

# Directors' Report

## To the Members

Your Directors are pleased to present their report on business and operations of your Company for the year ended March 31, 2023.

## Financial Results

	(₹ in million)			
	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Sales	110430.7	112584.8	162699.8	161927.9
Other operating income	2157.6	5131.9	3716.8	2126.9
Other Income	912.6	1504.2	733.6	1416.9
<b>Profit before business compensation expense, interest, depreciation and tax</b>	<b>11739.2</b>	<b>23045.1</b>	<b>18714.8</b>	<b>23072.9</b>
Less: Business compensation expense	-	18783.8	-	18783.8
Less: Finance costs	984.4	734.7	2743.0	1427.7
Less: Depreciation, amortisation and impairment expenses	5483.4	5141.9	8806.9	16587.1
<b>Profit/(Loss) before share of profit from Jointly Controlled Entity and Tax</b>	<b>5271.4</b>	<b>(1615.3)</b>	<b>7164.9</b>	<b>(13725.7)</b>
Add: Share of profit from Jointly Controlled Entity	-	-	-	3.6
Less: Provision for taxation (including deferred tax)	1019.3	271.7	2688.0	1371.5
<b>Profit/(Loss) after tax</b>	<b>4252.1</b>	<b>(1887.0)</b>	<b>4476.9</b>	<b>(15093.6)</b>
Share of Profit/(Loss) attributable to Non-controlling Interest	-	-	176.1	186.8
<b>Net Profit/(Loss) attributable to Shareholders of the Company</b>	<b>4252.1</b>	<b>(1887.0)</b>	<b>4300.8</b>	<b>(15280.4)</b>

## Performance Review

Consolidated Revenue from Operations for the year ended March 31, 2023 was ₹ 166416.6 million. International business contributed 60.4%. Consolidated profit before tax was ₹ 7164.9 million. Net Profit after tax was ₹ 4300.8 million, as against loss of ₹ 15280.4 million in FY 2021 - 22. Earnings per share (Basic) stood at ₹ 9.46.

## Dividend

Your Directors recommend dividend of 200% (₹ 4/- per equity share). The total dividend amount is ₹ 1820.1 million.

Pursuant to Regulation 43A(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Dividend Distribution Policy has been hosted on the website of the Company [www.lupin.com](http://www.lupin.com) (weblink: <https://www.lupin.com/wp-content/uploads/2023/04/Dividend-Distribution-Policy.pdf>).

## Share Capital

Consequent to the allotment of 506321 equity shares of ₹ 2/- each, during the year, to employees of the Company and its subsidiaries upon exercising

vested options under various stock option plans, the paid-up share capital of the Company increased by ₹ 1 million. The paid-up equity share capital as on March 31, 2023 was ₹ 910 million.

## Credit Rating

ICRA Limited ('ICRA') assigned the rating '**A1+**' (pronounced 'ICRA A one plus') for the Company's bank facilities of ₹ 30000 million, which indicates very strong degree of safety regarding timely payment of financial obligations.

## Subsidiary Companies/Joint Venture

As on March 31, 2023, the Company had 28 subsidiaries and a joint venture.

In compliance with the first proviso to Section 129(3) of the Companies Act, 2013 ('Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statements, performance and financial position of each subsidiary and joint venture are given in Form No. AOC - 1 as **Annexure 'A'** to this Report. Pursuant to Section 136 of the Act, financial statements of subsidiaries and a joint venture are available for

inspection by Members at the registered office of the Company during business hours. The Company shall provide a copy of the financial statements of its subsidiaries and a joint venture to Members free of cost upon their request. The said financial statements are also available on the Company's website [www.lupin.com](http://www.lupin.com).

Pursuant to Regulation 46(2)(h) of the Listing Regulations, policy for determining material subsidiaries has been hosted on the Company's website [www.lupin.com](http://www.lupin.com) (web link: <https://www.lupin.com/wp-content/uploads/2021/04/policy-for-determining-material-subsiidiaries.pdf>). Nanomi B.V., the Netherlands ('Nanomi'), Lupin Atlantis Holdings SA, Switzerland ('LAHSA') and Lupin Pharmaceuticals, Inc., USA ('LPI'), are wholly owned material subsidiaries of the Company. In compliance with Regulation 24(1) of the Listing Regulations, Mr. Mark D. McDade, Independent Director, is on the Board of Nanomi and Mr. Jean-Luc Belingard, Independent Director, is on the Boards of LAHSA and LPI.

### **Integrated Report**

In the fast-evolving corporate landscape, Integrated Reporting is an ideal tool to explore value creation. The Integrated Report is focused on driving authentic, comprehensive and meaningful information covering all aspects of the Company's performance. It encompasses financial and non-financial information, to help Members have a better understanding of the Company's long-term perspective and take well-informed decisions. The Report inter-alia covers the Company's strategy, governance framework, performance, prospects and value creation on the six forms of capital i.e. financial capital, human capital, manufacturing capital, social capital, intellectual capital and natural capital.

### **Management Discussion and Analysis**

In compliance with Regulation 34(3) read with Schedule V(B) of the Listing Regulations, Management Discussion and Analysis forms part of the Integrated Report.

### **Corporate Governance Report**

As stipulated by Regulation 34(3) read with Schedule V(C) of the Listing Regulations, a report on Corporate Governance forms part of the Integrated Report. In terms of Schedule V(E) of the Listing Regulations, Auditors' certificate confirming compliance with the conditions of corporate governance is annexed to the Corporate Governance Report. The Company is committed

to benchmark itself with the highest standards of corporate governance and ethical practices.

### **Business Responsibility and Sustainability Report**

In compliance with Regulation 34(2)(f) of the Listing Regulations, Business Responsibility and Sustainability Report forms part of the Integrated Report.

### **Corporate Social Responsibility**

Corporate Social Responsibility ('CSR') activities of the Company are mainly routed through its social responsibility arm Lupin Human Welfare and Research Foundation ('LHWRF'). LHWRF was established by Dr. Desh Bandhu Gupta, the founder Chairman of the Company, to serve the poor, outreaching the neediest and most excluded geographies in India. Over the last three decades, LHWRF has worked with 5,431 villages across nine states in India, positively impacting the lives of over twelve lakh families.

A detailed write-up on Company's initiatives towards CSR forms part of the Integrated Report.

The CSR Policy, approved by the Board of Directors, has been hosted on the Company's website [www.lupin.com](http://www.lupin.com). Details of CSR activities undertaken by the Company are given in **Annexure 'B'** to this Report.

### **Directors' Responsibility Statement**

In compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, to the best of their knowledge and belief your Directors confirm that: -

- i) in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2023 and of the profit of your Company for the year;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) the annual financial statements have been prepared on a going concern basis;
- v) they had laid down proper internal financial controls and that the same are adequate and were operating effectively; and
- vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Directors

As recommended by the Nomination and Remuneration Committee ('NRC'), the Board, at its meeting held on May 9, 2023, re-appointed Mr. Nilesh D. Gupta, Managing Director, (DIN: 01734642), for a period of five years, effective September 1, 2023, subject to approval of Members, by way of an Ordinary Resolution at the ensuing Annual General Meeting ('AGM').

Mr. Nilesh D. Gupta is a Chemical Engineer from the University Department of Chemical Technology (UDCT), Mumbai and a graduate with honors from the Wharton School, University of Pennsylvania, USA, where he specialised in healthcare, strategic management and finance. Mr. Gupta has been instrumental in formulating and executing the core strategy that has helped the Company emerge as a global specialty and complex generics pharmaceutical powerhouse. Mr. Gupta is Member of the Audit Committee, Stakeholders' Relationship Committee, CSR Committee and Risk Management Committee.

Dr. Kamal K. Sharma, Non-Executive Vice Chairman, (DIN: 00209430), stepped-down from the Board of Directors of the Company effective October 14, 2022. Dr. Sharma was on the Board of the Company for over 19 years. He helped lead the Company in setting the vision and strategic direction, assessing inorganic growth initiatives, and mentoring senior management. The Company immensely benefited from his guidance, rich experience and advice. The Board and the Management places on record their sincere appreciation for the services rendered by Dr. Sharma during his long association with the Company.

Ms. Christine Mundkur, Independent Director, (DIN: 08408494), stepped-down from the Board of Directors of the Company, effective January 1, 2023, to avoid any conflict of interest since she joined the Board of Cardinal Health, USA as an Independent Director. The Company immensely benefited from her skills, expertise, competencies, wide experience in the pharma industry and

valuable advice. The Board and the Management places on record their sincere appreciation for the services rendered by Ms. Mundkur during her association with the Company.

In accordance with the provisions of Section 152 of the Act, Mr. Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head - Corporate Affairs, (DIN: 01833346), retires by rotation at the ensuing AGM and is eligible for re-appointment.

Mr. Ramesh Swaminathan brings to the Company rich experience of over three decades. In addition to having worked with the Company for over 13 years, he has also worked with reputed organisations in diverse industry sectors. Mr. Ramesh has worked with VST Industries Ltd., SPIC Group, Standard Chartered Bank, Henkel and L&T. As CFO, he has won several accolades with coveted awards being conferred on him. Mr. Ramesh is a qualified Chartered Accountant, Cost Accountant and Company Secretary. In addition to being a Lord Chevening Scholar, UK, Mr. Ramesh completed an advanced management program from INSEAD, France. He is Member of the Risk Management Committee of the Board. Mr. Ramesh is Chief Risk Officer of the Company and Member of its Leadership team.

In terms of Regulation 17(1A) of the Listing Regulations, approval of Members, vide Special Resolution shall be sought at the ensuing AGM of the Company, for the continuation of directorship of Mr. Jean-Luc Belingard, Independent Director, (DIN: 07325356), who shall attain the age of 75 years on October 28, 2023.

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

and Chevalier de la Legion d'Honneur awards. Mr. Belingard is Chairman of the Nomination & Remuneration Committee of the Company. He is also on the Boards of Lupin Pharmaceuticals, Inc., USA and Lupin Atlantis Holdings S.A., Switzerland, material subsidiaries of the Company.

In compliance with the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, all Independent Directors have furnished declarations that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that there has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year, eight Board meetings were held on May 18, 2022, June 15, 2022, August 3, 2022, October 7, 2022, October 10, 2022, November 9, 2022, December 21, 2022 and February 9, 2023, details of which, are given in the Corporate Governance Report which forms part of the Integrated Report.

### **Board Evaluation**

In compliance with provisions of Section 134(3)(p) of the Act and Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board carried out an annual evaluation of its own performance, that of each Director including Chairman as also Committees of the Board. In line with SEBI guidance note, board evaluation was carried out in a structured manner on qualitative parameters based on feedbacks on questionnaire. In terms of Regulation 17(10) of the Listing Regulations, performance evaluation of Independent Directors was carried out by the Board without the participation of the Director being evaluated. The Independent Directors carried out performance evaluation of non-independent directors, the Board as a whole and Chairman of the Company. In evaluating performance of the Board, criteria such as involvement in long-term strategic planning, participation in Board and Committee meetings, Board composition and structure, effectiveness of Board processes, monitoring corporate governance practices, Board communication and relationship etc. were taken into consideration. Performance evaluation of Committees was reviewed by the Board after taking into account criteria viz. composition of Committees, attendance and participation, effectiveness of Committee meetings, fulfillment of functions assigned to the Committees, frequency and adequacy of time allocated for discussions at meetings, etc.

While evaluating the performance of individual Directors, criteria such as leadership qualities, qualifications, responsibilities shouldered, contributions at meetings, analytical skills, knowledge, attendance, preparedness on the issues discussed and also parameters such as, initiative, independent judgement, understanding the business environment/strategic issues were considered. The Board agreed to further improve the effectiveness and functioning of the Board and Committees.

### **Audit Committee**

The Audit Committee comprises of Dr. Punita Kumar-Sinha (Chairperson), Mr. K. B. S. Anand, Independent Directors and Mr. Nilesh D. Gupta, Managing Director.

Dr. Kamal K. Sharma, Non-Executive Vice Chairman and Ms. Christine Mundkur, Independent Director were Members of the Audit Committee up to October 13, 2022 and December 31, 2022, respectively. Mr. Anand and Mr. Gupta were appointed Members of the Audit Committee w.e.f. October 13, 2022 and January 1, 2023, respectively.

Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee. All recommendations made by the Audit Committee were accepted by the Board. The functions performed by the Committee, particulars of meetings held and attendance of the Members at the said meetings are mentioned in the Corporate Governance Report, which forms part of the Integrated Report.

### **Nomination and Remuneration Policy**

The Board has on the recommendation of the Nomination and Remuneration Committee ('NRC'), formulated a Nomination and Remuneration Policy pertaining to remuneration of directors, key managerial personnel and senior management as stipulated by Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations. The policy lays down guiding principles, philosophy and basis for recommending payment of remuneration to executive/non-executive directors and key managerial personnel. It includes criteria for determining qualifications, positive attributes and independence of directors. The NRC evaluates balance of skills, knowledge and experience of Independent Directors and recommends them to the Board for appointment as mentioned in the Policy. The functions of the NRC are disclosed in the Corporate Governance Report, which forms part of the Integrated Report. In compliance with proviso to Section 178(4) of the Act, the policy has been hosted on the Company's website

[www.lupin.com](https://www.lupin.com/wp-content/uploads/2023/04/nomination-and-remuneration-policy-LL-2023.pdf) (web link: <https://www.lupin.com/wp-content/uploads/2023/04/nomination-and-remuneration-policy-LL-2023.pdf>).

### **Related Party Transactions**

All transactions entered by the Company with the related parties during the financial year were in the ordinary course of business and on an arm's length basis in accordance with the Act and Rules made thereunder and the Listing Regulations. No transaction with related parties conflicted with the interests of the Company and that material related party transactions were entered into by the Company only with its subsidiaries. There is no pecuniary transaction with any director, apart from remuneration and sitting fees, which had potential conflict of interest with the Company. In compliance with the Act and Listing Regulations, the Independent Directors of the Audit Committee periodically review and approve related party transactions. Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, disclosure of particulars of contracts/arrangements entered into by the Company with related parties are given in Form No. AOC - 2, as **Annexure 'C'** to this Report. As mandated by Regulation 46(2)(g) of the Listing Regulations, the policy on 'Related party transactions and materiality of related party transactions', as approved by the Board is available on the Company's website [www.lupin.com](http://www.lupin.com) and web link for the same is <https://www.lupin.com/wp-content/uploads/2022/03/rpt-policy-03-02-2022.pdf>

### **Risk Management**

The Company has a consistent, structured and defined continuous process for identifying, assessing, deciding on responses to and reporting on critical 'risks that matter'. The Risk Management framework of the Company essentially comprises of two elements i.e. the process to identify, prioritise and manage risks adopting the value-based driver tree approach and risk mitigation action plan. The Risk Management framework applies to all business units, functions, geographies and departments within the Company. It compliments and does not replace other existing programs, such as those relating to emission, quality and compliance matters. Composition, frequency and quorum of meetings of the Risk Management Committee constituted by the Board is in compliance with Regulation 21 of the Listing

Regulations. Roles, responsibilities and functions of the Committee have been defined by the Board. Terms of reference of the Committee, details of meetings held and attendance thereat are mentioned in the Corporate Governance Report, which forms part of the Integrated Report. Mr. Ramesh Swaminathan, Executive Director, Global CFO & CRO and Head - Corporate Affairs, Chief Risk Officer, drives the ESG integration and adoption across the Company and brings a more nuanced understanding and blend of both ESG and business to the table.

### **Particulars of loans/guarantees/ investments/securities**

In compliance with provisions of Section 134(3)(g) of the Act, particulars of loans, guarantees, investments and securities given under Section 186 of the Act are disclosed in the notes to the financial statements forming part of the Integrated Report.

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

As stipulated by Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, information as regards conservation of energy, technology absorption and foreign exchange earnings and outgo is given in **Annexure 'D'** to this Report.

### **Human Resources**

Employees are the most valuable assets of the Company. Providing support and care to the employees is part of the Company's DNA and it strives to create an environment conducive to their development. Systems, policies, technology and business functions of the Company are aligned with industry best practices which enables the Company to provide fair, professional and diverse work environment to its employees.

As stipulated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. Employees are regularly sensitized about matters pertaining to prevention of sexual harassment.

### **Employees Stock Options**

Pursuant to provisions of Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2011, details of stock options as on March 31, 2023, are given in **Annexure 'E'** to this Report.



## Vigil Mechanism/Whistleblower Policy

Your Company has established a reputation for conducting its business with uncompromising integrity by strictly abiding to well-accepted norms of ethical, lawful and moral conduct and has zero tolerance for any form of unethical behaviour. In terms of Section 177(9) and (10) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has in place a robust Vigil mechanism/Whistleblower Policy for directors and employees to report concerns, details of which are covered in the Corporate Governance Report which forms part of the Integrated Report. In compliance with Regulation 18(3) read with Schedule II Part C(18) of the Listing Regulations, the Audit Committee reviews the functioning of the Vigil mechanism/Whistleblower Policy.

Directors and employees are at liberty to report unethical practices and raise their concerns to the office of the Ombudsperson without any fear of retaliation or retribution. Complaints, including anonymous ones are investigated/examined by teams of strategic business unit heads/officers appointed by the Ombudsperson and the same are swiftly redressed. The office of the Ombudsperson has official authority to receive, respond and investigate all offences within the scope of this policy. No person has been denied access to the Chairperson of the Audit Committee.

During the year, the Ombudsperson received 22 complaints, mostly of minor nature. The Vigil mechanism/Whistleblower Policy is hosted on the Company's website <https://www.lupin.com/wp-content/uploads/2022/02/Whistleblower-Policy-Website.pdf>.

## Particulars of Employees Remuneration

Particulars of remuneration of employees required to be disclosed pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 'F'** to this Report. Particulars of remuneration of employees, for the year ended March 31, 2023, required to be furnished in terms of Rules 5(2) and 5(3) of the said Rules, forms part of this Report and shall be provided to Members upon written request pursuant to second proviso of Rule 5. Pursuant to provisions of Section 136(2) of the Act, particulars of remuneration of employees are available for inspection by Members at the

Registered office of the Company during business hours on all working days up to the date of the ensuing AGM.

## Auditors

At the 39<sup>th</sup> AGM held on Tuesday, August 10, 2021, Members re-appointed B S R & Co. LLP, Chartered Accountants (Firm Reg. No. 101248W/W-100022), as auditors of the Company, for a second term of five years from the conclusion of the 39<sup>th</sup> AGM till the conclusion of the 44<sup>th</sup> AGM. Pursuant to the provisions of Section 141 of the Act, the Company has received a certificate from B S R & Co. LLP, certifying that their appointment is in compliance with the conditions prescribed by the said Section. The Company continues to have unqualified audit reports.

## Internal Audit

The in-house corporate internal audit team carries out Internal audit of the Company's operations. The strength of the in-house corporate internal audit team is adequate to undertake audits. Local chartered accountant firms regularly conduct audits of Carrying & Forwarding Agents and Central Warehouses of the Company in India. Internal audit findings are presented at the Audit Committee meetings. Services of external auditors/specialist firms are engaged for undertaking special audit assignments, as required.

## Cost Audit

In compliance with provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014 and as recommended by the Audit Committee, the Board of Directors, at its meeting held on May 18, 2022, appointed Mr. S. D. Shenoy, Practising Cost Accountant (FCMA No. 8318), as Cost Auditor, to conduct cost audit for the year ended March 31, 2023. Mr. Shenoy is a Cost Accountant as defined under Section 2(1)(b) of the Cost and Works Accountant Act, 1959 and holds a valid certificate of practice. Mr. Shenoy confirmed that he is free from the disqualifications specified in Section 141 read with Sections 139 and 148 of the Act and that his appointment meets the requirements prescribed in Sections 141(3)(g) and 148 of the Act. Mr. Shenoy also confirmed that he was independent, maintained an arm's length relationship with the Company and that no orders or proceedings were pending against him relating to matters of professional conduct before the Institute of Cost Accountants of India or any competent court/authority.

In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration of the cost auditor is required to be ratified by Members. Accordingly, the Members vide an ordinary resolution at the 40<sup>th</sup> AGM held on August 3, 2022, ratified the remuneration payable to Mr. Shenoy, for conducting cost audit for the year ended March 31, 2023.

The Company has duly maintained cost records as specified by the Central Government under Section 148(1) of the Act.

Pursuant to provisions of Section 148(6) of the Act read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, cost audit report, in Form No. CRA-4 (in XBRL mode), for the year ended March 31, 2022, was filed with the Ministry of Corporate Affairs, well within the prescribed time.

### **Secretarial Audit and Annual Secretarial Compliance Reports**

At its meeting held on May 18, 2022, the Board of Directors appointed Ms. Neena Bhatia, Practising Company Secretary (FCS No. 9492 CP. No. 2661), to undertake Secretarial Audit and issue Annual Secretarial Compliance Report for the year ended March 31, 2023.

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on May 9, 2023, took on record, the Secretarial Audit Report (Form No. MR-3) which is enclosed as **Annexures 'G' and 'G-1'** to this Report. The Company continues to have an unqualified Secretarial Audit Report.

In compliance with Regulation 24A(2) of the Listing Regulations, the Board, at its meeting held on May 9, 2023, took on record, the Annual

Secretarial Compliance Report for the year ended March 31, 2023. The Report, which is in the format suggested by The Institute of Company Secretaries of India ('ICSI'), confirms that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or its material subsidiaries or promoters/directors by SEBI/BSE/NSE. The Company shall disseminate the Report on the websites of BSE and NSE within the prescribed time.

### **Compliance with Secretarial Standards**

The Company continues to comply with Secretarial Standards on Board Meetings (SS-1) and General Meetings (SS-2), including amendments thereto, issued by ICSI.

### **Annual Return**

In compliance with Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company for the year ended March 31, 2023, has been hosted on the Company's website [www.lupin.com](http://www.lupin.com) and web link for the same is <https://www.lupin.com/investors/reports-filings/>.

### **Acknowledgements**

Your Directors commend all employees of the Company for their dedication, commitment, hard work and contributions. The Board wishes to express its deep gratitude and looks forward to the continued support of the Central and State governments, banks, financial institutions, local bodies/associations, stakeholders, medical professionals, analysts and business associates.

**For and on behalf of the Board of Directors**

**Manju D. Gupta**

**Chairman**

(DIN: 00209461)

Mumbai, May 9, 2023

**ANNEXURE 'A' TO  
THE DIRECTORS' REPORT**

**FORM NO. AOC - 1**

**[Pursuant to the first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part 'A': Subsidiaries**

Name of the Subsidiary	Date since when subsidiary was acquired/incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments than in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of share holding
Lupin Pharmaceuticals, Inc., USA	30.06.2003	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	[Refer note Nos. 1 and 8]	9403.6	59297.0	49893.4	Nil	49793.8	551.5	40.1	511.4	Nil	100%
Pharma Dynamics (Proprietary) Limited, South Africa	01.03.2008	N.A.	ZAR and Exchange Rate INR 4.62 for ZAR 1	0.5	4354.9	5568.6	1213.2	44.6	6481.4	8371	224.8	612.3	Nil	100%
Hormosan Pharma GmbH, Germany	25.07.2008	N.A.	Euro and Exchange Rate INR 89.44 for 1 Euro	81	2103.3	3930.9	1819.5	Nil	3356.8	631.5	153.5	478.0	Nil	100%
Multicare Pharmaceuticals Philippines, Inc., Philippines	26.03.2009	N.A.	PHP and Exchange Rate INR 1.51 for PHP 1	26.9	1571.9	2799.2	1200.4	Nil	2533.4	497.5	119.2	378.3	Nil	5%
Generic Health Pty Limited, Australia	27.09.2010	N.A.	AU \$ and Exchange Rate INR 55.03 for 1 AU \$	1344.3	1607.6	4662.8	1710.9	Nil	3765.7	1524.3	476.0	1048.3	Nil	100%
Lupin Atlantis Holdings SA, Switzerland	05.06.2007	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	115.9	41018.6	44053.1	2918.6	Nil	4558.0	(89.2)	(19.8)	(69.4)	Nil	100%
Lupin Healthcare (UK) Limited, UK	05.06.2009	N.A.	GBP and Exchange Rate INR 101.65 for 1 GBP	279.7	(1077.8)	1489.1	2287.2	Nil	1530.2	(21.7)	3.3	(25.0)	Nil	100%
Lupin Australia Pty Limited, Australia	01.12.2004	N.A.	AU \$ and Exchange Rate INR 55.03 for 1 AU \$	33.3	(29.0)	15.2	10.9	Nil	Nil	(0.7)	Nil	(0.7)	Nil	100%
Lupin Pharma Canada Limited, Canada	18.06.2009	N.A.	CAD and Exchange Rate INR 60.67 for 1 CAD	155.5	217.0	1825.1	1452.6	Nil	2496.9	130.6	36.8	93.8	Nil	100%
Lupin Mexico S.A., de C.V., Mexico	23.08.2010	N.A.	MXN \$ and Exchange Rate INR 4.55 for MXN \$ 1	52.2	(43.7)	85	[Refer note No. 9]	Nil	Nil	1.2	Nil	1.2	Nil	100%
Bellwether Pharma Pty Limited, Australia	27.09.2010	N.A.	AU \$ and Exchange Rate INR 55.03 for 1 AU \$	264.5 [Refer note No. 4]	(274.3)	Nil	98	Nil	Nil	Nil	Nil	Nil	Nil	100%
Lupin Philippines Inc., Philippines	20.12.2010	N.A.	PHP and Exchange Rate INR 1.51 for PHP 1	59.9	140.4	5779	377.6	Nil	375.1	47.4	11.8	35.6	Nil	100%
Lupin Diagnostics Limited, India (formerly known as Lupin Healthcare Limited)	17.03.2011	N.A.	INR	26.2	(749.0)	1240.6	1963.4	Nil	254.5	(738.4)	(7.6)	(730.8)	Nil	100%
Generic Health SDN. BHD., Malaysia	18.05.2011	N.A.	RM and Exchange Rate INR 18.62 for RM 1	9.3	(9.1)	0.5	0.3	Nil	Nil	(0.6)	Nil	(0.6)	Nil	100%
Lupin Inc., USA	27.06.2013	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	67938.9	(94261.2)	27186.8	53509.1	Nil	20026.7	(1206.8)	(6.2)	(1200.6)	Nil	100%
Nanomi B.V., the Netherlands	30.03.2007	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	22633.9	56928.6	82545.4	2982.9	Nil	Nil	(1467.9)	12.9	(1480.8)	Nil	100%
Laboratorios Grin, S.A. de C.V., Mexico	01.10.2014	N.A.	MXN \$ and Exchange Rate INR 4.55 for MXN \$ 1	85.42	2285.5	4486.6	1346.9	Nil	3303.2	559.6	148.4	411.2	Nil	100%

(INR in million)



Name of the Subsidiary	Date since when subsidiary was acquired/incorporated	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed dividend	% of share holding
Medquimica Industria Farmaceutica LTDA, Brazil [Refer note No. 5]	24.06.2015	N.A.	BRL and Exchange Rate INR 16.17 for BRL 1	5462.5 [Refer note No. 5]	(5142.3)	6616.7	6296.5	Nil	4257.4	(534.8)	(25.6)	(509.2)	Nil	100%
Novel Laboratories, Inc., USA	08.03.2016	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	[Refer note No. 10]	6187.7	7388.8	1201.1	Nil	6693.3	(468.8)	45.1	(513.9)	Nil	100%
Lupin Research Inc., USA	08.03.2016	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	[Refer note No. 11]	1349.7	3478.0	2128.3	Nil	1349.6	193.2	97.8	95.4	Nil	100%
Lupin Management, Inc., USA	10.10.2017	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	Nil	129.5	496.9	367.4	Nil	Nil	63.6	21.7	41.9	Nil	100%
Lupin Europe GmbH, Germany	05.02.2018	N.A.	Euro and Exchange Rate INR 89.44 for 1 Euro	2.0	76.2	140.0	61.8	Nil	52.0	(38.7)	Nil	(38.7)	Nil	100%
Lupin Biologics Limited, India	28.01.2021	N.A.	INR	1.5	(1.3)	0.2	[Refer note No. 12]	Nil	Nil	(0.1)	Nil	(0.1)	Nil	100%
Lupin Oncology Inc., USA	15.03.2021	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	1135.8	(2814.9)	543.6	2222.7	Nil	Nil	(1326.7)	Nil	(1326.7)	Nil	99.30%
Lupin Foundation, India	28.06.2016	N.A.	INR	[Refer note No. 13]	(0.9)	0.3	0.1	Nil	Nil	(65.1)	Nil	(65.1)	Nil	100%
Avenue Coral Spring LLC, USA	29.11.2021	N.A.	US \$ and Exchange Rate INR 82.17 for 1 US \$	[Refer note No. 15]	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%
Southern Cross Pharma Pty Limited, Australia	03.02.2022	N.A.	AU \$ and Exchange Rate INR 55.03 for 1 AU \$	[Refer note Nos. 4 and 14]	1451.2	2240.4	789.2	Nil	1537.7	355.7	106.7	249.0	Nil	100%
Lupin Digital Health Limited, India	21.05.2021	N.A.	INR	445.8	36.0	759.3	277.5	Nil	0.2	(351.2)	6.6	(357.8)	Nil	100%

**Notes:**

- The shares in Lupin Pharmaceuticals, Inc., USA, are held by Lupin Inc., USA (97%) and Lupin Limited (3%).
- The entire shareholdings of Pharma Dynamics Pty Limited, South Africa, Lupin Inc., USA, Hormosan Pharma GmbH, Germany, Generic Health Pty Limited, Australia, Lupin Mexico S.A. de C.V., Mexico, Lupin Philippines Inc., Philippines and Generic Health SDN. BHD., Malaysia, are held by Nanomi B.V., the Netherlands.
- The entire shareholdings of Lupin Healthcare (UK) Limited, UK, Lupin Pharma Canada Limited, Canada, Laboratorios Grin S.A. de C.V., Mexico and Lupin Europe GmbH, Germany, are held by Lupin Atlantis Holdings SA, Switzerland.
- The entire shareholding of Bellwether Pharma Pty Limited, Australia and Southern Cross Pharma Pty Limited, Australia are held by Generic Health Pty Limited, Australia.
- Lupin Atlantis Holdings SA, Switzerland, holds 73.88% and Nanomi B.V., the Netherlands, holds 26.12% shares in Medquimica Industria Farmaceutica LTDA, Brazil.
- The entire shareholdings of Novel Laboratories, Inc., USA, Lupin Research Inc., USA and Lupin Management, Inc., USA are held by Lupin Inc., USA.
- Lupin Mexico S.A. de C.V., Mexico, Generic Health SDN. BHD., Malaysia, Lupin Biologics Limited, India, Avenue Coral Springs LLC, USA and Lupin Oncology Inc., USA have not yet commenced commercial operations.
- Lupin Pharmaceuticals, Inc., USA, has Share Capital of US \$ 1 i.e. INR 62/-.
- Total liabilities in Lupin Mexico S.A. de C.V. Mexico, are INR 54,031/-.
- Novel Laboratories, Inc., USA, has Share Capital of US \$ 1 i.e. INR 67/-.
- Lupin Research Inc., USA, has Share Capital of US \$ 1 i.e. INR 67/-.

- 12) Total liabilities in Lupin Biologics Limited, India, are INR 29,500/-.
- 13) Lupin Foundation, India, has a corpus fund of INR 1.1 million.
- 14) Southern Cross Pharma Pty Limited, Australia, has Share Capital of AU \$ 100 i.e. INR 5,334/-.
- 15) The entire shareholding of Avenue Coral Spring LLC, USA, is held by Lupin Research Inc., USA.
- 16) Figures in brackets denote negative amounts.

**For and on behalf of the Board of Directors**

<b>Manju D. Gupta</b> <i>Chairman</i>	<b>Vinita Gupta</b> <i>Chief Executive Officer</i>	<b>Nilesh D. Gupta</b> <i>Managing Director</i>	<b>Ramesh Swaminathan</b> <i>Executive Director, Global CFO &amp; CRO and Head - Corporate Affairs</i>	<b>R. V. Satam</b> <i>Company Secretary</i>
(DIN: 00209461)	(DIN: 00058631)	(DIN: 01734642)	(DIN: 01833346)	(ACS - 11973)

Mumbai, May 9, 2023

**Part 'B': Joint Ventures**

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

	(INR in million)
<b>Name of the Jointly Controlled Entity</b>	YL Biologics Limited, Japan
<b>1) Latest Audited Balance Sheet Date</b>	March 31, 2023
<b>2) Date on which Jointly Controlled Entity was acquired</b>	April 23, 2014
<b>3) Shares of the Jointly Controlled Entity held by the Company on the year end *(Refer note below)</b>	
Number	450 Common Shares of JPY Nil
Amount of investment in the Jointly Controlled Entity	300.7
Extent of Holding %	45%
<b>4) Description of how there is significant influence</b>	N.A.
<b>5) Reason why the Jointly Controlled Entity is not consolidated</b>	N.A.
<b>6) Networth attributable to Shareholding as per latest audited Balance Sheet</b>	300.7
<b>7) Profit/(Loss) for the year</b>	
(i) Considered in Consolidation (after inter company adjustment)	-
(ii) Not Considered in Consolidation	-

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

**For and on behalf of the Board of Directors**

<b>Manju D. Gupta</b> <i>Chairman</i>	<b>Vinita Gupta</b> <i>Chief Executive Officer</i>	<b>Nilesh D. Gupta</b> <i>Managing Director</i>	<b>Ramesh Swaminathan</b> <i>Executive Director, Global CFO &amp; CRO and Head - Corporate Affairs</i>	<b>R. V. Satam</b> <i>Company Secretary</i>
(DIN: 00209461)	(DIN: 00058631)	(DIN: 01734642)	(DIN: 01833346)	(ACS - 11973)

Mumbai, May 9, 2023

## ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

#### 1. Brief outline on CSR policy of the Company:

The CSR Policy aims at:

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

#### 2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Manju D. Gupta	<i>Chairman, Non-Executive Director</i>	2	1
2.	Dr. Kamal K. Sharma (up to October 13, 2022)	<i>Member, Non-Executive Director</i>	1	1
3.	Ms. Vinita Gupta	<i>Member, Chief Executive Officer</i>	2	2
4.	Mr. Nilesh D. Gupta	<i>Member, Managing Director</i>	2	2
5.	Mr. K. B. S. Anand	<i>Member, Independent Director</i>	2	2

#### 3. Provide the web-links where composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of the CSR Committee, CSR Policy and CSR Projects have been hosted on the Company's website [www.lupin.com](http://www.lupin.com) and web links for the same are <https://www.lupin.com/investors/committees-of-the-board/>, <https://www.lupin.com/wp-content/uploads/2023/04/CSR-POLICY-2023.pdf> and <https://www.lupinfoundation.in/> respectively.

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

As none of the CSR projects undertaken by the Company had outlays of ₹ one crore or more, there was no need to undertake impact assessment study.

**5. (a) Average net profit of the Company as per Section 135(5):**

The average standalone net profit of the Company for the last three financial years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 was ₹ 14515 million.

**(b) Two percent of the average net profit of the Company as per Section 135(5):** ₹ 290.3 million.

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil.

**(d) Amount required to be set off for the financial year, if any:** Nil.

**(e) Total CSR obligation for the financial year (5b + 5c - 5d):** ₹ 290.3 million.

**6. (a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project):** ₹ 282.9 million

**(b) Amount spent on Administrative Overheads:** ₹ 9.5 million

**(c) Amount spent on Impact Assessment, if applicable:** Nil

**(d) Total amount spent for the financial year (6a+6b+6c):** ₹ 292.4 million

**(e) CSR amount spent or unspent for the financial year:**

Amount Unspent (₹)					
Total amount spent during the Financial Year	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
292.4 million	Nil	N.A.	N.A.	Nil	N.A.

**(f) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (₹ million)
i.	Two percent of average net profit of the Company as per Section 135(5)	290.3
ii.	Total amount spent for the financial year	292.4
iii.	Excess amount spent for the financial year [(ii)-(i)]*	2.1
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.1

\* Prepaid expenses of ₹ 2.1 million is accounted in Company's accounts.

**7. Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year(s) (FY 2019-20, FY 2020-21 and FY 2021-22)	Amount transferred to Unspent CSR account under Section 135(6) (₹)	Balance Amount in Unspent CSR Account under Section 135(6) (₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (₹)	Deficiency, if any
					Amount (₹)	Date of transfer		
N.A.								

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/acquired: N.A.

**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

1.	2.	3.	4.	5.	6.		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR spent (₹)	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
N.A.							

- 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):** N.A.

For and on behalf of the Board of Directors

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

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

Mumbai, May 9, 2023



**ANNEXURE 'C' TO  
THE DIRECTORS' REPORT**

**FORM NO. AOC - 2**

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

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

1. All contracts/arrangements/transactions entered into by the Company with related parties during the year ended March 31, 2023, were at arm's length basis.
2. Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis: -

<b>Name of the related party and nature of relationship</b>	<b>Nature of contracts/arrangements/transactions</b>	<b>Duration of the contracts/arrangements/transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value</b>	<b>Dates of approval by the Audit Committee/Board</b>	<b>Amount paid as advances</b>
Lupin Pharmaceuticals, Inc., USA (wholly owned subsidiary)	Sale of Goods	Continuous	Based on Transfer Pricing Guidelines - ₹ 17602.7 million	August 2, 2022/August 3 2022; November 8, 2022/November 9, 2022; February 9, 2023/February 9, 2023; and May 9, 2023/May 9, 2023.	Nil

**For and on behalf of the Board of Directors**

**Manju D. Gupta**

**Chairman**

(DIN: 00209461)

Mumbai, May 9, 2023

## ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

### (A) Conservation of energy:

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

- (a) Installed fitch fuel catalyst for Boiler.
- (b) Replaced old evaporators with efficient ones.
- (c) Installed steam operated pumping trap and pressure reducing valve.
- (d) Installed ball-based automatic tube cleaning system.
- (e) Replaced conventional blowers with energy efficient ones.
- (f) Replaced steam-based heat pump with energy efficient ones.
- (g) Installed motion sensors in new warehouse.
- (h) Replaced star delta electric panel with VFD panel.
- (i) Installed EC motors for air handling and ventilation units.
- (j) Installed economiser in TPH boiler.
- (k) Replaced non-variable frequency drive chillers with new screw chillers.
- (l) Installed flash-jet pump.
- (m) Installed variable frequency drive for utility cooling tower pump.
- (n) Optimised reverse osmosis plant permeate recovery.
- (o) Installed zero-purge air dryer.
- (p) Installed double-effect evaporator system.
- (q) Replaced conventional lights with energy-efficient ones.

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

- (a) Installed solar roof-top.
- (b) Purchased hybrid power energy.
- (c) Purchased low-cost steam.
- (d) Increased alternate fuel mix.
- (e) Used wind power.

**(iii) capital investment on energy conservation equipments: - ₹ 96.5 million.**

### (B) Technology absorption:

#### (i) efforts made towards technology absorption;

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

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

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

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

No specific technology was imported during FY 2022-23. The Company developed technology through efforts of its in-house Research & Development.

**(b) year of import;**

N.A.

**(c) whether the technology been fully absorbed;**

N.A.

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

N.A.

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

<b>(a)</b>	Capital	₹ 906.5 million
<b>(b)</b>	Recurring (excluding depreciation of ₹ 1056.0 million)	₹ 11744.0 million
	<b>Total:</b>	<b>₹ 12559.0 million</b>

**(C) Foreign exchange earnings and outgo:**

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

Foreign Exchange earned in terms of actual inflows	₹ 48057.3 million
Foreign Exchange outgo in terms of actual outflows	₹ 21751.7 million

**For and on behalf of the Board of Directors**

**Manju D. Gupta**

**Chairman**

(DIN: 00209461)

Mumbai, May 9, 2023

## ANNEXURE 'E' TO THE DIRECTORS' REPORT

Disclosure envisaged in terms of Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEBSE Regulations').

Details of diluted EPS on issue of shares pursuant to all the schemes as on March 31, 2023, were as under: -

DESCRIPTION	DETAILS
Diluted earnings per share (EPS) (Consolidated) on issue of shares pursuant to all the schemes covered under the Regulations, calculated in accordance with Accounting Standard IND (AS) 33 'Earnings per share'.	Diluted earnings per share (consolidated) as on 31.03.2023: ₹ 9.41 No. of Options outstanding as on 31.03.2023: <b>3262331</b> Shares

### DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2023

Particulars of Employee Stock Option Scheme (ESOS) as on March 31, 2023, were as under: -

#### (i) Description of each ESOS existed during 01.04.2022 and 31.03.2023:

Sl. No.	Name of the Plan	Date of shareholder's approval	Total no. of options approved	Vesting Requirements	Exercise price or pricing formula	Maximum term of options granted	Source of shares	Variation in terms of options
1.	Lupin Employees Stock Option Plan 2003 (ESOP 2003)	05.12.2003	3957310	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
2.	Lupin Employees Stock Option Plan 2005 (ESOP 2005)	28.07.2005	3211290	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
3.	Lupin Employees Stock Option Plan 2011 (ESOP 2011)	10.05.2011	3600000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
4.	Lupin Employees Stock Option Plan 2014 (ESOP 2014)	21.10.2014 & 07.08.2019	2975000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
5.	Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005)	28.07.2005	802820	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the market price or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation

Sl. No.	Name of the Plan	Date of shareholder's approval	Total no. of options approved	Vesting Requirements	Exercise price or pricing formula	Maximum term of options granted	Source of shares	Variation in terms of options
6.	Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011)	10.05.2011	900000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation
7.	Lupin Subsidiary Companies Employees Stock Option Plan 2014 (SESOP 2014)	21.10.2014 & 07.08.2019	1525000	Options being vested in phased manner after completion of minimum one year from the date of grant	Exercise Price is the face value or such other price as determined by the Nomination and Remuneration Committee	10 years from the date of grant	Primary	No Variation

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

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



**(iv) Option movements during the year for each ESOS:**

Sl. No.	Particulars	Details	
<b>1.</b>	Number of options outstanding at the beginning of the period	<b>Plan</b>	<b>No. of options</b>
		ESOP 2003	95030
		ESOP 2005	8350
		ESOP 2011	860643
		ESOP 2014	1125367
		SESOP 2011	402638
		SESOP 2014	962421
		<b>Total</b>	<b>3454449</b>
		<b>2.</b>	Number of options granted during the year
ESOP 2011	100000		
ESOP 2014	19546		
SESOP 2011	98161		
SESOP 2014	459557		
<b>Total</b>	<b>677264</b>		
<b>3.</b>	Number of options forfeited/lapsed during the year	Lapsed on account of resignation of employees:	
		<b>Plan</b>	<b>No. of options</b>
		ESOP 2003	16325
		ESOP 2011	142833
		ESOP 2014	58634
		SESOP 2011	11280
		SESOP 2014	133989
		<b>Total</b>	<b>363061</b>
		<b>4.</b>	Number of options vested during the year
ESOP 2011	53459		
ESOP 2014	312090		
SESOP 2011	56469		
SESOP 2014	134754		
<b>Total</b>	<b>556772</b>		
<b>5.</b>	Number of options exercised during the year	<b>Plan</b>	<b>No. of options</b>
		ESOP 2011	72061
		ESOP 2014	294451
		SESOP 2011	19790
		SESOP 2014	120019
		<b>Total</b>	<b>506321</b>
<b>6.</b>	Number of shares arising as a result of exercise of options	<b>Plan</b>	<b>No. of shares</b>
		ESOP 2011	72061
		ESOP 2014	294451
		SESOP 2011	19790
		SESOP 2014	120019
		<b>Total</b>	<b>506321</b>

Sl. No.	Particulars	Details	
		Plan	Amount (₹)
7.	Money realised by exercise of options (INR), if scheme is implemented directly by the company	ESOP 2011	18528609.10
		ESOP 2014	588902.00
		SESOP 2011	39580.00
		SESOP 2014	240038.00
		<b>Total</b>	<b>19397129.10</b>
8.	Loan repaid by the Trust during the year from exercise price received	Not Applicable	
9.	Number of options outstanding at the end of the year	<b>Plan</b>	<b>No. of options</b>
		ESOP 2003	78705
		ESOP 2005	8350
		ESOP 2011	745749
		ESOP 2014	791828
		SESOP 2011	469729
		SESOP 2014	1167970
		<b>Total</b>	<b>3262331</b>
10.	Number of options exercisable at the end of the year	<b>Plan</b>	<b>No. of options</b>
		ESOP 2003	78705
		ESOP 2005	8350
		ESOP 2011	561478
		ESOP 2014	415459
		SESOP 2011	288139
		SESOP 2014	440884
		<b>Total</b>	<b>1793015</b>

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

Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	<b>(i)</b> Weighted average exercise price of options granted during the year whose: -	
	<b>a.</b> Exercise price equals market price:	N.A.
	<b>b.</b> Exercise price is greater than market price:	N.A.
	<b>c.</b> Exercise price is less than the market price:	₹ 2.00
	<b>(ii)</b> Weighted average fair value of options granted during the year whose: -	
	<b>a.</b> Exercise price equals market price:	N.A.
	<b>b.</b> Exercise price is greater than market price:	N.A.
	<b>c.</b> Exercise price is less than the market price:	₹ 722.62

**(vi) Employee-wise details of options granted to:**

<b>a.</b>	Senior Managerial Personnel (Chairman, Vice Chairman, CEO and Managing Director)	Nil
<b>b.</b>	Employees to whom options granted amounting to 5% or more, of the total options granted during the year.	<p><b>(i)</b> Mr. Ramesh Swaminathan was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(ii)</b> Dr. Rajender Kamboj was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(iii)</b> Mr. Naresh Kumar Gupta was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(iv)</b> Mr. Rajeev Sibal was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(v)</b> Dr. Cyrus Karkaria was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(vi)</b> Mr. Sunil Makharia was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(vii)</b> Mr. Yashwant Mahadik was granted 10000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(viii)</b> Mr. Rajendra Baburao Chunodkar was granted 15000 options under ESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(ix)</b> Mr. Thierry Volle was granted 15000 options under SESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(x)</b> Mr. Patrick Nadeau was granted 7554 options under SESOP 2011 at an exercise price of ₹ 2.00.</p> <p><b>(xi)</b> Dr. Dhananjay Bakhle was granted 2470 options under ESOP 2014 at an exercise price of ₹ 2.00.</p> <p><b>(xii)</b> Mr. Makarand Avachat was granted 3700 options under ESOP 2014 at an exercise price of ₹ 2.00.</p> <p><b>(xiii)</b> Mr. Pradeep Chakravarty was granted 3700 options under ESOP 2014 at an exercise price of ₹ 2.00.</p> <p><b>(xiv)</b> Mr. Arunabha Raychaudhuri was granted 2676 options under ESOP 2014 at an exercise price of ₹ 2.00.</p> <p><b>(xv)</b> Mr. Gautam Pareek was granted 7000 options under ESOP 2014 at an exercise price of ₹ 2.00.</p> <p><b>(xvi)</b> Dr. Shahin Fesharaki was granted 142014 options under SESOP 2014 at an exercise price of ₹ 2.00.</p> <p><b>(xvii)</b> Mr. Spiro Gavaris was granted 33137 options under SESOP 2014 at an exercise price of ₹ 2.00.</p>
<b>c.</b>	Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year.	Nil

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

- Fair value calculated by using Black-Scholes option pricing model.
- Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- Exercise Price: Exercise Price is the price payable by the employee for exercising the ESOP granted in pursuance of the terms of the Plan.
- Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.
- Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.
- Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for five to six years preceding the date of the grant.

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

Variables	Weighted Average Information							
	1.	2.	3.	4.	5.	6.	7.	8.
Plan	SESOP 2011	SESOP 2011	SESOP 2014	ESOP 2011	ESOP 2014	SESOP 2011	ESOP 2014	SESOP 2011
Grant date	25.04.2022	19.07.2022	19.07.2022	21.11.2022	21.11.2022	21.11.2022	12.12.2022	12.12.2022
Risk free rate (%)	6.58	6.98	6.33	6.99	6.99	6.99	7.01	7.00
Expected life (years)	6.25	6.25	2.60	6.25	6.25	6.25	6.25	6.25
Volatility (%)	31.28	31.35	32.20	31.23	31.23	31.23	31.18	31.18
Dividend yield (%)	0.60	0.60	0.60	0.57	0.57	0.57	0.60	0.60
Stock price (NSE closing rate) ₹	725.40	643.80	643.80	720.90	720.90	720.90	752.00	752.00
<b>Option Fair Value ₹</b>	<b>696.10</b>	<b>617.75</b>	<b>631.78</b>	<b>694.20</b>	<b>694.20</b>	<b>694.20</b>	<b>724.23</b>	<b>724.23</b>

Variables	Weighted Average Information		
	9.	10.	11.
Plan	SESOP 2014	SESOP 2014	SESOP 2014
Grant date	12.12.2022	30.01.2023	20.02.2023
Risk free rate (%)	6.63	6.78	6.83
Expected life (years)	2.60	2.60	2.60
Volatility (%)	31.43	31.20	31.53
Dividend yield (%)	0.60	0.60	0.60
Stock price (NSE closing rate) ₹	752.00	734.70	667.10
<b>Option Fair Value ₹</b>	<b>739.20</b>	<b>722.23</b>	<b>655.63</b>

#### DETAILS OF STOCK APPRECIATION RIGHTS AS ON MARCH 31, 2023

**A description of each SAR Scheme existed during 01.04.2022 and 31.03.2023:** No Scheme existed

#### DETAILS RELATED TO TRUST AS ON MARCH 31, 2023

- (i) **General information of all schemes:** No Scheme existed.  
(ii) **Brief details of transactions in shares by the Trust:** Not Applicable.  
(iii) **In case of secondary acquisition of shares by the Trust:** Not Applicable.

**For and on behalf of the Board of Directors**

**Manju D. Gupta**  
**Chairman**

(DIN: 00209461)

Mumbai, May 9, 2023

**ANNEXURE 'F' TO  
THE DIRECTORS' REPORT**

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

Sl. No.	Name of the Director/Key Managerial Personnel and Designation	% increase in the remuneration for the year ended March 31, 2023	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mrs. Manju D. Gupta, <i>Chairman</i>	-78.4%	3
2.	Dr. Kamal K. Sharma, <i>Vice Chairman</i> (up to October 13, 2022)	-68.6% (Refer note No. vi)	23
3.	Ms. Vinita Gupta, <i>Chief Executive Officer</i>	-24.7% (Refer note No. v)	202
4.	Mr. Nilesh D. Gupta, <i>Managing Director</i>	-30%	92
5.	Mr. Ramesh Swaminathan, <i>Executive Director, Global CFO &amp; CRO and Head - Corporate Affairs</i>	-4.1%	143
6.	Mr. Jean-Luc Belingard <i>Independent Director</i>	-82.3%	3
7.	Ms. Christine Mundkur <i>Independent Director</i> (up to December 31, 2022)	-19.8% (Refer note No. vii)	12
8.	Mr. K. B. S. Anand <i>Independent Director</i>	-79.9%	3
9.	Dr. Punita Kumar-Sinha <i>Independent Director</i>	-79.4%	3
10.	Mr. Mark D. McDade <i>Independent Director</i>	-81.5%	3
11.	Mr. R. V. Satam, <i>Company Secretary</i>	6.3%	N.A.

- i) The median remuneration of employees of the Company for the year ended March 31, 2023 was ₹ 0.54 million.
- ii) During the year ended March 31, 2023, there was an increase of 3.85 % in the median remuneration of employees.
- iii) During the year ended March 31, 2023, there was an average increase of 11.3% in the salaries of employees other than key managerial personnel.
- iv) As on March 31, 2023, the Company had 18731 permanent employees.
- v) Ms. Vinita Gupta is an employee of Lupin Management, Inc., USA, wholly owned subsidiary of the Company.
- vi) Dr. Kamal K. Sharma was on the Board of the Company till October 13, 2022, hence his remuneration for FY 2022-23 is not comparable with that of FY 2021-22.
- vii) Ms. Christine Mundkur was on the Board of the Company till December 31, 2022, hence her remuneration for FY 2022-23 is not comparable with that of FY 2021-22.
- viii) We affirm that payment of remuneration is as per the Nomination & Remuneration policy of the Company.

**For and on behalf of the Board of Directors**

**Manju D. Gupta**  
**Chairman**

(DIN: 00209461)

Mumbai, May 9, 2023



**ANNEXURE 'G'  
TO THE DIRECTORS' REPORT****FORM NO. MR - 3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

**[Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].**

To,  
The Members,  
**Lupin Limited**

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

Based on my verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company as also information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the year ended March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: -

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the year ended March 31, 2023, according to the provisions of: -

1. The Companies Act, 2013, amendments thereto and Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
3. The Depositories Act, 1996 and Regulations and Byelaws framed thereunder;
4. Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder to the extent of Foreign Direct Investment, as amended from time to time;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time;
  - b. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time; and
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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

**I further report that**

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

- a. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945, as amended from time to time;
- b. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, as amended from time to time; and
- c. Drugs (Price Control) Order, 2013, as amended from time to time.

**I further report that**

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

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

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

**I further report that** during the financial year: -

- 1) The Company has issued and allotted 506321 equity shares aggregating ₹ 1,012,642 to eligible employees of the Company and its subsidiaries on exercising options under various stock option plans.
- 2) Dr. Kamal K. Sharma, Vice Chairman and Ms. Christine Mundkur, Independent Director, stepped down from the directorships of the Company effective October 14, 2022 and January 1, 2023, respectively.

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

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

**Place:** Mumbai

**Date:** May 9, 2023

**UDIN:** F009492E000272843

**Peer reviewed no.:** 1012/2020

**ANNEXURE 'G'-1****(TO THE SECRETARIAL AUDIT REPORT OF LUPIN LIMITED FOR YEAR ENDED MARCH 31, 2023).**

To,  
The Members,  
**Lupin Limited**

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

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

**Ms. Neena Bhatia**  
**(Company Secretary)**

FCS No: 9492

CP. No.: 2661

**Place:** Mumbai

**Date:** May 9, 2023

**UDIN:** F009492E000272843

**Peer reviewed no.:** 1012/2020