



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
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 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 aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 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

Place: Mumbai
Date: 09 May 2023

Membership No.: 113156
ICAI UDIN:23113156BGYUJE9210

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 Healthcare 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

Place: Mumbai
Date: 09 May 2023

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN: 23113156BGYUJE9210

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

Place: Mumbai
Date: 09 May 2023

Membership No.: 113156
ICAI UDIN: 23113156BGYUJE9210

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, Work-in-Progress and Stock-in-Trade [(Increase)/Decrease]	33	1,537.3	(1,983.2)
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

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

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

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		
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	(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	-	-	-	-	(217.3)	217.3	-	-	-	-	(0.5)	(0.5)
Transfer from share based payments to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-
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	(29.4)	-	-	-	-	-	-	455.4
Amortised/Exercised during the year	-	-	-	-	(98.5)	98.5	-	-	-	-	-	(29.4)
Reduction on allotment of shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from share based payments to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-
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

(₹ in million)

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

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

Manju D. Gupta
Chairman
DIN: 00209461

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

Vinita Gupta
Chief Executive Officer
DIN: 00058631

R. V. Satam
Company Secretary
ACS - 11973

Nilesh D. Gupta
Managing Director
DIN: 01734642

Place: Mumbai
Dated: May 09, 2023

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:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flows".
- Cash and cash equivalents comprises cash on hand, cash at bank and short term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.
For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.
- Refer note 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

Venkataramanan Vishwanath
Partner
Membership No. 113156

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

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Chairman
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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

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 financial 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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Particulars	(₹ in million)								Total
	Freehold Land	Buildings	Improvements on Leased Premises	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment		
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)

Particulars	(₹ in million)	
	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)

Particulars	(₹ in million)						
	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)

Particulars	(₹ in million)	
	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)]

Particulars	Number	Face Value	(₹ in million)	
			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 (formerly known as Bharuch Enviro Infrastructure Limited, India)	4,410	₹		
	(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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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	

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17. Current Loans

Particulars	(₹ in million)	
	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

Particulars	(₹ 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

Particulars	(₹ in million)	
	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

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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	As at 31.03.2022
	Aggregate No. of Shares	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.

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21. Non-Current Borrowings

[Refer note 25]

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

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- 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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

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30. Revenue From Operations

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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]

Particulars	(₹ in million)	
	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

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34. Employee Benefits Expense

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

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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.

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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:

Particulars	(₹ in million)	
	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:

Particulars	(₹ in million)	
	Year ended 31.03.2023	Year ended 31.03.2022
Opening balance	388.6	378.0
Incurring 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:

Nature of segment	(₹ in million)	
	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:

Particulars	(₹ in million)	
	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:

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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)

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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)

Particulars	Year ended 31.03.2023			
	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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Particulars	Year ended 31.03.2022			
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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)

Particulars	Year ended 31.03.2023			
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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.

Sr. No.	Particulars	(₹ in million)			
		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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Sr. Particulars No.	(₹ in million)			
	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

Particulars	(₹ in million)	
	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:

Gratuity	(₹ in million)			
	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:

Sr. No.	Particulars	(₹ in million)	
		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

Particulars	(₹ in million)	
	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:

Gratuity	(₹ in million)			
	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:

Sr. No.	Particulars	(₹ in million)	
		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. Particulars No.	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
Curtailement 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

Particulars	(₹ in million)	
	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:

Gratuity	(₹ in million)			
	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	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:

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:

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

Particulars	(₹ in million)	
	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:

Particulars	(₹ in million)	
	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:

Particulars	(₹ in million)	
	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
	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
	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:

Particulars	(₹ in million)	
	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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Particulars	(₹ in million)
	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

Particulars	(₹ in million)
	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, title 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 Farmacéutica 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:

Particulars	(₹ in million)	
	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:

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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

Particulars	(₹ in million)	
	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: <ul style="list-style-type: none"> - 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:

Particulars	(₹ in million)	
	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.

Particulars	(₹ in million)	
	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:

Particulars	(₹ in million)	
	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

Ageing of ECL (in days)	(₹ in million)	
	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:

Particulars	(₹ in million)	
	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.

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

(₹ in million)

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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:

Category	Instrument	Currency	Cross Currency	(Amount in million)		
				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:

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

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

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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*	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
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*	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
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*	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
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*	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
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:

Particulars	(₹ in million)	
	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.

Particulars	(₹ in million)	
	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.

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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:

Particulars	(₹ in million)	
	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

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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 (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)

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(₹ 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 financial 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 financial liabilities	April 2022 - June 2022	1:1	79.09	2.1	2.1
Forward exchange forward contracts	USD 22.9	-	265.7	Other current financial 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

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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	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.

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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

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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)	
		Year ended 31.03.2023	Year ended 31.03.2022
Compensation paid to Key Management Personnel*			
	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	

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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						Total as at 31 March 2023
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(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						Total as at 31 March 2022
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(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

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69. Trade payable ageing:

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					Total as at 31.03.2023
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of Micro and Small Enterprises	759.5	3.8	-	-	-	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					Total as at 31.03.2022
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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 KCI	-	-	-	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

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