

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

| | | For the Current Year ended 31.03.2015 | For the Previous Year ended 31.03.2014 |
|---|-------|---|--|
| | Note | ₹ in million | ₹ in million |
| INCOME: | | | |
| Revenue from Operations (Gross) | 22 | 98,459.8 | 90,198.6 |
| Less : Excise Duty | | 935.1 | 804.8 |
| Revenue from Operations (Net) | | 97,524.7 | 89,393.8 |
| Other Income | 23 | 1,806.3 | 4,153.8 |
| Total Revenue | | 99,331 .0 | 93,547.6 |
| EXPENSES: | | | |
| Cost of Raw and Packing Materials Consumed | 24 | 22,393.2 | 21,320.0 |
| Purchases of Stock-in-Trade | 48(A) | 9,425.0 | 8,291.9 |
| Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade | 25 | (1,708.0) | (762.1) |
| Employee Benefits Expense | 26 | 10,525.5 | 8,443.2 |
| Finance Costs | 27 | 49.0 | 209.9 |
| Depreciation and Amortisation Expense | 12 | 3,367.9 | 1,676.3 |
| Other Expenses | 28 | 23,156.5 | 22,977.5 |
| Total Expenses | | 67,209.1 | 62,156.7 |
| Profit before Tax | | 32,121.9 | 31,390.9 |
| Tax Expense / (Benefit): | | | |
| - Current Tax Expense | | 8,496.0 | 8,117.0 |
| - Tax Benefit for Prior Years | | (40.9) | (15.9) |
| Net Current Tax Expense | | 8,455.1 | 8,101.1 |
| - Deferred Tax (net) | | (306.7) | 47.6 |
| Profit for the year | | 23,973.5 | 23,242.2 |
| Earnings per equity share (in ₹) | 38 | | |
| Basic | | 53.41 | 51.88 |
| Diluted | | 53.07 | 51.62 |
| Face Value of Equity Share (in ₹) | | 2.00 | 2.00 |
| See accompanying notes forming part of the financial statements | | | |

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For Lupin Limited

K.A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman
DIN: 00209378

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Gupta
Managing Director
DIN: 01734642

M. D. Gupta
Executive Director
DIN: 00209461

Dr. Vijay Kelkar
Director
DIN: 00011991

Richard Zahn
Director
DIN: 02937226

R. A. Shah
Director
DIN: 00009851

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Ramesh Swaminathan
Chief Financial Officer

R. V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 13, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

| | For the Current Year ended 31.03.2015 | For the Previous Year ended 31.03.2014 |
|---|---|--|
| | ₹ in million | ₹ in million |
| A. Cash Flow from Operating Activities | | |
| Profit before Tax | 32,121.9 | 31,390.9 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 3,367.9 | 1,676.3 |
| Loss on Sale / Write-off of Fixed Assets (net) | 38.6 | 99.6 |
| Net Gain on sale of Current Investments | (4.0) | (5.5) |
| Finance Costs | 49.0 | 209.9 |
| Interest on Deposits with Banks | (29.2) | (63.5) |
| Dividend on Current Investments | (649.6) | (25.0) |
| Dividend on Long-Term Investment from Subsidiary company | (37.1) | (3,020.2) |
| Dividend on Long-Term Investment from Others | (0.2) | (0.2) |
| Provision for Doubtful Trade Receivables / Advances / Deposits | - | 269.4 |
| Excess of carrying cost over fair value of current investments | 2.5 | - |
| Provision for Doubtful Trade Receivables / Advances / Deposits Written Back | (157.1) | (7.3) |
| Expenses on Employees Stock Options / Stock Appreciation Rights | 676.8 | 211.0 |
| Unrealised Exchange (gain) / loss on revaluation (net) | (182.9) | 595.5 |
| Operating Profit before Working Capital Changes | 35,196.6 | 31,330.9 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | (3,672.7) | (414.1) |
| Trade Receivables | 3,747.1 | (10,769.1) |
| Short-Term Loans and Advances | (322.3) | 261.0 |
| Long-Term Loans and Advances | 222.5 | (657.3) |
| Other Current Assets | 515.3 | 111.0 |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade Payables | 571.0 | 1,171.9 |
| Other Current Liabilities | (144.7) | 362.7 |
| Other Long-Term Liabilities | (12.9) | (6.2) |
| Short-Term Provisions | 137.1 | 6.5 |
| Long-Term Provisions | 262.0 | 85.7 |
| Cash Generated from Operations | 36,499.0 | 21,483.0 |
| Net Income tax paid | (7,983.8) | (6,201.7) |
| Net Cash Flow from Operating Activities | 28,515.2 | 15,281.3 |
| B. Cash Flow from Investing Activities | | |
| Capital expenditure on fixed assets, including capital advances | (5,069.8) | (3,941.5) |
| Proceeds from sale of fixed assets | 21.2 | 22.9 |
| Purchase of Long-Term Investment in subsidiaries | (8,007.6) | (3,010.1) |
| Purchase of Long-Term Investment in others | (4.5) | - |
| Advance against Investment in subsidiary | - | (14.6) |
| Net Gain on sale of Current Investments | 4.0 | 5.5 |
| Bank balances not considered as Cash and Cash Equivalents (net) | 597.8 | (636.2) |
| Dividend on Current Investments | 649.6 | 25.0 |
| Dividend on Long-Term Investment from Subsidiary company | - | 3,020.2 |
| Dividend on Long-Term Investment from Others | 0.2 | 0.2 |
| Interest on Deposits with Banks | 29.2 | 63.5 |
| Net Cash Used in Investing Activities | (11,779.9) | (4,465.1) |

| | For the Current Year ended 31.03.2015 | For the Previous Year ended 31.03.2014 |
|--|---|--|
| | ₹ in million | ₹ in million |
| C. Cash Flow from Financing Activities | | |
| Repayment of Long-Term Borrowings (net) | (50.5) | (1,204.7) |
| Repayment of Short-Term Borrowings - Loans from banks (net) | (942.1) | (4,111.5) |
| Proceeds from issue of equity shares (ESOPs) | 2.2 | 1.7 |
| Securities Premium Received (ESOPs) | 410.8 | 237.7 |
| Finance Costs | (58.4) | (221.7) |
| Dividends paid | (1,344.5) | (3,127.0) |
| Corporate Tax on Dividend | (228.7) | (19.2) |
| Net Cash Used in Financing Activities | (2,211.2) | (8,444.7) |
| Net increase in Cash and Cash Equivalents | 14,524.1 | 2,371.5 |
| Cash and Cash Equivalents as at the beginning of the year | 2,553.1 | 181.6 |
| Cash and Cash Equivalents as at the end of the year | 17,077.2 | 2,553.1 |
| Reconciliation of Cash and Cash Equivalents with the Balance Sheet | | |
| Cash and Cash Equivalents as per Balance Sheet (Refer note 19) | 593.0 | 1,462.8 |
| Less : Bank balances not considered as Cash and Cash Equivalents as defined in AS-3 - "Cash Flow Statements" (Refer note 19) | 58.0 | 655.8 |
| Add : Current Investments Considered as part of Cash and Cash Equivalents (Refer note 16) | 16,542.2 | 1,746.1 |
| Cash and Cash Equivalents as restated as at the year end | 17,077.2 | 2,553.1 |

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements".
- Cash comprises cash on hand and Current Accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

In terms of our report attached
For Deloitte Haskins & Sells LLP
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For Lupin Limited

K.A. Katki
Partner

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Chairman
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Company Secretary
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Place : Mumbai
Dated : May 13, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1A. OVERVIEW:

Lupin Limited, ('the Company') incorporated in 1983, is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded and generic formulations and active pharmaceutical ingredients (APIs). The Company along with its subsidiaries has manufacturing locations spread across India, Japan and Mexico with trading and other incidental and related activities extending to the global markets.

1B. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of accounting and preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Tangible Fixed Assets:

Fixed Assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. The Company has adopted the provisions of paragraph 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

d) Intangible Assets:

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

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

e) Foreign Currency Transactions / Translations:

i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.

ii) Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

iii) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

iv) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any

profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

- v) In respect of foreign offices, which are integral foreign operations, all revenues and expenses during the year are reported at average rates. Outstanding balances in respect of monetary assets and liabilities are restated at the year end exchange rates. Outstanding balances in respect of non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Net gain / loss on foreign currency translation is recognised in the Statement of Profit and Loss.

f) Hedge Accounting:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 (AS-30) "Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve Account" under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Cash Flow Hedge Reserve Account" are reclassified to the Statement of Profit and Loss in the same period during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Cash Flow Hedge Reserve Account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Cash Flow Hedge Reserve Account" is immediately transferred to the Statement of Profit and Loss.

g) Derivative Contracts:

The Company enters into derivative contracts in the nature of currency options, forward contracts and currency futures with an intention to hedge its existing assets and liabilities and highly probable forecast transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions / Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

The gain or loss in respect of currency futures contract the pricing period of which has expired or squared off during the year are recognised in the Statement of Profit and Loss. In respect of contract as at the year end, losses, if any, are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

All other derivative contracts are marked-to-market on a portfolio basis and losses, if any, are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

h) Investments:

Long-term investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at lower of cost and fair value. Cost of investments includes expenses directly incurred on acquisition of investments.

i) Inventories:

Inventories of all procured materials and Stock-in-Trade are valued at the lower of cost (on moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

j) Revenue recognition:

Revenue from sale of goods is recognised net of returns, product expiry claims and trade discounts, on transfer of significant risks and rewards in respect of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax. Sales are also netted off for probable non - saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Income from Research Services including sale of technology / know-how (rights, licenses, dossiers and other intangibles) is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

Revenue is recognised when it is reasonable to expect that the ultimate collection will be made.

Interest income is accounted on accrual basis. Dividend from investment is recognised as revenue when right to receive is established.

k) Depreciation and Amortisation:

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

Depreciation on tangible fixed assets of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on independent technical evaluation and management's assessment thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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

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

| Particulars | Estimated useful life |
|------------------------|-----------------------|
| Goodwill – Acquired | 5 years |
| Computer Software | 5 to 6 years |
| Trademark and Licences | 4 to 5 years |

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

l) Employee Benefits:

Employee benefits include provident fund, superannuation fund, gratuity fund, and compensated absences.

i) Defined Contribution Plans:

The Company's contribution to provident fund and superannuation fund for certain eligible employees are considered as defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Such contributions are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

ii) Defined Benefit Plans:

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Provident Fund for certain employees is administered through the "Lupin Limited Employees Provident Fund Trust". Periodic contributions to the Fund are charged to the Statement of Profit and Loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India.

iii) Short-Term Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- a. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b. in case of non-accumulating compensated absences, when the absences occur.

iv) Long-Term Employee Benefit:

The cost of compensated absences which are not expected to occur within twelve months after the end of the period

in which the employee renders the related service is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

m) Taxes on Income:

Tax expense comprises both Current Tax and Deferred Tax. Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets for timing differences in respect of unabsorbed depreciation, carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

n) Operating Leases:

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term in accordance with the respective lease agreement terms.

o) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

p) Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

q) Stock based Compensation:

i) Employees Stock Option Plans ("ESOPs"):

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. the difference between the market price of the Company's shares on the date of the grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised on a straight-line basis over the vesting period of the options.

ii) Stock Appreciation Rights ("SARs"):

The compensation cost of SARs granted to employees is measured by the intrinsic value method, i.e. the excess of

the market price of the Company's shares as at the period end and the acquisition price as on the date of grant. The compensation cost is amortised on a straight line basis over the vesting period of the SARs.

r) Government Grants, subsidies and export incentives:

Government grants and subsidies are accounted when there is reasonable assurance that the Company will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Revenue grants are recognised in the Statement of Profit and Loss.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

s) Research and Development:

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

t) Impairment of Assets:

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

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

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

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

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

u) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

v) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

w) Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

x) Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2. SHARE CAPITAL

a) Share Capital

| Particulars | As at 31 March 2015 | | As at 31 March 2014 | |
|---------------------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares | ₹ in million | No. of Shares | ₹ in million |
| Authorised | | | | |
| Equity Shares of ₹ 2 each | 500,000,000 | 1,000.0 | 500,000,000 | 1,000.0 |
| Issued, Subscribed and Paid up | | | | |
| Equity Shares of ₹ 2 each fully paid | 449,488,335 | 899.0 | 448,375,804 | 896.8 |
| Total | 449,488,335 | 899.0 | 448,375,804 | 896.8 |

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31 March 2015 | | As at 31 March 2014 | |
|--|---------------------|--------------|---------------------|--------------|
| | No. of Shares | ₹ in million | No. of Shares | ₹ in million |
| Equity Shares outstanding at the beginning of the year | 448,375,804 | 896.8 | 447,529,493 | 895.1 |
| Equity Shares issued during the year pursuant to exercise of ESOPs | 1,112,531 | 2.2 | 846,311 | 1.7 |
| Equity Shares outstanding at the end of the year | 449,488,335 | 899.0 | 448,375,804 | 896.8 |

c) Rights attached to Equity Shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended 31 March 2015, the amount of dividend per equity share recognised as distributions to equity shareholders is ₹ 7.5 (previous year ₹ 6 which includes ₹ 3 interim dividend and ₹ 3 final dividend).

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares held by each shareholder holding more than 5% equity shares

| Name of Shareholder | As at 31 March 2015 | | As at 31 March 2014 | |
|-----------------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Zyma Laboratories Limited | 54,960,490 | 12.23 | 54,960,490 | 12.26 |
| Rahas Investments Pvt. Limited | 45,699,510 | 10.17 | 45,699,510 | 10.19 |
| Visiomed Investments Pvt. Limited | 43,514,660 | 9.68 | 43,514,660 | 9.70 |
| Lupin Holdings Pvt. Limited | 40,401,000 | 8.99 | 40,401,000 | 9.01 |

e) Shares reserved for issuance under Stock Option Plans of the Company

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2015 | 31 March 2014 |
| | No. of Shares | No. of Shares |
| Lupin Employees Stock Option Plan 2003 | 343,000 | 687,134 |
| Lupin Employees Stock Option Plan 2005 | 445,304 | 532,479 |
| Lupin Employees Stock Option Plan 2011 | 2,758,708 | 3,297,482 |
| Lupin Employees Stock Option Plan 2014 | 3,375,000 | - |
| Lupin Subsidiary Companies Employees Stock Option Plan 2005 | 233,536 | 371,103 |
| Lupin Subsidiary Companies Employees Stock Option Plan 2011 | 878,097 | 895,113 |
| Lupin Subsidiary Companies Employees Stock Option Plan 2014 | 1,125,000 | - |

f) Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Company

| Particulars | As at | As at |
|--|-------------------------|-------------------------|
| | 31 March 2015 | 31 March 2014 |
| | Aggregate No. of Shares | Aggregate No. of Shares |
| Equity Shares: | | |
| Issued under various Stock Option plans of the Company | 4,769,170 | 5,194,344 |

g) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

3. RESERVES AND SURPLUS

| | As at 31.03.2015 ₹ in million | As at 31.03.2014 ₹ in million |
|--|-------------------------------------|-------------------------------------|
| Capital Reserve | | |
| - Investment Subsidies from Central Government | | |
| Opening and Closing Balance as per last Balance Sheet | 1.0 | 1.0 |
| - Investment Subsidies from State Government | | |
| Opening and Closing Balance as per last Balance Sheet | 8.2 | 8.2 |
| - On restructuring of capital of the Company under the Scheme of Amalgamation | | |
| Opening and Closing Balance as per last Balance Sheet | 254.7 | 254.7 |
| | 263.9 | 263.9 |
| Capital Redemption Reserve | | |
| Opening and Closing Balance as per last Balance Sheet | 126.5 | 126.5 |
| | 126.5 | 126.5 |
| Securities Premium Account | | |
| Opening Balance as per last Balance Sheet | 5,633.4 | 5,378.2 |
| Add : Additions during the year* | 410.8 | 255.2 |
| Balance as at the year end | 6,044.2 | 5,633.4 |
| Employees Stock Options Outstanding (Refer note 39) | | |
| - Employees Stock Options Outstanding | | |
| Opening Balance as per last Balance Sheet | 47.7 | 43.2 |
| Add : Options granted during the year | 414.1 | 22.0 |
| Less : Exercised during the year | - | 17.5 |
| Less : Lapsed during the year | 8.4 | - |
| Balance as at the year end (A) | 453.4 | 47.7 |
| - Deferred Employees Stock Options Cost | | |
| Opening Balance as per last Balance Sheet | 11.3 | 8.7 |
| Add : Options granted during the year | 414.1 | 22.0 |
| Less : Amortisation during the year | 56.7 | 19.4 |
| Less : Lapsed during the year | 8.4 | - |
| Balance as at the year end (B) | 360.3 | 11.3 |
| (A-B) | 93.1 | 36.4 |
| Employee Stock Appreciation Rights Outstanding (Refer note 40) | | |
| Opening Balance as per last Balance Sheet | 225.9 | 34.3 |
| Add : Additions during the year | 620.1 | 191.6 |
| Less : Transferred to General Reserve | 379.0 | - |
| Balance as at the year end | 467.0 | 225.9 |
| General Reserve | | |
| Opening Balance as per last Balance Sheet | 15,515.4 | 13,015.4 |
| Add : Transferred from Surplus in the Statement of Profit and Loss | - | 2,500.0 |
| Add : Transferred from Employee Stock Appreciation Rights Outstanding | 379.0 | - |
| Balance as at the year end | 15,894.4 | 15,515.4 |
| Amalgamation Reserve | | |
| Opening and Closing Balance as per last Balance Sheet | 317.9 | 317.9 |
| | 317.9 | 317.9 |
| Cash Flow Hedge Reserve (Refer note 43) | | |
| Opening Balance as per last Balance Sheet | 127.6 | (137.9) |
| Add : Effect of foreign exchange rate variations on hedging instruments outstanding [net of deferred tax of ₹ 34.2 million (previous year ₹ 102.5 million)] | 135.2 | 302.3 |
| Less : Transferred to the Statement of Profit and Loss | 42.6 | 36.8 |
| Balance as at the year end | 220.2 | 127.6 |
| Surplus in the Statement of Profit and Loss | | |
| Opening Balance as per last Balance Sheet | 46,646.6 | 28,539.2 |
| Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax ₹ 314.6 million) (Refer notes 12 & 51) | 610.8 | - |
| Add : Profit for the year | 23,973.5 | 23,242.2 |
| Less : Transferred to General Reserve | - | 2,500.0 |
| Less : Interim Dividend paid on Equity Shares [Refer note 2(c)] | - | 1,345.0 |
| Less : Proposed Final Dividend on Equity Shares [Refer note 2(c)] | 3,371.2 | 1,345.1 |
| Less : Dividend for previous year on Equity Shares issued after year end pursuant to ESOPs allotment | 0.5 | 1.1 |
| Add : Reversal of Corporate Tax on Final Dividend for previous year (in terms of Section 115-O / 115BBD of the Income-tax Act, 1961) | - | 304.2 |
| Less : Corporate Tax on Dividend ** | 686.4 | 247.8 |
| Balance as at the year end | 65,951.2 | 46,646.6 |
| Total | 89,378.4 | 68,893.6 |

* Represents amount received on allotment of 1,112,531 (previous year 846,311) Equity Shares of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans" [Refer note 39 (a)].

** Represents Corporate Tax on Proposed Final Dividend ₹ 686.3 million (previous year ₹ 228.6 million), on Interim Dividend ₹ nil (previous year ₹ 19.2 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.1 million (previous year ₹ nil).

4. LONG-TERM BORROWINGS

| | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------------|---------------------|
| | ₹ in million | ₹ in million |
| (Refer note 10) | | |
| Term Loans - from other parties | | |
| Unsecured | | |
| Deferred Sales Tax Loan from Government of Maharashtra | 36.5 | 46.2 |
| Term Loans from Council for Scientific and Industrial Research (CSIR) | 123.8 | 154.7 |
| Term Loans from Department of Science and Technology (DST) | 31.1 | 41.5 |
| Total | 191.4 | 242.4 |

- a) Deferred Sales Tax Loan is interest free and payable in 5 equal annual installments after expiry of initial 10 years moratorium period from each such year of deferral period from 1998-99 to 2009-10.
- b) Term Loans from CSIR carry interest of 3% p.a. and is payable in 5 annual installments of ₹ 30.9 million each alongwith interest.
- c) Term Loans from DST carry interest of 3% p.a. and is payable in 4 annual installments of ₹ 10.4 million each alongwith interest.
- d) The Company has not defaulted on repayment of loans and interest during the year.

5. DEFERRED TAX LIABILITIES (NET)

| | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|---------------------|
| | ₹ in million | ₹ in million |
| Tax effect of items constituting Deferred Tax Liabilities | | |
| On differences between book and tax depreciation | 2,475.2 | 3,022.2 |
| Cash Flow Hedge Reserve | 82.7 | 48.6 |
| | 2,557.9 | 3,070.8 |
| Less : Tax effect of items constituting Deferred Tax Assets | | |
| Provision for Doubtful Trade Receivables / Advances | 75.1 | 127.2 |
| VRS Compensation | 44.0 | 47.9 |
| Provision for Employee Benefits | 372.2 | 276.2 |
| Others | 174.4 | 140.2 |
| | 665.7 | 591.5 |
| Total | 1,892.2 | 2,479.3 |

6. OTHER LONG-TERM LIABILITIES

| | | |
|---------------------------------------|-------------|-------------|
| Trade Payables (Refer note 46) | 82.2 | 95.1 |
| Mark to Market Derivative Liabilities | 2.8 | - |
| Total | 85.0 | 95.1 |

7. LONG-TERM PROVISIONS

| | | |
|--|----------------|--------------|
| Provisions for Employee Benefits (Refer note 11) | | |
| Gratuity [Refer note 41 (ii) (A)] | 574.0 | 431.8 |
| Compensated Absences | 457.2 | 328.4 |
| Provident Fund [Refer note 41 (ii) (B)] | - | 9.0 |
| Total | 1,031.2 | 769.2 |

8. SHORT-TERM BORROWINGS

| | As at 31.03.2015 ₹ in million | As at 31.03.2014 ₹ in million |
|------------------|-------------------------------------|-------------------------------------|
| Secured | | |
| Loans from Banks | 209.5 | 500.0 |
| | 209.5 | 500.0 |
| Unsecured | | |
| Loans from Banks | - | 651.6 |
| | - | 651.6 |
| Total | 209.5 | 1,151.6 |

- Secured loans comprise of Cash Credit, Short-Term Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit and are secured by hypothecation of inventories and trade receivables, and all other moveable assets, including current assets at godowns, depots, in course of transit or on high seas and a second charge on immovable properties and moveable assets of the Company both present and future.
- Unsecured loans comprise of Short-Term Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit. It includes foreign currency loans of ₹ nil (previous year ₹ 608.1 million).
- Loans in Indian Rupees carry interest rate in the range of 10.50% to 12.25% p.a.
- The Company has not defaulted on repayment of loans and interest during the year.

9. TRADE PAYABLES

| | As at 31.03.2015 ₹ in million | As at 31.03.2014 ₹ in million |
|--|-------------------------------------|-------------------------------------|
| Acceptances | 1,363.0 | 909.2 |
| Other than Acceptances (Refer note 46) | 9,057.4 | 8,929.3 |
| Total | 10,420.4 | 9,838.5 |

10. OTHER CURRENT LIABILITIES

| | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|---------------------|
| | ₹ in million | ₹ in million |
| Current Maturities of Long-Term Borrowings (Refer note 4) | | |
| - Deferred Sales Tax Loan from Government of Maharashtra | 9.9 | 9.4 |
| - Term Loans from CSIR | 30.9 | 30.9 |
| - Term Loans from DST | 10.4 | 10.4 |
| Interest Accrued but not due on Borrowings | 2.6 | 12.0 |
| Unpaid Dividend* | 26.8 | 25.7 |
| Mark to Market Derivative Liabilities | - | 86.6 |
| Statutory Dues Payables (includes Excise Duty, Provident Fund, Withholding Taxes etc.) | 374.5 | 327.2 |
| Payables on Purchase of Fixed Assets (Refer note 46) | 306.0 | 317.2 |
| Advances from customers | 74.9 | 387.8 |
| Other Payables | 178.8 | 57.9 |
| (Includes trade / security deposits received, etc.) | | |
| Total | 1,014.8 | 1,265.1 |

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

11. SHORT-TERM PROVISIONS

| | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------------|---------------------|
| | ₹ in million | ₹ in million |
| Provisions for Employee Benefits (Refer note 7) | | |
| Gratuity [Refer note 41 (ii) (A)] | 207.6 | 71.5 |
| Compensated Absences | 157.2 | 165.3 |
| Other Provisions | | |
| For Sales Returns (Refer note 47) | 111.6 | 102.5 |
| For Taxation (net of Advance Tax) | 421.3 | 445.0 |
| For Proposed Dividend on Equity Shares | 3,371.2 | 1,345.1 |
| For Corporate Tax on Dividend | 686.3 | 228.6 |
| Total | 4,955.2 | 2,358.0 |

12. FIXED ASSETS

| Particulars | Gross Block | | | | | Accumulated Depreciation And Amortisation | | | | | Net Block | |
|---|------------------|---|----------------|--------------|------------------|---|----------------|--------------|---|------------------|-----------------|------------------|
| | As at 01.04.2014 | Effect of Foreign Currency exchange differences | Additions | Deductions | As at 31.03.2015 | As at 01.04.2014 | For the Year | Deductions | Transition adjustment recorded against Surplus balance in the Statement of Profit and Loss (Refer notes 3 & 51) | As at 31.03.2015 | | As at 31.03.2015 |
| A. Tangible Assets | | | | | | | | | | | | |
| Freehold Land | 131.7 | - | 336.6 | - | 468.3 | - | - | - | - | - | 468.3 | |
| Leasehold Land | 133.1 | - | - | 1.4 | 131.7 | - | - | - | - | - | 131.7 | |
| | 572.0 | - | 0.3 | - | 577.4 | 63.3 | 9.8 | - | - | 73.1 | 504.3 | |
| | 572.0 | - | 5.1 | - | 577.1 | 53.5 | 9.8 | - | - | 63.3 | 513.8 | |
| Buildings | 7,450.9 | - | 2,76.4 | 10.8 | 7,716.5 | 1,449.7 | 286.7 | 5.6 | 20.9 | 1,751.7 | 5,964.8 | |
| | 6,682.4 | 9.2 | 771.5 | 12.2 | 7,450.9 | 1,223.0 | 228.8 | 2.1 | - | 1,449.7 | 6,001.2 | |
| Plant and Equipment | 20,518.3 | - | 1,840.6 | 624.1 | 21,734.8 | 6,593.8 | 2,639.3 | 573.2 | 805.3 | 9,465.2 | 12,269.6 | |
| | 18,429.2 | 56.4 | 2,296.4 | 263.7 | 20,518.3 | 5,581.2 | 1,188.5 | 175.9 | - | 6,593.8 | 13,924.5 | |
| Furniture and Fixtures | 691.4 | - | 128.4 | 16.2 | 803.6 | 232.0 | 105.6 | 14.9 | 15.4 | 338.1 | 465.5 | |
| | 634.7 | 2.8 | 95.9 | 42.0 | 691.4 | 204.9 | 59.1 | 32.0 | - | 232.0 | 459.4 | |
| Vehicles | 47.6 | - | 18.4 | 7.4 | 58.6 | 21.7 | 7.1 | 7.4 | 1.8 | 23.2 | 35.4 | |
| | 45.2 | - | 3.5 | 1.1 | 47.6 | 17.7 | 4.7 | 0.7 | - | 21.7 | 25.9 | |
| Office Equipment | 1,067.1 | - | 210.7 | 43.7 | 1,234.1 | 414.5 | 280.1 | 41.3 | 82.0 | 735.3 | 498.8 | |
| | 1,002.3 | 3.4 | 191.4 | 130.0 | 1,067.1 | 412.3 | 119.4 | 117.2 | - | 414.5 | 652.6 | |
| Total - Tangible Assets (A) | 30,484.1 | - | 2,811.4 | 702.2 | 32,593.3 | 8,775.0 | 3,328.6 | 642.4 | 925.4 | 12,386.6 | 20,206.7 | |
| | 27,498.9 | 71.8 | 3,363.8 | 450.4 | 30,484.1 | 7,492.6 | 1,610.3 | 327.9 | - | 8,775.0 | 21,709.1 | |
| B. Intangible Assets - Acquired | | | | | | | | | | | | |
| Goodwill | 218.1 | - | - | - | 218.1 | 218.1 | - | - | - | 218.1 | - | |
| | 218.1 | - | - | - | 218.1 | 174.5 | 43.6 | - | - | 218.1 | - | |
| Computer Software | 174.2 | - | 31.0 | - | 205.2 | 103.4 | 25.1 | - | - | 128.5 | 76.7 | |
| | 165.4 | - | 8.8 | - | 174.2 | 82.0 | 21.4 | - | - | 103.4 | 70.8 | |
| Trademarks and Licences | 15.8 | - | 72.1 | - | 87.9 | 1.1 | 14.2 | - | - | 15.3 | 72.6 | |
| | 3.3 | - | 12.5 | - | 15.8 | 0.1 | 1.0 | - | - | 1.1 | 14.7 | |
| Total - Intangible Assets (B) | 408.1 | - | 103.1 | - | 511.2 | 322.6 | 39.3 | - | - | 361.9 | 149.3 | |
| | 386.8 | - | 21.3 | - | 408.1 | 256.6 | 66.0 | - | - | 322.6 | 85.5 | |
| Total (A+B) | 30,892.2 | - | 2,914.5 | 702.2 | 33,104.5 | 9,097.6 | 3,367.9 | 642.4 | 925.4 | 12,748.5 | 20,356.0 | |
| | 27,885.7 | 71.8 | 3,385.1 | 450.4 | 30,892.2 | 7,749.2 | 1,676.3 | 327.9 | - | 9,097.6 | 21,794.6 | |
| Capital Work-in-Progress (Refer note 32) | | | | | | | | | | | | 4,899.6 |
| Total | | | | | | | | | | | | 25,255.6 |
| | | | | | | | | | | | | 24,465.1 |

- a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).
b) Additions to Fixed Assets include items of fixed assets aggregating ₹ 596.2 million (previous year ₹ 526.9 million) located at Research and Development Centers of the Company.
c) Additions to Plant and Equipment include ₹ nil (previous year ₹ 3.0 million) on account of Capital Investment Subsidy.
d) Previous year figures are given in italics below current year figures in each class of assets.

13. NON-CURRENT INVESTMENTS

| | | | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------|-------------------|---------------------|---------------------|
| | | | ₹ in million | ₹ in million |
| Trade Investments - Unquoted | | | | |
| a) In Subsidiary Companies | | | | |
| 1) In Equity Instruments: | Number | Face Value | | |
| - Lupin Holdings B.V., Netherlands | 105,829 | Euro | 6,720.3 | 6,720.3 |
| | (105,829) | 1000 | | |
| - Lupin Pharmaceuticals, Inc., USA [Refer note 31 (c)] | 300,000 | USD | 13.8 | 13.8 |
| | (300,000) | 1 | | |
| - Lupin Australia Pty Ltd., Australia | 800,000 | AUD | 33.3 | 33.3 |
| | (800,000) | * | | |
| - Lupin Healthcare Ltd., India (Including 6 shares held by nominees) | 2,616,677 | ₹ | 81.7 | 81.7 |
| | (2,616,677) | 10 | | |
| - Lupin (Europe) Ltd., UK | 251,000 | GBP | 20.0 | 20.0 |
| | (251,000) | 1 | | |
| - Lupin Middle East FZ-LLC, UAE [Refer note 31 (a)] | 2,000 | AED | 32.3 | 7.5 |
| | (500) | 1000 | | |
| - Lupin Atlantis Holdings SA, Switzerland [Refer note 31 (a)] | 2,486 | CHF | 2,993.7 | 2,993.7 |
| | (2,486) | 1000 | | |
| 2) Capital Contribution: | | | | |
| - Lupin Atlantis Holdings SA, Switzerland [Refer note 31 (a)] | | | 7,982.8 | - |
| | | | 17,877.9 | 9,870.3 |
| b) Others | | | | |
| 1) In Equity Instruments: | | | | |
| - Biotech Consortium India Ltd., India | 50,000 | ₹ | 0.5 | 0.5 |
| | (50,000) | 10 | | |
| - Enviro Infrastructure Co. Ltd., India | 100,000 | ₹ | 1.0 | 1.0 |
| | (100,000) | 10 | | |
| - Bharuch Enviro Infrastructure Ltd., India [31.03.2015 - ₹ 45,850/- (previous year ₹ 45,850/-)] | 4,585 | ₹ | | |
| | (4,585) | 10 | | |
| - Narmada Clean Tech Ltd., India | 1,145,190 | ₹ | 11.5 | 11.5 |
| | (1,145,190) | 10 | | |
| - Tarapur Environment Protection Society, India | 72,358 | ₹ | 7.2 | 7.2 |
| | (72,358) | 100 | | |
| 2) In Preference Shares: | | | | |
| - Enviro Infrastructure Co. Ltd., India | 450,000 | ₹ | 4.5 | - |
| | (-) | 10 | | |
| (Figures in brackets are for previous year) | | | 24.7 | 20.2 |
| c) In Government Securities | | | | |
| National Saving Certificates | | | | |
| [31.03.2015 ₹ 6,000/- (previous year ₹ 6,000/-)] | | | | |
| Deposited with Government Authority | | | | |
| [31.03.2015 ₹ 6,000/- (previous year ₹ 6,000/-)] | | | | |
| | Total | | 17,902.6 | 9,890.5 |

* Shares do not have face value

i) All investments in shares are fully paid up

ii) All investments are stated at cost

iii) All the above subsidiaries are directly or indirectly, wholly owned by the Company

iv) Aggregate amount of unquoted investments

17,902.6

9,890.5

14. LONG-TERM LOANS AND ADVANCES

| | As at 31.03.2015 ₹ in million | As at 31.03.2014 ₹ in million |
|--|-------------------------------------|-------------------------------------|
| Unsecured, considered good unless otherwise stated | | |
| Capital Advances | 981.6 | 1,066.6 |
| Loans and Advances to Related Parties [Refer note 49 (C)] | 54.7 | 54.7 |
| Security Deposits | 186.8 | 188.8 |
| Loans to Employees | 7.1 | 5.3 |
| Advance payment of Income Tax (net of Provision) | 283.6 | 255.2 |
| MAT Credit Entitlement | - | 523.4 |
| Balances with Government Authorities (Drawback / Customs and Excise duties receivable) | 880.7 | 845.0 |
| Loans to Employees Benefit Trust (Refer note 40) | - | 258.0 |
| Total | 2,394.5 | 3,197.0 |

15. OTHER NON-CURRENT ASSETS

| | | |
|--|------------|----------|
| Unsecured, considered good unless otherwise stated | | |
| Mark to Market Derivative Assets | 3.2 | - |
| Total | 3.2 | - |

16. CURRENT INVESTMENTS

| | | As at 31.03.2015 | As at 31.03.2014 |
|---|------------------------|---------------------|---------------------|
| | | ₹ in million | ₹ in million |
| Non Trade Investments - Unquoted | | | |
| - In Mutual Funds | Number of Units | | |
| - Birla Sun Life Cash Plus Daily Dividend Regular Plan | 10,769,445 | 1,079.0 | 325.0 |
| | (3,243,608) | | |
| - ICICI Prudential Liquid Plan Regular Daily Dividend | - | - | 705.6 |
| | (7,051,651) | | |
| - HDFC Liquid Fund - Dividend Daily Reinvest | 46,530,363 | 474.5 | 715.5 |
| | (70,154,424) | | |
| - HDFC High Interest Fund-Short Term Plan Fortnightly Dividend | 196,263,170 | 2,076.9 | - |
| | (-) | | |
| - ICICI Prudential Blended Plan B Regular Plan Monthly Dividend Option - I | 101,597,773 | 1,037.8 | - |
| | (-) | | |
| - Axis Short Term Fund Monthly Dividend | 100,692,087 | 1,025.7 | - |
| | (-) | | |
| - Birla Sun Life Short Term Fund Monthly Dividend Regular Plan | 86,839,119 | 1,027.0 | - |
| | (-) | | |
| - Birla Sun Life Treasury Optimizer Plan Monthly Dividend Regular Plan | 4,919,391 | 510.9 | - |
| | (-) | | |
| - Reliance Medium Term Fund Monthly Dividend Plan | 191,462,695 | 2,046.1 | - |
| | (-) | | |
| - Reliance Short Term Fund Monthly Dividend Plan | 46,961,944 | 511.4 | - |
| | (-) | | |
| - ICICI Prudential Banking & PSU Debt Fund Regular Plan Weekly Dividend | 148,063,792 | 1,510.0 | - |
| | (-) | | |
| - ICICI Prudential Ultra Short Term Regular Plan Daily Dividend | 98,833,834 | 1,002.9 | - |
| | (-) | | |
| - Axis Banking Debt Fund-Weekly Dividend | 2,495,963 | 2,508.6 | - |
| | (-) | | |
| - SBI Magnum Insta Cash Fund Liquid Floater Regular Plan Daily Dividend | 995,692 | 1,005.6 | - |
| | (-) | | |
| - Axis Liquid Fund-Daily Dividend | 50,002 | 50.0 | - |
| | (-) | | |
| - Kotak Treasury Advantage Fund Daily Dividend Regular Plan | 49,914,730 | 503.1 | - |
| | (-) | | |
| - Kotak Liquid Scheme Plan A Daily Dividend Regular Plan | 139,208 | 170.2 | - |
| | (-) | | |
| (Figures in brackets are for previous year) | | | |
| | Total | 16,539.7 | 1,746.1 |
| a) All investments are stated at lower of cost and fair value unless otherwise stated | | | |
| b) Aggregate amount of unquoted investments (At cost) | | 16,542.2 | 1,746.1 |
| c) Excess of carrying cost over fair value of current investments as adjusted above | | 2.5 | - |

17. INVENTORIES

| | As at 31.03.2015 | As at 31.03.2014 |
|------------------------------------|---------------------|---------------------|
| | ₹ in million | ₹ in million |
| Raw Materials | 5,375.9 | 4,108.7 |
| Packing Materials | 781.1 | 559.5 |
| Work-in-Process | 3,672.1 | 3,131.0 |
| Finished Goods | 4,020.3 | 3,212.4 |
| Stock-in-Trade | 2,237.8 | 1,879.2 |
| Consumable Stores and Spares | 860.4 | 666.7 |
| Goods-in-Transit | | |
| - Raw Materials | 390.3 | 121.6 |
| - Packing Materials | 21.7 | 13.2 |
| - Stock-in-Trade | 9.5 | 9.1 |
| - Consumable Stores and Spares | 26.0 | 21.0 |
| [Refer notes 1B (i), 48 (C) & (D)] | Total | 13,722.4 |
| | 17,395.1 | 17,395.1 |

18. TRADE RECEIVABLES

| | | |
|---|-----------------|-----------------|
| Unsecured | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| - Considered Good | 154.5 | 350.6 |
| - Considered Doubtful | 217.0 | 367.5 |
| | 371.5 | 718.1 |
| Other Trade Receivables Considered Good | 24,997.6 | 28,248.6 |
| | 25,369.1 | 28,966.7 |
| Less : Provision for Doubtful Trade Receivables | 217.0 | 367.5 |
| | Total | 28,599.2 |
| | 25,152.1 | 25,152.1 |

Trade receivables include debts due from subsidiary companies ₹ 18,440.4 million (previous year ₹ 22,077.2 million) [Refer note 49 (C)]

19. CASH AND CASH EQUIVALENTS

| | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------------|---------------------|
| | ₹ in million | ₹ in million |
| Cash and Cash Equivalents (as per AS-3 - "Cash Flow Statements") | | |
| Bank Balances | | |
| - In Current Accounts (including money-in-transit) | 258.8 | 698.5 |
| - In EEFC Account | 137.7 | - |
| Cheques on hand | 132.1 | 103.6 |
| Cash on hand | 6.4 | 4.9 |
| | 535.0 | 807.0 |
| Other Bank Balances (Refer note below) | | |
| Earmarked Balances with Banks | | |
| - Unpaid dividend accounts | 26.8 | 21.5 |
| - Deposits against borrowings, guarantees and other commitments | 31.2 | 10.4 |
| Bank Deposits maturing more than 3 months but less than 12 months | - | 623.9 |
| | 58.0 | 655.8 |
| | Total | 1,462.8 |
| | 593.0 | 1,462.8 |

Other Bank Balances - Earmarked Balances with Banks include deposits ₹ 11.2 million (previous year ₹ 10.4 million) which have an original maturity of more than 12 months.

20. SHORT-TERM LOANS AND ADVANCES

| | As at 31.03.2015 ₹ in million | As at 31.03.2014 ₹ in million |
|---|-------------------------------------|-------------------------------------|
| Unsecured, considered good unless otherwise stated | | |
| Loans and Advances to Related Parties [Refer note 49 (C)] | 40.5 | 23.6 |
| Security Deposits | | |
| - Considered Good | 82.3 | 75.5 |
| - Considered Doubtful | - | 6.6 |
| | 82.3 | 82.1 |
| Less : Provision for Doubtful Deposits | - | 6.6 |
| | 82.3 | 75.5 |
| Prepaid Expenses | 180.5 | 169.2 |
| Balances with Government Authorities (VAT / Cenvat / Service tax credit receivable) | 1,751.4 | 1,542.9 |
| Advance to Vendors | 484.8 | 500.6 |
| Loans to Employees Benefit Trust (Refer notes 14 & 40) | 251.3 | 218.9 |
| Other Loans and Advances (includes Loans and Advances to employees, etc.) | 134.2 | 63.7 |
| Total | 2,925.0 | 2,594.4 |

21. OTHER CURRENT ASSETS

| | | |
|--|----------------|----------------|
| Mark to Market Derivative Assets | 339.3 | 256.9 |
| Export Benefits receivable | 1,253.6 | 1,699.7 |
| Other Current Assets (includes receivable from Government authorities, Dividend receivable, Interest receivables, etc.) | 323.4 | 355.5 |
| Total | 1,916.3 | 2,312.1 |

22. REVENUE FROM OPERATIONS (GROSS)

| | For the Current Year ended 31.03.2015 | For the Previous Year ended 31.03.2014 |
|--|---|--|
| | ₹ in million | ₹ in million |
| Sale | | |
| Goods [Refer note 48 (B)] | 93,284.4 | 86,273.8 |
| Research Services (Refer note 50) | 3,766.1 | 2,302.8 |
| | 97,050.5 | 88,576.6 |
| Other Operating Revenue | | |
| Export Benefits and Other Incentives | 1,272.7 | 1,199.1 |
| Insurance Claims | 12.7 | 10.3 |
| Compensation and Settlement Income | - | 204.8 |
| Provision for Doubtful Advances Written Back | - | 7.3 |
| Miscellaneous Income | 123.9 | 200.5 |
| | 1,409.3 | 1,622.0 |
| Total | 98,459.8 | 90,198.6 |

23. OTHER INCOME

| | | |
|--|----------------|----------------|
| Interest on Deposits with Banks | 29.2 | 63.5 |
| Other Interest (including interest on income tax refunds) | 52.8 | 18.2 |
| Dividend on Current Investments | 649.6 | 25.0 |
| Dividend on Long-Term Investment from Subsidiary company [Refer note 49 (B)] | 37.1 | 3,020.2 |
| Dividend on Long-Term Investment from Others | 0.2 | 0.2 |
| Net gain on Sale of Current Investments | 4.0 | 5.5 |
| Net gain on Foreign Currency Transactions | 893.1 | 969.7 |
| Provisions no longer required Written Back | 21.5 | 51.5 |
| Provision for Doubtful Trade Receivables / Deposits Written Back (net) | 118.8 | - |
| Total | 1,806.3 | 4,153.8 |

24. COST OF RAW AND PACKING MATERIALS CONSUMED

| | | |
|---|-----------------|-----------------|
| Raw Materials Consumed [Refer notes 34 (a)(i) & 48 (E)] | 19,616.8 | 18,727.2 |
| Packing Materials Consumed | 2,776.4 | 2,592.8 |
| Total | 22,393.2 | 21,320.0 |

25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

| | | |
|-------------------------|------------------|----------------|
| Opening Stock: | | |
| Finished Goods | 3,212.4 | 3,229.0 |
| Stock-in-Trade | 1,888.3 | 1,467.8 |
| Work-in-Process | 3,131.0 | 2,772.8 |
| | 8,231.7 | 7,469.6 |
| Less: | | |
| Closing Stock: | | |
| Finished Goods | 4,020.3 | 3,212.4 |
| Stock-in-Trade | 2,247.3 | 1,888.3 |
| Work-in-Process | 3,672.1 | 3,131.0 |
| | 9,939.7 | 8,231.7 |
| Changes In Inventories: | | |
| Finished Goods | (807.9) | 16.6 |
| Stock-in-Trade | (359.0) | (420.5) |
| Work-in-Process | (541.1) | (358.2) |
| Total | (1,708.0) | (762.1) |

26. EMPLOYEE BENEFITS EXPENSE

| | For the Current Year ended 31.03.2015 | For the Previous Year ended 31.03.2014 |
|--|---|--|
| | ₹ in million | ₹ in million |
| (Refer note 45) | | |
| Salaries and Wages | 8,160.7 | 6,928.9 |
| Contribution to Provident and Other Funds | 831.8 | 618.8 |
| Gratuity Expense [Refer note 41 (ii) (A)] | 142.2 | 71.5 |
| Expense on Employees Stock Options / Stock Appreciation Rights | 676.8 | 211.0 |
| (Refer notes 39 & 40) | | |
| Staff Welfare Expenses | 714.0 | 613.0 |
| Total | 10,525.5 | 8,443.2 |

27. FINANCE COSTS

| | | |
|---|-------------|--------------|
| Interest on Borrowings | 13.3 | 42.3 |
| Other Borrowing Costs (includes bank charges, etc.) | 35.7 | 153.7 |
| Interest on Income Tax | - | 13.9 |
| Total | 49.0 | 209.9 |

28. OTHER EXPENSES

| | | |
|---|-----------------|-----------------|
| Processing Charges | 877.4 | 876.7 |
| Stores and Spares Consumed [Refer note 34 (a)(ii)] | 3,300.6 | 2,622.7 |
| Repairs and Maintenance: | | |
| - Buildings | 216.8 | 181.6 |
| - Plant and Machinery | 619.1 | 546.7 |
| - Others | 744.8 | 571.4 |
| Rent | 192.5 | 185.8 |
| Rates and Taxes | 717.6 | 544.5 |
| [Net of provision of earlier year adjusted ₹ 5.0 million (previous year ₹ nil)] | | |
| Insurance | 334.2 | 325.2 |
| Power and Fuel | 3,363.9 | 3,093.6 |
| Contract Labour Charges | 763.8 | 651.2 |
| Excise Duty (net) (Refer note 52) | 137.2 | 163.9 |
| Selling and Promotion Expenses | 4,336.4 | 4,656.8 |
| Commission, Brokerage and Discount | 957.1 | 1,000.5 |
| [Including cash discount of ₹ 8.4 million (previous year ₹ 7.3 million)] | | |
| Freight and Forwarding | 631.1 | 608.1 |
| Lease Rent and Hire Charges (Refer note 37) | 398.4 | 366.8 |
| Postage and Telephone Expenses | 198.0 | 209.9 |
| Travelling and Conveyance | 1,269.2 | 1,160.9 |
| Legal and Professional Charges | 2,089.4 | 3,181.0 |
| [Net of recoveries of ₹ 330.2 million (previous year ₹ 79.3 million)] | | |
| Donations (Refer note 45) | 170.5 | 228.5 |
| Clinical and Analytical Charges | 925.9 | 743.3 |
| Loss on Sale / Write-off of Fixed Assets (net) | 38.6 | 99.6 |
| Bad Trade Receivables / Advances / Deposits written off | 22.4 | 6.2 |
| [Net of provision of earlier years adjusted ₹ 33.4 million (previous year ₹ nil)] | | |
| Provision for Doubtful Trade Receivables / Advances / Deposits | - | 269.4 |
| Excess of carrying cost over fair value of current investments | 2.5 | - |
| Directors Sitting Fees | 1.0 | 0.9 |
| Miscellaneous Expenses | 848.1 | 682.3 |
| Total | 23,156.5 | 22,977.5 |

29. Commitments:

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 2399.6 million (previous year ₹ 1867.4 million).
- Letters of comfort for support in respect of certain subsidiaries. The Company considers its investments in subsidiaries as strategic and long-term in nature. The Company is committed to operationally, technically and financially support the operations of its subsidiaries.
- Other commitments – Non-cancellable operating leases (Refer note 37).

30. Contingent Liabilities:

| | As at 31.03.2015 | As at 31.03.2014 |
|---|------------------|------------------|
| | ₹ in million | ₹ in million |
| a) Income tax demands / matters on account of deductions / disallowances for earlier years, pending in appeals [₹ 49.7 million (previous year ₹ 49.7 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the Company]. Amount paid there against and included under note 14 "Long-Term Loans and Advances" ₹ 55.4 million (previous year ₹ 26.3 million). | 826.4 | 173.2 |
| b) Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid there against and included under note 20 "Short-Term Loans and Advances" ₹ 28.5 million (previous year ₹ 30.4 million) and under note 14 "Long Term Loans and Advances" ₹ 2.5 million (previous year ₹ nil). | 377.0 | 355.5 |
| c) Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, local body tax, employee claims, power, trade marks, pricing, indemnity and stamp duty. Amount paid there against without admitting liability and included under note 20 "Short-Term Loans and Advances" ₹ 12.3 million (previous year ₹ 12.6 million). | 753.7 | 830.8 |
| d) Counter guarantee given to GIDC in connection with repayment of loan sanctioned by a financial institution to a company, jointly promoted by an Association of Industries (of which, the Company is a member) and GIDC. | - | 7.5 |
| e) Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of subsidiary companies aggregating ₹ 139.5 million (previous year ₹ 133.5 million). | - | 26.7 |
| f) Corporate guarantee given in respect of credit facilities sanctioned by bankers of subsidiary companies aggregating ₹ 1849.9 million (previous year ₹ 2264.2 million). | 1666.9 | 2124.1 |
| g) During the year, the Company received a notice from the European Commission for alleged breach of the EU Antitrust Rules, whereby it has sought to levy a fine of Euro 40.0 million (₹ 2687.6 million) on the Company in respect of an agreement entered into by the Company with Laboratories Servior, France, for sale of certain patent applications and IPs for the product Perindopril which the European Commission considered as anti-competitive. The Company, based on facts of the matter and legal advice received does not agree with the said notice / demand and is of the view that it has a strong case to defend itself. Accordingly, the Company has filed an appeal before the European General Court. A bank guarantee of Euro 40.0 million has been furnished to the European Commission. | | |

Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

The Company does not envisage any likely reimbursements in respect of the above.

The Company is involved in various legal proceedings, including product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses, the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.

31. a) During the previous year, the Company purchased 100% stake consisting of Equity and Capital contribution of Lupin Atlantis Holdings SA, Switzerland (LAHSA) from its wholly owned subsidiary Lupin Holdings B.V., Netherlands at a total cost of ₹ 2993.7 million pursuant to which LAHSA became direct wholly owned subsidiary of the Company (Refer note 13(a)). During the year, the Company has made additional Capital Contribution of ₹ 7982.8 million in LAHSA.

Further, the Company invested an additional amount of ₹ 24.8 million (previous year ₹ nil) in Lupin Middle East FZ-LLC, UAE, a wholly owned subsidiary.

- b) During the year, the Company, through its wholly owned subsidiary LAHSA acquired / subscribed to the equity stake of the following subsidiaries / jointly controlled entity:
- 45% equity stake in YL Biologics Ltd., Japan a jointly controlled entity at a total cost of ₹ 33.0 million. Initial investment was ₹ 80.8 million of which ₹ 47.8 million was refunded subsequently in terms of resolution passed at extraordinary shareholders meeting of YL Biologics Ltd. on November 14, 2014 which has been accounted as reduction in investment by LAHSA.
 - 100% equity stake in Laboratorios Grin S.A. de C.V., Mexico at a total cost of ₹ 6149.6 million.
 - Additional investment in Nanomi B.V., Netherlands at a total cost of ₹ nil (previous year ₹ 857.0 million for 100% equity stake).
 - Additional investment in Lupin Inc., USA at a total cost of ₹ 542.1 million (previous year ₹ 325.0 million for 100% equity stake) including additional paid-in capital – securities premium of ₹ 542.1 million (previous year ₹ 321.9 million).
 - Additional investment in Lupin GmbH, Switzerland at a total cost of ₹ 93.5 million (previous year ₹ 1.3 million for 100% equity stake) including capital contribution of ₹ 93.5 million (previous year ₹ nil).
- c) During the previous year, Lupin Inc., USA (LINC) wholly owned subsidiary of LAHSA subscribed to equity stake of Company's wholly owned subsidiary Lupin Pharmaceuticals, Inc., USA (LPI) at a total cost of ₹ 71.9 million resulting into LINC holding 80% and the Company holding 20% of LPI's equity stake. During the year, LINC has further subscribed to additional equity stake of LPI at a total cost of ₹ 538.5 million resulting into LINC holding 97% and the Company holding 3% of LPI's equity stake.
- d) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands (LHBV), acquired / subscribed to the equity stake of the following subsidiaries:
- Additional investment in Lupin Farmaceutica do Brasil LTDA, Brazil (formerly Farma World Importacao e Exportacao de Medicamentos LTDA – EPP) at a total cost of ₹ 51.7 million (previous year ₹ 29.8 million for 100% equity stake).
 - Additional investment in Generic Health Pty Ltd., Australia at a total cost of ₹ 144.5 million (previous year ₹ nil) thereby making it 100% (previous year 91.04%) subsidiary of LHBV.
 - Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 1.4 million (previous year ₹ 2.2 million).
 - Acquired balance 40% shareholding of Pharma Dynamics (Proprietary) Ltd., South Africa (PD) consequent to exercise of Put Option by the minority shareholders of PD, for a consideration of ₹ 5977.6 million. Accordingly PD has become wholly owned subsidiary of LHBV. Pending the completion of certain formalities as at the year end, the transfer of share certificates in the name of LHBV for the said balance shareholding is in process.
 - Additional investment in Lupin Philippines Inc., Philippines at a total cost of ₹ nil (previous year ₹ 10.9 million).
 - Additional investment in Hormosan Pharma GmbH, Germany at a total cost of ₹ nil (previous year ₹ 237.6 million).
 - Additional investment in Lupin Mexico S.A. de C.V., Mexico at a total cost of ₹ nil (previous year ₹ 32.8 million).
 - Additional investment in Lupin Pharma Canada Limited, Canada at a total cost of ₹ nil (previous year ₹ 30.2 million).
- e) During the year, the Company, through Kyowa Pharmaceutical Industry Co., Limited, Japan, wholly owned subsidiary of LHBV subscribed to additional investment in Kyowa CritiCare Co., Limited, Japan (formerly I'rom Pharmaceutical Co., Limited) at a total cost of ₹ 835.8 million (previous year ₹ nil)
- The above acquisitions / subscriptions are based on the net asset values, the future projected revenues, operating profits, cash flows and independent valuation reports; as applicable, of the investee companies.
- f) The Company considers its investments in subsidiaries as strategic and long-term in nature and accordingly, in view of the management, any decline in the value of such long-term investments in subsidiaries is considered to be temporary in nature and hence no provision for diminution in value of investments is considered necessary.

32. Pre-operative expenses pending capitalisation included in Capital Work-In-Progress (Refer note 12) represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses are:

| Particulars | 2014-2015 | 2013-2014 |
|--|--------------|--------------|
| | ₹ in million | ₹ in million |
| Opening balance | 182.2 | 222.6 |
| Incurring during the year: | | |
| Salaries, allowances and contribution to funds | 65.7 | 11.2 |
| Legal and Professional Charges | 6.3 | 0.3 |
| Travelling and Conveyance | 13.0 | 1.6 |
| Others | 16.3 | 4.4 |
| Total | 101.3 | 17.5 |
| Less: Capitalised during the year | 42.5 | 57.9 |
| Closing balance | 241.0 | 182.2 |

33. Segment Reporting:

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Accounting Standard 17 (AS-17) "Segment Reporting", no disclosures related to segments are presented in this standalone financial statements.

34. Additional information pursuant to the provisions of Paragraph 5 (viii) of Part II of Schedule III to the Companies Act, 2013.

a) Value of Imported and Indigenous consumption:

i) Consumption of Raw Materials:

| | 2014-2015 | | 2013-2014 | |
|--------------|--------------|----------------|--------------|----------------|
| | % | ₹ in million | % | ₹ in million |
| Imported | 40.6 | 7961.5 | 38.3 | 7173.3 |
| Indigenous | 59.4 | 11655.3 | 61.7 | 11553.9 |
| Total | 100.0 | 19616.8 | 100.0 | 18727.2 |

ii) Consumption of Stores and Spares:

| | 2014-2015 | | 2013-2014 | |
|--------------|--------------|---------------|--------------|---------------|
| | % | ₹ in million | % | ₹ in million |
| Imported | 0.1 | 1.8 | 0.4 | 9.9 |
| Indigenous | 99.9 | 3298.8 | 99.6 | 2612.8 |
| Total | 100.0 | 3300.6 | 100.0 | 2622.7 |

b) CIF Value of Imports:

| | 2014-2015 | 2013-2014 |
|---------------------------------|----------------|---------------|
| | ₹ in million | ₹ in million |
| i) Capital Goods | 852.4 | 992.9 |
| ii) Raw Materials | 8654.0 | 7206.3 |
| iii) Packing Materials | 545.2 | 405.2 |
| iv) Purchases of Stock-in-Trade | 349.1 | 488.4 |
| v) Consumable Stores and Spares | 656.6 | 560.7 |
| Total | 11057.3 | 9653.5 |

c) Expenditure in Foreign currencies (subject to deduction of tax where applicable) on account of:

| | 2014-2015 | 2013-2014 |
|--|---------------|---------------|
| | ₹ in million | ₹ in million |
| i) Finance Costs | 10.1 | 27.7 |
| ii) Travelling and Conveyance | 46.6 | 39.6 |
| iii) Commission | 196.6 | 279.1 |
| iv) Selling and Promotion Expenses | 2025.7 | 2554.6 |
| v) Clinical and Analytical Charges | 594.6 | 391.9 |
| vi) Legal and Professional Charges (net of recoveries) | 1200.7 | 2320.7 |
| vii) Employee Benefits Expense | 127.3 | 109.5 |
| viii) Rates and Taxes | 468.9 | 330.6 |
| ix) Others | 435.2 | 343.8 |
| Total | 5105.7 | 6397.5 |

d) Earnings in Foreign Exchange (subject to deduction of tax where applicable) on account of:

| | | |
|--|----------------|----------------|
| i) FOB value of Exports | 58481.5 | 57177.0 |
| ii) Sale - Research Services | 3766.1 | 2302.8 |
| iii) Reimbursement of freight and insurance on Exports | 281.7 | 292.8 |
| iv) Compensation and Settlement Income | - | 200.3 |
| v) Dividend Income | 37.1 | 3020.2 |
| vi) Others | 26.9 | 83.0 |
| Total | 62593.3 | 63076.1 |

35. Remittance in Foreign currency on account of dividend:

The Company has paid dividend in respect of shares held by Non-Resident Shareholders on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non Resident External Account (NRE A/c). The total amount remittable in this respect is given below:

| | 2014-2015 | 2013-2014 | |
|---|-----------|-----------|-----------|
| Amount of dividend remitted (₹ in million) | 429.3 | 429.3 | 568.9 |
| Number of non-resident shareholders | 2177 | 2214 | 1970 |
| Number of shares held by them on which dividend was due | 143109531 | 143097779 | 142217266 |
| Year to which the dividend relates | 2013-2014 | 2013-2014 | 2012-2013 |

The Company does not have any information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by non-resident shareholders.

36. Auditors' Remuneration:

| | 2014-2015 | 2013-2014 | |
|--|--------------|--------------|--|
| | ₹ in million | ₹ in million | |
| Payment to Auditors*: | | | |
| a) As Auditors | 12.5 | 11.4 | |
| b) For audit of subsidiaries** | 4.3 | - | |
| c) In respect of Taxation matters*** | 6.8 | 5.2 | |
| d) For other services – Certification | 2.2 | 1.8 | |
| e) Reimbursement of out-of-pocket expenses | 0.8 | 0.5 | |
| Total | 26.6 | 18.9 | |

* Excluding service tax.

** Represents fees in respect of audit of subsidiaries for consolidation requirements of the Company in terms of Section 129(3) of the 2013 Act pursuant to enactment of the 2013 Act.

*** Previous year - includes payment for taxation matters to an affiliated firm covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India.

37. The Company procures equipments, vehicles and office premises under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is generally between 12 months to 60 months. The lease rentals recognised in the Statement of Profit and Loss (Refer note 28) for the year are ₹ 342.6 million (previous year ₹ 321.1 million). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

| Particulars | 2014-2015 | 2013-2014 |
|---|--------------|--------------|
| | ₹ in million | ₹ in million |
| Not later than one year | 292.9 | 263.2 |
| Later than one year but not later than five years | 322.9 | 380.6 |
| Later than five years | 23.5 | 23.9 |
| Total | 639.3 | 667.7 |

38. Basic and Diluted Earnings per Share is calculated as under:

| Particulars | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|--|--------------------------|--------------------------|
| Profit attributable to Equity Shareholders (₹ in million) | 23973.5 | 23242.2 |
| Weighted average number of Equity Shares: | | |
| - Basic | 448868014 | 447982156 |
| Add: Effect of dilutive issue of employees stock options (ESOPs) | 2846900 | 2262690 |
| - converted during the year and ESOPs outstanding as at the year end | | |
| - Diluted | 451714914 | 450244846 |
| Earnings per Share (in ₹) | | |
| - Basic | 53.41 | 51.88 |
| - Diluted | 53.07 | 51.62 |

39. Employees Stock Option Plans:

- a) The Company implemented "Lupin Employees Stock Option Plan 2003" (ESOP 2003), "Lupin Employees Stock Option Plan 2005" (ESOP 2005), "Lupin Subsidiary Companies Employees Stock Option Plan 2005" (SESOP 2005), "Lupin Employees Stock Option Plan 2011" (ESOP 2011), "Lupin Subsidiary Companies Employees Stock Option Plan 2011" (SESOP 2011) in earlier years; and "Lupin Employees Stock Option Plan 2014" (ESOP 2014) and "Lupin Subsidiary Companies Employees Stock Option Plan 2014" (SESOP 2014) in the current year, as approved by the Shareholders of the Company and the Remuneration / Compensation / Nomination and Remuneration Committee of the Board of Directors. Details of the options granted during the year under the plans are as under:

Lupin Employees Stock Option Plan 2003 (ESOP 2003):

| Grant Date | No. of Options | Exercise Price ₹ | Vesting Period |
|-------------------|----------------|------------------|--------------------------|
| August 14, 2014 | 39250 | 1164.80 | 14.08.2014 to 14.08.2015 |
| | 39250 | 1164.80 | 14.08.2014 to 14.08.2016 |
| | 39250 | 1164.80 | 14.08.2014 to 14.08.2017 |
| | 39250 | 1164.80 | 14.08.2014 to 14.08.2018 |
| | 157000 | | |
| November 20, 2014 | 4000 | 724.68 | 20.11.2014 to 20.11.2015 |
| | 4000 | | |

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

| Grant Date | No. of Options | Exercise Price ₹ | Vesting Period |
|-------------------|----------------|------------------|--------------------------|
| August 14, 2014 | 9125 | 1164.80 | 14.08.2014 to 14.08.2015 |
| | 9125 | 1164.80 | 14.08.2014 to 14.08.2016 |
| | 9125 | 1164.80 | 14.08.2014 to 14.08.2017 |
| | 9125 | 1164.80 | 14.08.2014 to 14.08.2018 |
| | 36500 | | |
| November 20, 2014 | 4000 | 724.68 | 20.11.2014 to 20.11.2015 |
| | 4000 | | |

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

| Grant Date | No. of Options | Exercise Price ₹ | Vesting Period |
|-------------------|----------------|------------------|--------------------------|
| May 26, 2014 | 125 | 923.85 | 26.05.2014 to 26.05.2015 |
| | 125 | 923.85 | 26.05.2014 to 26.05.2016 |
| | 125 | 923.85 | 26.05.2014 to 26.05.2017 |
| | 125 | 923.85 | 26.05.2014 to 26.05.2018 |
| | 500 | | |
| August 14, 2014 | 155563 | 1164.80 | 14.08.2014 to 14.08.2015 |
| | 155563 | 1164.80 | 14.08.2014 to 14.08.2016 |
| | 155562 | 1164.80 | 14.08.2014 to 14.08.2017 |
| | 155562 | 1164.80 | 14.08.2014 to 14.08.2018 |
| | 622250 | | |
| October 08, 2014 | 1125 | 1368.05 | 08.10.2014 to 08.10.2015 |
| | 1125 | 1368.05 | 08.10.2014 to 08.10.2016 |
| | 1125 | 1368.05 | 08.10.2014 to 08.10.2017 |
| | 1125 | 1368.05 | 08.10.2014 to 08.10.2018 |
| | 4500 | | |
| November 20, 2014 | 42000 | 724.68 | 20.11.2014 to 20.11.2015 |
| | 42000 | | |

Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011):

| Grant Date | No. of Options | Exercise Price ₹ | Vesting Period |
|-------------------|----------------|------------------|--------------------------|
| April 02, 2014 | 7500 | 945.10 | 02.04.2014 to 02.04.2015 |
| | 7500 | 945.10 | 02.04.2014 to 02.04.2016 |
| | 7500 | 945.10 | 02.04.2014 to 02.04.2017 |
| | 7500 | 945.10 | 02.04.2014 to 02.04.2018 |
| | 30000 | | |
| May 13, 2014 | 6250 | 959.05 | 13.05.2014 to 13.05.2015 |
| | 6250 | 959.05 | 13.05.2014 to 13.05.2016 |
| | 6250 | 959.05 | 13.05.2014 to 13.05.2017 |
| | 6250 | 959.05 | 13.05.2014 to 13.05.2018 |
| | 25000 | | |
| July 02, 2014 | 3000 | 1049.55 | 02.07.2014 to 02.07.2015 |
| | 3000 | 1049.55 | 02.07.2014 to 02.07.2016 |
| | 3000 | 1049.55 | 02.07.2014 to 02.07.2017 |
| | 3000 | 1049.55 | 02.07.2014 to 02.07.2018 |
| | 12000 | | |
| August 05, 2014 | 10050 | 1177.60 | 05.08.2014 to 05.08.2015 |
| | 10050 | 1177.60 | 05.08.2014 to 05.08.2016 |
| | 10050 | 1177.60 | 05.08.2014 to 05.08.2017 |
| | 10050 | 1177.60 | 05.08.2014 to 05.08.2018 |
| | 40200 | | |
| August 14, 2014 | 63678 | 1164.80 | 14.08.2014 to 14.08.2015 |
| | 63678 | 1164.80 | 14.08.2014 to 14.08.2016 |
| | 63677 | 1164.80 | 14.08.2014 to 14.08.2017 |
| | 63677 | 1164.80 | 14.08.2014 to 14.08.2018 |
| | 254710 | | |
| November 11, 2014 | 8225 | 1430.95 | 11.11.2014 to 11.11.2015 |
| | 8225 | 1430.95 | 11.11.2014 to 11.11.2016 |
| | 8225 | 1430.95 | 11.11.2014 to 11.11.2017 |
| | 8225 | 1430.95 | 11.11.2014 to 11.11.2018 |
| | 32900 | | |
| November 20, 2014 | 6675 | 1449.35 | 20.11.2014 to 20.11.2015 |
| | 6675 | 1449.35 | 20.11.2014 to 20.11.2016 |
| | 6675 | 1449.35 | 20.11.2014 to 20.11.2017 |
| | 6675 | 1449.35 | 20.11.2014 to 20.11.2018 |
| | 26700 | | |
| February 11, 2015 | 6925 | 1562.95 | 11.02.2015 to 11.02.2016 |
| | 6925 | 1562.95 | 11.02.2015 to 11.02.2017 |
| | 6925 | 1562.95 | 11.02.2015 to 11.02.2018 |
| | 6925 | 1562.95 | 11.02.2015 to 11.02.2019 |
| | 27700 | | |

Lupin Employees Stock Option Plan 2014 (ESOP 2014):

| Grant Date | No. of Options | Exercise Price ₹ | Vesting Period |
|-------------------|----------------|------------------|--------------------------|
| November 20, 2014 | 59900 | 2.00 | 20.11.2014 to 20.11.2015 |
| | 59900 | 2.00 | 20.11.2014 to 20.11.2016 |
| | 59899 | 2.00 | 20.11.2014 to 20.11.2017 |
| | 59899 | 2.00 | 20.11.2014 to 20.11.2018 |
| | 239598 | | |
| January 27, 2015 | 5106 | 2.00 | 27.01.2015 to 27.01.2016 |
| | 5106 | 2.00 | 27.01.2015 to 27.01.2017 |
| | 5106 | 2.00 | 27.01.2015 to 27.01.2018 |
| | 5106 | 2.00 | 27.01.2015 to 27.01.2019 |
| | 20424 | | |

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2 each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans with an exercise period of ten years from the respective grant dates.

The particulars of the options granted and lapsed under the Schemes are as below:

| Particulars | Year Ended | Year Ended |
|--|------------|------------|
| | 31.03.2015 | 31.03.2014 |
| | Nos. | Nos. |
| Lupin Employees Stock Option Plan 2003 (ESOP 2003): | | |
| Options outstanding as at the beginning of the year | 539389 | 763615 |
| Add: Options granted during the year | 161000 | 50000 |
| Less: Options lapsed during the year | 14000 | - |
| Less: Options exercised during the year | 343389 | 274226 |
| Options outstanding as at the year end | 343000 | 539389 |

During the year, the Company terminated the offering of fresh grants under the above plan resulting in termination of 745 options which were not granted upto the date of termination. Options already granted under the said plan would continue to be in force in terms of their grant.

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

| | | |
|---|--------|--------|
| Options outstanding as at the beginning of the year | 494529 | 751920 |
| Add: Options granted during the year | 40500 | - |
| Less: Options lapsed during the year | 6750 | 4875 |
| Less: Options exercised during the year | 82975 | 252516 |
| Options outstanding as at the year end | 445304 | 494529 |

During the year, the Company terminated the offering of fresh grants under the above plan resulting in termination of 4200 options which were not granted upto the date of termination. Options already granted under the said plan would continue to be in force in terms of their grant.

Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005):

| | | |
|---|--------|--------|
| Options outstanding as at the beginning of the year | 364133 | 430119 |
| Add: Options granted during the year | - | - |
| Less: Options lapsed during the year | 220 | - |
| Less: Options exercised during the year | 130377 | 65986 |
| Options outstanding as at the year end | 233536 | 364133 |

During the year, the Company terminated the offering of fresh grants under the above plan resulting in termination of 7190 options which were not granted upto the date of termination. Options already granted under the said plan would continue to be in force in terms of their grant.

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

| | | |
|---|---------|---------|
| Options outstanding as at the beginning of the year | 2737539 | 2259047 |
| Add: Options granted during the year | 669250 | 946250 |
| Less: Options lapsed during the year | 159664 | 219062 |
| Less: Options exercised during the year | 538774 | 248696 |
| Options outstanding as at the year end | 2708351 | 2737539 |

| Particulars | Year Ended | Year Ended |
|--|------------|------------|
| | 31.03.2015 | 31.03.2014 |
| | Nos. | Nos. |
| Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011): | | |
| Options outstanding as at the beginning of the year | 429033 | 306780 |
| Add: Options granted during the year | 449210 | 185090 |
| Less: Options lapsed during the year | 61283 | 57950 |
| Less: Options exercised during the year | 17016 | 4887 |
| Options outstanding as at the year end | 799944 | 429033 |
| Lupin Employees Stock Option Plan 2014 (ESOP 2014): | | |
| Options outstanding as at the beginning of the year | - | - |
| Add: Options granted during the year | 260022 | - |
| Less: Options lapsed during the year | 5783 | - |
| Less: Options exercised during the year | - | - |
| Options outstanding as at the year end | 254239 | - |

- b. The Company has followed the intrinsic value based method of accounting for stock options granted after April 1, 2005 based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India (ICAI). Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, the Company's net income would be lower by ₹ 444.7 million (previous year ₹ 291.5 million) and earnings per share as reported would be as indicated below:

| Particulars | Year Ended | Year Ended |
|--|--------------|--------------|
| | 31.03.2015 | 31.03.2014 |
| | ₹ in million | ₹ in million |
| Net profit as reported | 23973.5 | 23242.2 |
| Less: Total stock-based employee compensation expense determined under fair value based method | 501.4 | 310.9 |
| Add: Total stock-based employee compensation expense determined under intrinsic value based method | 56.7 | 19.4 |
| Adjusted net profit | 23528.8 | 22950.7 |
| Basic earnings per share | | |
| - As reported (in ₹)* | 53.41 | 51.88 |
| - Adjusted (in ₹) | 52.42 | 51.23 |
| Diluted earnings per share | | |
| - As reported (in ₹)* | 53.07 | 51.62 |
| - Adjusted (in ₹) | 52.09 | 50.97 |

* Refer note 38

The fair value of each option granted during the year is estimated on the date of grant based on the following assumptions:

| Particulars | Grant Date | Dividend Yield (%) | Expected life (years) | Risk Free interest rate (%) | Volatility (%) |
|-----------------|-------------------|--------------------|-----------------------|-----------------------------|----------------|
| ESOP 2003 Plan | August 14, 2014 | 0.70 | 6.25 | 8.72 | 30.32 |
| | November 20, 2014 | 0.70 | 5.50 | 8.23 | 26.93 |
| ESOP 2005 Plan | August 14, 2014 | 0.70 | 6.25 | 8.72 | 30.32 |
| | November 20, 2014 | 0.70 | 5.50 | 8.23 | 26.93 |
| ESOP 2011 Plan | May 26, 2014 | 0.70 | 6.25 | 8.65 | 30.96 |
| | August 14, 2014 | 0.70 | 6.25 | 8.72 | 30.32 |
| | October 08, 2014 | 0.70 | 6.25 | 8.55 | 29.95 |
| | November 20, 2014 | 0.70 | 5.50 | 8.23 | 26.93 |
| SESOP 2011 Plan | April 02, 2014 | 0.70 | 6.25 | 9.07 | 31.71 |
| | May 13, 2014 | 0.70 | 6.25 | 8.84 | 31.05 |
| | July 02, 2014 | 0.70 | 6.25 | 8.66 | 30.59 |
| | August 05, 2014 | 0.70 | 6.25 | 8.69 | 30.37 |
| | August 14, 2014 | 0.70 | 6.25 | 8.72 | 30.32 |
| | November 11, 2014 | 0.70 | 6.25 | 8.25 | 29.52 |
| | November 20, 2014 | 0.70 | 6.25 | 8.23 | 29.31 |
| | February 11, 2015 | 0.70 | 6.25 | 7.75 | 28.56 |
| ESOP 2014 Plan | November 20, 2014 | 0.70 | 6.25 | 8.23 | 29.31 |
| | January 27, 2015 | 0.70 | 6.25 | 7.75 | 28.61 |

40. Stock Appreciation Rights:

During the years 2011-12 and 2012-13, the Company granted Stock Appreciation Rights ("SARs") to certain eligible employees in accordance with Lupin Employees Stock Appreciation Rights Scheme 2011 ("LESARs 2011") approved by the Board of Directors (Board) at their Board Meeting held on September 13, 2011. Under the scheme, eligible employees are entitled to receive appreciation in value of shares on completion of the vesting period.

The Scheme is administered through the Lupin Employees Benefit Trust (the "Trust") as settled by the Company. The Trust is administered by an independent Trustee. At the end of the vesting period of 3 years, the equity shares will be sold in the market by the Trust and the appreciation on the same (if any) will be distributed to the said employees, subject to vesting conditions.

The Company has been submitting required details with stock exchanges in terms of the circulars issued by SEBI in this regard. During the year, SEBI vide its circular no. CIR/CFD/POLICYCELL/3/2014 dated June 27, 2014 has extended the timelines for alignment of the Scheme till the new regulations are notified, continuing the prohibition on acquiring securities from the secondary market.

The new regulation viz: Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulation') was notified on October 28, 2014, pursuant to which the existing schemes are to be aligned within one year of the effective date of the Regulation. During the year, the Trust has distributed the benefits of SARs to the eligible employees in terms of LESARs 2011 and has not acquired any shares from the secondary market.

As approved by the Board, the Company had, prior to the SEBI circular no. CIR/CFD/DIL/3/2013 dated January 17, 2013 advanced an interest free loan to the Trust during the years 2011-12 and 2012-13 to acquire appropriate number of Equity Shares of the Company from the market on the grant date of SARs and the loan outstanding as at the balance sheet date aggregating to ₹ nil (previous year ₹ 258.0 million) is included under "Long-Term Loans and Advances" (Refer note 14) and ₹ 251.3 million (previous year ₹ 218.9 million) is included under "Short-Term Loans and Advances" (Refer note 20).

The particulars of the SARs assigned, lapsed and redeemed under the Scheme are as below:

| Particulars | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|---|--------------------------|--------------------------|
| Lupin Employees Stock Appreciation Rights Scheme 2011: | | |
| SARs outstanding as at the beginning of the year | 843396 | 860098 |
| Less: SARs lapsed during the year | 13873 | 16702 |
| Less: SARs redeemed during the year | 420931 | - |
| SARs outstanding as at the year end | 408592 | 843396 |

The related compensation cost for outstanding SARs and in case of redeemed SARs upto the date of redemption amounting to ₹ 620.1 million (previous year ₹ 191.6 million) has been recognized as Employee Benefits Expense and the corresponding credit is included under "Reserves and Surplus" as Employee Stock Appreciation Rights Outstanding. In respect of SARs redeemed during the year, the corresponding amount of ₹ 379.0 million (previous year ₹ nil) has been transferred from Employee Stock Appreciation Rights Outstanding to General Reserve. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the Guidance Note on Accounting for Employee Share-based Payments issued by ICAI, the Company's net income would be higher by ₹ 587.3 million (previous year by ₹ 110.3 million) and earnings per share as reported would be as indicated below:

| Particulars | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|--|--------------------------|--------------------------|
| | ₹ in million | ₹ in million |
| Net profit as reported | 23973.5 | 23242.2 |
| Less: Total stock-based employee compensation expense determined under fair value based method | 32.8 | 81.3 |
| Add: Total stock-based employee compensation expense determined under intrinsic value based method | 620.1 | 191.6 |
| Adjusted net profit | 24560.8 | 23352.5 |
| Basic earnings per share | | |
| - As reported (in ₹)* | 53.41 | 51.88 |
| - Adjusted (in ₹) | 54.72 | 52.13 |
| Diluted earnings per share | | |
| - As reported (in ₹)* | 53.07 | 51.62 |
| - Adjusted (in ₹) | 54.37 | 51.87 |

* Refer note 38

41. Post Employment Benefits:

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 165.5 million (previous year ₹ 161.6 million) for superannuation contribution and ₹ 147.5 million (previous year ₹ 92.5 million) for provident fund and pension contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

a) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

In addition to the above mentioned scheme, the Company also pays additional gratuity as an ex-gratia and the said amount is provided as non-funded liability based on actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2015. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the balance sheet date.

| Sr. No. | Particulars | Gratuity (Funded) | | Gratuity (Unfunded) | |
|---------|---|-------------------|--------------|---------------------|--------------|
| | | As on | As on | As on | As on |
| | | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| | | ₹ in million | ₹ in million | ₹ in million | ₹ in million |
| I) | Reconciliation in present value of obligations ('PVO') – defined benefit obligation: | | | | |
| | Current service cost | 136.2 | 102.6 | 92.3 | 70.8 |
| | Past service cost | - | - | - | - |
| | Interest cost | 57.5 | 45.4 | 39.7 | 29.0 |
| | Actuarial loss / (gain) | 75.1 | (27.0) | 10.2 | (28.3) |
| | Benefits paid | (52.8) | (63.5) | - | - |
| | PVO at the beginning of the year | 652.4 | 594.9 | 431.8 | 360.3 |
| | PVO at the end of the year | 868.4 | 652.4 | 574.0 | 431.8 |
| II) | Change in fair value of plan assets: | | | | |
| | Expected return on plan assets | 54.2 | 45.3 | - | - |
| | Actuarial gain / (loss) | 2.0 | 4.2 | - | - |
| | Contributions by the employer | 76.5 | 125.5 | - | - |
| | Benefits paid | (52.8) | (63.5) | - | - |
| | Fair value of plan assets at the beginning of the year | 580.9 | 469.4 | - | - |
| | Fair value of plan assets at the end of the year | 660.8 | 580.9 | - | - |
| III) | Reconciliation of PVO and fair value of plan assets: | | | | |
| | PVO at end of the year | 868.4 | 652.4 | 574.0 | 431.8 |
| | Fair Value of plan assets at the end of the year | 660.8 | 580.9 | - | - |
| | Funded status | (207.6) | (71.5) | (574.0) | (431.8) |
| | Unrecognised actuarial gain / (loss) | - | - | - | - |
| | Net liability recognised in the balance sheet | (207.6) | (71.5) | (574.0) | (431.8) |
| IV) | Net cost for the year: | | | | |
| | Current service cost | 136.2 | 102.6 | 92.3 | 70.8 |
| | Past service cost | - | - | - | - |

| Sr. No. | Particulars | Gratuity (Funded) | | Gratuity (Unfunded) | |
|---------|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | As on 31.03.2015 ₹ in million | As on 31.03.2014 ₹ in million | As on 31.03.2015 ₹ in million | As on 31.03.2014 ₹ in million |
| | Interest cost | 57.5 | 45.4 | 39.7 | 29.0 |
| | Expected return on plan assets | (54.2) | (45.3) | - | - |
| | Actuarial losses / (gain) | 73.1 | (31.2) | 10.2 | (28.3) |
| | Total expense recognised in the Statement of Profit and Loss (Refer note 26) | 212.6 | 71.5 | 142.2 | 71.5 |
| V) | Category of assets as at the end of the year: | | | | |
| | Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available) | 660.8 | 580.9 | NA | NA |
| VI) | Actual return on the plan assets: | 56.2 | 49.5 | NA | NA |
| VII) | Assumptions used in accounting for the gratuity plan: | | | | |
| | Discount rate (%) | 7.8 | 9.2 | 7.8 | 9.2 |
| | Salary escalation rate (%) | 6.0 | 6.0 | 6.0 | 6.0 |
| | Expected rate of return on plan assets (%) | 9.1 & 9.2 | 9.1 | NA | NA |
| VIII) | Estimate of amount of contribution in immediate next year | 207.6 | 71.5 | NA | NA |

The estimates of salary escalation, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

| Gratuity (Funded) | Year Ended | | | | |
|---|------------|------------|------------|------------|------------|
| | 31.03.2015 | 31.03.2014 | 31.03.2013 | 31.03.2012 | 31.03.2011 |
| Experience adjustment | | | | | |
| - On plan liabilities | (15.3) | 32.6 | 6.1 | 90.5 | # |
| - On plan assets | 2.0 | 4.2 | 0.1 | 2.3 | # |
| Present value of benefit obligation | 868.4 | 652.4 | 594.9 | 462.7 | 384.6 |
| Fair value of plan assets | 660.8 | 580.9 | 469.4 | 417.7 | 365.4 |
| Excess of (obligation over plan assets) / plan assets over obligation | (207.6) | (71.5) | (125.5) | (45.0) | (19.2) |

Experience adjustment information in respect of previous one year is not available, hence not disclosed.

- B) The provident fund plan of the Company, except at two plants, is operated by "Lupin Limited Employees Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The ASB Guidance on Implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefit plans involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund as at March 31, 2015 and shortfall aggregating ₹ nil (previous year ₹ 9.0 million) has been provided for. The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan.

The Company recognised ₹ 266.4 million (previous year ₹ 257.0 million) for provident fund contributions in the Statement of Profit and Loss.