

# CORPORATE GOVERNANCE REPORT

## [1] Company's Philosophy on Corporate Governance:

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

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

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

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

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

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

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

**[2] Board of Directors:**

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

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

**Notes:**

- P. & E.D.: Promoter & Executive Director; P. & N.E.D.: Promoter & Non-Executive Director; E.D.: Executive Director; I. N-E.D.: Independent Non-Executive Director.
- Mrs. Manju D. Gupta is wife of Late Dr. Desh Bandhu Gupta, Ms. Vinita Gupta their daughter and Mr. Nilesh Deshbandhu Gupta their son.
- No Director holds directorships in more than ten public companies and no Independent Director holds Independent directorship in more than seven listed entities.
- No Independent Director is Member of more than ten committees or Chairman of more than five committees across all public companies in which they are directors.
- Membership/Chairmanship of Committees includes only Audit Committee and Stakeholders Relationship Committee.

**Board Meetings**

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

## Details of Board Meetings

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

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

### Mr. Nilesh Deshbandhu Gupta

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

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

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

### Mr. Ramesh Swaminathan

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

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

## [3] Audit Committee:

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

internal and cost auditors and the Board. Internal Auditor makes presentations on audit findings at the meetings of the Audit Committee. The meetings of the Audit Committee are attended by the Chief Financial Officer & Executive Director, President - Finance, Head of Accounts and Head of Internal Audit. The Cost Auditor attends the Audit Committee meeting at which, the Cost Audit Report is tabled.

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

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, remuneration and terms of appointment of auditors.
- 3) Approving payments to Statutory Auditors for any other additional services rendered by them except those enumerated under Section 144 of the Act.
- 4) Examining and reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to: -
  - a) matters required to be included in the Directors' Responsibility Statement included in the Board's Report in terms of Section 134(3)(c) of the Act;
  - b) changes, if any, in accounting policies and practices and reasons therefor;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings, if any;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of related party transactions; and
  - g) modified opinion(s) in the draft audit report, if any.
- 5) Examining and reviewing with the management, the quarterly unaudited financial results together with the Limited Review Report of the Auditors before submission to the Board for approval.
- 6) Reviewing and monitoring the auditors' independence, performance and effectiveness of audit process.
- 7) Approving or any subsequent modification of transactions of the Company with related parties.
- 8) Scrutinising inter-corporate loans and investments.
- 9) Evaluating internal financial controls and risk management systems.
- 10) Reviewing with the management, the performance of statutory and internal auditors and adequacy of the internal control systems.
- 11) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, its staffing and seniority of the official heading the department, reporting structure, coverage and frequency of audits.
- 12) Discussion with the internal auditors on significant findings and follow-up thereon.
- 13) Reviewing the findings of internal auditors and reporting them to the Board.
- 14) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern, if any.
- 15) Reviewing the functioning of Whistle Blower mechanism.
- 16) Recommending to the Board, the appointment and remuneration of Cost Auditor to conduct audit of cost records in compliance with the provisions of the Act and Rules made thereunder.
- 17) Reviewing the financial statements of subsidiary companies as also the consolidated financial statements, including investments made by the subsidiary companies.
- 18) Review and discuss with the management the status and implications of major legal cases.
- 19) Carrying out such other functions as may be mentioned in the terms of reference of the Audit Committee.

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

### Details of Audit Committee Meetings

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

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

#### [4] Stakeholders' Relationship Committee:

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

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

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

#### Details of Stakeholders' Relationship Committee Meetings

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

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

#### [5] Nomination and Remuneration Committee:

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

#### Role of the NRC:

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

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors, a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- 3) devising a policy on diversity of the Board of Directors;
- 4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- 5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors;
- 6) specifying the manner for effective evaluation of performance of the Board, its Committees and individual Directors to be carried out either by the Board, by the NRC or by an Independent external agency and review its implementation and compliance; and
- 7) administration of the Employees Stock Option Plans.

#### Remuneration of Executive Directors:

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

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

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

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

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

**Remuneration of Non-Executive Directors:**

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

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

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

### Details of the Nomination and Remuneration Committee Meetings

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

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

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

### [6] Corporate Social Responsibility Committee:

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

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

### Details of the Corporate Social Responsibility Committee Meeting.

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

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

### [7] Risk Management Committee:

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

### Details of the Risk Management Committee Meeting.

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

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



**[8] Independent Directors' Meeting:**

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

**[9] Performance evaluation of Independent Directors:**

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

**[10] Familiarisation Programme for Independent Directors:**

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



## [11] General Body Meetings:

### Details of the last three Annual General Meetings: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
2014 - 15	Wednesday, July 23, 2015, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Eight Special Resolutions as under, were passed for: <ul style="list-style-type: none"><li>• re-appointments of Dr. Desh Bandhu Gupta, Executive Chairman and Mrs. Manju D. Gupta, Executive Director, for a period of five years w.e.f. January 1, 2016;</li><li>• re-appointments of Dr. Vijay Kelkar, Mr. R. A. Shah, Mr. Richard Zahn, Dr. K. U. Mada and Mr. Dileep C. Choksi as Independent Directors for a period of five years from the conclusion of the 33<sup>rd</sup> AGM till the conclusion of 38<sup>th</sup> AGM; and</li><li>• Issue of Securities.</li></ul>
2015 - 16	Wednesday, August 3, 2016, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	-
2016 - 17	Wednesday, August 2, 2017, at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	One Special Resolution was passed for granting loans and/or provide guarantees/securities and/or make investments for amounts exceeding 60% of the paid-up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding ₹ 50000 million over and above the aggregate of free reserves and securities premium account.

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

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

## [12] Related party transactions and other disclosures:

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

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

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

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

**[13] Means of communication:**

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

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

**[14] General Members' information:****INVESTORS' SERVICES**

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

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

**ANNUAL GENERAL MEETING**

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

**FINANCIAL CALENDAR**

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

**BOOK CLOSURE**

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

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

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

## DIVIDEND PAYMENT DATE

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

## SHARES LISTED AT

The equity shares of the Company are listed at: -

### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai Samachar Marg,  
Mumbai - 400 001.

### National Stock Exchange of India Limited (NSE)

Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051.

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

## STOCK CODES

The stock codes of the Company are: -

**BSE : 500257**

**NSE : LUPIN**

## INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

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

## CORPORATE IDENTITY NUMBER (CIN)

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

## EXCLUSIVE E-MAIL ID FOR COMMUNICATION OF INVESTORS' GRIEVANCES

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

**rnt.helpdesk@linkintime.co.in**

## MARKET PRICE DATA

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

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

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

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

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

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

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

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

**PERFORMANCE IN COMPARISON WITH BROAD BASED INDICES**

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

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

## EVOLUTION OF SHARE CAPITAL

Particulars of Equity Share Capital of the Company: -

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

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

## SHARE TRANSFER SYSTEM

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

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

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

## SHARE ALLOTMENT COMMITTEE

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

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

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

**UNCLAIMED SHARES**

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

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

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

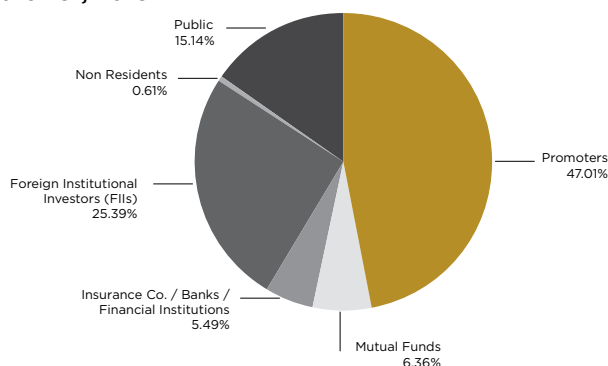
As on March 31, 2018, the balance in the Unclaimed Suspense Account was 136450 shares of 219 shareholders, the voting rights in respect of which shall remain frozen till the claim of the rightful shareholders is approved by the Company.

**SHAREHOLDING PROFILE AS ON MARCH 31, 2018****i. Distribution of Shareholding**

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

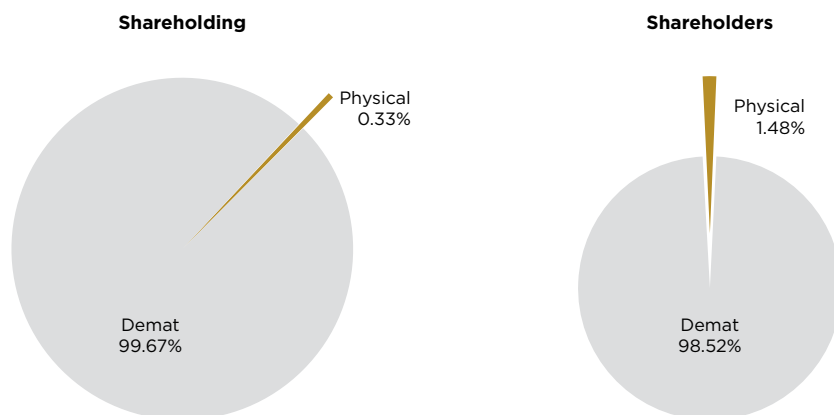
**ii. Shareholding Pattern**

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

**Shareholding Pattern as on March 31, 2018**

### iii. Shareholding Profile

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



### iv. Geographical spread of Shareholders

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



**DIVIDEND PROFILE**

Particulars of dividend declared by the Company: -

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

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

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

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

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

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

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

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

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

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

**UNCLAIMED DIVIDENDS**

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

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

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

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

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

#### OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS

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

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

#### PLANT LOCATIONS

The Company's plants are located at: -

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

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

Members may address their queries/communications to:

**Registrar and Share Transfer Agent:**

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

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

**Nilesh Deshbandhu Gupta**  
*Managing Director*  
(DIN: 01734642)

Mumbai, May 15, 2018