**

e) Operating loss carry forward consists of business losses, capital losses and unabsorbed depreciation. Deferred tax assets have not been recognized on operating losses of ₹ 41,822.6 million (31.03.2022 ₹ 35,418.5 million) because currently there is no reasonable certainty that the Group will be utilizing the benefits in near future. A portion of this total loss can be carried indefinitely, and the remaining amounts expire at various dates ranging from 2024 through 2038 (previous year from 2023 through 2038) and some of this loss can be carried back till 2011.

48. Research and Development:

The aggregate amount of revenue expenditure incurred by the Group during the year on Research and Development and shown in the respective heads of account is ₹ 12,800.1 million (31.03.2022 ₹ 14,023.6 million).

49. Acquisition/subscriptions/disposals details of Subsidiaries:

a) During the year, the Company, through its wholly owned subsidiary Lupin Atlantis Holdings SA, Switzerland (LAHSA) acquired/subscribed to the equity stake as additional investment in Lupin Europe GmbH, Germany at a total cost of ₹ 131.7 million (31.03.2022 ₹ nil) as capital contribution.

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

i) Additional Investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ nil (31.03.2022 ₹ 1.1 million) as additional paid-in capital.

ii) Additional Investment in Lupin Inc., USA at a total cost of ₹ 7,036.8 million (31.03.2022 ₹ 17,476.8 million) as additional paid-in capital.

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

i) Investment in Lupin Oncology Inc, USA at a total cost of ₹ nil (31.03.2022 ₹ 1,127.9 million) as paid-in capital.

ii) Investment in Lupin Digital Health Limited, India at a total cost of ₹ 599.9 million (31.03.2022 ₹ 400.1 million) as paid-in capital. Of these, ₹ 165.7 million (31.03.2022 ₹ 280.1 million) is against Share Capital and balance ₹ 434.2 million (31.03.2022 ₹ 120.0 million) is against Securities Premium.

iii) Additional investment in Nanomi B.V. Netherlands at a total cost of ₹ 7,008.9 million (31.03.2022 ₹ 17,551.5 million) as additional paid-in capital. Of these, ₹ 4,122.9 million (31.03.2022 ₹ 5,850.5 million) is against Share Capital and balance ₹ 2,886.0 million (31.03.2022 ₹ 11,701.0 million) is against Securities Premium.

iv) Investment in Lupin Biologics Limited, India at a total cost of ₹ 0.5 million (31.03.2022 ₹ nil) as paid-in capital.

d) During the previous year, the Company, through its wholly owned subsidiary Lupin Research Inc., USA acquired/subscribed to the 100% equity stake of Avenue Coral Springs LLC, USA.

e) During the previous year, the Company, through its wholly owned subsidiary Generic Health Pty Ltd, Australia acquired/subscribed to the 100% equity stake of Southern Cross Pharma Pty Ltd, Australia.

f) During the year, the Company, acquired/subscribed to the Optionally Convertible Non-cumulative Redeemable Preference Shares (OCNRPS) in Lupin Diagnostics Limited, India at a total cost of ₹ 500 million (31.03.2022 ₹ 500 million).

g) During the previous year, LAHSA had sold Investment of ₹ 20.2 million in Lupin Latam Inc., USA to Lupin Management Inc., USA for a nominal value. Further, Lupin Latam Inc., USA was merged with Lupin Management Inc., USA on 30.08.2021.

h) During the previous year, LAHSA had returned ₹ 5,207.2 million to the Company out of capital contributed earlier.

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

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50. Acquisition through Business Combination:

(a) Brand Acquisition - Anglo French Drugs and Industries Limited (AFDIL):

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

(₹ in million)

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

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

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

(₹ in million)

Particulars	Year ended 31.03.2023
Revenue	652.4
Gross margin considered in the Consolidated Statement of Profit and Loss	434.5

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

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

(b) During the previous year, Generic Health Pty Ltd, the wholly owned subsidiary of the group acquired 100% equity in Southern Cross Pharma Pty Ltd (SCP). Incorporated in Melbourne, Australia, Southern Cross Pharma Pty Ltd is engaged in developing, registering, and distributing generic products.

The purchase price of SCP as on February 03, 2022 was allocated based on estimated fair values at the acquisition date, for various assets and liabilities acquired/assumed under a Share Price Agreement. The fair values were determined based on its then estimates and third-party technical evaluation for various tangible and intangible assets acquired.

As at 31.03.2022, the consolidated balance sheet reflects the purchase price allocated to the assets acquired and liabilities assumed based on estimated fair values. The final purchase price allocation carried out during the previous year resulted in goodwill of ₹ 547.8 million. The following table summarizes the allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the resultant Goodwill.

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(₹ in million)

Particulars	As on 03.02.2022
Purchase Consideration paid (A)	1,665.9
Fair Value of Assets Acquired	
Non-Current	
Intangible Assets under Development	77.0
Other Intangible Assets	1,249.7
Current	
Inventories	237.2
Cash and cash equivalents	198.7
Trade Receivables	61.2
Other assets	29.0
Total Assets [i]	**1,852.8**
Liabilities Assumed	
Trade payables	255.4
Other payables	81.3
Deferred tax liability	398.0
Total Liabilities [ii]	**734.7**
Total Identifiable Net Assets [i-ii] (B)	**1,118.1**
Goodwill arising on acquisition (A-B)	**547.8**
Cash Outflows arising on acquisition	
Purchase consideration paid/payable in cash	1,479.2
Deferred consideration payable*	186.7
Total	**1,665.9**

* Payable in cash subject to obtaining regulatory approvals of each of the products listed in Share Price Agreement.

Summary of post acquisition revenue and gain of the acquired entity included in the Consolidated Statement of Profit and Loss for the year ended 31.03.2022

(₹ in million)

Particulars	Year ended 31.03.2022
Revenue	307.6
Profit considered in the Consolidated Statement of Profit and Loss	49.0

51. Asset Acquisition:

a) On November 1, 2022, the Company through its step down subsidiary, Lupin Inc entered into an asset purchase agreement with Sunovion Pharmaceuticals Inc. (Sunovion or seller) to acquire all of seller's right, tittle and interest in two inhalation medicines: Brovana (Arformoterol tartrate) Inhalation solution and Xopenex HRA (levalbuterol tartrate) Inhalation Aerosol.

The transaction was accounted as an asset acquisition with the total purchase price of ₹ 6,624.9 million (USD 82.5 million) comprising of ₹ 5,219.6 million (USD 65 million) paid for the Xopenex NDA, ₹ 803.0 million (USD 10 million) for the Brovana NDA and ₹ 602.3 million (USD 7.5 million) related to the fair value of available product inventory. This arrangement for Brovana NDA and Xopenex has been classified under intangible assets.

b) On November 28, 2022, the Company through its wholly owned subsidiary, Medquímica Indústria Farmacêutica LTDA entered agreement to acquire all rights to nine medicines from BL Industria Otica Ltda., a subsidiary of Bausch Health Companies Inc.
The transaction was accounted as an asset acquisition with the total purchase price of ₹ 296.8 million (BRL 19 million) paid for the brand acquisition has been classified as intangible asset.

c) During the previous year, the Company through its wholly owned subsidiary, Lupin Research Inc, acquired the entire share capital of Avenue Coral Springs LLC for a consideration of ₹ 894.8 million. The arrangement was classified as an asset acquisition resulting in acquisition of the Building developed by Avenue Coral Springs LLC and accordingly, the consideration paid was attributed towards the cost of such tangible asset.

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52. Goodwill:

Impairment testing of Goodwill

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
South Africa	5,575.6	6,308.5
Germany	339.9	320.0
Philippines	298.3	287.5
Australia	988.2	1,019.0
Netherlands	846.9	797.3
Brazil	1,017.7	1,000.1
Mexico	5,149.1	4,301.5
United States of America	7,813.5	7,207.1
India	158.6	-
Total	**22,187.8**	**21,241.0**

Movement in Goodwill is on account of exchange difference on consolidation amounting to ₹ 788.2 million and acquisition of brands from Anglo French Drugs and Industries Limited in India amounting to ₹ 158.6 million.

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

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

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

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

The terminal growth rates used in extrapolating cash flows beyond the planning horizon ranged from -5% to 5% for the year ended 31.03.2023 and from -5% to 5% for the year ended 31.03.2022.

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 8.3% to 21.9% for the year ended 31.03.2023 and from 4% to 16.5% for the year ended 31.03.2022.

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

53. **a)** The Company through Lupin Atlantis Holdings SA, Switzerland (LAHSA) holds 100% equity stake at a cost of ₹ 279.7 million (31.03.2022 ₹ 279.7 million) in Lupin Healthcare UK Ltd, UK (LHUL). The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and LHUL's projections/plans for introducing new products (including products from the Company) in the UK Market in the near future, growth in the turnover and profitability is expected, which would result in improvement in net worth, over a period of time.

b) The Company through Nanomi B.V., Netherlands holds 100% equity stake at a cost of ₹ 67,268.8 million (31.03.2022 ₹ 60,232.0 million) in Lupin Inc. The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and Lupin Inc's projections/plans, the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

c) The Company holds 100% equity stake at a cost of ₹ 81.7 million (31.03.2022 ₹ 81.7 million) in Lupin Diagnostics Limited, India. The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and Lupin Diagnostics Limited's projections/plans, the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

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d) The Company holds 99.3% equity stake at a cost of ₹ 1,127.9 million (31.03.2022 ₹ 1,127.9 million) in Lupin Oncology Inc, USA. The said subsidiary has negative net worth as at the end of the year. Considering the financial, technical and operational support from the Company and Lupin Oncology Inc's projections / plans, the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

e) Further, net worth of Pharma Dynamics (Proprietary) Limited, Lupin Australia Pty Limited, Lupin Mexico S.A. de C.V., Generic Health SDN. BHD., Laboratorios Grin S.A. de C.V., Medquímica Indústria Farmacêutica LTDA, Lupin Europe GmbH, Lupin Biologics Limited, Lupin Digital Health Limited, Southern Cross Pharma Pty Ltd are substantially less than the carrying amount of investments made by the Company directly or through its subsidiaries.

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

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

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Multicare Pharmaceuticals Philippines Inc., Philippines		
- Share in Equity Capital	13.2	13.2
- Share in Reserves and Surplus	700.3	635.2
- Share in Other Comprehensive Income	77.3	36.8
	790.8	**685.2**
(ii) Lupin Oncology Inc, USA		
- Share in Equity Capital	7.7	7.7
- Share in Reserves and Surplus	(14.6)	(5.7)
- Share in Other Comprehensive Income	(0.7)	(0.1)
	(7.6)	**1.9**
Total	**783.2**	**687.1**

b) Interest in Joint Venture:

Name of Joint Venture	% shareholding	
	As at 31.03.2023	As at 31.03.2022
YL Biologics Limited (incorporated in Japan)	45%	45%
Carrying amount of investment (₹ in million)	300.7	303.3

Summarised Balance Sheet as at 31.03.2023

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Current assets	681.5	694.6
Non-current assets	0.6	0.9
Current liabilities	13.8	21.5
Equity	668.3	674.0

Summarised Statement of Profit and Loss for the year ended 31.03.2023

(₹ in million)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Revenue	16.0	110.0
Expenses	16.0	103.9
Tax	0.1	(1.9)
Profit/(Loss) after tax	(0.1)	8.0

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55. Impairment of IPs:

Following our annual impairment review, the impairment charges recognized during the current year in the consolidated profit and loss account in relation to intangible assets and intangible asset under development is ₹ 393.8 million.

During the previous year, an impairment charge of ₹ 8,402.1 million was recognized (including impairment of Solosec of ₹ 7,134.9 million and Gavis assets of ₹ 1,267.2 million).

Solosec

During the previous year, following its acquisition of Symbiomix Therapeutics LLC in October 2017, the Company launched Solosec in FY 2019 and classified the intangible asset as a Currently Marketed Product (CMP), with approximately 40 thousand scripts sold during that fiscal year and increasing to 95 thousand in fiscal year 2020. As with many women's health products and especially newly launched products, COVID-19 impacted sales of Solosec dramatically in FY 2021 resulting in the Company selling only 32 thousand scripts during that year. In FY22, the Company determined that in addition to the ongoing impact of COVID-19 on overall demand, health care providers' willingness to prescribe Solosec was further declining due to the increased burden of prior authorization requirements by commercial insurers. As a result, the Company scaled down its commercial infrastructure related to Solosec, including the in-person promotion of Solosec by its contracted team of sales representatives in September 2021. The recent reduction in sales and the Company's decision to scale down its promotional investment related to Solosec led to changes in the expected cash flow assumptions for Solosec. Thus, this was resulting in recognition of impairment charges of ₹ 7,134.9 million in previous year.

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

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

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

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

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

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

The projected cashflows were discounted at post-tax rate of 5.35 %. The terminal growth rate was considered at -5%.

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

56. Foreign Currency Translation Reserve:

Foreign Currency Translation Reserve represents the net exchange difference on translation of net investment in foreign operations located at Australia, Germany, South Africa, Philippines, Mexico, Switzerland, Brazil, USA, Netherlands, 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 ₹ 548.9 million (31.03.2022 ₹ 1,025.5 million) is credited during the year to such reserve.

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57. Patent Litigation Settlement for Glumetza:

During the previous year, the Company and its subsidiary, agreed to settle the dispute with respect to antitrust class action filed, without admitting any violation of law with the two plaintiffs representing a majority of the claims for an amount of USD 252.9 million (₹ 18,783.8 million) [including USD 4.9 million (₹ 374.8 million) towards litigation and settlement related expenses] which was recognized as business compensation expense.

58. European Commission fine:

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

During the year ended 31.03.2019, the General Court of the European Union delivered its judgement concerning Lupin's appeal against the European Commission's (EC) 2014 decision in case of alleged breach of the EU Antitrust Rules in respect of IPs for product Perindopril. Accordingly, the Company is carrying a provision of ₹ 4,077.5 million (31.03.2022 ₹ 3,783.9 million) (including interest thereon) as under:

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Carrying amount at the beginning of the year	3,783.9	3,796.1
Add: Additional Provisions (interest) made during the year	56.1	56.6
Less: Amounts used/utilised during the year	-	-
Add/(Less): Exchange Difference during the year	237.5	(68.8)
Carrying amount at the end of the year	**4,077.5**	**3,783.9**

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

59. Micro, Small and Medium Enterprises (MSME):

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

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year (Micro Enterprises and Small Enterprises)	763.3 (interest ₹ nil)	860.7 (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.

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

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(₹ in million)

As at 31.03.2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments	472.7	-	-	472.7	-	402.6	70.1*	472.7
Non-Current Loans								
- Others	-	-	2.1	2.1	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	19.5	-	19.5	-	19.5	-	19.5
- Security Deposit	-	-	759.0	759.0	-	-	-	-
-Others	-	-	39.3	39.3	-	-	-	-
Current Investments	6,213.5	-	2,010.5	8,224.0	-	6,213.5	-	6,213.5
Trade Receivables	-	-	42,619.4	42,619.4	-	-	-	-
Cash and Cash Equivalents	-	-	9,913.7	9,913.7	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	1,067.6	1,067.6	-	-	-	-
Current Loans								
- Others	-	-	22.9	22.9	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	-	223.3	-	223.3	-	223.3	-	223.3
- Security Deposit	-	-	57.9	57.9	-	-	-	-
-Others	-	-	3,705.8	3,705.8	-	-	-	-
	6,686.2	**242.8**	**60,198.2**	**67,127.2**	**-**	**6,858.9**	**70.1**	**6,999.0**
Financial liabilities								
Non-Current Borrowings	-	-	1,418.6	1,418.6	-	-	-	-
Lease Liability (Non Current)	-	-	2,219.6	2,219.6	-	-	-	-
Other Non-Current Financial Liabilities								
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	2,509.2	2,509.2	-	-	-	-
Current Borrowings	-	-	37,023.0	37,023.0	-	-	-	-
Lease Liability (Current)	-	-	922.6	922.6	-	-	-	-
Trade Payables	-	-	22,829.1	22,829.1	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	281.8	-	-	281.8	-	281.8	-	281.8
- Others	-	-	5,657.2	5,657.2	-	-	-	-
	281.8	**-**	**72,579.3**	**72,861.1**	**-**	**281.8**	**-**	**281.8**

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

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

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

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

C. Financial risk management:

The Group has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

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

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

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

i. Credit risk:

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

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Trade receivables

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

As at 31.03.2023, the carrying amount of the Group's largest customer (a wholesaler based in North America) was ₹ 3,354.8 million (31.03.2022 ₹ 16,724.7 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 31.03.2023	As at 31.03.2022
Not past due but impaired	-	103.1
Neither past due nor impaired	38,110.5	34,942.9
Past due not impaired		
- 1-180 days	5,997.5	5,899.0
- 181-365 days	454.8	1,430.3
- more than 365 days	434.2	347.3
Past due impaired		
- 1-180 days	59.5	37.3
- 181-365 days	26.6	33.3
- more than 365 days	214.7	272.1
Total	**45,297.8**	**43,065.3**

Expected Credit Loss ageing

(₹ in million)

Ageing of ECL (in days)	As at 31.03.2023	As at 31.03.2022
1-180	93.5	72.2
181-365	96.5	30.9
Total	**190.0**	**103.1**

Expected credit loss assessment

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

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

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

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	445.9	640.8
Impairment loss recognised (net)	79.5	(11.2)
Amounts written off	(47.7)	(213.3)
Exchange differences	13.1	29.6
Balance as at the year end	**490.8**	**445.9**

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Cash and cash equivalents
As at the year end, the Group held cash and cash equivalents of ₹ 12,318.1 million (31.03.2022 ₹ 9,913.7 million). The cash and cash equivalents are held with banks.

Other Bank Balances
Other bank balances are held with banks.

Derivatives
The derivatives are entered into with banks.

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

Other financial assets
Other financial assets are neither past due nor impaired.

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

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

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

(₹ in million)

As at 31.03.2023	Carrying Amount	Contractual Cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Non-Current Borrowings	275.1	275.1	-	275.1	-	-
Interest Payables	-	-	-	-	-	-
Lease Liabilities - Non Current	1,863.9	3,471.5	-	799.0	909.1	1,763.4
Other Non-Current Financial Liabilities	2,013.6	2,013.3	-	1,820.6	192.7	-
Current Borrowings	42,165.4	42,165.4	42,165.4	-	-	-
Lease Liabilities - Current	1,110.8	1,244.0	1,244.0	-	-	-
Trade Payables - Current	25,315.3	25,315.3	25,315.3	-	-	-
Other Current Financial Liabilities	5,746.1	5,746.1	5,746.1	-	-	-
Derivative financial liabilities:						
Forward Contracts	206.3	206.3	206.3	-	-	-
Total	**78,696.5**	**80,437.0**	**74,677.1**	**2,894.7**	**1,101.8**	**1,763.4**

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(₹ in million)

As at 31.03.2022	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	1,418.6	1,418.6	-	472.9	945.7	-
Interest Payables	-	-	-	-	-	-
Lease Liabilities - Non Current	2,219.6	3,883.5	-	1,007.2	1,024.7	1,851.6
Other Non-Current Financial Liabilities	2,509.2	3,248.9	-	764.9	2,189.7	294.3
Current Borrowings	37,023.0	37,023.0	37,023.0	-	-	-
Lease Liabilities - Current	922.6	1,067.9	1,067.9	-	-	-
Trade Payables - Current	22,829.1	22,829.1	22,829.1	-	-	-
Other Current Financial Liabilities	5,657.2	5,657.2	5,657.2	-	-	-
Derivative financial liabilities:						
Forward Contracts	281.8	281.8	281.8	-	-	-
Total	**72,861.1**	**75,410.0**	**66,859.0**	**2,245.0**	**4,160.1**	**2,145.9**

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.

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

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2023**	As at 31.03.2022	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 72.0	USD 144.0	Sell

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

Exposure to Currency risk

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

(₹ in million)

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

(₹ in million)

Particulars	As at 31.03.2022				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	142.9	193.7	-	-	63.3
Trade Receivables	22,683.0	832.7	462.7	584.6	2,106.8
Loans (current and non-current)	-	-	795.6	-	-
Financial assets (current and non-current)	1.3	81.5	-	-	206.2
	22,827.2	**1,107.9**	**1,258.3**	**584.6**	**2,376.3**
Financial liabilities					
Borrowings (current and non-current)	2,349.8	-	-	-	-
Trade Payables	3,037.8	805.9	188.0	126.5	221.7
Financial Liabilities (current and non-current)	459.8	4,207.3	7.1	0.9	121.6
	5,847.4	**5,013.2**	**195.1**	**127.4**	**343.3**
Net statement of financial position exposure	**16,979.8**	**(3,905.3)**	**1,063.2**	**457.2**	**2,033.0**

Notes

Forming part of the Consolidated Financial Statements

Sensitivity analysis

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

(₹ in million)

31.03.2023	Impact on Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(24.7)	24.7	(16.1)	16.1
EURO	(1.6)	1.6	(1.0)	1.0
GBP	(13.9)	13.9	(9.1)	9.1
JPY	(2.6)	2.6	(1.7)	1.7
Others	(20.0)	20.0	(13.0)	13.0
	(62.8)	**62.8**	**(40.9)**	**40.9**

(₹ in million)

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

(₹ in million)

31.03.2022	Impact on Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(60.7)	60.7	(39.5)	39.5
EURO	39.1	(39.1)	25.5	(25.5)
GBP	(10.6)	10.6	(6.9)	6.9
JPY	(4.6)	4.6	(3.0)	3.0
Others	(20.3)	20.3	(13.2)	13.2
	(57.1)	**57.1**	**(37.1)**	**37.1**

(₹ in million)

31.03.2022	Impact on Profit or (loss)		Equity, net of tax*	
5% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(303.3)	303.3	(197.3)	197.3
EURO	195.6	(195.6)	127.3	(127.3)
GBP	(53.2)	53.2	(34.6)	34.6
JPY	(22.9)	22.9	(14.9)	14.9
Others	(101.6)	101.6	(66.1)	66.1
	(285.4)	**285.4**	**(185.6)**	**185.6**

* including other comprehensive income

Notes

Forming part of the Consolidated Financial Statements

Interest rate risk

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

Exposure to interest rate risk

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Non-Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	275.1	1,418.6
	275.1	**1,418.6**
Current Borrowings		
Fixed rate borrowings	5,350.0	0.5
Variable rate borrowings	36,815.4	37,022.5
	42,165.4	**37,023.0**
Total	**42,440.5**	**38,441.6**

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)		
31.03.2023		
Fixed rate borrowings	(53.5)	53.5
Variable rate borrowings	(370.9)	370.9
31.03.2022		
Variable rate borrowings	(384.4)	384.4

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

Commodity rate risk

The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As of 31.03.2023 and 31.03.2022 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes

Forming part of the Consolidated Financial Statements

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, less cash and cash equivalents, other bank balances and current investments.

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Total borrowings	42,440.5	38,441.6
Less : Cash and cash equivalent	12,318.1	9,913.7
Less : Other Bank Balances*	790.0	1,076.7
Less : Current Investments	4,397.7	8,224.0
Adjusted net debt	24,934.7	19,227.2
Total equity	124,645.0	121,532.7
Adjusted net debt to total equity ratio	0.20	0.16

* includes earmarked bank deposits against guarantees & other commitments of ₹ 176.8 million (31.03.2022 ₹ 9.1 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 12-24 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

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

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

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

Notes

Forming part of the Consolidated Financial Statements

a. Disclosure of effects of hedge accounting on financial position

(₹ in million)

As at 31.03.2023

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

(₹ in million)

As at 31.03.2022

Type of hedge and risks	Nominal Value (in million)	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	USD 144.0	242.8	-	Other Non-current/current financials Assets	April 2022 – March 2024	1:1	79.24	(255.4)	(253.2)

Notes

Forming part of the Consolidated Financial Statements

(₹ in million)

As at 31.03.2022									
Type of hedge and risks	Nominal Value (in million)	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						
Fair value hedge:									
Forward exchange forward contracts	EURO 3.5	-	14.0	Other current financials liabilities	April 2022 – May 2022	1:1	88.25	14.0	(14.0)
Forward exchange forward contracts	USD 1.1						79.12		
Forward exchange forward contracts	USD 0.75	-	2.1	Other current financials liabilities	April 2022 – June 2022	1:1	79.09	2.1	2.1
Forward exchange forward contracts	USD 22.9	-	265.7	Other current financials liabilities	June 2022 – September 2022	1:1	84.69	265.7	265.7

b. Disclosure of effects of hedge accounting on financial performance

(₹ in million)

As at 31.03.2023					
	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(499.1)	(1.2)	Net loss on Foreign Currency Transactions	(27.2)	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2022					
	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	336.8	0.5	Net (gain)/loss on Foreign Currency Transactions	340.1	Revenue from operations - Sale of goods

Notes

Forming part of the Consolidated Financial Statements

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 01.04.2021	**349.5**
Add: Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(3.3)
Less: Amounts re-classified to profit or loss	(0.5)
Less: Deferred tax	4.4
As at 31.03.2022	**350.1**
Less: Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(499.1)
Add: Amounts re-classified to profit or loss	28.3
Add: Deferred tax	131.9
As at 31.03.2023	**11.2**

63. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet:

(₹ in million)

As at 31.03.2023	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments - Forward Contracts	-	-	-	-	-
Trade and other receivables	37,126.9	(11,223.4)	25,903.5	-	-
Financial liabilities					
Derivative instruments - Forward Contracts	206.3	-	206.3	-	206.3
Trade and other payables	(11,223.4)	11,223.4	-	-	-

(₹ in million)

As at 31.03.2022	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 - Forward Contracts	242.8	-	242.8	-	242.8
Trade and other receivables	37,606.3	(10,465.8)	27,140.5	-	-
Financial liabilities					
Derivative instruments - Forward Contracts	281.8	-	281.8	-	281.8
Trade and other payables	(10,465.8)	10,465.8	-	-	-

Offsetting arrangements

(i) Trade receivables and payables

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

(ii) Derivatives

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

Notes

Forming part of the Consolidated Financial Statements

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/ (Loss)		Share of Other Comprehensive Income/ (Loss)		Share of Total Comprehensive Income/ (Loss)	
	As % of consolidated net assets	₹ in million	As % of consolidated Profit	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Parent								
Lupin Limited	146.8	184,118.6	98.9	4,252.1	(118.5)	(239.2)	89.1	4,012.9
Indian Subsidiaries								
Lupin Diagnostics Limited, India	(0.6)	(723.1)	(17.0)	(730.8)	(1.3)	(2.7)	(16.3)	(733.5)
Lupin Biologics Limited, India	-	0.2	-	(0.1)	-	-	-	(0.1)
Lupin Foundation, India	-	0.2	(1.5)	(65.1)	-	-	(1.4)	(65.1)
Lupin Digital Health Limited, India	0.4	481.7	(8.3)	(357.8)	-	-	(7.9)	(357.8)
Foreign Subsidiaries								
Lupin Pharmaceuticals, Inc., USA	7.5	9,403.6	11.8	511.4	341.2	688.6	26.7	1,200.0
Hormosan Pharma GmbH, Germany	1.6	2,111.4	11.1	478.0	62.4	126.0	13.4	604.0
Pharma Dynamics (Proprietary) Limited, South Africa	3.5	4,355.4	14.2	612.3	(258.0)	(520.6)	2.0	91.7
Lupin Australia Pty Limited, Australia	-	4.3	-	(0.7)	-	-	-	(0.7)
Nanomi B.V., Netherlands	63.4	79,562.5	(34.4)	(1,480.8)	118.0	238.1	(27.6)	(1,242.7)
Lupin Atlantis Holdings SA, Switzerland	32.7	41,134.5	(1.6)	(69.4)	1,210.6	2,442.9	52.7	2,373.5
Multicare Pharmaceuticals Philippines Inc., Philippines	1.3	1,598.8	8.8	378.3	40.9	82.6	10.2	460.9
Lupin Healthcare (UK) Limited, UK	(0.6)	(798.1)	(0.6)	(25.1)	(11.8)	(23.9)	(1.1)	(49.0)
Lupin Pharma Canada Limited, Canada	0.3	372.5	2.2	93.8	(2.1)	(4.3)	2.0	89.5
Generic Health Pty Limited, Australia	2.3	2,942.5	24.4	1,048.7	(2.8)	(5.6)	23.2	1,043.1
Lupin Mexico SA de C.V., Mexico	-	8.4	-	1.2	-	-	-	1.2
Lupin Philippines Inc., Philippines	0.2	200.3	0.8	35.6	(1.0)	(2.1)	0.8	33.5
Generic Health SDN. BHD., Malaysia	-	0.2	-	(0.6)	-	-	-	(0.6)
Lupin Inc., USA	(21.0)	(26,322.3)	(27.9)	(1,200.6)	(1,748.5)	(3,528.5)	(105.0)	(4,729.1)
Laboratorios Grin, S.A. de C.V., Mexico	2.5	3,139.7	9.5	411.2	247.5	499.5	20.2	910.7
Medquimica Industria Farmaceutica LTDA, Brazil	0.3	320.1	(11.8)	(509.2)	71.2	143.7	(8.1)	(365.5)
Lupin Research Inc., USA	1.1	1,349.7	2.2	95.5	46.2	93.3	4.2	188.8
Lupin Europe GmbH, Germany	0.1	78.1	(0.9)	(38.7)	-	-	(0.9)	(38.7)
Novel Laboratories Inc., USA	4.9	6,187.7	(11.9)	(513.9)	249.1	502.6	(0.3)	(11.3)
Lupin Oncology Inc., USA	(1.3)	(1,679.1)	(30.8)	(1,326.7)	(42.0)	(84.8)	(31.3)	(1,411.5)
Lupin Management Inc., USA	0.1	129.5	1.0	41.9	-	-	0.9	41.9
Southern Cross Pharma Pty Ltd, Australia	1.2	1,450.7	5.7	248.6	(18.8)	(37.9)	4.7	210.7
Non Controlling Interests in the Subsidiaries								
Multicare Pharmaceuticals Philippines Inc., Philippines	(0.6)	(790.8)	(4.3)	(185.1)	(20.1)	(40.5)	(5.0)	(225.6)
Lupin Oncology Inc., USA	-	7.6	0.2	9.0	0.0	0.1	0.2	9.1

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Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit/ (Loss)		Share of Other Comprehensive income/ (Loss)		Share of Total Comprehensive income/ (Loss)	
	As % of consolidated net assets	₹ in million	As % of consolidated net assets	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Foreign Joint Controlled Entity (to the extent of shareholding)								
YL Biologics Ltd., Japan	-	-	-	-	(1.3)	(2.7)	(0.1)	(2.7)
Total Eliminations/ Consolidation Adjustments	(146.1)	(183,216.6)	60.2	2,587.8	(60.9)	(122.8)	54.7	2,465.0
Total	**100.0**	**125,428.2**	**100.0**	**4,300.8**	**100.0**	**201.8**	**100.0**	**4,502.6**

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

Category II: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category III: Key Management Personnel (KMP):

Ms. Vinita Gupta	Chief Executive Officer
Mr. Nilesh D. Gupta	Managing Director
Mr. Ramesh Swaminathan	Executive Director, Global CFO & CRO and Head – Corporate Affairs
Mr. R.V. Satam	Company Secretary

Non-Executive Directors

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

Mr. Jean-Luc Belingard
Ms. Christine Ann Mundkur (upto 31.12.2022)
Mr. K. B. S. Anand
Dr. Punita Kumar Sinha
Mr. Robert Funsten (w.e.f. 10.11.2020 upto 09.05.2021)
Mr. Mark D. McDade

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

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

Notes

Forming part of the Consolidated Financial Statements

B. Transactions with the related parties:

(₹ in million)

Sr. No.	Transactions	Year ended 31.03.2023	Year ended 31.03.2022
1	Sale of Assets		
	Others	3.4	-
2	Rent Expenses		
	Others	20.1	42.3
3	Expenses incurred on their behalf Recovered/Rent Received		
	Others	1.8	1.9
4	Remuneration Paid		
	Key Management Personnel	245.9	305.6
5	Purchases of Goods/Materials		
	Others	154.2	151.4
6	Commission, Advisory Fees & Sitting Fees to Non-Executive Directors		
	Key Management Personnel	22.9	86.5
7	Donations Paid		
	Others	284.1	332.3
8	Dividend Paid		
	Entity having significant influence over the Company	828.8	1,336.5
	Key Management Personnel	4.9	8.1
	Others	23.7	38.6
9	Services Received (Expense)		
	Jointly Controlled Entity	7.1	19.3
	Others	74.9	92.8
10	Expenses incurred on our behalf & Others Reimbursements		
	Others	4.6	4.0
11	Advance against supplies paid		
	Others	40.0	-
12	Refund of Deposit		
	Others	21.6	-

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

(₹ in million)

Compensation paid to Key Management Personnel*	Year ended 31.03.2023	Year ended 31.03.2022
Short-term employee benefits	221.5	272.9
Post-employment benefits	13.1	19.6
Share based payments	11.3	13.1
Total	**245.9**	**305.6**

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

Terms and conditions of transactions with related parties:

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

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C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	**As at 31.03.2023**	As at 31.03.2022
1	Deposits paid under Leave and License arrangement for premises		
	Others	7.4	29.0
2	Trade Receivables		
	Jointly Controlled Entity	14.8	20.4
3	Trade Payables		
	Others	12.7	9.3
4	Advance against supplies paid		
	Others	35.0	-
5	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. Non Cash Changes in Cash Flows from Financing Activities:

(₹ in million)

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

(₹ in million)

Particulars	01.04.2021	Cash flows	Non-Cash Changes			**31.03.2022**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Secured						
Term Loans from banks	3.3	1,330.0	-	85.3	-	1,418.6
Unsecured						
Term Loans from Banks	156.4	(159.7)	-	3.3	-	-
Deferred Sales Tax Loan from Government of Maharashtra	1.5	(1.5)	-	-	-	-
Current Borrowings						
Secured						
Loans from banks	2,425.9	(342.5)	-	482.8	-	2,566.2
Unsecured						
Loans from banks	28,068.5	5,424.6	24.1	963.6	-	34,456.7
Interest accrued but not due on Borrowings	48.6	544.3	592.9	-	-	-
Current maturities of Non-Current Borrowings	17,174.2	(17,449.9)	-	275.7	-	-
Lease liabilities (Refer note 44)	3,461.0	(906.2)	587.4	-	-	3,142.2
Total Liabilities from financing activities	**51,339.4**	**(11,561.0)**	**1,204.4**	**1,810.7**	**-**	**41,583.7**

Notes

Forming part of the Consolidated Financial Statements

67. The Company evaluates events or transactions that occur after the consolidated balance sheet date but prior to the issuance of consolidated financial statements and concluded that no material subsequent events have occurred through 09.05.2023 that require adjustment to or disclosure in the consolidated financial statements.

68. Trade receivable ageing:

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	**Total as at 31 March 2023**
(i) Undisputed Trade receivables – considered good	38,110.5	5,997.5	454.8	326.4	35.6	72.2	44,997.0
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	59.5	26.6	62.5	69.8	82.4	300.8
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	38,110.5	**6,057.0**	**481.4**	**388.9**	**105.4**	**154.6**	**45,297.8**
Allowance for credit loss							(490.8)
Total							**44,807.0**

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total as at 31 March 2022
(i) Undisputed Trade receivables – considered good	33,050.7	6,243.2	3,090.6	123.0	67.4	117.2	42,692.1
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	35.3	11.2	160.3	69.8	31.3	31.2	339.1
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	30.5	-	1.2	1.8	0.6	-	34.1
	33,116.5	**6,254.4**	**3,252.1**	**194.6**	**99.3**	**148.4**	**43,065.3**
Allowance for credit loss							(445.9)
Total							**42,619.4**

Notes

Forming part of the Consolidated Financial Statements

69. Trade payable ageing:

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total as at 31.03.2023**
Outstanding dues of Micro and Small Enterprises	759.5	3.8	-	-	-	763.3
Outstanding dues of other than Micro and Small Enterprises	7,870.7	4,167.6	1,026.6	208.0	112.7	13,385.6
Disputed - Outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-
Disputed - Outstanding dues of other than Micro and Small Enterprises	-	-	-	-	2.3	2.3
	8,630.2	**4,171.4**	**1,026.6**	**208.0**	**115.0**	**14,151.2**
Accrued Expenses						11,164.1
Total						**25,315.3**

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at 31.03.2022
Outstanding dues of Micro and Small Enterprises	802.4	52.7	-	2.1	3.5	860.7
Outstanding dues of other than Micro and Small Enterprises	8,372.0	3,392.8	1,240.6	297.5	54.8	13,357.7
Disputed - Outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-
Disputed - Outstanding dues of other than Micro and Small Enterprises	-	-	-	-	2.3	2.3
	9,174.4	**3,445.5**	**1,240.6**	**299.6**	**60.6**	**14,220.7**
Accrued Expenses						8,608.4
Total						**22,829.1**

70. Capital Work-In-Progress (CWIP)

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

(₹ in million)

Particulars	Amount in CWIP for a period of				**Total as at 31.03.2023**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,285.4	2,709.5	598.7	3,354.6	8,948.2
Projects temporarily suspended	-	-	-	-	-
Total	**2,285.4**	**2,709.5**	**598.7**	**3,354.6**	**8,948.2**

(₹ in million)

Particulars	Amount in CWIP for a period of				Total as at 31.03.2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,155.7	1,623.5	603.4	2,092.1	8,474.7
Projects temporarily suspended	-	-	-	-	-
Total	**4,155.7**	**1,623.5**	**603.4**	**2,092.1**	**8,474.7**

Notes

Forming part of the Consolidated Financial Statements

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

(i) There are no CWIP where completion is overdue or cost has exceeded as compared to its original plans as on 31.03.2023.

(ii) CWIP where completion is overdue or cost has exceeded as compared to its original plans as at 31.03.2022.

(₹ in million)

Capital Work-in-progress	To be completed in				Total as at 31.03.2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Gertis Roll Compactor Model Macro-Pactor	-	-	-	45.8	45.8
60" Tablet Coating Pan	17.7	-	-	39.0	56.7
VCM-300 Flow Meters, Flash Mixer for KCl	-	-	-	13.8	13.8
Installation of New 4x7.5 Ton Roof Top	-	-	-	4.5	4.5

71. Intangible assets under development (IAUD)

(a) Intangible assets under development (IAUD) ageing

(₹ in million)

Particulars	Amount in IAUD for a period of				**Total as at 31.03.2023**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	734.1	425.8	805.1	1,466.7	3,431.7
Projects temporarily suspended	-	-	-	-	-
Total	**734.1**	**425.8**	**805.1**	**1,466.7**	**3,431.7**

(₹ in million)

Particulars	Amount in IAUD for a period of				Total as at 31.03.2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	643.2	718.9	341.4	1,284.6	2,988.1
Projects temporarily suspended	-	-	-	-	-
Total	**643.2**	**718.9**	**341.4**	**1,284.6**	**2,988.1**

(b) Intangible assets under development (IAUD), where completion is overdue or cost has exceeded as compared to its original plans.

There are no IAUD where completion is overdue or cost has exceeded as compared to its original plans as on 31.03.2023 and 31.03.2022.

Notes

Forming part of the Consolidated Financial Statements

72. Financial Ratios

Ratios	Numerator	Denominator	**31-Mar-23**	31-Mar-22	% of Variances	Reason for Variances
Current Ratio	Total Current Asset	Total Current Liabilities	1.34	1.51	(11.26)	
Debt-Equity Ratio	Total Debt= Non Current Borrowings+ Current Borrowings	Total Equity Attributable to owners	0.34	0.32	6.25	
Debt service coverage ratio	Earnings available for Debt Service = Net Profit after taxes before OCI + Non-cash operating expenses like depreciation and other amortizations - Unrealised gain + Interest + loss on sale of Fixed assets	Debt service (Debt service =Interest & Lease Payments + Principal Repayments)	3.82	0.20	1,810.00	The increment is mainly on account of additional borrowings and increase in interest rates during the current year. Also on account of losses incurred attributed to Glumetza settlement in previous year
Return on equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity = (Opening shareholder's Equity + Closing shareholder's Equity)/2	0.03	(0.12)	(125.00)	The variance is mainly due to Glumetza settlement and impairment of IPs in the previous year
Inventory turnover ratio	Cost of Goods Sold =Cost of Materials Consumed +Purchases of Stock-in-Trade +Changes in Inventories of Finished Goods/Work in Progress/ Stock-in-Trade	Average Inventory = (Opening Inventory +Closing Inventory)/2	1.49	1.49	-	
Trade receivables turnover ratio	Total sales	Closing Trade receivable	3.63	3.80	(4.47)	
Trade payables turnover ratio	Total Purchases	Closing Trade Payables	2.80	3.41	(17.89)	
Net capital turnover ratio	Net sales	Working Capital = current assets - current liabilities	5.11	3.87	32.04	The increment due to reduction in working capital.
Net profit ratio	Net Profit after Tax	Revenue from Operations	0.03	(0.09)	(133.33)	The variance is mainly due to Glumetza settlement and impairment of IPs in the previous year

Notes

Forming part of the Consolidated Financial Statements

Ratios	Numerator	Denominator	**31-Mar-23**	31-Mar-22	% of Variances	Reason for Variances
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liability (net)	0.08	(0.09)	(188.89)	The variance is mainly due to Glumetza settlement and impairment of IPs in the previous year
Return on investment (ROI)						
1) Mutual Fund	Income generated from investment (A)	Average Investment (B)	0.02	0.03	(33.33)	The variance is on account of reduction in investment
2) Financial Institution (CD)	Income generated from investment (A)	Weighted Average Investment (B)	0.05	0.05	-	
3) Commercial Paper	Income generated from investment (A)	Weighted Average Investment (B)	0.04	0.04	-	
4) Non Convertible Debentures	Income generated from investment (A)	Weighted Average Investment (B)	0.05	0.05	-	

73. Donations under Note 36 includes Donations for Political purpose made through Electoral Bonds ₹ 180 million (31.03.2022 ₹ nil).

74. Other Statutory Information:

(A) The Group has not entered into any transactions with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 for the year ended 31.03.2023 and 31.03.2022.

(B) The Group has not traded or invested in Crypto Currency or Virtual Currency.

(C) The Group does not have any transaction not recorded in the books of account that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 for the year ended 31.03.2023 and 31.03.2022.

Notes

Forming part of the Consolidated Financial Statements

(D) The Group has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(E) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(F) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds), other than in the ordinary course of business by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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 09, 2023

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

Manju D. Gupta
Chairman
DIN: 00209461

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

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Standalone Financial Statements

Independent Auditor's Report

To the Members of Lupin Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Lupin Limited (the "Company") and its employee welfare trust which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
1. Revenue Recognition: Refer note 1B (m) of significant accounting policy and note 28 to standalone financial statements	
Revenue from the sale of pharmaceutical products is recognized when control over goods is transferred to a customer. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered with customers. The Company has many customers operating in various geographies and sales contracts with customers have distinct terms relating to the recognition of revenue, the right of return and price adjustments. We identified the recognition of revenue from sale of products as a key audit matter considering: Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors / other stakeholders and/or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed during the year and at period end.	To obtain sufficient appropriate audit evidence, our principal audit procedures, amongst others, include the following: - Compared the accounting policies in respect of revenue recognition with applicable accounting standards to test for compliance. - Tested design, implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue. - Performed substantive testing of selected samples of revenue transactions recorded during the year. - For a sample of year-end sales, we verified contractual terms of sales invoices/ contracts, shipping documents and acknowledged delivery receipts for those transactions including management assessment and quantification of any sales reversal for undelivered goods; and - Tested any unusual non-standard journal entries that impacted revenue recognized during the year.

The key audit matter	How the matter was addressed in our audit
2. Impairment assessment of investments in subsidiaries (New businesses): Refer note 7 to standalone financial statements	
The Company has invested in new businesses through its wholly owned subsidiaries (i.e Lupin Diagnostics Limited Rs. 1,581.7 millions, Lupin Digital Health Limited Rs. 1,000.0 millions and Lupin Oncology Inc., USA Rs. 1,127.8 millions) aggregating to Rs. 3,709.5 millions as at 31 March 2023. These Companies are in early stages of operations and consequently projected performance are not based on any historical trends. Investment in such subsidiaries are evaluated for any triggers for impairment as required under Ind AS 36. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount or value in use whichever is higher to determine whether an impairment was required to be recognised. The Company carries out impairment assessment for each investment by: - Comparing the carrying value of each investment with the net worth of each company based on latest financial statements. - Identifying the most appropriate valuation model considering the business model and its stage of operations. - Comparing the performance of the investee companies with projections used for valuations and approved business plans. - Evaluate variables considered in valuation model such as future revenue, margins and operating expenditure, appropriate discount rate, identification of comparable transaction, etc. and compute recoverable amount or value in use. Considering the inherent uncertainty, subjectivity and judgement involved, impairment assessment of investment has been considered as a key audit matter.	To obtain sufficient and appropriate audit evidence, our principal audit procedures, amongst others, included the following: - Evaluated managements assessment of triggers for impairments and assessed the appropriateness of valuation modes used by the management for impairment testing. - Tested the design and operating effectiveness of internal controls over impairment assessment including approval of forecasts and valuation models used. - Assessed the Valuation methodology used and tested the mathematical accuracy of the impairment models. - Evaluated key assumptions in the Company's valuation models used to determine recoverable amount/value in use including assumptions of projected earnings before interest, growth rate, discount rates and identified comparable transactions in consultation with the valuation specialist. - Evaluated key assumptions in the Company's valuation models used to determine recoverable amount including assumptions of projected earnings before interest, growth rate and discount rate. We also evaluated the forecasts based on historical performance wherever relevant. - Performed sensitivity analysis of key assumptions and evaluated past performances where relevant to assess accuracy of the forecasts made. - Assessed and validated the appropriateness of the disclosures made in the standalone financial statements.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

   e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer note 36 to the standalone financial statements.

   b) 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 52 to the standalone financial statements.

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 65 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 65 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 35 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN: 23113156BGYUJD9102

Place: Mumbai
Date: 09 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Lupin Limited for the year ended 31 March 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and building which are freehold, as disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

(₹ in million)

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. (Disputed)
Freehold land located in Maharastra admeasuring 7 hectare	29.6	Lupin Laboratories Limited	No	Since 2001	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 order dated 13 June 2001
Freehold building located in Maharashtra admeasuring 8038 sq. ft.	133.9	Lupin Laboratories Limited	No	Since 2001	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 order dated 13 June 2001

In respect of immovable properties of land and buildings that have been taken on lease and disclosed in note 64 to the standalone financial statements, the lease agreements are in the name of the Company, except the following:

(₹ in million)

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold building located in Delhi admeasuring 1628 sq. ft	2.8	Lupin Laboratories Limited	No	Since 2001	The lease is 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 order dated 13 June 2001

In respect of immovable properties of land and buildings which are disclosed as Property, Plant and Equipment in the standalone 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 2023)
Building located in Maharashtra	7.5
Land located in Uttarakhand	0.3

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security to companies, firms, limited liability partnership or any other parties during the year. The company has not made any investments in or provided any guarantees to firms, LLP's or other parties and has not granted any loans and any advances in nature of loans to companies, firms or LLP's. The Company has made investments in and provided guarantee to companies, and granted loans to other parties in respect of which the requisite information is as below:

Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans and provided guarantee on behalf of others as below:

(₹ in million)

Particulars	Loans	Guarantees
Aggregate amount during the year		
- Subsidiaries*	-	2,486.7
- Joint ventures*	-	-
- Associates*	-	-
- Others	61.3	-
Balance outstanding as at balance sheet date		
- Subsidiaries*	-	40,797.4
- Joint ventures*	-	-
- Associates*	-	-
- Others*	61.0	-

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanation given to us and on the basis of our examination of records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 (“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) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Provident fund, Employees state insurance, Income tax, Sales tax, Value added tax, Service tax, duty of Customs, Goods and Service tax, duty of Excise and Cess which have not been deposited with the appropriate authorities onaccount of any dispute other than those mentioned in Annexure I to this report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of 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, clause3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount of Rs. 238.0 millions for the year ended 31 March 2023 to a Special Account as per section 135(6) of the said Act.

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN: 23113156BGYUJD9102

Place: Mumbai
Date: 09 May 2023

Annexure – I to the Independent Auditor's Report – 31 March 2023

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.

(₹ in million)

Name of the statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount demanded	Amount deposited under protest	Amount unpaid
Income tax Act, 1961	Income tax	Commissioner of Income tax (Appeals)	2005-06 to 2007-08, 2013-14 to 2019-20	1,302.6	-	57.7
		Income Tax Appellate Tribunal (ITAT) [including ₹ 370.1 million consequent to department preferring appeals against the orders of the Appellate Authority passed in favour of the company]	2008-09 to 2012-13	1,038.7	-	923.4
		High Court [consequent to department preferring appeal against the order of the Appellate Authority passed in favour of the company]	2013-14	13.5	-	13.5
Central Excise Act, 1944	Excise duty De-bonding matters	Customs, Excise, and Service Tax Appellate Tribunal (CESTAT)	2010 & 2012	418.1	371.1	47.0
			2005-08	47.9	-	47.9
	Service Tax Matters		2015 - 18	54.2	-	54.2
	Excise Duty	Commissioner Appeals	2017	4.6	-	4.6
CGST Act, 2017	Goods and Service Tax	Goods and Service Tax Appellate Tribunal (GSTAT)	2017	86.5	-	86.5
		High Court	2017-18 and onwards	53.9	-	53.9
		Commissioner of Goods and Service Tax (Appeal)	2017-18, 2018-19, 2021-22	58.5	-	58.5
		Adjudicating Authority	2017-18, 2018-19, 2021-22	184.9	-	184.9

(₹ in million)

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount demanded	Amount deposited under protest	Amount unpaid
Central and various states' Sales Tax Acts and various States' Value Added Tax Acts	Sales tax and Value added tax	Sales Tax Tribunal	1994-95 2000-01 2003-06 2009-11	32.6	5.9	26.7
		Supreme Court	2000-04 2005-06	8.9	7.4	1.5
		High Court	2002-05	11.6	6.3	5.3
		Commissioner of Sales Tax (Appeal)	2001-03 2004-05 2014-15	1.0	-	1.0
		Joint Commissioner	2013-14	4.5	-	4.5
		Deputy Commissioner	2013-16	6.7	-	6.7
		Additional Commissioner	1994-95 2010-11 2015-16 2016-17 2017-18	14.5	3.5	11.0
		Assistant Commissioner	2003-04	0.3	0.3	-
Foreign Trade (Development & Regulations) Act, 1992	Customs duty	Additional Director General of Foreign Trade	2018-20	0.5	-	0.5

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of Lupin Limited for the year ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Lupin Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN: 23113156BGYUJD9102

Place: Mumbai
Date: 09 May 2023

Balance Sheet

as at March 31, 2023

(₹ in million)

	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	34,613.5	33,757.6
b. Capital Work-in-Progress	3	7,379.9	7,737.4
c. Goodwill	48	158.6	-
d. Other Intangible Assets	4	3,282.5	726.3
e. Right-of-use Assets	5	2,164.7	2,417.9
f. Intangible Assets Under Development	6	1,886.0	1,737.0
g. Financial Assets			
(i) Non-Current Investments			
- In Subsidiaries	7	94,919.6	86,464.6
- In Others	7	426.0	422.3
(ii) Non-Current Loans	8	40.4	2.1
(iii) Other Non-Current Financial Assets	9	900.6	730.1
h. Non-Current Tax Assets (Net)		3,766.1	3,659.9
i. Other Non-Current Assets	10	1,589.6	1,100.3
		151,127.5	138,755.5
Current Assets			
a. Inventories	11	30,194.7	31,771.4
b. Financial Assets			
(i) Current Investments	12	4,397.7	8,224.0
(ii) Trade Receivables	13	26,744.2	27,220.1
(iii) Cash and Cash Equivalents	14	856.6	591.0
(iv) Other Bank Balances	15	153.1	54.6
(v) Current Loans	16	20.6	22.7
(vi) Other Current Financial Assets	17	3,693.1	5,985.2
c. Other Current Assets	18	9,649.2	10,509.2
		75,709.2	84,378.2
TOTAL		**226,836.7**	**223,133.7**
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	19	910.0	909.0
b. Other Equity		183,208.6	180,592.9
		184,118.6	181,501.9
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Lease Liabilities	41	651.0	1,002.8
(ii) Other Non-Current Financial Liabilities	20	284.1	61.8
b. Non-Current Provisions	21	3,163.3	3,062.9
c. Deferred Tax Liabilities (Net)	44	1,850.2	1,867.5
d. Other Non-Current Liabilities	22	491.0	257.7
		6,439.6	6,252.7
Current Liabilities			
a. Financial Liabilities			
(i) Current Borrowings	23	6,134.6	7,904.7
(ii) Lease Liabilities	41	699.5	601.0
(iii) Trade Payables	24		
- Total outstanding dues of Micro Enterprises and Small Enterprises		736.5	847.9
- Total outstanding dues of other than Micro Enterprises and Small Enterprises		14,926.4	12,667.4
(iv) Other Current Financial Liabilities	25	2,575.9	2,484.0
b. Other Current Liabilities	26	3,085.2	2,871.6
c. Current Provisions	27	4,886.1	4,568.4
d. Current Tax Liabilities (Net)		3,234.3	3,434.1
		36,278.5	35,379.1
TOTAL		**226,836.7**	**223,133.7**
See accompanying notes forming part of the standalone financial statements			

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

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

Venkataraman Vishwanath
Partner
Membership No. 113156

Manju D. Gupta
Chairman
DIN: 00209461

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 09, 2023

Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in million)

	Note	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
INCOME:			
Revenue from Operations	28	112,588.3	117,716.7
Other Income	29	912.6	1,504.2
Total Income		**113,500.9**	**119,220.9**
EXPENSES:			
Cost of Materials Consumed	30	31,512.0	28,169.0
Purchases of Stock-in-Trade		15,257.0	18,927.4
Changes in Inventories of Finished Goods,	31	1,207.9	(2,423.8)
Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]			
Employee Benefits Expense	32	19,341.4	19,181.6
Finance Costs	33	984.4	734.7
Depreciation, Amortisation and Impairment Expense	2,4 & 5	5,483.4	5,141.9
Other Expenses	34	35,631.0	32,987.3
Net (gain)/loss on Foreign Currency Transactions		(1,187.6)	(665.7)
Business compensation expense	47	-	18,783.8
Total Expenses		**108,229.5**	**120,836.2**
Profit/(Loss) before Tax		**5,271.4**	**(1,615.3)**
Tax Expense	44		
- Current Tax (Net)		958.9	578.0
- Deferred Tax (Net)		60.4	(306.3)
Total Tax Expense		**1,019.3**	**271.7**
Profit/(Loss) for the year		**4,252.1**	**(1,887.0)**
Other Comprehensive Income/(Loss)			
(A) (i) Items that will not be reclassified subsequently to profit or loss:			
- Remeasurements of Defined Benefit Liability		(21.4)	37.2
(ii) Income tax relating to items that will not be reclassified to profit or loss:	44	7.5	(13.0)
(B) (i) Items that will be reclassified subsequently to profit or loss:			
- The effective portion of gain & losses on hedging instruments in a cash flow hedge		(295.5)	(26.3)
(ii) Income tax relating to items that will be reclassified to profit or loss	44	70.2	12.4
Other Comprehensive Income/(Loss) for the year, net of tax		**(239.2)**	**10.3**
Total Comprehensive Income/(Loss) for the year		**4,012.9**	**(1,876.7)**
Earnings per equity share (in ₹)	40		
Basic		**9.35**	**(4.16)**
Diluted		**9.31**	**(4.16)**
Face Value of Equity Share (in ₹)		2.00	2.00
See accompanying notes forming part of the standalone 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

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 09, 2023

Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital [Refer note 19]

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Balance at the beginning of the reporting year	454,475,014	909.0	453,680,133	907.4
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	454,475,014	909.0	453,680,133	907.4
Changes in equity share capital during the year	506,321	1.0	794,881	1.6
Balance at the end of the reporting year	454,981,335	910.0	454,475,014	909.0

B. Other Equity

(₹ in million)

Particulars	Reserves and Surplus							Share Application Money Pending Allotment	Other items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employees Stock Options Outstanding	General Reserve	Retained Earnings	Amalgamation Reserve		Effective portion of Cash Flow Hedges	
Balance as at 31.03.2021	**263.9**	**126.5**	**9,887.2**	**1,894.8**	**16,916.8**	**155,141.0**	**317.9**	**0.5**	**199.8**	**184,748.4**
Profit/(Loss) for the year	-	-	-	-	-	(1,887.0)	-	-	-	(1,887.0)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	24.2	-	-	-	24.2
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**(1,862.8)**	**-**	**-**	**-**	**(1,862.8)**
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	(14.4)	(14.4)
Received during the year	-	-	-	-	-	-	-	-	-	-
Final dividend on Equity Shares	-	-	-	-	-	(2,950.8)	-	-	-	(2,950.8)
Issue of equity shares on exercise of employee stock options	-	-	733.3	-	-	-	-	-	-	733.3
Amortised/Exercised during the year	-	-	-	(60.2)	-	-	-	-	-	(60.2)
Reduction on allotment of shares	-	-	-	-	-	-	-	(0.5)	-	(0.5)
Transfer from share based payments to General Reserve	-	-	-	(217.3)	217.3	-	-	-	-	-
Balance as at 31.03.2022	**263.9**	**126.5**	**10,620.5**	**1,617.3**	**17,134.1**	**150,327.4**	**317.9**	**-**	**185.4**	**180,592.9**
Profit/(Loss) for the year	-	-	-	-	-	4,252.1	-	-	-	4,252.1
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	(13.9)	-	-	-	(13.9)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**4,238.2**	**-**	**-**	**-**	**4,238.2**
Movement in other comprehensive income for the year	-	-	-	-	-	-	-	-	(224.1)	(224.1)
Received during the year	-	-	-	-	-	-	-	-	-	-
Final dividend on Equity Shares	-	-		-	-	(1,818.5)	-	-	-	(1,818.5)
Issue of equity shares on exercise of employee stock options	-	-	455.3	-	-	-	-	-	-	455.3
Amortised/Exercised during the year	-	-	-	(35.2)		-	-	-	-	(35.2)
Reduction on allotment of shares	-	-	-	-		-	-	-	-	-
Transfer from share based payments to General Reserve	-	-	-	(98.5)	98.5	-	-	-	-	-
Balance as at 31.03.2023	**263.9**	**126.5**	**11,075.8**	**1,483.6**	**17,232.6**	**152,747.1**	**317.9**	**-**	**(38.7)**	**183,208.6**

Statement of Changes in Equity

for the year ended March 31, 2023

Nature of Reserves

a) Capital Reserve

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

b) Capital Redemption Reserve

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

c) Securities Premium

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

d) Employees Stock Options Outstanding

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

e) General Reserve

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

f) Amalgamation Reserve

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

g) Share Application Money Pending Allotment

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

h) Cash Flow Hedge Reserve

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

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Dated: May 09, 2023

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

Manju D. Gupta
Chairman
DIN: 00209461

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Statement of Cash Flows

for the year ended March 31, 2023

(₹ in million)

	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
A. Cash Flow from Operating Activities		
Profit/(Loss) before Tax	5,271.4	(1,615.3)
Adjustments for:		
Depreciation, Amortisation and Impairment Expense	5,483.4	5,141.9
Loss/(Profit) on Sale/Write-off of Property, Plant and Equipment/ Intangible Assets (net)	(61.7)	23.2
Net Gain on sale of Mutual Fund Investments	(117.1)	(329.6)
Finance Costs	984.4	734.7
Interest on Deposits with Banks and Others	(71.1)	(231.1)
Interest on Income Tax Refund	3.1	(631.9)
Unrealised Loss/(Gain) on Mutual Fund Investments (net)	(14.1)	(23.2)
Unrealised Gain on Non-Current Investment	(349.3)	(98.7)
Doubtful Trade Receivables/Advances provided (net)	106.8	(30.9)
Bad Trade Receivables/Advances written off	6.8	-
Share Based Payments Expense	205.6	393.0
Unrealised Exchange loss/(gain) on revaluation (net)	(338.9)	(453.8)
Operating Cash Flows before Working Capital Changes	**11,109.3**	**2,878.3**
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	1,576.7	(4,689.5)
Trade Receivables	728.6	5,175.1
Current Loans	2.1	(10.2)
Non-Current Loans	(38.3)	(1.2)
Other Current Financial Assets	2,264.9	(1,484.7)
Other Current Assets	830.8	(3,806.9)
Other Non-Current Assets	107.5	4.3
Other Non-Current Financial Assets	(182.3)	(42.3)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	2,147.7	1,541.0
Other Current Financial liabilities	28.1	314.0
Other Current liabilities	213.6	321.8
Other Non-Current liabilities	233.3	(199.7)
Other Non-Current Financial liabilities	47.3	22.2
Current Provisions	296.3	251.6
Non-Current Provisions	(157.7)	(245.2)
Cash Generated from Operations	**19,207.9**	**28.6**
Net Income tax paid	(1,268.0)	1,481.7
Net Cash Flow generated from/(used in) Operating Activities	**17,939.9**	**1,510.3**
B. Cash Flow from Investing Activities		
Payment for acquisition of business	(2,910.0)	-
Capital expenditure on Property, Plant and Equipment/Intangible Assets, including capital advances	(5,751.3)	(5,972.0)
Proceeds from sale of Property, Plant and Equipments/Intangible Assets	144.8	45.2
Purchase of Non-Current Investment	(8,109.4)	(14,372.3)
Purchase of Current Investments	(116,222.1)	(112,986.9)
Proceeds from sale of Current Investments	120,179.6	128,325.6
Bank balances not considered as Cash and Cash Equivalents (net)	(94.4)	1,011.4
Interest on Deposits with Banks and others	71.1	231.1
Net Cash Flow generated from/(used in) Investing Activities	**(12,691.7)**	**(3,717.9)**

Statement of Cash Flows

for the year ended March 31, 2023

(₹ in million)

	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
C. Cash Flow from Financing Activities		
Proceeds from/(Repayment of) Non Current Borrowings	-	(1.5)
Proceeds from/(Repayment of) Current Borrowings (net)	(1,770.1)	4,915.2
Proceeds from issue of equity shares (ESOPs) and Share application money	1.0	1.6
Securities Premium Received (ESOPs)	18.4	159.2
Payment of Lease liabilities (net off interest)	(680.6)	(592.9)
Finance Costs	(726.3)	(506.2)
Dividend paid	(1,825.0)	(2,950.9)
Net Cash Flow generated from/(used in) Financing Activities	**(4,982.6)**	**1,024.5**
Net Increase/(Decrease) in Cash and Cash Equivalents	**265.6**	**(1,183.1)**
Cash and Cash Equivalents as at the beginning of the year	591.0	1,774.1
Cash and Cash Equivalents as at end of the year	**856.6**	**591.0**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet [Refer note 14]	856.6	591.0
Unrealised loss/(gain) on foreign currency Cash and Cash Equivalents	-	-
Bank Overdraft	-	-
Cash and Cash Equivalents as at the end of the year	856.6	591.0

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

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

3. Refer note 57 for Non Cash Changes in Cash Flows from Financing Activities.

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

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DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 09, 2023

Notes

Forming part of the Standalone Financial Statements

1A. OVERVIEW:

Lupin Limited, ('the Company') incorporated in 1983, is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded and generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) globally. The Company has significant presence in the Cardiovascular, Diabetology, Asthama, Pediatrics, Central Nervous System, Gastro-Intestinal, Anti-Infectives and Nonsteroidal Anti Inflammatory Drug therapy segments and is a global leader in the Anti-TB and Cephalosporins segments. The Company along with its subsidiaries has manufacturing locations spread across India, USA, Mexico and Brazil with trading and other incidental and related activities extending to the global markets. The Company's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. These Standalone Financial Statements were authorized for issue by the Company's Board of Directors on May 09,2023.

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

1B. SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of preparation

i) These Standalone Financial Statements of the Company have been prepared and presented 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.

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

- Measurement and likelihood of occurrence of provisions and contingencies (Refer note q)
- Impairment of non-financial assets (Refer note f)
- Impairment of financial assets (Refer note h)
- Provision for Income taxes and uncertain tax positions (Refer note j)
- Goodwill impairment (Refer note l)

Notes

Forming part of the Standalone Financial Statements

b) Property, Plant and Equipment & Depreciation:

I. Recognition and Measurement:

Freehold land is carried at historical cost. 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.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is 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
Improvements on Leased Premises	Over the period of lease
Building	5 to 80 years
Plant and Equipment	10 to 15 years
Office Equipment (Desktop and Laptop)	4 years

Depreciation 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).

Notes

Forming part of the Standalone Financial Statements

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. Derecognition of Intangible Assets

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

IV. 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
Knowhow	5 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 respective heads in the Statement of Profit and Loss in the year it is incurred. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless following conditions are satisfied in which case such expenditure is capitalized:

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

The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

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

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

Notes

Forming part of the Standalone Financial Statements

f) Impairment of non-financial assets:

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

h) Financial Instruments:

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

I. Financial Assets

Classification

On initial recognition the 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 are recognised initially at fair value plus, in case of financial assets not recorded at fair value through Profit or Loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, Company's trade receivables that do not contain a significant financial component are measured at transaction price under Ind AS 115 "Revenue from Contracts with Customers". 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:

Notes

Forming part of the Standalone Financial Statements

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.

Subsequent Measurement

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

i) Debt instruments at amortised costs

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Derivative and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the 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

Notes

Forming part of the Standalone Financial Statements

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

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amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

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

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

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

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

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

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

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

III. Measurement
The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

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(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) Business combinations:

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

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

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

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

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

j) Income tax:

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

Current tax

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

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

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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.

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

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

k) Inventories:

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

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

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

l) Goodwill impairment

Goodwill is tested for impairment annually. If events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (CGUs) (including allocated goodwill) is compared with its recoverable amount by the Company. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the Company 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.

m) Revenue Recognition:

Sale of Goods

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

Revenue from the sale of goods is measured at the transaction price which is consideration received or receivable, net of returns, Goods and Service Tax (GST) and applicable trade discounts, allowances and chargeback. Revenue includes shipping and handling costs billed to the customer.

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

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

The Company disaggregates revenue from contracts with customers by major Products/Service lines, geography and timing of the revenue recognition.

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

Income from research services

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

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

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods

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are exported and/or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

n) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is 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.

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

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.

Other Benefit Plans

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit or loss and are not deferred.

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 Other Equity under "Employee Stock Options Outstanding Reserve".

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The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

Cash-settled Transactions: The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

p) Leases:

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

Company as a lessee

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

i) Right-of-Use Assets

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of- use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

ii) Lease Liabilities

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease

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payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

q) 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.

r) Cash and Cash equivalents:

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

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

s) 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.

t) Government Grants:

Government grants are initially recognised at fair value if there is reasonable assurance that the grant 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.

u) Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could

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have been issued on conversion of all dilutive potential equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

v) Insurance claims:

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

w) Current vs Non Current:

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

1C. RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company does not expect this amendment to have any significant impact in its financial statements.

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2. Property, Plant and Equipment

(₹ in million)

Particulars	Freehold Land	Buildings	Improvements on Leased Premises	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block								
As at 01.04.2021	974.7	15,202.8	477.3	34,763.1	1,257.9	82.5	1,933.3	54,691.6
Additions	9.3	1,439.6	0.4	3,605.4	55.5	-	127.0	5,237.2
Disposals	-	32.8	-	377.0	44.3	0.1	61.2	515.4
As at 31.03.2022	984.0	16,609.6	477.7	37,991.5	1,269.1	82.4	1,999.1	59,413.4
Additions	-	576.7	0.1	4,247.6	99.6	0.1	170.7	5,094.8
Disposals	-	5.7	2.4	258.2	5.7	30.6	33.3	335.9
As at 31.03.2023	**984.0**	**17,180.6**	**475.4**	**41,980.9**	**1,363.0**	**51.9**	**2,136.5**	**64,172.3**
Accumulated Depreciation and Impairment								
As at 01.04.2021	-	2,709.7	376.9	16,555.0	637.7	48.0	1,531.0	21,858.3
Depreciation charge for the year	-	617.4	56.9	3,223.5	119.4	10.0	217.3	4,244.5
Impairment charge for the year	-	-	-	-	-	-	-	-
Disposals	-	8.3	-	334.8	42.6	0.1	61.2	447.0
As at 31.03.2022	-	3,318.8	433.8	19,443.7	714.5	57.9	1,687.1	25,655.8
Depreciation charge for the year	-	642.8	4.1	3,269.7	112.5	7.0	155.6	4,191.7
Impairment charge for the year	-	-	-	-	-	-	-	-
Disposals	-	1.6	2.4	220.7	5.0	25.7	33.3	288.7
As at 31.03.2023	**-**	**3,960.0**	**435.5**	**22,492.7**	**822.0**	**39.2**	**1,809.4**	**29,558.8**
Net Block								
As at 31.03.2023	**984.0**	**13,220.6**	**39.9**	**19,488.2**	**541.0**	**12.7**	**327.1**	**34,613.5**
As at 31.03.2022	984.0	13,290.8	43.9	18,547.8	554.6	24.5	312.0	33,757.6

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 ₹ 389.4 million (previous year ₹ 184.1 million) located at Research and Development Centers of the Company.
c) Refer note 64 for disclosure on Title deeds of all immovable properties not held in the name of the Company.
d) The Company has not revalued any of its Property, Plant and Equipment.

3. Capital Work-In-Progress (CWIP)

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Opening Balance	7,737.4	7,958.3
Additions during the year	4,719.9	5,021.3
Capitalised during the year	5,077.4	5,242.2
Impairment during the year	-	-
Closing Balance	**7,379.9**	**7,737.4**

a) Refer note 61 for CWIP ageing and note 37 for details of Expenditure incurred prior to commencement of commercial production.

Notes

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4. Other Intangible Assets

(₹ in million)

Particulars	Computer Software	Trademarks and Licences	Dossiers/ Marketing rights	Knowhow	Total
Gross Block					
As at 01.04.2021	362.9	424.1	3,248.2	-	4,035.2
Taken over on Acquisition	-	-	-	-	-
Additions	147.7	-	-	-	147.7
Disposals	13.7	80.5	-	-	94.2
As at 31.03.2022	496.9	343.6	3,248.2	-	4,088.7
Taken over on Acquisition	-	2,855.3	-	146.1	3,001.4
Additions	149.0	-	50.0	-	199.0
Disposals	46.1	-	1,316.5	-	1,362.6
As at 31.03.2023	**599.8**	**3,198.9**	**1,981.7**	**146.1**	**5,926.5**
Accumulated Amortisation and Impairment					
As at 01.04.2021	184.2	196.2	2,828.2	-	3,208.6
Amortisation charge for the year	47.3	70.8	61.9	-	180.0
Impairment charge for the year	-	-	68.0	-	68.0
Disposals	13.7	80.5	-	-	94.2
As at 31.03.2022	217.8	186.5	2,958.1	-	3,362.4
Amortisation charge for the year	78.2	332.6	54.1	28.7	493.6
Impairment charge for the year	-	9.6	105.1	-	114.7
Disposals	46.1	-	1,280.6	-	1,326.7
As at 31.03.2023	**249.9**	**528.7**	**1,836.7**	**28.7**	**2,644.0**
Net Block					
As at 31.03.2023	**349.9**	**2,670.2**	**145.0**	**117.4**	**3,282.5**
As at 31.03.2022	279.1	157.1	290.1	-	726.3

a) The Company has not revalued any of its Intangible Assets.

5. Right-Of-Use Assets (ROU)

(₹ in million)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 01.04.2021	1,132.0	1,689.4	26.4	443.1	246.0	39.1	3,576.0
Additions	5.3	176.0	-	29.2	142.3	-	352.8
Disposals	-	202.7	-	76.0	69.9	30.9	379.5
As at 31.03.2022	1,137.3	1,662.7	26.4	396.3	318.4	8.2	3,549.3
Additions	-	267.9	22.0	-	220.5	-	510.4
Disposals	-	97.7	26.4	-	100.5	8.2	232.8
As at 31.03.2023	**1,137.3**	**1,832.9**	**22.0**	**396.3**	**438.4**	**-**	**3,826.9**
Accumulated Depreciation							
As at 01.04.2021	59.3	439.5	13.2	211.5	95.6	28.5	847.6
Depreciation charge for the year	15.3	430.5	8.8	89.2	95.2	10.4	649.4
Disposals	-	202.7	-	76.0	56.0	30.9	365.6
As at 31.03.2022	74.6	667.3	22.0	224.7	134.8	8.0	1,131.4
Depreciation charge for the year	15.3	449.4	8.1	80.9	129.5	0.2	683.4
Disposals	-	40.2	26.4	-	77.8	8.2	152.6
As at 31.03.2023	**89.9**	**1,076.5**	**3.7**	**305.6**	**186.5**	**-**	**1,662.2**
Net Block							
As at 31.03.2023	**1,047.4**	**756.4**	**18.3**	**90.7**	**251.9**	**-**	**2,164.7**
As at 31.03.2022	1,062.7	995.4	4.4	171.6	183.6	0.2	2,417.9

a) Refer note 41 for additional disclosure.

b) Refer note 64 for disclosure on Title deeds of all immovable properties not held in the name of the Company.

c) The Company has not revalued any of its Right-of-Use assets.

Notes

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6. Intangible Assets Under Development (IAUD)

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Opening Balance	1,737.0	1,550.3
Additions during the year	278.6	275.2
Capitalised during the year	129.6	88.5
Impairment during the year	-	-
Closing Balance	**1,886.0**	**1,737.0**

a) Refer note 62 for IAUD ageing.

7. Non-Current Investments

(₹ in million)

Particulars	Number	Face Value	**As at 31.03.2023**	As at 31.03.2022
a. In Subsidiary Companies				
Unquoted				
i) Equity Shares at Cost (fully paid)				
- Nanomi B.V., Netherlands	323,162	USD 1,000	51,508.6	44,499.7
	(273,162)			
- Lupin Pharmaceuticals, Inc., USA	30	USD	13.8	13.8
	(30)	0.001		
- Lupin Australia Pty Ltd., Australia	800,000	AUD	33.3	33.3
	(800,000)	*		
- Lupin Diagnostics Limited, India	2,616,677	₹	81.7	81.7
(formerly known as Lupin Healthcare Limited, India)	(2,616,677)	10		
- Lupin Atlantis Holdings SA, Switzerland	2,486	CHF	2,993.7	2,993.7
	(2,486)	1,000		
- Lupin Biologics Limited, India	150,000	₹	1.5	1.0
	(100,000)	10		
- Lupin Oncology Inc., USA	15,000,000	USD	1,127.8	1,127.8
	(15,000,000)	1		
- Lupin Digital Health Limited, India	44,582,500	₹	1,000.0	400.1
	(28,010,000)	10		
ii) Capital Contributions at Cost				
- Nanomi B.V., Netherlands			6,385.5	6,385.5
- Lupin Atlantis Holdings SA, Switzerland (Refer note 56B)			29,811.9	29,811.9
iii) Preference Shares at Fair Value through Profit or Loss (fully paid)				
- Lupin Diagnostics Limited, India	150,000,000	₹	1,961.8	1,116.1
(formerly known as Lupin Healthcare Limited, India)	(100,000,000)	10		
(0.01% Optionally Convertible Non-cumulative Redeemable Preference Shares)				
			94,919.6	**86,464.6**
b. In Others				
Unquoted				
i) In Equity Shares at Fair Value through Profit or Loss (fully paid)				
- Biotech Consortium India Limited, India	50,000	₹	0.5	0.5
	(50,000)	10		
- Enviro Infrastructure Co. Limited, India	100,000	₹	1.0	1.0
	(100,000)	10		
- BEIL Infrastructure Limited, India	4,410	₹		
(formerly known as Bharuch Enviro Infrastructure Limited, India) [31.03.2023 - ₹ 44,100/-; 31.03.2022 - ₹ 44,100/-]	(4,410)	10		
- Narmada Clean Tech Limited, India	1,100,388	₹	11.0	11.0
	(1,100,388)	10		
- Tarapur Environment Protection Society, India	72,358	₹	7.2	7.2
	(72,358)	100		
- Sai Wardha Power Limited., India	3,007,237		-	-
[Aggregate impairment of ₹ 30.1 million (previous year - ₹ 30.1 million)]	(3,007,237)			
			19.7	**19.7**

Notes

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(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
ii) In Bonds/Debentures/Securities at Amortised Cost		
- Government Securities		
- National Saving Certificates		
[Deposited with Government Authority] [31.03.2023- ₹ 5,500; 31.03.2022 - ₹ 5,500]		
iii) In Membership Share in LLP, Unquoted at Fair Value through Profit or Loss		
- ABCD Technologies LLP, India	406.3	402.6
[As at 31.03.2023, the Company had a 6.45% (31.03.2022 - 6.45%) share of profit/loss and voting rights. The investment is locked upto April 24, 2024]	**406.3**	**402.6**
	426.0	**422.3**
Total	**95,345.6**	**86,886.9**

*Shares do not have face value		
(i) All the above subsidiaries are directly or indirectly, wholly owned by the Company		
(ii) Aggregate amount of quoted investments and market value thereof		
Book value	-	-
Market value	-	-
(iii) Aggregate amount of unquoted investments	95,345.6	86,886.9
(iv) Previous year numbers are within brackets below current year numbers		

8. Non-Current Loans

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Loans to Employees (including loan for Housing/Medical/Others)	40.4	2.1
Total	**40.4**	**2.1**

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

9. Other Non-Current Financial Asset

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good unless otherwise stated		
Security Deposits		
-with Related Parties [Refer note 56 (C)]	7.4	29.0
-with Others	716.4	672.5
Mark to Market Derivative Assets [Refer note 54]		
-Forward Contracts	-	19.5
Earmarked Bank Deposits against guarantees and other commitments	176.8	9.1
Total	**900.6**	**730.1**

10. Other Non-Current Asset

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Advances	1,307.0	710.2
Balances with Government Authorities (Drawback/Customs & Excise duties receivable)	-	68.8
Prepaid Expenses	81.3	93.4
Other Advances	201.3	227.9
Total	**1,589.6**	**1,100.3**

Notes

Forming part of the Standalone Financial Statements

11. Inventories

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Raw Materials	8,556.1	8,878.9
Packing Materials	2,472.3	2,361.6
Work-in-progress	5,902.7	5,705.7
Finished Goods	6,078.5	6,605.8
Stock-in-Trade	4,194.9	5,348.0
Consumable Stores and Spares	2,406.4	2,137.7
Goods-in-Transit		
- Raw Materials	185.9	665.3
- Packing Materials	100.4	28.0
- Stock-in-Trade	290.7	15.2
- Consumable Stores and Spares	6.8	25.2
Total	**30,194.7**	**31,771.4**

During the year, the Company recorded inventory write-downs of ₹ 2,803.1 million (previous year ₹ 2,477.0 million). These adjustments were included in cost of material consumed and changes in inventories.

12. Current Investments

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
- Measured at Amortised Cost		
Quoted		
In Non Convertible Debentures	-	505.9
In Commercial Papers	-	988.7
Unquoted		
In Deposits with financial institutions	-	515.9
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	4,397.7	6,213.5
Total	**4,397.7**	**8,224.0**

a) Aggregate amount of quoted investments and market value thereof		
Book value	-	1,494.6
Market value	-	1,494.4
b) Aggregate amount of Unquoted Investments	4,397.7	6,729.4
c) Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-

13. Trade Receivables

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured		
- Considered Good	26,898.7	27,292.8
- Credit Impaired	94.1	126.5
	26,992.8	27,419.3
Less: Allowances for credit losses	248.6	199.2
Total	**26,744.2**	**27,220.1**

Refer note 59 for Trade Receivable ageing.

[There are no other trade receivables which have significant increase in credit risk. Refer note 52 (C) for information about credit risk and market risk of trade receivables]

Trade receivables include debts due from subsidiary companies ₹ 16,040.1 million (31.03.2022 ₹ 18,901.2 million) [Refer note 56 (C)]

Notes

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14. Cash And Cash Equivalents

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Bank Balances		
- In Current Accounts	792.6	486.0
- In EEFC Account	28.9	90.0
Cheques on hand	27.6	8.3
Cash on hand	7.5	6.7
Total	**856.6**	**591.0**

15. Other Bank Balances

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Earmarked Balances with Banks		
- Unpaid dividend accounts	42.0	48.5
- Deposits against guarantees and other commitments	111.1	5.7
Bank Deposits with original maturity of more than 3 months but less than 12 months	-	0.4
Total	**153.1**	**54.6**

16. Current Loans

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Loans to Employees (including loan for Housing/Medical/Others)	20.6	22.7
Total	**20.6**	**22.7**

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

17. Other Current Financial Assets

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Receivables from Related Parties [Refer note 56 (C)]	300.6	3,609.1
Mark to Market Derivative Assets [Refer note 54]		
-Forward Contracts	-	223.3
Export Benefits receivable/Refund due from Government Authorities	3,150.9	1,786.5
Security Deposits	41.1	40.3
Others	200.5	326.0
Total	**3,693.1**	**5,985.2**

18. Other Current Assets

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Advances to Employees	93.6	88.3
Advances to Vendors		
- Considered Good	1,306.1	1,502.0
- Credit Impaired	159.1	129.9
	1,465.2	1,631.9
Less: Impairment Allowances for Credit Impaired	159.1	129.9
	1,306.1	1,502.0
Prepaid Expenses	392.4	393.9
Export Benefits receivable/Balances with Government Authorities (GST credit/VAT/ Cenvat/Service tax/refund receivable)	7,804.9	8,475.7
Assets Recoverable From Customers	52.2	49.3
Total	**9,649.2**	**10,509.2**

Notes

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19. Equity Share Capital

a) Equity Share Capital

Particulars	As at 31.03.2023		As at 31.03.2022	
	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	454,981,335	910.0	454,475,014	909.0
Total	**454,981,335**	**910.0**	**454,475,014**	**909.0**

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	454,475,014	909.0	453,680,133	907.4
Equity Shares issued during the year pursuant to exercise of ESOPs	506,321	1.0	794,881	1.6
Equity Shares outstanding at the end of the year	**454,981,335**	**910.0**	**454,475,014**	**909.0**

c) Rights attached to Equity Shares

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

During the year ended March 31, 2023, the amount of dividend per equity share distributed to equity shareholders is ₹ 4 (Previous year ended March 31, 2022, ₹ 6.5)

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 31.03.2023		As at 31.03.2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Lupin Investments Pvt. Limited	207,194,390	45.54	205,608,135	45.24

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

Promoter name	As at 31.03.2023		As at 31.03.2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Desh Bandhu Gupta HUF	647,580	0.14	647,580	0.14	-
Manju D. Gupta	3,871,162	0.85	3,871,162	0.85	-
Nilesh D. Gupta	901,064	0.20	901,064	0.20	-
Kavita Gupta	200,170	0.04	200,170	0.04	-
Veda Nilesh Gupta	70,129	0.02	65,979	0.01	6.29
Neel Deshbandhu Gupta	26,008	0.01	21,858	0.00	18.99
Shefali Nath Gupta	1,752	0.00	1,752	0.00	-
Lupin Investments Pvt. Ltd	207,194,390	45.54	205,608,135	45.24	0.77
Manju D. Gupta (As a Trustee of Gupta Family Trust)	1,000	0.00	1,000	0.00	-
Vinita Gupta	327,424	0.07	327,424	0.07	-
Anuja Gupta	725,705	0.16	725,705	0.16	-
Richa Gupta	233,265	0.05	233,265	0.05	-

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option				
Plan 2003	78,705	0.2	95,030	0.2
Plan 2005	8,350	0.0	8,350	0.0
Plan 2011	806,452	1.6	878,513	1.8
Plan 2014	848,347	1.7	1,142,798	2.3
Lupin Subsidiary Companies				
Employees Stock Options				
Plan 2011	595,618	1.2	615,408	1.2
Plan 2014	1,237,780	2.5	1,357,799	2.7

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

Particulars	**As at 31.03.2023 Aggregate No. of Shares**	As at 31.03.2022 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	2,898,485	2,898,145

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

20. Other Non-Current Financial Liabilities

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Payable on Purchase of Non-Current Investment	175.0	-
Employee Benefits Payables	109.1	61.8
Total	**284.1**	**61.8**

21. Non-Current Provisions

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Provisions for Employee Benefits [Refer note 27]		
Gratuity [Refer note 43 (ii) A]	1,959.0	1,928.6
Compensated Absences	924.6	959.4
Provident Fund [Refer note 43 (ii) B]	279.7	174.9
Total	**3,163.3**	**3,062.9**

22. Other Non-Current Liabilities

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Deferred Revenue [Refer note 38 (d)]	491.0	257.7
Total	**491.0**	**257.7**

23. Current Borrowings

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Secured		
Loans from Banks	-	-
Unsecured		
Loans from Banks	6,134.6	7,904.7
Total	**6,134.6**	**7,904.7**

a) Unsecured Loans comprise of Working Capital Loan carrying interest rate in range 6.90% to 8.05%

b) Current borrowings are repayable within 12 months

c) The Company has not defaulted on repayment of loans and interest during the year

d) The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of account

Notes

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24. Trade Payables

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Acceptances	720.2	591.5
Other than Acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises [Refer note 51]	736.5	847.9
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	14,206.2	12,075.9
Total	**15,662.9**	**13,515.3**

Refer note 60 for Trade Payable ageing.

25. Other Current Financial Liabilities

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Unpaid Dividend *	42.0	48.5
Mark to Market Derivative Liabilities [Refer note 54]		
-Forward Contracts	52.7	-
Payable for Capital Expenditure	444.7	513.9
Payable on Purchase of Non-Current Investment	86.8	-
Trade Deposits received	116.8	117.1
Employee Benefits Payables	1,831.0	1,803.2
Other Payables (Includes retention money, etc.)	1.9	1.3
Total	**2,575.9**	**2,484.0**

* During the year ₹ 8.7 million has been credited to Investor Education and Protection Fund relating to FY 14-15.

26. Other Current Liabilities

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	887.7	834.0
Refund Liabilities	1,921.4	1,826.1
Deferred Revenue [Refer note 38 (d)]	83.2	59.9
Deferred Government Grant	106.7	-
Advances from customers	86.2	151.6
Total	**3,085.2**	**2,871.6**

27. Current Provisions

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Provisions for Employee Benefits [Refer note 21]		
Gratuity [Refer note 43 (ii) A]	386.0	364.9
Compensated Absences	422.6	419.6
Other Provisions		
For European Commission fine [Refer note 49]	4,077.5	3,783.9
Total	**4,886.1**	**4,568.4**

28. Revenue From Operations

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Sale [Refer note 38]		
Goods	107,797.8	106,914.6
Research Services	2,632.9	5,670.2
	110,430.7	112,584.8
Other Operating Revenue		
Export Benefits and Other Incentives	1,417.8	757.7
Insurance Claims	70.1	71.5
Business Compensation and Settlement Income	240.7	847.8
Income from Assignment of Rights	-	3,417.3
Miscellaneous Income	429.0	37.6
	2,157.6	5,131.9
Total	**112,588.3**	**117,716.7**

Notes

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29. Other Income

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	0.6	37.3
Other Interest	70.5	193.8
Income on Financial Assets carried at fair value through profit or loss		
Net gain on Sale of Mutual Fund Investments	117.1	329.6
Unrealised Gain on Mutual Fund Investments (net)	14.1	23.2
Unrealised Gain on Non-Current Investment	349.3	98.7
Profit on Sale of Property, Plant and Equipment/Intangible Assets (net)	61.7	-
Miscellaneous Income (including Interest on Income Tax Refund)	299.3	821.6
Total	**912.6**	**1,504.2**

30. Cost Of Materials Consumed

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Raw Materials Consumed	25,539.4	22,178.0
Packing Materials Consumed	5,972.6	5,991.0
Total	**31,512.0**	**28,169.0**

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

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Opening Stock:		
Finished Goods	6,605.8	6,088.8
Stock-in-Trade	5,363.2	3,948.1
Work-in-Progress	5,705.7	5,214.0
	17,674.7	15,250.9
Less:		
Closing Stock:		
Finished Goods	6,078.5	6,605.8
Stock-in-Trade	4,485.6	5,363.2
Work-in-Progress	5,902.7	5,705.7
	16,466.8	17,674.7
Changes In Inventories:		
Finished Goods	527.3	(517.0)
Stock-in-Trade	877.6	(1,415.1)
Work-in-Progress	(197.0)	(491.7)
Total	**1,207.9**	**(2,423.8)**

32. Employee Benefits Expense

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Salaries and Wages	16,701.6	16,465.8
Contribution to Provident and Other Funds	1,404.2	1,330.9
Retirement Benefits Expense	131.1	130.9
Share Based Payments Expense [Refer note 42]	381.7	452.7
Staff Welfare Expenses	722.8	801.3
Total	**19,341.4**	**19,181.6**

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33. Finance Costs

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Interest on Financial Liabilities - borrowing carried at amortised cost	475.3	209.7
Net Interest on net defined benefit liability	258.1	228.5
Interest cost on Finance lease obligation [Refer note 41]	120.6	134.0
Other Borrowing Costs (includes bank charges, etc.)	130.4	126.5
Interest on Income Tax	-	36.0
Total	**984.4**	**734.7**

34. Other Expenses

(₹ in million)

Particulars	For the Current Year ended 31.03.2023	For the Previous Year ended 31.03.2022
Processing Charges	746.1	777.7
Stores and Spares Consumed	4,018.4	5,252.4
Repairs and Maintenance:		
- Buildings	292.2	259.1
- Plant and Machinery	1,310.1	1,342.7
- Others	1,912.4	1,729.9
Rent and Other Hire Charges [Refer note 41]	572.5	563.3
Rates and Taxes	1,220.6	1,391.4
Insurance	728.2	675.3
Power and Fuel	4,474.2	4,184.5
Contract Labour Charges	1,145.8	1,200.8
Selling and Promotion Expenses	3,860.3	3,044.8
Commission and Brokerage	1,125.1	1,082.1
Freight and Forwarding	838.7	848.3
Postage and Telephone Expenses	244.4	237.5
Travelling and Conveyance	2,263.2	2,049.8
Legal and Professional Charges [Refer note 46 for Auditor's remuneration]	7,085.0	5,814.6
[Net of recoveries of ₹ 121.1 million (previous year ₹ 62.9 million)]		
Donations [Refer note 66]	206.7	32.7
Clinical and Analytical Charges	2,131.0	1,528.3
Loss on Sale/Write-off of Property, Plant and Equipment/Intangible Assets (net)	-	23.2
Bad Trade Receivables/Advances written off	6.8	-
[Net of provision of earlier years adjusted ₹ 31.6 million (previous year ₹ 40.0 million)]		
Impairment Allowances for Doubtful Trade Receivables/Advances (net)	106.8	11.5
Corporate Social Responsibility Expenses [Refer note 50]	290.3	339.9
Directors Sitting Fees	1.6	2.3
Business Compensation and Settlement Expenses	270.7	(41.6)
Miscellaneous Expenses	779.9	636.8
Total	**35,631.0**	**32,987.3**

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35. Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 2,195.0 million (31.03.2022 ₹ 2,770.5 million).

b) Equity commitment in subsidiaries amounting to ₹ 1,232.6 million (31.03.2022 ₹ 1,736.9 million) and other commitments in subsidiaries amounting to ₹ 500.0 million (31.03.2022 ₹ 1,000.0 million).

c) Other commitments – Non-cancellable short-term leases is ₹ 3.4 million (31.03.2022 ₹ 23.6 million). Low value leases is ₹ 53.1 million (31.03.2022 ₹ 249.4 million).

d) Dividends proposed of ₹ 4/- (31.03.2022 ₹ 4/-) per equity share is subject to the approval of the shareholders of the Company at the Annual General Meeting, but not recognised as a liability in the financial statements is ₹ 1,820.1 million (31.03.2022 ₹ 1,818.0 million).

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

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

g) Financial and corporate guarantees issued by the Company on behalf of subsidiaries are disclosed in note 36.

36. Contingent Liabilities

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
a) Income tax demands/matters on account of deductions/allowances in earlier years, pending in appeals and potential tax demands in future years in respect of some uncertain tax issues [₹ 353.9 million (31.03.2022 ₹ 370.1 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the company]. Amount paid there against and included under "Non-Current Tax Assets (Net)" ₹ 1,360.3 million (31.03.2022 ₹ 1,878.6 million)	1,770.2	1,765.1
b) Customs Duty, Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid there against and included under note 10 "Other Non-Current Assets" ₹ 23.9 million (31.03.2022 ₹ 23.9 million)	127.7	121.8
c) Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, local body tax, employee claims, power*, trademarks, pricing and stamp duty. Amount paid there against without admitting liability and included under note 10 "Other Non-Current Assets" ₹ 48.8 million (31.03.2022 ₹ 201.8 million). *Demand raised by Maharashtra State Electricity Development Corporation Limited (MSEDCL) challenging Group Captive Generating Plant (GCGP) status of power supplier's plant at Tarapur and Pune location.	2,039.3	1,830.2
d) 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 ₹ 35,295.3 million (31.03.2022 ₹ 32,012.6 million).	32,454.5	29,271.6
e) Financial guarantee aggregating to ₹ 5,502.1 million (31.03.2022 ₹ 5,075.1 million) given to third party on behalf of subsidiaries for contractual obligations.	-	-

f) From time to time, Lupin Inc. (LI) and its subsidiaries are involved in various intellectual property claims and legal proceedings, which are considered normal to its business, the liability, if any, may fall on Lupin Limited. Some of this litigation has been resolved through settlement.
Future cash outflows in respect of the above, if any, is determinable only on receipt of judgment/decisions pending with the relevant authorities or settlement, as the case may be. 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 believes that the probability of outflow is low to moderate considering the merits of the cases and stages of the litigation.

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

The Company is involved in various legal proceedings, including product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Company believes that the probability of outflow is low to moderate considering the merits of the case and the ultimate disposition of these matters may not have material adverse effect on its Financial Statements.

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37. Pre-Operative Expenses:

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

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Opening balance	388.6	378.0
Incurred during the year:		
Salaries, allowances and contribution to funds	94.4	98.5
Legal and Professional Charges	-	0.2
Travelling and Conveyance	7.6	5.6
Power and fuel	2.1	-
Others	16.8	13.1
Total incurred during the year	**120.9**	**117.4**
Less: Capitalised during the year	108.5	106.8
Closing balance	**401.0**	**388.6**

38. Revenue (Ind AS 115):

a) The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery depending on the terms of the sale. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

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

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

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

b) Disaggregation of revenue:

(₹ in million)

Nature of segment	**Year ended 31.03.2023**	Year ended 31.03.2022
A. Service line:		
- Sale of pharmaceutical goods	107,797.8	106,914.6
- Income from research services and sale of IPs	2,632.9	5,670.2
Total revenue from contracts with customers	**110,430.7**	**112,584.8**
B. Primary geographical market:		
- India	64,100.4	63,697.9
- USA	25,403.2	27,920.7
- Others	20,927.1	20,966.2
Total revenue from contracts with customers	**110,430.7**	**112,584.8**
C. Timing of the revenue recognition:		
- Goods/Services transferred at a point in time	108,920.5	111,187.6
- Services transferred over time	1,510.2	1,397.2
Total revenue from contracts with customers	**110,430.7**	**112,584.8**

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c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Revenue as per contracted price	**113,416.7**	**129,194.1**
Adjusted for:		
- Refund Liabilities	2,381.0	2,684.3
- Discounts/Chargebacks/Rebates and Others	605.0	13,925.0
Total revenue from contracts with customers	**110,430.7**	**112,584.8**

d) Reconciliation of revenue recognised from Deferred Revenue:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Balance in contract liability at the beginning of the year that was not recognized as revenue	317.6	604.6
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	416.2	21.5
Less: Decreases due to cash paid during the year upon termination of contracts	-	5.8
Less: Revenue recognized during the year	159.6	302.7
Balance in contract liability at the end of the year that is not recognized as revenue	**574.2**	**317.6**

The revenue from the major customer is ₹ 17,602.7 million (31.03.2022 ₹ 19,372.1 million) which is more than 10% of the total revenue from operations of the company.

39. Segment Reporting:

The Company has presented data relating to its segments based on its consolidated financial statements which are presented in the same Integrated 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. Basic and Diluted Earnings per Share is calculated as under:

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Profit/(Loss) attributable to Equity Shareholders (₹ in million)	4,252.1	(1,887.0)
Weighted average number of Equity Shares:		
- Basic	454,692,962	454,042,888
Add: Dilutive effect of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	2,254,024	1,197,409
- Diluted	456,946,986	455,240,297
Earnings per Share (in ₹)		
- Basic	9.35	(4.16)
- Diluted	9.31	(4.16)

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41. Leases:

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

A. Information about leases for which the Company is lessee is presented below:

i) Lease liabilities

(₹ in million)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
Balance at 01.04.2022	112.9	1,105.8	4.9	191.6	188.3	0.3	**1,603.8**
Addition	-	267.9	22.0	-	220.5	-	**510.4**
Accreditation of interest (Refer note 33)	8.9	80.4	0.8	12.3	18.2	-	**120.6**
Payments	(7.4)	(538.7)	(9.1)	(98.8)	(147.0)	(0.3)	**(801.3)**
Adjustments for Disposals	-	(60.2)	-	-	(22.8)	-	**(83.0)**
Balance at 31.03.2023	**114.4**	**855.2**	**18.6**	**105.1**	**257.2**	**-**	**1,350.5**
Current	**4.7**	**473.2**	**7.1**	**94.3**	**120.2**	**-**	**699.5**
Non-current	**109.7**	**382.0**	**11.5**	**10.8**	**137.0**	**-**	**651.0**

(₹ in million)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
Balance at 01.04.2021	111.4	1,321.1	14.1	253.1	154.2	9.7	**1,863.6**
Addition	-	176.0	-	29.2	142.3	-	**347.5**
Accreditation of interest (Refer note 33)	8.8	91.3	0.8	18.9	14.0	0.2	**134.0**
Payments	(7.3)	(482.6)	(10.0)	(109.6)	(108.3)	(9.6)	**(727.4)**
Adjustments for Disposals	-	-	-	-	(13.9)	-	**(13.9)**
Balance at 31.03.2022	**112.9**	**1,105.8**	**4.9**	**191.6**	**188.3**	**0.3**	**1,603.8**
Current	**4.7**	**416.1**	**4.9**	**86.5**	**88.5**	**0.3**	**601.0**
Non-current	**108.2**	**689.7**	**-**	**105.1**	**99.8**	**-**	**1,002.8**

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

ii) Amounts recognised in Profit and Loss

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Depreciation expense of right-of-use assets (Refer note No. 5)	683.4	649.4
Interest expense on lease liabilities (Refer note No. 33)	120.6	134.0
Expense relating to short-term leases (Refer note No. 34)	12.5	16.1
Expense relating to low value assets (Refer note No. 34)	195.9	130.1
Total	**1,012.4**	**929.6**

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iii) Financial risk management

Maturities of financial liabilities:

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

(₹ in million)

Contractual maturities of financial liabilities	Less than 1 Year	More than 1 Year	Total
As at 31.03.2023			
Lease liabilities	758.4	591.3	1,349.7
As at 31.03.2022			
Lease liabilities	652.2	1,346.6	1,998.8

iv) Commitments and contingencies

The Company has not entered into lease contracts that have not yet commenced as at 31.03.2023.

B. Information about leases for which the Company is lessor is presented below:

During the year, the Company has given on operating lease, a part of it's office premises forming part of Property, Plant and Equipment to one of its wholly owned subsidiary.

i) Amounts recognised in Profit and Loss:

(₹ in million)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Lease Rental Income (Included in Miscellaneous Income under note 29)	1.5	-
Total	**1.5**	-

ii) Financial risk management

Maturities of financial liabilities:

The table below analyze the Company's lease income into relevant maturity analysis based on their contractual maturities for all the leases. The amounts disclosed in the table are the contractual undiscounted cash inflows.

(₹ in million)

Contractual maturities of financial liabilities	Less than 1 Year	More than 1 Year	Total
As at 31.03.2023			
Lease Income	6.0	12.0	18.0
As at 31.03.2022			
Lease Income	-	-	-

42. 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.

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

Year ended 31.03.2023

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	1387368	556.1-1521.7	1192.8	1.8
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	181294	556.1-1521.7	1066.7	NA
Less: Options exercised during the year	33182	556.1-556.1	556.1	NA
Options outstanding at the year end	1172892	873.5-1521.7	1230.1	1.9
Exercisable at the end of the year	1175495	864.8-1521.7	1220.9	1.9

Year ended 31.03.2022

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	1953420	455.7-2037.5	1165.8	2.7
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	389526	455.7-2037.5	1335.7	NA
Less: Options exercised during the year	176526	455.7-864.8	583.6	NA
Options outstanding at the year end	1387368	556.1-2037.5	1191.6	2.8
Exercisable at the end of the year	1389971	556.1-1505.8	1191.5	2.8

The weighted average grant date fair value of the options granted under Category A during the years ended 31.03.2023 and 31.03.2022 was ₹ nil and ₹ nil per option, respectively.

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

Year ended 31.03.2023

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	2017081	2.0	2.0	7.1
Add: Options granted during the year	677264	2.0	2.0	9.7
Less: Options lapsed during the year	181767	2.0	2.0	NA
Less: Options exercised during the year	473139	2.0	2.0	NA
Options outstanding at the year end	2039439	2.0	2.0	8.1
Exercisable at the end of the year	567520	2.0	2.0	6.3

Year ended 31.03.2022

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	2166977	2.0	2.0	7.4
Add: Options granted during the year	566540	2.0	2.0	9.7
Less: Options lapsed during the year	198081	2.0	2.0	NA
Less: Options exercised during the year	518355	2.0	2.0	NA
Options outstanding at the year end	2017081	2.0	2.0	8.1
Exercisable at the end of the year	504096	2.0	2.0	6.6

The weighted average grant date fair value of the options granted under Category B during the years ended 31.03.2023 and 31.03.2022 was ₹ 722.6 and ₹ 861.7 per option, respectively.

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

Year ended 31.03.2023

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	50000	891.5-891.5	891.5	2.6
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	NA
Less: Options exercised during the year	-	-	-	NA
Options outstanding at the year end	50000	891.5-891.5	891.5	2.6
Exercisable at the end of the year	50000	891.5-891.5	891.5	2.6

Year ended 31.03.2022

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	675.9	4.6
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	-
Less: Options exercised during the year	100000	415.7-720.5	568.1	NA
Options outstanding at the year end	50000	891.5-891.5	891.5	3.6
Exercisable at the end of the year	50000	891.5-891.5	891.5	3.6

The weighted average grant date fair value of options granted under Category C during the years ended 31.03.2023 and 31.03.2022 was ₹ nil and ₹ nil per option, respectively.

The weighted average share price during the years ended 31.03.2023 and 31.03.2022 was ₹ 692.7 and ₹ 981.1 per share respectively.

Valuation of stock options

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

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

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

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

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

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

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

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

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

Weighted average information – Year ended 31.03.2023

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

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

Weighted average information – Year ended 31.03.2022

Category	Grant date	Exercise price (₹)	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price (₹)	Weighted Option Fair Value (₹)
B	10.05.2021	2.0	5.1%	3.5	33.3%	0.6%	1,227.4	1,197.7
B	02.09.2021	2.0	5.8%	6.3	31.4%	0.6%	967.8	929.1
B	02.09.2021	2.0	5.8%	6.3	31.4%	0.6%	967.8	929.1
B	02.09.2021	2.0	4.6%	2.6	33.5%	0.6%	967.8	950.5
B	18.10.2021	2.0	5.9%	6.3	31.1%	0.6%	936.5	899.0
B	18.10.2021	2.0	5.9%	6.3	31.1%	0.6%	936.5	899.0
B	30.11.2021	2.0	5.9%	6.3	31.1%	0.6%	884.4	848.9
B	30.11.2021	2.0	5.9%	6.3	31.1%	0.6%	884.4	848.9
B	30.11.2021	2.0	5.9%	6.3	31.1%	0.6%	884.4	848.9
B	30.11.2021	2.0	4.6%	2.6	32.4%	0.6%	884.4	868.4
B	01.03.2022	2.0	6.2%	6.3	31.4%	0.6%	745.9	715.8
B	01.03.2022	2.0	4.9%	2.6	33.2%	0.6%	745.9	732.1

Category	Weighted Average Option Fair Value	Weighted Average Share Price
B	861.7	885.3

(ii) Employee stock options – Cash settled

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

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

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Other non-current financial liabilities	78.2	31.1
Other current financial liabilities	76.6	31.1
Total carrying amount of liabilities	**154.8**	**62.2**

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

(₹ in million)

Particular	Year ended 31.03.2023	Year ended 31.03.2022
Equity settled share based payments	205.6	393.0
Cash settled share based payments	176.1	59.7
Total expense on share based payments	**381.7**	**452.7**

43. Post-Employment Benefits:

(i) Defined Contribution Plans:

The Company makes contributions towards provident and pension 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 ₹ 163.4 million (31.03.2022 ₹ 173.2 million) for superannuation contribution and ₹ 264.7 million (31.03.2022 ₹ 282.0 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:

i) On normal retirement/early retirement/withdrawal/resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31.03.2023. 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.

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(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2023	As at 31.03.2022	**As at 31.03.2023**	As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**				
	PVO at the beginning of the year	2,522.3	2,400.5	1,595.5	1,481.0
	Current service cost	233.8	241.7	129.4	130.9
	Past service cost	-	-	-	-
	Interest cost	179.0	160.7	113.2	99.2
	Actuarial loss/(gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	(17.5)	(41.5)	5.5	(7.6)
	- Due to experience adjustment	33.7	31.0	(48.0)	12.5
	Benefits paid	(424.6)	(270.1)	(160.6)	(120.5)
	PVO at the end of the year	**2,526.7**	**2,522.3**	**1,635.0**	**1,595.5**
II)	**Change in fair value of plan assets:**				
	Fair value of plan assets at the beginning of the year	1,824.3	1,723.1	-	-
	Expected return on plan assets	5.8	14.2	-	-
	Interest Income	129.4	115.4	-	-
	Contributions by the employer	281.8	241.7	-	-
	Benefits paid	(424.6)	(270.1)	-	-
	Fair value of plan assets at the end of the year	**1,816.7**	**1,824.3**	**-**	**-**
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	2,526.7	2,522.3	1,635.0	1,595.5
	Fair Value of plan assets at the end of the year	1,816.7	1,824.3	-	-
	Funded status	(710.0)	(698.0)	(1,635.0)	(1,595.5)
	Unrecognised actuarial loss/(gain)	-	-	-	-
	Net liability recognised in the Balance Sheet	**(710.0)**	**(698.0)**	**(1,635.0)**	**(1,595.5)**
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	233.8	241.7	129.4	130.9
	Past service cost	-	-	-	-
	Interest cost	49.6	45.3	113.2	99.2
	Total expense recognised in the Statement of Profit and Loss *	**283.4**	**287.0**	**242.6**	**230.1**
V)	**Other Comprehensive Income**				
	Actuarial loss/(gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	(17.5)	(41.5)	5.5	(7.6)
	- Due to experience adjustment	33.7	31.1	(48.0)	12.5
	Return on plan assets excluding net interest	(5.8)	(14.2)	-	-
	Total amount recognised in OCI	**10.4**	**(24.6)**	**(42.5)**	**4.9**
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)	1,816.7	1,824.2	-	-
VII)	**Actual return on the plan assets**	135.2	129.5	-	-
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards			
	Discount rate (%)	7.4	7.1	7.4	7.1
	Salary escalation rate (%)	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter	9.0 for first three years and 6.0 thereafter
	Average Remaining Service (years)	11.4	11.4	11.4	11.4
	Employee Attrition Rate (%)				
	up to 5 years	15	15	15	15
	above 5 years	5	5	5	5
IX)	Estimate of amount of contribution in immediate next year	370.6	375.3	NA	NA

* ₹ 1.9 million (31.03.2022 ₹ 1.8 million) capitalised as pre-operative expenses out of above amount.

Notes

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X) Expected future benefit payments

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
1 year	638.8	603.5
2 to 5 years	1,454.5	1,401.4
6 to 10 years	1,635.9	1,628.7
More than 10 years	5,221.8	5,043.6

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

Sensitivity analysis

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

(₹ in million)

Gratuity	31.03.2023		31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(318.0)	366.9	(321.2)	371.5
Future salary growth (1% movement)	365.3	(322.2)	368.8	(324.6)
Attrition rate (- / + 50% of attrition rates)	(35.8)	39.0	(52.8)	62.0

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

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

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 "Employee Benefits". As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund as at 31.03.2023 and based on the same, there is no shortfall towards interest rate obligation.

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

(₹ in million)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
I)	**Change in present value of obligation ('PVO') - defined benefit obligation:**		
	Liability at the beginning of the year	11,641.3	10,524.7
	Interest cost	816.9	725.1
	Current service cost	677.4	639.2
	Employee's contribution	1,045.7	1,008.6
	Liability Transferred in	(398.2)	(282.5)
	Benefits paid	(1,595.5)	(1,051.5)
	Actuarial loss/(gain)		
	-Due to financial assumptions	42.2	(95.4)
	-Due to experience adjustment	81.0	173.1
	Liability at the end of the year	**12,310.8**	**11,641.3**

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(₹ in million)

Sr. No.	Particulars	**As at 31.03.2023**	As at 31.03.2022
II)	**Change in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	11,466.4	10,332.3
	Investment income	803.2	710.9
	Employer's contributions	648.4	600.4
	Employee's contribution	1,045.5	1,008.6
	Transfers in	(406.7)	(247.2)
	Benefits paid	(1,595.4)	(1,051.5)
	Return on plan assets, excluding amount recognised in net interest expense	69.7	112.9
	Fair value of plan assets at the end of the year	**12,031.1**	**11,466.4**
III)	**Reconciliation of PVO and fair value of plan assets:**		
	Present Value of defined benefit obligations	12,310.8	11,641.3
	Fair Value of plan assets	12,031.1	11,466.6
	Net Liability/(Asset)	279.7	174.7
IV)	**Expense recognised in the Statement of Profit and Loss:**		
	Current service cost	677.4	639.2
	Interest cost	816.9	725.1
	Expected return on plan assets	(803.2)	(710.9)
	(Income)/Expense recognised in the Statement of Profit and Loss	**691.1**	**653.4**
V)	**Other Comprehensive Income**		
	Actuarial loss/(gain)		
	- Due to finance assumption	42.2	95.4
	- Due to experience adjustment	81.0	(173.1)
	Return on plan assets excluding net interest	(69.7)	112.9
	Total amount recognised in OCI	**53.5**	**35.2**
VI)	**Major categories of Plan Assets (As per percentage of Total Plan Assets):**		
	Government of India securities/State Government securities	59.0%	47.1%
	High quality corporate bonds	0.6%	8.4%
	Equity shares of listed companies	1.3%	3.1%
	Debt Mutual Fund	34.8%	37.3%
	Equity Mutual Fund	2.5%	0.0%
	Special Deposit Scheme	1.8%	1.7%
	Bank balance	0.1%	2.5%
	Total	100%	100%
VII)	**Assumptions used in accounting for the provident fund plan:**		
	Discount rate (%)	7.4	7.1
	Average remaining tenure of investment portfolio (years)	7.7	7.7
	Guaranteed rate of return (%)	8.2	8.1
	Attrition rate - upto 5 years	15.0%	15.0%
	above 5 years	5.0%	5.0%

Notes

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44. Income taxes:

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

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Current Tax Expense for the year [including non-creditable foreign taxes of ₹ nil (31.03.2022 - ₹ 392.9 million)]	937.0	394.9
Tax expense of prior years	21.9	183.1
Net Current Tax Expense	958.9	578.0
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	60.4	(306.3)
Tax expense for the year	**1,019.3**	**271.7**

b) Tax expense/(benefit) recognised in other comprehensive income:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	7.5	(13.0)
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	70.2	12.4
Total	**77.7**	**(0.6)**

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

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Profit/(Loss) before tax	5,271.4	(1,615.3)
Tax using the Company's domestic tax rate (31.03.2023: 34.94%, 31.03.2022: 34.94%)	1,842.0	(564.3)
Tax effect of:		
Expenses not deductible for tax purposes	938.4	999.6
Impact of change in tax rates	-	0.1
Exemption of profit link incentives	(2,485.2)	(706.4)
MAT Credit not recognised	738.0	-
Effect of Non-Creditable foreign taxes	-	392.9
Other	(35.8)	(33.3)
Current and Deferred Tax expense (excluding prior year taxes) as per note 44(a)	**997.4**	**88.6**

Notes

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d) Movement in deferred tax balances:

(₹ in million)

Particulars	As at 01.04.2022	Recognised in/under		As at 31.03.2023	As at 31.03.2023	
Deferred Tax Assets/(Liabilities)	Net balance	Profit or Loss	Retained Earnings/OCI	**Net balance**	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(3,464.2)	(253.6)	-	(3,717.8)	-	(3,717.8)
Cash Flow Hedge Reserve	(58.5)	-	70.2	11.7	11.7	-
Trade Receivables	121.9	27.4	-	149.3	149.3	-
Mark to Market (Gain)/Loss	(8.1)	3.2	-	(4.9)	-	(4.9)
Deferred Income	111.2	89.3	-	200.5	200.5	-
Interest on tax refunds to be taxed in the year of receipt - as per ICDS IV Para 8(2)	11.9	1.1	-	13.0	13.0	-
Employee Benefits	1,286.8	47.6	7.5	1,341.9	1,341.9	-
Others	131.5	24.6	-	156.1	156.1	-
Net Deferred tax assets/ (liabilities)	**(1,867.5)**	**(60.4)**	**77.7**	**(1,850.2)**	**1,872.5**	**(3,722.7)**

(₹ in million)

Particulars	As at 01.04.2021	Recognised in/under		As at 31.03.2022	As at 31.03.2022	
Deferred Tax Assets/(Liabilities)	Net balance	Profit or Loss	Retained earnings/OCI	**Net balance**	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(3,481.9)	17.7	-	(3,464.2)	-	(3,464.2)
Cash Flow Hedge Reserve	(70.9)	-	12.4	(58.5)	-	(58.5)
Trade Receivables	132.7	(10.8)	-	121.9	121.9	-
Mark to Market (Gain)/Loss	(104.0)	95.9	-	(8.1)	-	(8.1)
Deferred Income	211.5	(100.3)	-	111.2	111.2	-
Interest on tax refunds to be taxed in the year of receipt - as per ICDS IV Para 8(2)	(74.0)	85.9	-	11.9	11.9	-
Employee Benefits	1,197.2	102.6	(13.0)	1,286.8	1,286.8	-
Others	16.2	115.3	-	131.5	131.5	-
Net Deferred tax assets/(liabilities)	**(2,173.2)**	**306.3**	**(0.6)**	**(1,867.5)**	**1,663.3**	**(3,530.8)**

Reflected in the balance sheet as follows:

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Deferred Tax Asset	1,872.5	1,663.3
Deferred Tax Liability	(3,722.7)	(3,530.8)
Deferred Tax Asset/(Liabilities)(net)	**(1,850.2)**	**(1,867.5)**

Deferred tax assets have not been recognized on capital losses of ₹ 1,087.3 million (previous year Nil) because currently there is no reasonable certainty that the Company will be utilizing the benefits in near future. This loss can be carried forward till 31/03/2031.

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.

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45. Research and Development:

Details of Research and Development expenses incurred during the year and shown in the respective heads of account is given below:

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Materials and stores and spares consumption	2,891.8	3,484.5
Power and fuel	351.3	320.5
Repairs and maintenance	542.9	521.0
Employee benefits expense	2,971.6	3,084.6
Analytical charges	1,920.3	1,293.5
Legal & Professional charges	1,596.3	1,293.1
Depreciation expense	842.0	889.3
Others	452.9	488.1
Total	**11,569.1**	**11,374.6**

46. Auditors' Remuneration:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Payment to Auditors*:		
a) As Auditors	20.5	16.6
b) for other services including certifications	9.1	5.1
c) Reimbursement of out-of-pocket expenses	2.1	1.1
Total	**31.7**	**22.8**

* Excluding GST

47. Patent Litigation Settlement for Glumetza:

During the previous year, the Company and its subsidiary, agreed to settle the dispute with respect to antitrust class action filed, without admitting any violation of law with the two plaintiffs representing a majority of the claims for an amount of USD 252.9 million (₹ 18,783.8 million) [including USD 4.9 million (₹ 374.8 million) towards litigation and settlement related expenses] which was recognized as business compensation expense.

48. Acquisition through Business Combination:

Brand Acquisition - Anglo French Drugs and Industries Limited (AFDIL):

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

(₹ in million)

Particulars	**As on 07.04.2022**
Purchase Consideration paid (A)	**3,250.0**
Fair Value of Assets Acquired :	
Non-Current	
Other Intangible Assets :	
Trademarks and Licences	2,855.3
Knowhow	1,46.1
Current	
Inventories	90.0
Total Assets [i]	**3,091.4**

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(₹ in million)

Particulars	As on 07.04.2022
Total Liabilities [ii]	**-**
Total Identifiable Net Assets [i-ii] (B)	**3,091.4**
Goodwill arising on acquisition (A-B)	**158.6**
Cash Outflows arising on acquisition	
Purchase consideration paid/payable in cash	2,950.0
Contingent Consideration payable (subsequently paid during the current year)	50.0
Deferred consideration payable*	250.0
Total	**3,250.0**

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

Summary of post acquisition revenue and gain on the acquired brand included in the Statement of Profit and Loss for the year ended 31.03.2023

(₹ in million)

Particulars	Year ended 31.03.2023
Revenue	652.4
Gross Margin considered in the Statement of Profit and Loss	434.5

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

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

- The recoverable amounts of the above goodwill as at 31.03.2023 have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

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

- The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.
- The cash flow projections are based on five years specific estimates, five years estimates developed using internal forecasts and a terminal growth rate thereafter considering the value in use of cash generating units is better reflected by projections for 10 years due to the business life cycle and longer term gestation of products. The planning horizon reflects the assumptions for short-to-midterm market developments and have been adjusted for the risks of competition, product life cycle etc.
- Discount rate reflects the current market assessment of the risks. The discount rate is estimated based on the weighted average cost of capital. Post-tax discount rate used ranged from 11.3 % for the year ended 31.03.2023.
- The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the above goodwill.

Notes

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49. European Commission fine:

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

During the year ended 31.03.2019, the General Court of the European Union delivered its judgement concerning Lupin's appeal against the European Commission's (EC) 2014 decision in case of alleged breach of the EU Antitrust Rules in respect of IPs for product Perindopril. Accordingly, the Company is carrying a provision of ₹ 4,077.5 million (31.03.2022 ₹ 3,783.9 million) (including interest thereon) as under:

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
Carrying amount at the beginning of the year	3,783.9	3,796.1
Add : Additional Provisions (interest) made during the year	56.1	56.6
Less : Amounts used/utilised during the year	-	-
Add : Exchange Difference during the year	237.5	(68.8)
Carrying amount at the end of the year	**4,077.5**	**3,783.9**

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

50. Corporate Social Responsibility (CSR):

The aggregate amount of expenditure incurred during the year by the Company on CSR is ₹ 290.3 million (31.03.2022 ₹ 339.9 million) and is shown separately under note 33 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

(₹ in million)

Particulars	**Year ended 31.03.2023**	Year ended 31.03.2022
(a) amount required to be spent by the company during the year	290.3	334.8
(b) amount of expenditure incurred on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	290.3	339.9
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	N.A.	N.A.
(f) Nature of CSR activities	Rural support programme, patient awareness and other activities mentioned in Schedule VII of the Companies Act, 2013	
(g) Details of related party transactions	268.0	309.2
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown	-	-

The amount required to be spent by the company during the year is ₹ 290.3 million (31.03.2022 ₹ 334.8 million). Actual amount spent during the year is ₹ 292.4 million. Excess amount of ₹ 2.1 million is carried forward to next year and presented under prepaid expenses. No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure and there are no outstanding amounts payables towards any other purposes.

Unspent amount as on 31.03.2023 has been deposited by the implementing agency for the ongoing projects with specified bank Account within the timelines.

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51. Micro, Small and Medium Enterprises (MSME):

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

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year (Micro Enterprises and Small Enterprises)	736.5 (interest ₹ nil)	847.9 (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	-	-

52. Financial Instruments:

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

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

Fair value hierarchy

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

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

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

(₹ in million)

As at 31.03.2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments*								-
- In Preference Shares	1,961.8	-	-	1,961.8	-	1,961.8	-	1,961.8
- Others	426.0	-	-	426.0	-	406.3	19.7*	426.0
Non-Current Loans								
-Others	-	-	40.4	40.4	-	-	-	-
Other Non-Current Financial Assets								
- Security Deposit	-	-	723.8	723.8	-	-	-	-
-Others	-	-	176.8	176.8	-	-	-	-
Current Investments	4,397.7	-	-	4,397.7	-	4,397.7	-	4,397.7

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(₹ in million)

As at 31.03.2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Trade Receivables	-	-	26,744.2	26,744.2	-	-	-	-
Cash and Cash Equivalents	-	-	856.6	856.6	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	153.1	153.1	-	-	-	-
Current Loans								
-Others	-	-	20.6	20.6	-	-	-	-
Other Current Financial Assets								
- Security Deposit	-	-	41.1	41.1	-	-	-	-
-Others	-	-	3,652.0	3,652.0	-	-	-	-
	6,785.5	**-**	**32,408.6**	**39,194.1**	**-**	**6,765.8**	**19.7**	**6,785.5**
Financial liabilities								
Non-Current Borrowings	-	-	-	-	-	-	-	-
Lease Liability (Non Current)	-	-	651.0	651.0	-	-	-	-
Other Non-Current Financial Liabilities								
- Others	-	-	284.1	284.1	-	-	-	-
Current Borrowings	-	-	6,134.6	6,134.6	-	-	-	-
Lease Liability (Current)	-	-	699.5	699.5	-	-	-	-
Trade Payables	-	-	15,662.9	15,662.9	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	-	52.7	-	52.7	-	52.7	-	52.7
- Others	-	-	2,523.2	2,523.2	-	-	-	-
	-	**52.7**	**25,955.3**	**26,008.0**	**-**	**52.7**	**-**	**52.7**

* The above excludes the investments in subsidiaries amounting to ₹ 92,957.8 million (previous year ₹ 85,348.5 million)

(₹ in million)

As at 31.03.2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments								
- In Preference Shares	1,116.1	-	-	1,116.1	-	1,116.1	-	1,116.1
- Others	422.3	-	-	422.3	-	402.6	19.7*	422.3
Non-Current Loans								
-Others	-	-	2.1	2.1	-	-	-	-
Other Non-Current Financial Assets								
- Derivative instruments	-	19.5	-	19.5	-	19.5	-	19.5
- Security Deposit	-	-	701.5	701.5	-	-	-	-
-Others	-	-	9.1	9.1	-	-	-	-
Current Investments	6,213.5	-	2,010.5	8,224.0	-	6,213.5	-	6,213.5
Trade Receivables	-	-	27,220.1	27,220.1	-	-	-	-

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(₹ in million)

As at 31.03.2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	-	-	591.0	591.0	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	54.6	54.6	-	-	-	-
Current Loans	-	-	22.7	22.7	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	-	223.3	-	223.3	-	-	-	-
- Security Deposit	-	-	40.3	40.3	-	-	-	-
-Others	-	-	5,721.6	5,721.6	-	-	-	-
	7,751.9	**242.8**	**36,373.5**	**44,368.2**	-	**7,751.7**	**19.7**	**7,751.7**
Financial liabilities								
Lease Liability (Non Current)	-	-	1,002.8	1,002.8	-	-	-	-
Other Non-Current Financial Liabilities								
- Others	-	-	61.8	61.8	-	-	-	-
Current Borrowings	-	-	7,904.7	7,904.7	-	-	-	-
Lease Liability (Current)	-	-	601.0	601.0	-	-	-	-
Trade Payables	-	-	13,515.3	13,515.3	-	-	-	-
Other Current Financial Liabilities								
- Others	-	-	2,484.0	2,484.0	-	-	-	-
	-	**-**	**25,569.6**	**25,569.6**	**-**	**-**	**-**	**-**

* 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 table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

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

C. Financial risk management:

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

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

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

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

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

i. Credit risk:

Credit risk is the risk of financial loss to the 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.

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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.

As at 31.03.2023, the carrying amount of the Company's largest customer (a wholly owned subsidiary in the USA) was ₹ 9,257.4 million (31.03.2022 ₹ 12,801.7 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 31.03.2023	As at 31.03.2022
Not past due but impaired	-	72.7
Neither past due nor impaired	22,098.8	20,308.0
Past due not impaired		
- 1-180 days	2,915.9	6,451.2
- 181-365 days	1,134.6	294.3
- more than 365 days	749.4	166.6
Past due impaired		
- 1-180 days	-	18.2
- 181-365 days	-	33.3
- more than 365 days	94.1	75.0
Total	**26,992.8**	**27,419.3**

Expected Credit Loss ageing

(₹ in million)

Ageing of ECL (in days)	As at 31.03.2023	As at 31.03.2022
1-180	91.6	50.9
181-365	62.9	21.8
Total	**154.5**	**72.7**

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 receivables during the year was as follows:

(₹ in million)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	199.2	226.3
Impairment loss recognised (net)	77.6	(6.0)
Amounts written off	(31.7)	(18.6)
Exchange differences	3.5	(2.5)
Balance as at the year end	**248.6**	**199.2**

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Cash and cash equivalents
As at the year end, the Company held cash and cash equivalents of ₹ 856.6 million (31.03.2022 ₹ 591.0 million). The cash and cash equivalents are held with banks.

Other Bank Balances
Other bank balances are held with banks.

Derivatives
The derivatives are entered into with banks.

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

Other financial assets
Other financial assets are neither past due nor impaired.

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

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

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

(₹ in million)

As at 31.03.2023	Carrying Amount	Contractual Cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Non-Current Borrowings	-	-	-	-	-	-
Interest Payables	-	-	-	-	-	-
Lease Liabilities - Non Current	651.0	2,115.8	-	401.9	194.0	1,520.0
Other Non-Current Financial Liabilities	284.1	284.1	-	129.2	154.9	-
Current Borrowings	6,134.6	6,134.6	6,134.6	-	-	-
Lease Liabilities - Current	699.5	758.4	758.4	-	-	-
Trade Payables - Current	15,662.9	15,662.9	15,662.9	-	-	-
Other Current Financial Liabilities	2,523.2	2,523.2	2,523.2	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*						
Derivative financial liabilities:						
Forward Contracts	52.7	52.7	52.7	-	-	-
Total	**26,008.0**	**27,531.7**	**25,131.8**	**531.1**	**348.9**	**1,520.0**

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(₹ in million)

As at 31.03.2022	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	-	-	-	-	-	-
Interest Payables	-	26.8	8.1	11.9	6.3	0.5
Lease Liabilities - Non Current	1,002.8	2,501.9	-	647.2	334.3	1,520.4
Other Non-Current Financial Liabilities	61.8	61.8	-	7.0	1.5	53.3
Current Borrowings	7,904.7	7,904.7	7,904.7	-	-	-
Lease Liabilities - Current	601.0	692.6	692.6	-	-	-
Trade Payables - Current	13,515.3	13,515.3	13,515.3	-	-	-
Other Current Financial Liabilities	2,484.0	2,484.0	2,484.0	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*						
Derivative financial liabilities:						
Forward Contracts	-	-	-	-	-	-
Total	**25,569.6**	**27,187.1**	**24,604.7**	**666.1**	**342.1**	**1,574.2**

* Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings raised by the respective subsidiary. These amounts will be payable on default by the concerned subsidiary. As of the reporting date none of the subsidiary have defaulted and hence the Company does not have any present obligation to third parties in relation to such guarantees (Refer note 56C).

iii. Market Risk:

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

Currency risk

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

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

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

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

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2023**	As at 31.03.2022	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 72.0	USD 144.0	Sell

The following table sets forth information relating to unhedged foreign currency exposure as at 31.03.2023

(₹ in million)

Particulars	USD	EURO	GBP	JPY	Others
Financial Assets	18,601.9	923.9	619.8	305.0	1,363.7
Financial Liabilities	3,256.9	551.1	211.8	1.4	157.6
Net Asset/(Liability)	**15,345.0**	**372.8**	**408.0**	**303.6**	**1,206.1**

1% appreciation/depreciation of the respective functional currency of Lupin Limited with respect to various foreign currencies would result in increase/decrease in the Company's profit before taxes by approximately ₹ 176.4 million for the year ended 31.03.2023.

The following table sets forth information relating to unhedged foreign currency exposure as at 31.03.2022

(₹ in million)

Particulars	USD	EURO	GBP	JPY	Others
Financial Assets	11,842.4	609.0	355.1	549.4	1,051.0
Financial Liabilities	2,161.2	4,192.6	179.6	57.9	142.6
Net Asset/(Liability)	**9,681.2**	**(3,583.6)**	**175.5**	**491.5**	**908.4**

1% appreciation/depreciation of the respective functional currency of Lupin Limited with respect to various foreign currencies would result in increase/decrease in the Company's profit before taxes by approximately ₹ 76.7 million for the year ended 31.03.2022.

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

Exposure to Currency risk

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

(₹ in million)

Particulars	**As at 31.03.2023**				
	USD	**EURO**	**GBP**	**JPY**	**Others**
Financial assets					
Cash and cash equivalents	42.3	-	1.1	-	4.9
Trade Receivables	18,559.7	923.9	618.7	305.0	1,358.7
Loans (current and non-current)	-	-	-	-	-
Financial assets (current and non-current)	-	-	-	-	0.1
	18,602.0	**923.9**	**619.8**	**305.0**	**1,363.7**
Financial liabilities					
Borrowings (current and non-current)	-	-	-	-	-
Trade Payables	3,238.7	551.0	205.7	1.4	152.8
Financial Liabilities (current and non-current)	18.2	0.1	6.1	-	4.7
	3,256.9	**551.1**	**211.8**	**1.4**	**157.5**
Net statement of financial position exposure	**15,345.1**	**372.8**	**408.0**	**303.6**	**1,206.2**

(₹ in million)

Particulars	As at 31.03.2022				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	90.5	-	-	-	1.1
Trade Receivables	22,666.0	609.0	355.1	549.4	1,049.7
Loans (current and non-current)	-	-	-	-	-
Financial assets (current and non-current)	-	-	-	-	0.2
	22,756.5	**609.0**	**355.1**	**549.4**	**1,051.0**

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(₹ in million)

Particulars	As at 31.03.2022				
	USD	EURO	GBP	JPY	Others
Financial liabilities					
Borrowings (current and non-current)	-	-	-	-	-
Trade Payables	2,133.4	363.2	172.5	57.0	129.1
Financial Liabilities (current and non-current)	27.8	3,829.4	7.1	0.9	13.5
	2,161.2	**4,192.6**	**179.6**	**57.9**	**142.6**
Net statement of financial position exposure	**20,595.3**	**(3,583.6)**	**175.5**	**491.5**	**908.4**

Sensitivity analysis

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

(₹ in million)

31.03.2023	Impact on Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(94.3)	94.3	(138.3)	138.3
EURO	(3.7)	3.7	(2.4)	2.4
GBP	(4.1)	4.1	(2.7)	2.7
JPY	(3.0)	3.0	(2.0)	2.0
Others	(12.1)	12.1	(7.8)	7.8
	(117.2)	**117.2**	**(153.2)**	**153.2**

(₹ in million)

31.03.2023	Impact on Profit or (loss)		Equity, net of tax*	
5% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(471.4)	471.4	(691.6)	691.6
EURO	(18.6)	18.6	(12.1)	12.1
GBP	(20.4)	20.4	(13.3)	13.3
JPY	(15.2)	15.2	(9.9)	9.9
Others	(60.3)	60.3	(39.2)	39.2
	(585.9)	**585.9**	**(766.1)**	**766.1**

(₹ in million)

31.03.2022	Impact on Profit or (loss)		Equity, net of tax*	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(214.0)	214.0	(197.9)	197.9
EURO	35.8	(35.8)	23.3	(23.3)
GBP	(1.8)	1.8	(1.1)	1.1
JPY	(4.0)	4.0	(2.6)	2.6
Others	(9.1)	9.1	(5.9)	5.9
	(193.1)	**193.1**	**(184.2)**	**184.2**

(₹ in million)

31.03.2022	Impact on Profit or (loss)		Equity, net of tax*	
5% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(939.6)	939.6	(728.6)	728.6
EURO	179.2	(179.2)	116.6	(116.6)
GBP	(8.8)	8.8	(5.7)	5.7
JPY	(24.6)	24.6	(16.0)	16.0
Others	(45.4)	45.4	(29.5)	29.5
	(839.2)	**839.2**	**(663.2)**	**663.2**

* including other comprehensive income

Notes

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Interest rate risk

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

Exposure to interest rate risk

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Non-Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	-	-
	-	-
Current Borrowings		
Fixed rate borrowings	5,350.0	-
Variable rate borrowings	784.6	7,904.7
	6,134.6	**7,904.7**
Total	**6,134.6**	**7,904.7**

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)		
31.03.2023		
Fixed-rate borrowings	(53.5)	53.5
Variable-rate borrowings	(7.8)	7.8
31.03.2022		
Variable-rate borrowings	(79.0)	79.0

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 procurement and other related operating policies. As of 31.03.2023 and 31.03.2022 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes

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53. Capital Management:

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

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

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

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

(₹ in million)

Particulars	**As at 31.03.2023**	As at 31.03.2022
Total borrowings	6,134.6	7,904.7
Less: Cash and cash equivalent	856.6	591.0
Less: Other Bank Balances*	329.9	63.7
Less: Current Investments	4,397.7	8,224.0
Adjusted net debt	550.4	(974.0)
Total equity	184,118.6	181,501.9
Adjusted net debt to total equity ratio	0.00	(0.01)

* includes earmarked bank deposits against guarantees & other commitments of ₹ 176.8 million (31.03.2022 ₹ 9.1 million) classified as Other Non-Current Financial Assets.

54. Hedge accounting:

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

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

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

Notes

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a. Disclosure of effects of hedge accounting on financial position:

(₹ in million)

As at 31.03.2023

Type of hedge and risks	Nominal Value (USD in million)	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	72	-	52.7	Other Current Financial Liabilities	April 2023 - March 2024	1:1	82.42	54.9	52.9

(₹ in million)

As at 31.03.2022

Type of hedge and risks	Nominal Value (USD in million)	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	144	242.8	-	Other Current/ Non-current financial assets	April 2022 – March 2024	1:1	79.24	(255.4)	(253.2)

b. Disclosure of effects of hedge accounting on financial performance

(₹ in million)

As at 31.03.2023

	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(499.2)	(1.2)	Net (gain)/loss on Foreign Currency Transactions	(203.6)	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2022

	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	336.8	0.5	Net (gain)/loss on Foreign Currency Transactions	363.1	Revenue from operations - Sale of goods

Notes

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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 01.04.2021	**199.8**
Add: Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	336.8
Less: Amounts re-classified to profit or loss	(363.6)
Less: Deferred tax	12.4
As at 31.03.2022	**185.4**
Less: Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(499.2)
Add: Amounts re-classified to profit or loss	204.8
Add: Deferred tax	70.2
As at 31.03.2023	**(38.8)**

55. Off-setting or similar agreements:

The recognised financial instruments that are offset in balance sheet

(₹ in million)

As at 31.03.2023	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments - Forward Contracts	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments - Forward Contracts	52.7	-	52.7	-	52.7
Trade and other payables	-	-	-	-	-

(₹ in million)

As at 31.03.2022	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 - Forward Contracts	242.8	-	242.8	-	242.8
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments - Forward Contracts	-	-	-	-	-
Trade and other payables	-	-	-	-	-

Offsetting arrangements

(i) Trade receivables and payables

The Company has certain customers which are also supplying materials. Under the terms of agreement there are no amounts payable by the Company that are required to be offset against receivables.

(ii) Derivatives

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

Notes

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

A. Relationships –

Category I: Entity having significant influence over the Company:

Lupin Investments Pvt. Limited

Category II: Subsidiaries:

Lupin Pharmaceuticals Inc. USA
Lupin Australia Pty Limited Australia
Nanomi B.V. Netherlands
Pharma Dynamics (Proprietary) Limited South Africa
Hormosan Pharma GmbH Germany
Multicare Pharmaceuticals Philippines Inc. Philippines
Lupin Atlantis Holdings SA Switzerland
Lupin Healthcare (UK) Limited UK
Lupin Pharma Canada Limited Canada
Lupin Mexico S.A. de C.V. Mexico
Generic Health Pty Limited Australia
Southern Cross Pharma Pty Limited Australia (w.e.f. from 03.02.2022)
Bellwether Pharma Pty Limited Australia
Lupin Philippines Inc. Philippines
Lupin Diagnostics Limited India (formerly know as Lupin Healthcare Limited)
Generic Health SDN. BHD. Malaysia
Lupin Inc. USA
Medquimica Industria Farmaceutica LTDA Brazil
Laboratorios Grin S.A. de C.V. Mexico
Novel Laboratories Inc. USA
Lupin Research Inc. USA
Avenue Coral Springs, LLC USA (w.e.f. 29.11.2021)
Lupin Latam Inc. USA (merged with Lupin Management Inc. w.e.f. 30.08.2021)
Lupin Management Inc. USA
Lupin Europe GmbH Germany
Lupin Foundation India
Lupin Biologics Limited India
Lupin Oncology Inc. USA
Lupin Digital Health Limited India (w.e.f. 21.05.2021)

Category III: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category IV: Key Management Personnel (KMP):

Ms.	Vinita Gupta	Chief Executive Officer
Mr.	Nilesh D. Gupta	Managing Director
Mr.	Ramesh Swaminathan	Executive Director, Global CFO & CRO and Head – Corporate Affairs
Mr.	R.V. Satam	Company Secretary

Non-Executive Directors

Mrs.	Manju D. Gupta	Chairman
Dr.	Kamal K. Sharma (upto 13.10.2022)	Vice Chairman
Mr.	Jean-Luc Belingard	
Ms.	Christine Ann Mundkur (upto 31.12.2022)	
Mr.	K. B. S. Anand	
Dr.	Punita Kumar Sinha	
Mr.	Robert Funsten (w.e.f. 10.11.2020 upto 09.05.2021)	
Mr.	Mark D. McDade	

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

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

B. Transactions with the related parties:

(₹ in million)

Sr. No.	Transactions	**Year ended 31.03.2023**	Year ended 31.03.2022
1	Sale of Goods		
	Lupin Pharmaceuticals Inc. USA	17,602.7	19,372.1
	Other Subsidiaries	10,727.9	10,580.4
2	Sale - Research Services - Others		
	Subsidiaries	1,510.3	1,386.1
3	Sale of Assets		
	Subsidiaries	93.0	-
	Others	3.4	-
	Lupin Diagnostics Limited India (formerly know as Lupin Healthcare Limited) (₹ 20,000)		-
4	Transfer of IP		
	Subsidiaries	827.1	460.7
5	Royalty Income		
	Subsidiaries	5.2	3.6
6	Fees Received against guarantees provided on their behalf		
	Subsidiaries	152.6	96.7
7	Services Rendered (Income)		
	Subsidiaries	125.1	92.8
8	Rent Received		
	Subsidiaries	1.5	-
	Others	1.6	-
9	Income from Assignment of Rights		
	Subsidiaries	-	3,417.3
10	Purchase of Assets		
	Subsidiaries	98.3	-
11	Rent Paid		
	Others	20.1	42.3

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(₹ in million)

Sr. No.	Transactions	**Year ended 31.03.2023**	Year ended 31.03.2022
12	Research and Development Expenses		
	Lupin Research Inc. USA	504.7	541.3
	Other Subsidiaries	329.6	56.7
13	Expenses incurred on their behalf Recovered/Rent Received		
	Subsidiaries	481.1	484.3
	Others	1.8	1.9
14	Remuneration Paid		
	Key Management Personnel	136.7	160.7
15	Purchases of Goods/Materials		
	Subsidiaries	347.1	147.3
	Others	154.2	151.4
16	Commission, Advisory Fees & Sitting Fees to Non-Executive Directors		
	Key Management Personnel	22.9	86.5
17	Donations Paid		
	Subsidiaries	-	-
	Others	284.1	332.3
18	Dividend Paid		
	Entity having significant influence over the Company	828.8	1,336.5
	Key Management Personnel	4.9	8.1
	Others	23.7	38.6
19	Services Received (Expense)		
	Lupin Pharmaceuticals Inc. USA	74.6	99.7
	Other Subsidiaries	902.3	785.2
	Others	74.9	92.8
20	Expenses incurred on our behalf & Others Reimbursements		
	Subsidiaries	1,153.0	1,247.0
	Others	4.6	4.0
21	Refund of Deposit		
	Others	21.6	-
22	Interest Income		
	Subsidiaries	-	(0.0)
23	Investment in Subsidiary		
	Subsidiaries	8,609.3	19,579.4
24	Received from Capital Contribution AGIO		
	Lupin Atlantis Holdings SA Switzerland	-	5,207.1
25	Advance against supplies paid		
	Others	40.0	-
26	Corporate guarantees issued by the Company to the bankers of subsidiary companies		
	Lupin Pharmaceuticals Inc. USA	2,157.0	-
	Other Subsidiaries	329.8	712.7
27	Guarantees issued by the Company on behalf of subsidiaries for contractual obligations		
	Nanomi B.V. Netherlands	-	1,550.7

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Forming part of the Standalone Financial Statements

(₹ in million)

Sr. No.	Transactions	Year ended 31.03.2023	Year ended 31.03.2022
28	Withdrawal of corporate guarantees given by the Company to the bankers of subsidiary companies		
	Lupin Atlantis Holdings SA Switzerland	-	365.6
	Medquimica Industria Farmaceutica LTDA Brazil	1,646.1	700.1
	Laboratorios Grin SA de CV Mexico	-	548.3
	Lupin Healthcare (UK) Limited UK	64.6	-
	Lupin Inc. USA	-	18,084.6

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

(₹ in million)

Compensation paid to Key Management Personnel*	Year ended 31.03.2023	Year ended 31.03.2022
Short-term employee benefits	113.4	130.9
Post-employment benefits	12.1	16.7
Share based payments	11.2	13.1
Total	**136.7**	**160.7**

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

Terms and conditions of transactions with related parties:

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

C. Balances due from/to the related parties:

(₹ in million)

Sr. No.	Balances	As at 31.03.2023	As at 31.03.2022
1	Investments		
	Subsidiaries*	94,457.8	86,348.5
2	Deposits paid under Leave and License arrangement for premises		
	Others	7.4	29.0
3	Trade Receivables		
	Subsidiaries	16,040.1	18,901.2
4	Trade Payables		
	Subsidiaries	1,607.2	1,286.6
	Others	12.7	9.3
5	Expenses Payable		
	Subsidiaries	227.6	36.8
6	Expenses Receivable		
	Subsidiaries	205.6	139.5
7	Income/Interest Receivable		
	Subsidiaries	95.0	3,469.6
8	Advance against supplies paid		
	Others	35.0	-

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(₹ in million)

Sr. No.	Balances	**As at 31.03.2023**	As at 31.03.2022
9	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1
10	Corporate guarantees issued by the Company to the bankers of subsidiary companies	35,295.3	32,012.6
11	Guarantees issued by the Company on behalf of subsidiary companies for contractual obligations	5,502.1	5,075.1

Transactions and balances with Jointly Controlled Entity have been reported at full value.
* Excluding unrealised gain on non-current investment

57. Non Cash Changes in Cash Flows from Financial Activities

(₹ in million)

Particulars	01.04.2022	Cash flows	Non-Cash Changes			**31.03.2023**
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Current Borrowings						
Secured						
Loans from banks	-	-	-	-	-	-
Unsecured						
Loans from banks	7,904.7	(1,770.0)	-	-	-	6,134.7
Interest accrued but not due on Borrowings	-	-	-	-	-	-
Current maturities of Non-Current Borrowings	-	-	-	-	-	-
Lease liabilities (Refer note 41)	1,603.8	(680.6)	427.4	-	-	1,350.6
Total Liabilities from financing activities	**9,508.5**	**(2,450.6)**	**427.4**	**-**	**-**	**7,485.3**

(₹ in million)

Particulars	01.04.2021	Cash flows	Non-Cash Changes			31.03.2022
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	1.5	(1.5)	-	-	-	-
Current Borrowings						
Secured						
Loans from banks	507.9	(507.9)	-	-	-	-
Unsecured						
Loans from banks	2,480.0	5,424.7	-	-	-	7,904.7
Interest accrued but not due on Borrowings	-	-	-	-	-	-
Current maturities of Non-Current Borrowings	1.6	(1.6)	-	-	-	-
Lease liabilities (Refer note 41)	1,863.6	(593.4)	333.6	-	-	1,603.8
Total Liabilities from financing activities	**4,854.6**	**4,320.3**	**333.6**	**-**	**-**	**9,508.5**

Notes

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58. The Company evaluates events or transactions that occur after the standalone balance sheet date but prior to the issuance of standalone financial statements and concluded that no material subsequent events have occurred through 09.05.2023 that require adjustment to or disclosure in the standalone financial statements.

59. Trade receivable ageing

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	**Total as at 31 March 2023**
(i) Undisputed Trade receivables – considered good	22,098.8	2,915.9	1,134.6	655.7	87.7	5.9	26,898.6
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	17.7	36.6	39.9	94.2
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	22,098.8	**2,915.9**	**1,134.6**	**673.4**	**124.3**	**45.8**	**26,992.8**
Allowance for credit loss							(248.6)
Total							**26,744.2**

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total as at 31 March 2022
(i) Undisputed Trade receivables– considered good	20,380.8	6,462.9	322.9	126.2	-	-	27,292.8
(ii) Undisputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables– credit impaired	-	6.5	4.6	52.9	29.5	33.0	126.5
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
	20,380.8	**6,469.4**	**327.5**	**179.1**	**29.5**	**33.0**	**27,419.3**
Allowance for credit loss							(199.2)
Total							**27,220.1**

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60. Trade payable ageing

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total as at 31.03.2023**
Outstanding dues of Micro and Small Enterprises	736.5	-	-	-	-	736.5
Outstanding dues of other than Micro and Small Enterprises	5,182.3	4,317.7	1,121.0	212.8	107.3	10,941.1
Disputed - Outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-
Disputed - Outstanding dues of other than Micro and Small Enterprises	-	-	-	-	2.3	2.3
	5,918.8	**4,317.7**	**1,121.0**	**212.8**	**109.6**	**11,679.9**
Accrued Expenses						3,983.0
Total						**15,662.9**

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at 31.03.2022
Outstanding dues of Micro and Small Enterprises	802.4	39.9	-	2.1	3.5	847.9
Outstanding dues of other than Micro and Small Enterprises	5,421.2	2,605.7	1,241.0	276.5	45.7	9,590.1
Disputed - Outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-
Disputed - Outstanding dues of other than Micro and Small Enterprises	-	-	-	-	2.3	2.3
	6,223.6	**2,645.6**	**1,241.0**	**278.6**	**51.5**	**10,440.3**
Accrued Expenses						3,075.0
Total						**13,515.3**

61. Capital Work-In-Progress (CWIP)

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

(₹ in million)

Particulars	Amount in CWIP for a period of				**Total as at 31.03.2023**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,387.4	2,374.6	506.5	3,111.4	7,379.9
Projects temporarily suspended	-	-	-	-	-
Total	**1,387.4**	**2,374.6**	**506.5**	**3,111.4**	**7,379.9**

(₹ in million)

Particulars	Amount in CWIP for a period of				Total as at 31.03.2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,825.0	1,215.2	1,562.5	2,134.7	7,737.4
Projects temporarily suspended	-	-	-	-	-
Total	**2,825.0**	**1,215.2**	**1,562.5**	**2,134.7**	**7,737.4**

Notes

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

There are no CWIP where completion is overdue or cost has exceeded as compared to its original plans as on 31.03.2023 and 31.03.2022, excluding plants that are not ready for intended use pending regulatory inspection and approvals.

62. Intangible assets under development (IAUD)

(a) Intangible assets under development (IAUD) ageing

(₹ in million)

Particulars	Amount in IAUD for a period of				**Total as at 31.03.2023**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	207.6	113.3	111.3	1,453.9	1,886.0
Projects temporarily suspended	-	-	-	-	-
Total	**207.6**	**113.3**	**111.3**	**1,453.9**	**1,886.0**

(₹ in million)

Particulars	Amount in IAUD for a period of				Total as at 31.03.2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	76.3	195.6	191.3	1,273.8	1,737.0
Projects temporarily suspended	-	-	-	-	-
Total	**76.3**	**195.6**	**191.3**	**1,273.8**	**1,737.0**

(b) Intangible assets under development (IAUD), where completion is overdue or cost has exceeded as compared to its original plans.

There are no IAUD where completion is overdue or cost has exceeded as compared to its original plans as on 31.03.2023 and 31.03.2022.

63. Financial Ratios

(₹ in million)

Ratios	Numerator	Denominator	**31-Mar-23**	31-Mar-22	% of Variances	Reason for Variances
Current Ratio	Total Current Asset	Total Current Liabilities	2.09	2.38	(12.18)	
Debt-Equity Ratio	Total Debt= Non Current Borrowings+ Current Borrowings	Total Equity Attributable to owners	0.03	0.04	(25.00)	This is on account of reduction in borrowings.
Debt service coverage ratio	Earnings available for Debt Service = Net Profit after taxes before OCI + Non-cash operating expenses like depreciation and other amortizations - Unrealised gain + Interest + loss on sale of Fixed assets	Debt service (Debt service =Interest & Lease Payments + Principal Repayments)	8.91	4.84	84.09	The variance is mainly due to Glumetza settlement in the previous year.

Notes

Forming part of the Standalone Financial Statements

(₹ in million)

Ratios	Numerator	Denominator	**31-Mar-23**	31-Mar-22	% of Variances	Reason for Variances
Return on equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity = (Opening Shareholder's Equity + Closing Shareholder's Equity)/2	0.02	(0.01)	(300.00)	The variance is mainly due to Glumetza settlement in the previous year.
Inventory turnover ratio	Cost of Goods Sold = Cost of Materials Consumed + Purchases of Stock-in-Trade + Changes in inventories of Finished Goods/Work in Progress/ Stock-in-Trade	Average Inventory = (Opening inventory + Closing inventory)/2	1.55	1.52	1.97	
Trade receivables turnover ratio	Total sales	Closing Trade receivable	4.13	4.14	(0.24)	
Trade payables turnover ratio	Total Purchases	Closing Trade Payables	3.22	4.04	(20.30)	
Net capital turnover ratio	Net sales	Working Capital = current assets - current liabilities	2.80	2.30	21.74	
Net profit ratio	Net Profit after Tax	Revenue from Operations	0.04	(0.02)	(300.00)	The variance is mainly due to Glumetza settlement in the previous year.
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liability (net)	0.03	0.00	100.00	The variance is mainly due to Glumetza settlement in the previous year.
Return on investment (ROI)						
1) Mutual Fund	Income generated from investment (A)	Average Investment (B)	0.02	0.03	(33.33)	The variance is on account of reduction in investment
2) Financial Institution (CD)	Income generated from investment (A)	Weighted Average Investment (B)	0.05	0.05	-	
3) Commercial Paper	Income generated from investment (A)	Weighted Average Investment (B)	0.04	0.04	-	
4) Non Convertible Debentures	Income generated from investment (A)	Weighted Average Investment (B)	0.05	0.05	-	

Notes

Forming part of the Standalone Financial Statements

64. Title deeds of all immovable properties are held in the name of the company, except as follows:

(₹ in million)

Particulars of the land and building	Gross Block (as at 31.03.2023)	Net Block (as at 31.03.2023)	Gross Block (as at 31.03.2022)	Net Block (as at 31.03.2022)	Tittle deeds held in the name of	Whether in the name of promoter, director or their relative or employee	Period held (Date of Amalgamation)	Reason for not being held in the name of the Company
Freehold land located in Maharashtra admeasuring 7 Hectare and 70.91 Acre	29.6	29.6	29.6	29.6	Lupin Laboratories Limited	No	From 2001	The file is pending with local authorities for final approval for affecting in the name of Lupin Limited
Freehold building located in Maharashtra admeasuring 8038 sq. ft.	133.9	82.4	133.9	84.6	Lupin Laboratories Limited	No	From 2001	Refer note Below

Note: 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. Further, since the society is yet to be formed, the transfer of title in the name of the company is pending.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in Note No. 5 to the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

Particulars of the land and building	Gross Block (as at 31 March 2023)	Net Block (as at 31 March 2023)	Gross Block (as at 31.03.2022)	Net Block (as at 31.03.2022)	Tittle deeds held in the name of	Whether in the name of promoter, director or their relative or employee	Period held (Date of Amalgamation)	Reason for not being held in the name of the Company
Leasehold building located in Delhi admeasuring 1628 sq.ft	2.8	2.2	2.8	2.2	Lupin Laboratories Limited	No	From 2001	Refer note Below

Note - 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. Further, this being a lease agreement, the lessor has already changed the name of the company in all it's routine invoices.

In respect of immovable properties of land and buildings which are disclosed as fixed asset in the financial statements, the original documents are not available for verification, details of which are as given below:

Particulars of the land and building	Gross Block (as at 31 March 2023)	Net Block (as at 31 March 2023)	Gross Block (as at 31 March 2022)	Net Block (as at 31 March 2022)	Tittle deeds held in the name of	Whether in the name of promoter, director or their relative or employee	Period held
Building located in Maharashtra	7.5	4.6	7.5	4.8	Lupin Laboratories Limited	No	From 2001
Land located in Uttarakhand	0.3	0.3	0.3	0.3	Lupin Laboratories Limited	No	From 2001

Notes

Forming part of the Standalone Financial Statements

65. Details of Loans Given, Investments made and Guarantee Given covered u/s Sec 186(4) of the Companies Act, 2013

A Details of loans given are as disclosed under respective heads. The investments made in the subsidiaries are for the purpose of business expansion.

B Corporate guarantees given by the Company

(₹ in million)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Subsidiary Companies:		
a. Lupin Healthcare (UK) Limited, UK	-	64.6
b. Medquimica Industria Farmaceutica LTDA, Brazil	1,811.1	3,052.1
c. Lupin Pharmaceutical Inc, USA	33,484.2	28,895.9
Total	**35,295.3**	**32,012.6**

C Financial guarantees given by the Company

(₹ in million)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Subsidiary Companies:		
a. Nanomi B.V. Netherlands	5,520.1	5,075.1
Total	**5,520.1**	**5,075.1**

66. Donations under Note 34 includes donations for political purpose made through Electoral Bonds ₹ 180.0 million (31.03.2022 - ₹ Nil)

67. Other Statutory Information

(A) The Company has not entered into any transactions with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 for the year ended 31 March 2023 and 31 March 2022.

(B) The Company has not traded or invested in Crypto Currency or Virtual Currency.

(C) The Company does not have any transaction not recorded in the books of account that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 for the year ended 31 March 2023 and 31 March 2022.

(D) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(E) There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.

(F) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(G) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds), other than in the ordinary course of business by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh D. Gupta
Managing Director
DIN: 01734642

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

R. V. Satam
Company Secretary
ACS - 11973

Place: Mumbai
Dated: May 09, 2023

GRI Content Index

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REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

L24100MH1983PLC029442

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