

LUPIN

Annual Report
2015

CONTENTS

CHAIRMAN'S LETTER	2
CORPORATE INFORMATION	4
AWARDS 2014-15	5
VICE CHAIRMAN'S LETTER	6
CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR'S LETTER	8
FINANCIAL HIGHLIGHTS 2015	10
UNITED STATES	12
INDIA	14
REST OF THE WORLD MARKETS & EUROPE	16
GLOBAL ACTIVE PHARMACEUTICAL INGREDIENTS BUSINESS	18
RESEARCH & DEVELOPMENT	20
GLOBAL MANUFACTURING & SUPPLY CHAIN	24
HUMAN RESOURCES	26
CORPORATE SOCIAL OBLIGATION	28
CHIEF FINANCIAL OFFICER'S LETTER - FINANCIAL REVIEW	30
REPORTS AND FINANCIALS	33



We are committed to care, to grow,
to nurture and to share.

Dear Shareholders,

I have always believed that great companies that are founded with a strong vision and built on solid values are the ones that thrive and live on.

These are the companies that overcome challenges and excel beyond the competition, beyond economic cycles and eventually beyond lifetimes and generations. These are businesses that make their customers and society the reason why they exist, serving social needs while still delivering performance, growth and numbers.

At Lupin, we have created a culture of growth, of creative optimism, of caring for people and our communities. That is the Lupin spirit. This is what has helped us innovate and deliver strong performance year after year consistently. We are committed to care, to grow, to nurture and to share.

This for me is Lupin; Growth and beyond.

Warm regards,

Dr. Desh Bandhu Gupta
Founder & Chairman
Lupin Limited

CORPORATE INFORMATION

Directors

Dr. Desh Bandhu Gupta, *Chairman*
Dr. Kamal K. Sharma, *Vice Chairman*
Ms. Vinita Gupta, *Chief Executive Officer*
Mr. Nilesh Gupta, *Managing Director*
Mrs. M. D. Gupta, *Executive Director*
Dr. Vijay Kelkar, *Independent Director*
Mr. R. A. Shah, *Independent Director*
Mr. Richard Zahn, *Independent Director*
Dr. K. U. Mada, *Independent Director*
Mr. Dileep C. Choksi, *Independent Director*

Company Secretary & Compliance Officer

Mr. R. V. Satam

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Auditors

Ernst & Young LLP
KPMG

Audit Committee

Dr. K. U. Mada, *Chairman*
Dr. Kamal K. Sharma
Mr. Dileep C. Choksi

Stakeholders Relationship Committee

Dr. Vijay Kelkar, *Chairman*
Dr. K. U. Mada

Nomination and Remuneration Committee

Dr. K. U. Mada, *Chairman*
Mr. R. A. Shah
Mr. Richard Zahn

Corporate Social Responsibility Committee

Dr. Desh Bandhu Gupta, *Chairman*
Dr. Kamal K. Sharma, *Vice Chairman*
Mr. Nilesh Gupta, *Managing Director*
Dr. Vijay Kelkar

Risk Management Committee

Dr. Kamal K. Sharma, *Vice Chairman*
Ms. Vinita Gupta, *Chief Executive Officer*
Mr. Nilesh Gupta, *Managing Director*
Mr. Ramesh Swaminathan, *Chief Financial Officer*
Mr. Sunil Makharia, *President - Finance*

Bankers

Central Bank of India
Bank of Baroda
State Bank of India
Citibank N.A.
The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank
ICICI Bank Limited
Kotak Mahindra Bank Limited
JP Morgan Chase Bank, N.A.

Senior Management Team

Dr. Desh Bandhu Gupta, *Chairman*
Dr. Kamal K. Sharma, *Vice Chairman*
Ms. Vinita Gupta, *Chief Executive Officer*
Mr. Nilesh Gupta, *Managing Director*
Mr. Shakti Chakraborty, *Group President - India Region Formulations*
Mr. Vinod Dhawan, *Group President - AAMLA & Business Development*
Mr. Ramesh Swaminathan, *Chief Financial Officer*
Dr. Rajender Kamboj, *President - Novel Drug Discovery & Development*
Mr. Naresh Gupta, *President - API & Global TB*
Mr. Divakar Kaza, *President - Human Resources*
Mr. Alok Ghosh, *President - Technical Operations*
Dr. Cyrus Karkaria, *President - Biotechnology*
Mr. Paul McGarty, *President - Lupin Pharmaceuticals Inc., USA*
Dr. Maurice Chagnaud, *President - Europe and Head of Inhalation Strategy*

Dr. Sofia Mumtaz, *Head - Pipeline Management and Legal*
Mr. Sunil Makharia, *President - Finance*
Mr. Debabrata Chakravorty, *President - Global Sourcing*
Mr. Ray Tsunoda, *President - Japan*

Registered Office

159, C.S.T. Road, Kalina,
Santacruz (East), Mumbai - 400 098.
Tel: + 91 22 6640 2323
Fax: + 91 22 2652 8806

Corporate Office

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Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.
Tel: + 91 22 6640 2222
Fax: + 91 22 6640 2130

Website

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E-mail

info@lupin.com

Corporate Identity Number

L24100MH1983PLC029442

Key Contacts

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Head - Investor Relations
Email: alpeshdalal@lupin.com

Mr. Shamsher Gorawara,
Head - Corporate Communications
Email: shamshergorawara@lupin.com

AWARDS 2014-15

INCLUDED IN BSE 30
OR SENSEX

Included in the Standard & Poor's Bombay Stock
Exchange Sensitive Index - BSE's flagship index

CNBC-TV18
INDIA BUSINESS
LEADER
AWARDS,
2014-15

Outstanding Company of
the Year

WORLD'S MOST
POWERFUL
COMPANIES -
FORBES GLOBAL
2000

#1,580 Global 2000
#1,495 in Profit
#819 in Market value

DUN &
BRADSTREET
CORPORATE
AWARDS 2015

Top Indian Company in
the Pharmaceuticals sector

FORBES ASIA
FAB 50

Asia - Pacific's 50 biggest
listed companies 2014

ICICI & CNBC
INDIA RISK
MANAGEMENT
AWARDS 2015

Risk Management Firm
of the Year (Pharma)

GREAT PLACE
TO WORK

Best Companies to Work
for, 2015, India

ICAI
AWARDS FOR
EXCELLENCE
IN FINANCIAL
REPORTING

Winner of Gold Shield
under Manufacturing
sector

FORBES ASIA
POWER 50
BUSINESS
WOMEN

Ms. Vinita Gupta



Our ability to change, adapt and improvise shall remain the key to our growth.

Dear Shareowners,

At Lupin, we are engaged in continuously sharpening our competitive advantage. In the rapidly changing landscape of technology and commerce in business, it is essential to continuously fine tune our growth engine. We are laying renewed emphasis on bringing superior products, designing innovative processes and building people's capabilities. Our people remain at the center stage of our growth story. The Company crossed USD 2 billion in revenues this fiscal and I am happy to note that the growth has largely been organic rather than inorganic. Everyone at Lupin looks at this milestone more as a platform to build and work towards the Lupin of tomorrow.

Over the last decade, Lupin has emerged as the benchmark for sustained performance and value creation across sectors, which explains our inclusion in the S&P BSE SENSEX (S&P Bombay Stock Exchange Sensitive Index).

We realize that with growth comes responsibility and accountability. We must manage expectations of all stakeholders and commit to deliver superior performance each time. There is a need to continuously raise the bar and reinvent ourselves. We must focus beyond performance and intended outcomes. We are continuously evaluating various aspects of our business and how they impact our preparedness to achieve our objectives. Our ability to change, adapt and improvise shall remain the key to our growth initiative. Lupin is relentless in its effort to improve, to transform and determined to strive for the better every day; we are committed to outperform. Lupin is poised for growth, naturally.

Best regards,

Dr. Kamal K. Sharma
Vice Chairman
Lupin Limited



We are committed to building a world-class research driven, quality specialty and generics powerhouse second to none.

Dear Shareholders,

We have had another strong year of growth be it revenues, margins and enhanced profitability. The Company continues to strengthen its position as an innovation-led transnational pharmaceutical company, which reinforces our belief that a strong business model, the right business practices, like-minded people, a lucrative pipeline and investments in strategic growth pays rich dividends even in the face of increased consolidation, competition and a volatile economic environment.

In FY 2015, all our key markets delivered and we continued to improve on operational performance, which resulted in robust revenues and profits. Lupin's Net sales grew by 13.6% to ₹ 125,997 million (USD 2.06 billion), EBITDA grew by 23.7% to ₹ 38,593 million and our Net Profits grew by 30.9% to ₹ 24,032 million during FY 2015. Over the last 5 years, the Company has delivered a Compounded Annual Growth Rate (CAGR) of 21.4% in Sales, 31.1% in EBITDA and 28.7% in Net Profits.

Today, we are the 7th largest generic pharmaceutical company globally by market capitalization and the 10th largest generic pharmaceutical company globally by sales (Bloomberg, June 2015). Lupin is the 6th largest pharmaceutical player in the US, the 3rd largest Indian pharmaceutical company by revenues and the 8th largest generic pharmaceutical company in Japan.

FY 2015 saw us intensify our research efforts to address opportunities in difficult-to-do generics, dermatology, inhalation, complex injectables and the biosimilars space, thus opening up new avenues of growth in key markets such as US, Europe, Japan, Canada and in the Emerging Markets. Our investments in Novel Drug Discovery and Development

and Biosimilars are starting to pay off with targets progressing through various stages of clinical trials in Europe and Japan. In the next two years, we will make meaningful progress and have multiple filings in each of these areas. We have also been very active in forging new alliances. We entered into a distribution agreement with Salix Pharmaceuticals Inc., USA to exclusively market, distribute and sell Zaxine[®], Relistor[®] and other gastroenterology products for Canada, heralding our entry into the Canadian Brands market. The Company completed its acquisition of Pharma Dynamics, South Africa and further consolidated its presence in the fast growing African market.

Going forward, meaningful acquisitions are going to be vital to our growth strategy and we are targeting geographies, complementary product portfolios and therapies that we feel are missing from our current portfolio. We are investing in people, processes, technology and systems. Over the coming years, we envision a new Lupin, replete with differentiated products and strong market presence; a complex generics and specialty pharmaceutical major, nimble and agile; innovating and evolving every step of the way.

We are committed to building a world-class research driven, quality specialty and generics powerhouse second to none. That for us is the Lupin of tomorrow. We have always stood for Growth. That is the foundation we are built on. We are now looking beyond.

Best Regards,

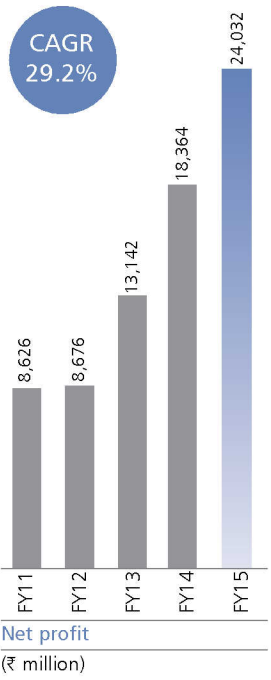
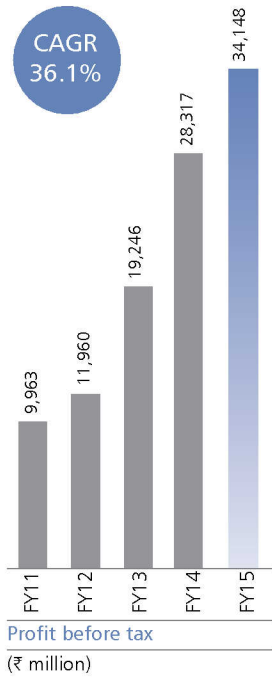
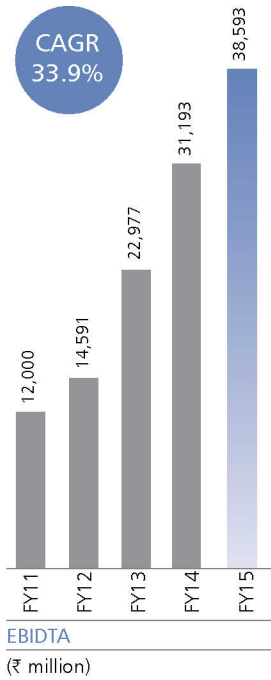
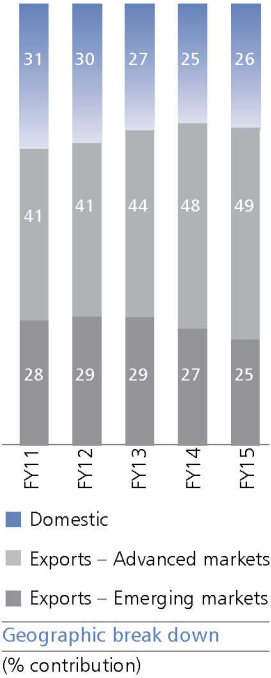
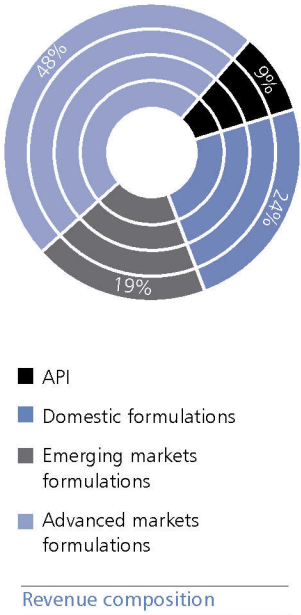
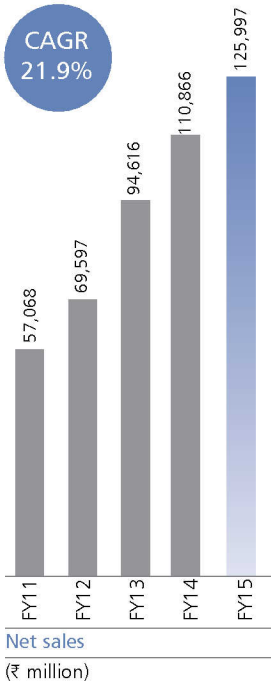
Vinita Gupta
Chief Executive Officer
Lupin Limited

Nilesh Gupta
Managing Director
Lupin Limited

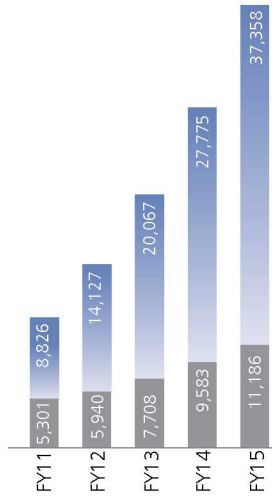
Annual Report 2015 | 9

FINANCIAL HIGHLIGHTS 2015

Business analysis – revenue and profitability



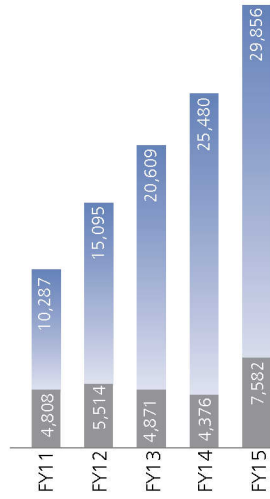
Business critical investments



■ Current year
■ Past years

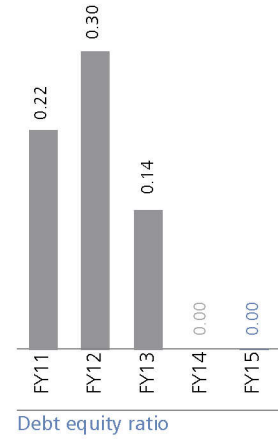
Cumulative R&D
(₹ million)

Financial leverage



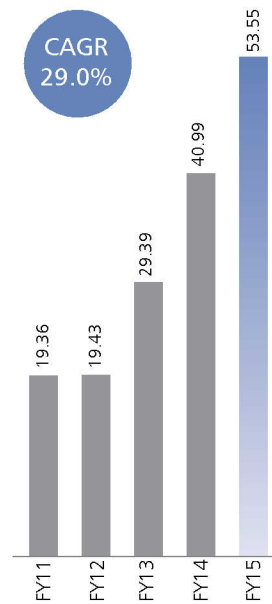
■ Current year
■ Past years

Cumulative capex
(₹ million)

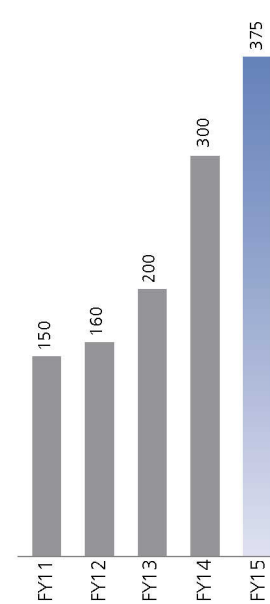


Debt equity ratio

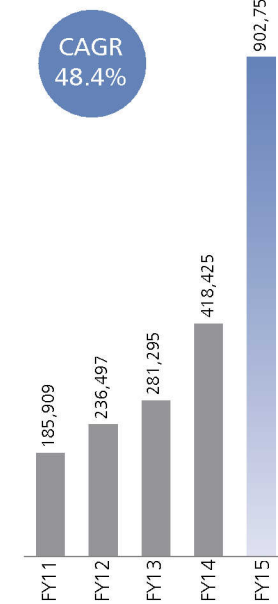
Shareholder value growth



Earning per share
(₹)



Dividend
(%)



Market capitalization
(₹ million)



Lupin's US Headquarters, Baltimore

45%

CONTRIBUTION TO
LUPIN'S GLOBAL
REVENUES

6th

LARGEST GENERIC
PHARMACEUTICAL COMPANY
IN THE US BY PRESCRIPTION

16%

SALES GROWTH

UNITED STATES

THE UNITED STATES IS LUPIN'S LARGEST MARKET AND CONTRIBUTED 45% OF THE COMPANY'S REVENUES DURING FY 2015.

The US continues to be the principal growth engine for the Company and our performance in the US over the last 10 years has been one of the most exciting growth stories in the pharmaceutical industry; that of the creation of a top 10 global generic powerhouse and an emerging specialty pharmaceutical player.

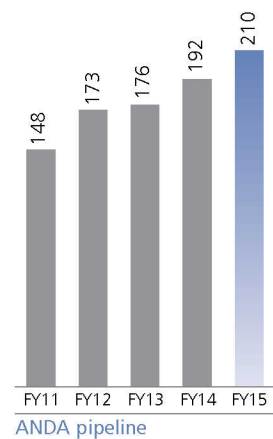
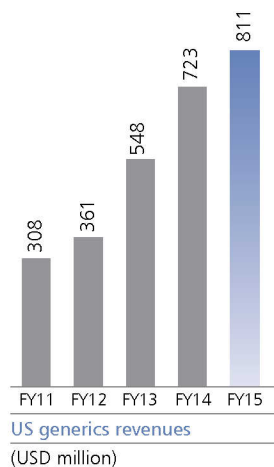
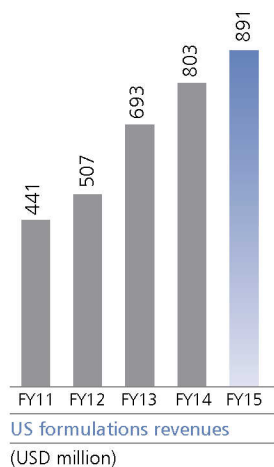
The Company's US subsidiary, Lupin Pharmaceuticals, Inc. (LPI), is dedicated to delivering high-quality, branded and generic medicines trusted by healthcare professionals and patients across the US. LPI today is recognized as a preferred supplier of quality generics into the United States servicing large US wholesale and retail channel partners. In addition, the Company has over the last decade built a highly differentiated and profitable Branded Business which enjoys strong brand equity amongst Pediatric specialists and primary care physicians in the US. Today, our strong marketing and sales capabilities, an enviable product pipeline ably delivered by a world-class research and manufacturing operation, serviced by a 24x7 global supply chain all ensure that Lupin is delivering quality formulations be it brands or generics to the American Healthcare system.

Lupin today is the 6th largest and the fastest growing top 10 pharmaceutical corporations in the US; 4.3% market share growing at 9% (market share by prescriptions-IMS Health Table 1).

Our US revenues grew by 12% to ₹54,532 million (USD 891 million) during FY 2015, up from ₹48,532 million (USD 803 million) in FY 2014. The US Brands business contributed ₹4,908 million (USD 80 million) or 9% of total US sales during FY 2015 while the Generics business contributed ₹49,624 million (USD 811 million) or 91% of total US sales.

US Generics

Lupin's US generic sales grew by 12% as compared to the 4.5% overall growth of the US generic industry (IMS Health) during FY 2015. This growth was in the backdrop of industry challenges like heightened pricing pressures resulting from rapid customer consolidation; increased generic competition on previously launched exclusive and semi-exclusive products as well as a visible slowdown of product approvals in the US. The Company clocked in generic revenues of



USD 811 million during FY 2015, up from USD 723 million the previous fiscal. We launched 11 new products, including the successful commercialization of generic versions of Monodox[®] 75mg and Celebrex[®] to name two high profile exclusive and semi-exclusive launches.

It wasn't just new launches that helped us maintain our growth trajectory but also our ability to increase market shares for existing products and grow our base business. 30 of the 77 generic products marketed by LPI in the US are ranked No. 1 by market share and 55 of these 77 are in the top 3 by Market share (IMS Health). Lupin is the 6th largest generics company in the US with 5.5% market share by prescriptions (unbranded generics Table 2).

The Company filed 18 ANDAs for the US market during FY 2015 and now has 99 ANDAs pending for approval and launch addressing a total market size of over USD 62 billion. Of these, 34 ANDAs are first-to-file addressing a market size of over USD 8 billion. We have 15 exclusive first-to-file ANDAs addressing a market size of USD 2.5 billion approximately.

US Brands

FY 2015 was a year of building and consolidation for one of our key differentiators - our US Brands business. Not only did we expand our Brands product portfolio but we were also able to stem declining sales during FY 2014 arising out of generic competition for Antara[®] (Fenofibrate Capsules 43mg and 130mg). Despite the entry of a 3rd generic into the market, LPI not only maintained a 62% market share for Antara[®] (Fenofibrate Capsules 43mg and 130mg) but we

were also able to grow branded Antara[®] revenues on the back of the launch of Antara[®] 90mg, which is an exclusive strength. Our Suprax[®] branded franchise held steady during FY 2015 as we completed the transition of the tablet business to the capsule dosage form which we launched during FY 2014.

The Company's 160 strong specialty sales force made new inroads into the pediatric diarrhea market with Alinia[®] (Nitazoxanide) for oral suspension for which we acquired exclusive rights in the US in FY 2014. Prescriptions for Alinia[®] grew by more than 40% during FY 2015.

LPI also launched the all new InspiraChamber[®] Anti-Static Valved Holding Chamber (VHC) under a strategic licensing agreement with InspiRX Inc. (InspiRX). The agreement grants Lupin exclusive rights to promote, distribute and market InspiraChamber[®] VHC in the United States. LPI began promotion of InspiraChamber[®] VHC through marketing programs and physician detailing in February 2015. We are very excited with the product given the market potential. The InspiraChamber[®] VHC is designed to enhance delivery of aerosol medication from most pressurized metered dose inhalers. Several clinical and laboratory studies have shown that InspiraChamber[®] VHC is superior to the leading VHCs in the market.

As we move into FY 2016, the Company remains committed to continue to strengthen its branded portfolio with the launch of additional products by not only creating alliances but also developing its own pipeline and making strategic brand acquisitions.

Dispensed TRx US Pharmaceutical Industry

Table 1 : Dispensed TRx Total US Industry, MAT, April 2015
Lupin is ranked 6th in the US Industry standings of all pharmaceuticals

Leading corporations	MAT, April 2015		
	TRxs mn	% Market Share	% Growth
US Industry	4,608	100.0	3
1 Teva	527	11.4	-2.4
2 Mylan Labs Inc.	335	7.3	-6.2
3 Sandoz (Novartis)	322	7.0	6.4
4 Actavis US	306	6.6	-4.6
5 Endo Pharm Inc.	254	5.5	2.0
6 Lupin Pharma	200	4.3	9.0

Table 2 : Dispensed TRx US unbranded Generics, MAT, April 2015
Lupin is ranked 6th in the US industry standings of unbranded generics

Leading corporations	MAT, April 2015		
	TRxs mn	% Market Share	% Growth
US Industry	3,592	100	4.5
1 Teva	458	12.8	-3.2
2 Mylan Labs Inc.	327	9.1	-6.9
3 Sandoz (Novartis)	257	7.2	14.8
4 Actavis US	233	6.5	-5.2
5 Endo Pharm Inc.	208	5.8	1.9
6 Lupin Pharma	198	5.5	8.7



24%
CONTRIBUTION TO
LUPIN'S GLOBAL SALES

3.25%
OVERALL MARKET SHARE
OF THE IPM (IMS TSA
MAT, MAY 2015)

5,500+
SPECIALTY FIELD FORCE

INDIA

FOR INDIA, THE COMPANY'S 2ND LARGEST MARKET IN TERMS OF REVENUES, FY 2015 WAS UNDERLINED BY ITS CONCENTRATED PUSH TOWARDS EMERGING AS A MARKET LEADER.

India is a critical part of Lupin's ambitious growth plans and contributed 24% to the Company's global revenues. Emerging from the shadows of a tumultuous FY 2014 where the entire industry and the Indian Pharmaceutical Market (IPM) were adversely affected by changes in the Drug Price Control Order (DPCO), Lupin's domestic formulations business emerged stronger in FY 2015, clocking in revenues of ₹ 30,295 million, a growth of 20.5% over the previous year, outpacing and outperforming the IPM which grew by 12.1% (IMS MAT, March 2015).

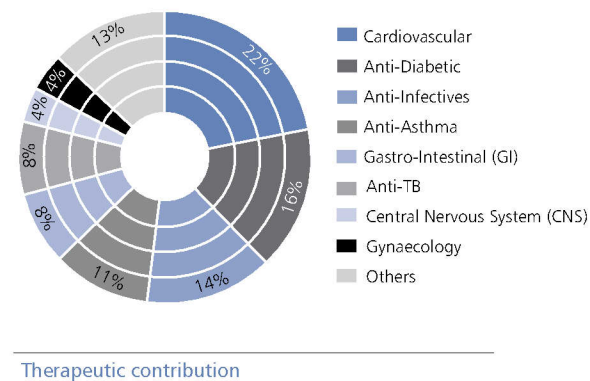
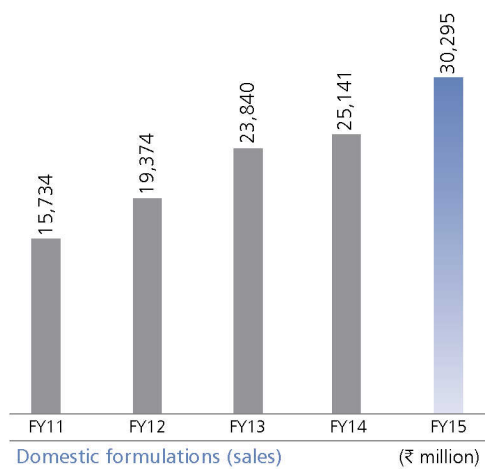
This translates into a CAGR of 18% for the last 4 years. Chronic therapies contributed 66% of India revenues in FY 2015 (44% in FY 2008). Our performance is also a reflection of our ability to combat and respond to an intensely competitive, fragmented and dynamic business environment; testimony to the commitment and passion of our 5500+ medical sales & marketing team. Our flawless

execution that has made us a key player in fast growing therapies such as Cardiology, Central Nervous System (CNS), Diabetes, Anti-Asthma, COPD, Gastro-intestinal (GI) and Gynaecology.

Proportion of revenues derived from key segments

	Acute Therapies	Chronic Therapies
2014-15	34%	66%
2007-08	56%	44%

We continue to be the market leader in the Anti-TB market and are the 3rd largest player in Cardiology and Anti-Asthma segments. We grew our market share in therapies such as Diabetology on the back of new product launches. A marked improvement from being the 7th largest player in FY 2014. The Company has been constantly fine tuning its product portfolio by adding innovative new products, which



explains why Lupin has one of the fastest growing and largest portfolios of young high growth brands. We now have 26 brands with sales upwards of ₹300 million, 4 out of which have sales exceeding ₹1,000 million (Gluconorm, Huminsulin, Tonact and Rablet).

Our existing associations with global think tanks and institutions like American College of Cardiology (ACC), American College of Chest Physicians (ACCP); the Ian Donald School; the European Society of Cardiology (ESC); the European Society of Cardiology – Heart Failure Association (ESC HFA) and European Association for Neurological Societies (EANS) to name a few have gone a long way in bringing the latest technical know-how and advances to the medical community within the IPM. Spreading awareness, patient education and meaningful care has always been a key focus for the Company and we continue to educate patients and society at large on diagnosis and preventive care across the country, be it our Spirometry and CO monitoring camps which have helped diagnose Asthma / COPD; BMD Camps for detection of osteoporosis and related disorders; or the special Diabetes (HB1AC) camps

and hypertension & lipid profile campaigns that we have conducted.

The Company is focused on nurturing and developing its 5,500+ specialty product marketing and sales force by providing structured training and technology inputs to ensure that we are in tune with new innovations; that we are not only leveraging our size to launch new products and grow but also the fact that we are garnering market shares by expanding coverage and reach meaningfully with speed and agility.

In-licensing products through strategic alliances to widen our product portfolio and to enter new therapies has also been a key contributor to Lupin’s strong growth in the IPM. The Company has in-licensed 27 products over the last 5 years, out of which 4 were a first for the IPM. We have emerged as a preferred partner for multinational companies looking to enter the IPM and also grow existing market shares in India.

We are at the cusp of an interesting growth journey where Lupin’s India formulations business is all set to emerge as a billion dollar enterprise within the next 5 years.

Therapy growth matrix - Lupin vs IPM

Therapy Area	IPM Growth Rate*	Lupin Growth Rate	Market Share	Market Rank
Anti-TB	2.5%	16.1%	53.2%	1
Cardiology	10.2%	17.6%	5.9%	3
Anti-Asthma	12.3%	27.6%	10.6%	3
Diabetology	16.6%	25.0%	5.9%	5
Central Nervous System	11.1%	20.2%	2.3%	10
Anti-Infectives	9.1%	13.4%	2.9%	13

*IMS MAT, March 2015

Our top brands

Brand	Therapy Area	Brand Growth	Market Growth*
Gluconorm	Anti-Diabetic	27.2%	21.8%
Tonact	Cardiovascular	12.5%	14.5%
Rablet	Gastro-Intestinal	25.0%	15.2%
Budamate	Anti-Asthma	28.5%	15.4%
Telekast	Anti-Asthma	35.5%	17.8%
Rcinex	Anti-TB	17.5%	11.6%
Clopitab	Cardiovascular	14.2%	10.4%
Telista	Cardiovascular	17.1%	15.2%
Ramistar	Cardiovascular	5.8%	4.8%
Akt	Anti-TB	11.3%	3.8%

*IMS MAT, March 2015



Scientists at Kyowa Research Center, Japan

8th

LARGEST GENERIC
PLAYER IN JAPAN

4th

LARGEST GENERIC PLAYER
IN SOUTH AFRICA

730

NUMBER OF
PRODUCTS FILED IN
ROW MARKETS

REST OF THE WORLD MARKETS & EUROPE

LUPIN'S REST OF THE WORLD (ROW) AND EUROPEAN MARKETS ARE THE 3RD LARGEST CONTRIBUTOR TO THE COMPANY'S REVENUES GLOBALLY AND OUR YOUNGEST AND FASTEST GROWING BUSINESS.

Lupin's ROW business caters to markets in Asia-Pacific including Japan, the Middle-East, Philippines, Australia, South Africa, Mexico and Latin America. Europe covers our businesses in the UK, Germany, France and Russia.

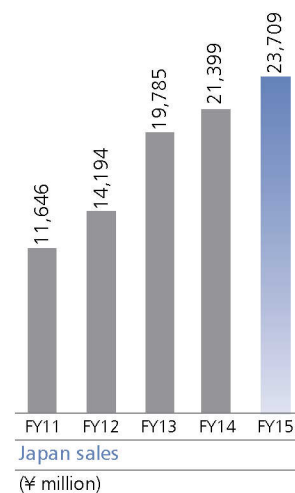
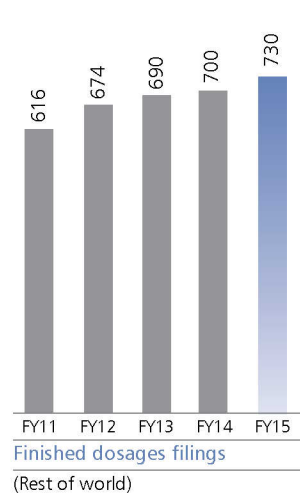
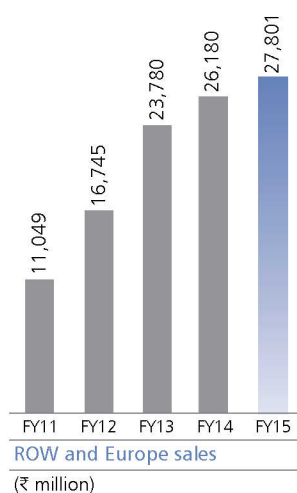
Rest of the World Markets

Lupin's ROW markets including South Africa and Japan, clocked in revenues of ₹24,522 million during FY 2015, a growth of 6% and contributed 19% to the Company's global consolidated revenues.

These markets are the fastest growing growth opportunity in the global pharmaceutical market and are expected to grow to USD 400 billion by FY 2020. Our growing presence and leadership credentials in markets like Japan, South Africa and Mexico coupled with our efforts to enter new markets with meaningful acquisitions are going to help us address these growth opportunities.

Japan

Japan is the 2nd largest pharmaceuticals market in the world with sales of over USD 115 billion. Generics accounts for 49% of total pharmaceutical volumes in Japan. The Japanese Government has a target of 80% generic penetration by 2020 which translates into an additional 35-40% of overall pharmaceutical volumes going generic. Add to this, patent expiries valued at over USD 14-16 billion by 2018 and all of this amounts to one of the largest growth opportunities for Lupin globally. The Company has been streamlining its business operations and integration and renaming of I'rom Pharmaceuticals to Kyowa CritiCare Co. Ltd., (KCC) with Kyowa Pharmaceuticals (Kyowa) our Japanese flagship was one such measure. We also plan to set up a new dedicated manufacturing site for oral solids in Japan and a new injectable line in KCC. Lupin's dedicated Japan block at Goa will be operational in the next fiscal and will increase our ability to supply from India significantly.



Japan remains the 3rd largest market for the Company globally and contributed 11% to our global revenues. It is also the largest market within Lupin's ROW business contributing about 54% of ROW revenues. During FY 2015, our Japanese businesses Kyowa including KCC generated revenues of JPY 23,709 million (₹ 13,239 million), a growth of 11% over the previous year. Lupin remains the 8th largest generic pharmaceutical player in the Japanese market with a strong presence in the Neurology, Cardiovascular, Gastroenterology and Injectables segments.

South Africa

The South African pharmaceutical market is valued at about USD 3.5 billion with generics growing at 9% by value and 4% by volumes during FY 2015. Lupin's South African subsidiary Pharma Dynamics (PD) recorded revenues of ZAR 760 million (₹ 4,218 million), clocking in growth of 19% over the previous year. PD remains the 4th largest generics player & ranks amongst the top 20 pharmaceutical companies in South Africa with leadership in the Cardiovascular segment.

Mexico

Mexico is one of the fastest growing pharmaceutical markets valued at over USD 13.5 billion, growing at 9-10% annually (IMS Health). Lupin completed the integration of Laboratories Grin S.A. de C.V. (Grin) which we had acquired last fiscal. Grin is a specialty pharmaceutical company and the 4th largest ophthalmic player in Mexico. It is also the fastest growing player in the Mexican ophthalmic market and grew 7% by volumes and 16% by value during FY 2015. For 6 months consolidated, Grin registered revenues of MXP 227 million (₹ 984 million) this fiscal.

Australia

FY 2015 witnessed Lupin acquire the balance stake of 9% in Generic Health Pty Limited (GH) which is now a wholly

owned subsidiary of the Company. GH recorded revenues of AUD 26 million (₹ 1,372 million) during FY 2015.

Philippines

The Philippines pharmaceutical market is valued at USD 3.3 billion and grew by over 6% during FY 2015. Lupin's Philippines subsidiary Multicare Pharmaceuticals (Multicare) grew 26% as against the industry growth of 2.5%, generating revenues of PHP 1,148 million (₹ 1,584 million).

Europe

FY 2015 has been a year for new beginnings for Lupin in Europe (EU) with the Company establishing its new headquarters in Zug, Switzerland which would provide a strong central platform to develop and grow our EU business. FY 2015 saw us ramp up hiring and strengthen our EU leadership team across key functions like supply chain and regulatory affairs which are critical to our long-term growth strategy. The Company filed 5 marketing authorization applications and received 4 approvals during FY 2015; cumulative filings with EU authorities now stand at 62 with 52 approvals to date. Lupin's EU business clocked in sales of ₹ 3,279 million during FY 2015 as compared to ₹ 3,054 million the previous year.

ROW key markets

Geography	Currency	FY 2015	FY 2014	Growth
Japan	JPY million	23,709	21,399	11%
South Africa	ZAR million	760	638	19%
Australia	AUD million	26	30	-14%
Philippines	PHP million	1,288	1,336	-4%
Mexico	MXP million	227	NA	NA



Lupinytt at work at our Indore manufacturing facility, India

No.1

IN ANTI-TB SEGMENT
GLOBALLY

9%

CONTRIBUTION TO
OVERALL COMPANY
REVENUES

90%

CAPTIVE
CONSUMPTION OF APIs

GLOBAL ACTIVE PHARMACEUTICAL INGREDIENTS BUSINESS

THE GLOBAL API INDUSTRY IS ON THE UPSWING WITH FACTORS SUCH AS INCREASED GENERIC PENETRATION, PATENT EXPIRIES AND RISE IN OVERALL PHARMACEUTICAL CONSUMPTION.

The Indian pharmaceutical industry ranks amongst the top 5 API producers globally and accounts for over 30% of global production. India is one of the most preferred supplier of quality APIs globally given our rich research heritage, focus on cost optimization and strong quality track record.

Lupin's API legacy spans over four decades of having serviced the world's largest pharmaceutical companies. Deep vertical integration, scale and more importantly our investments in research, manufacturing and quality have helped us build a quality product pipeline. Coupled with better efficiencies, this has helped us sustain our leadership

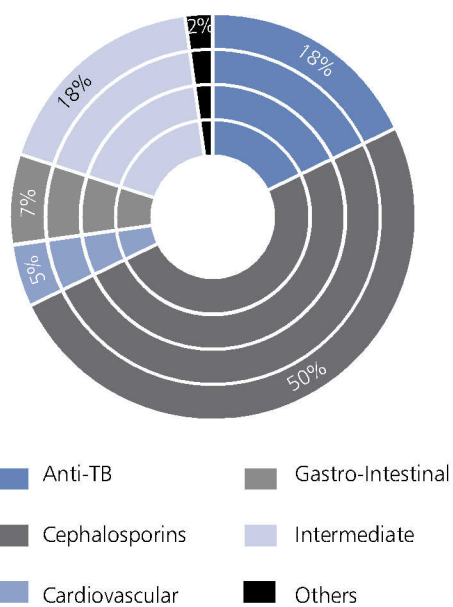
in key API segments globally and also grow our business meaningfully. Lupin's global API business generated revenues of ₹ 11,941 million during FY 2015 contributing 9% to global revenues. Exports constitute more than 65% of the total API sales by the Company.

FY 2015 saw the Company significantly expand its research product pipeline and invest in building new API facilities to address global demand. Lupin today is adopting green chemistry technologies with a focus on improving efficiencies, ensuring better quality and protecting the environment.



Lupinytt at work at our Tarapur manufacturing facility, India

The Company's API division has also made rapid progress in growing its value-added formulation business, its Principal-to-Principal (P2P) business as well as its Global Institutional Business (GIB). Lupin's P2P business leverages our expertise in API research and formulations development. The Company's P2P business launched several first-to-market products in India and emerged as a strong reliable supplier partner. The Company continues to be a leading supplier of Anti-TB products to the World Health Organization's Global Drug Facility (WHO). We have the unique distinction of being the only company to have both our APIs and formulations for TB products pre-qualified by the WHO. Lupin is also actively engaged with other global healthcare and development institutions such as Global Fund, PAHO, UNFPA, Stop-TB partnership and MSF to ensure access to effective and affordable medicines in high disease burden countries across Africa and Asia. We see our institutional business expanding in the future to include other therapeutic areas as we grow our partnerships with these global institutions to address healthcare challenges globally.



Therapeutic contribution



Scientist at Lupin Research Park near Pune, India

₹48,544

MILLION CUMULATIVE R&D SPEND OVER THE LAST 8 YEARS

10

PIPELINE OF NDDD/NCE PROGRAMS IN VARIOUS PHASES OF DRUG DISCOVERY & DEVELOPMENT

2,197

PATENTS FILED AS ON 31 MARCH, 2015

RESEARCH & DEVELOPMENT

Our investments in Research & Development of meaningful complex generics and areas such as Novel Drug Discovery & Development (NDDD) and Biotechnology over the last 8 years not only represents our global aspirations but are also an important indicator of the depth that we have been able to create; efforts, investments and innovation that are transformational in nature; heralding and hastening Lupin's ascendancy as a true research driven global pharmaceutical major.

Novel Drug Discovery & Development (NDDD)

Our pipeline of over 10 highly differentiated and innovative new chemical entities in therapies such as CNS disorders, Oncology, Immunology, Pain & Inflammation, Infections, Metabolic / Endocrine disorders continued to

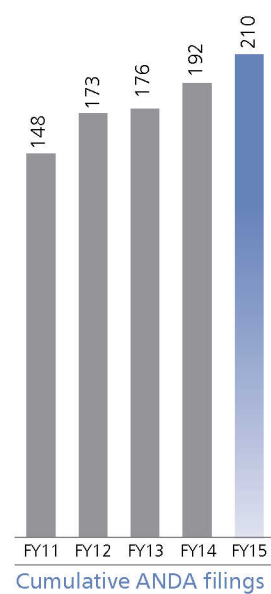
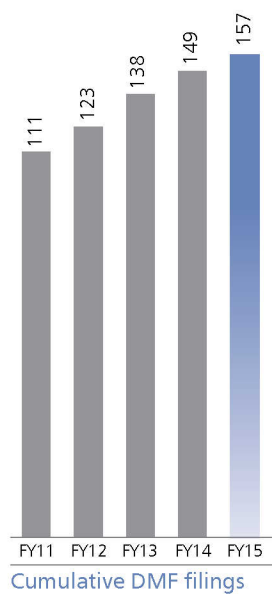
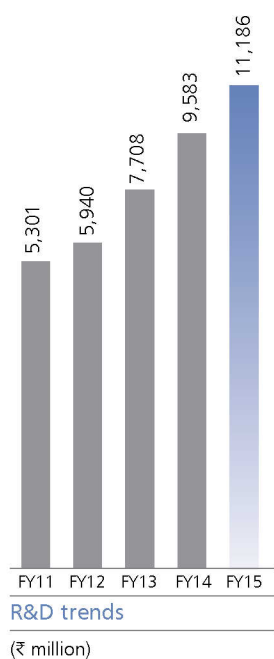
make rapid progress through various stages ranging from discovery to development.

Key Targets & Status

CNS: Symptomatic treatment for dementia with high therapeutic index and potential for disease-modification in long term. With Human safety established, Clinical Phase-II efficacy study in Alzheimer's disease patients ongoing in Europe.

Cancer: Highly differentiated anti-cancer treatment. Clinical translation & excellent safety demonstrated. Clinical Phase-I in progress in Europe in terminally ill patients (Lung Cancer & Colon Cancer).

Endocrine: Best-in-class 2nd generation "Precision Calcimimetic" for Chronic Kidney Disease (CKD) and



Primary Hyperparathyroidism (PHPT). Phase-I study conducted in Europe, successfully completed with approvable primary end-point met. Strong results, confirming good tolerability, excellent PK-PD correlation and good efficacy translation demonstrated.

Biotechnology Development Program

Over the last 7 years, 190 highly-qualified and passionate biotechnologists at the Lupin Biotech group have come a long way in their quest to develop and deliver high quality and affordable biosimilars. Lupin's biosimilars pipeline today includes 12 blockbuster molecules addressing therapeutic indications such as Oncology, Anti-inflammatory, Anti-virals, Endocrinology, Ophthalmic and Diabetes. Our biotech product development and manufacturing operations conform to EMA, PMDA, WHO and Indian biosimilars guidelines. We are breaking new ground to ensure that we become the first Indian company to launch biosimilars in markets such as Japan; a stepping stone towards our mission of establishing Lupin as a global biosimilars player.

Highlights for FY 2015

- 2 biosimilars ready to launch in India under the brand names Lupifil® (Filgrastim) & Lupifil-P® (Peg-filgrastim)
- Initiated Phase-I clinical studies for 4 products; 2 out of 4 Phase-I studies successfully completed; 2 more studies are currently underway
- Pre-clinical and clinical development of our Etanercept biosimilar endorsed by PMDA (Japan) and EMA. Successfully completed Phase-I clinical trial in Japan. To initiate a multi-centric & comparative Phase-III clinical trials
- Filed 21 Indian patent applications; 13 PCT applications, 26 national phase applications in various regulated markets and published 26 publications

Pharmaceuticals & API Process Research

The Company's Pharmaceuticals & API research program has been the primary growth driver fuelling Lupin's

8.9%

R&D EXPENDITURE
OF NET SALES

18

ANDAs FILED
DURING THE YEAR

34

FIRST-TO-FILE PRODUCTS



rise as a global generics and specialty pharmaceutical powerhouse. FY 2015 was also a year where we not only operationalized and ramped up infrastructure and resources at our new Inhalation facility in Florida, US, but also added Injectable product development capabilities at our global R&D hub near Pune, India. Existing product development facilities for areas such as Dermatology and Inhalation (MDIs, DPIs and Nasal Sprays) were also further strengthened. These investments not only indicate the Company's focus to create a highly differentiated global pipeline of complex generics and specialty pharmaceuticals but are a key pointer to Lupin's future earnings.

Highlights for FY 2015

- Filed 18 ANDAs, including 5 First-to-File (FTF) products with the US FDA receiving 12 approvals. Cumulative ANDA filings with the US FDA now stand at 210 with 111 approvals received to date. Lupin now has a total

of 34 FTF ANDAs which includes 15 exclusive FTF opportunities

- 5 MAAs filed with European regulators having received 4 approvals. Cumulative filings with European authorities now stand at 62 with the Company having received 52 approvals to date
- Filed 8 US DMFs (cumulative 157), 5 EDMFs, 5 CEP and 1 Japan DMF
- The team achieved further milestone payments of USD 10 million for 2 of its products that are being jointly developed with Medicis Pharmaceuticals Corporation

The Intellectual Property Management Group (IPMG)

One of the key drivers of Lupin's growth has been the ability of our IPMG to create, cultivate, leverage and



*Work in progress at Lupin
Research Park near Pune, India*



secure an ever growing high-value patents, product and research pipeline. Our successful litigations and patent challenges during FY 2015 are a pointer to how well we have been able to ensure that our research and technology assets remain protected. The Company settled 9 pending litigations that led to the eventual launch of the generic versions of Yaz[®], Lunesta[®], Cipro OS[®], Diovan[®], Exforge[®] and Epivir[®] and the authorized generic for Celebrex[®].

In FY 2015, Lupin also filed 2 Exclusive first to file products for the generic versions of Minastrin[®] and Zorvolex[®] and had 3 shared first to file for the generic versions of Pradaxa[®], Latuda[®], Angeliq[®] (0.25 mg + 0.5 mg).

The Company also entered into a definitive distribution agreement with Salix Pharmaceuticals under which Salix granted Lupin the exclusive right to market, distribute

and sell certain Salix products in Canada. This includes immediate rights to distribute Zaxine[®] (Rifaximin) 550 mg tablets for reduction in risk of overt Hepatic Encephalopathy (HE) recurrence in patients 18 years of age or older, and Relistor[®] Subcutaneous Injection for the treatment of Opioid-Induced Constipation (OIC) in patients. Under the agreement, Lupin also has the option to exclusively market, distribute and sell other gastroenterology products in Salix's Canadian pipeline once approved by Health Canada.

During FY 2015, the Company filed 435 patent applications including 97 new inventions taking the cumulative total to 2,197 patents filed till date in India and other countries. This includes 45 formulations patents, 58 API/Process patents, 18 Biotech and 314 NCE patents. The Company received approvals for 12 formulations patents, 6 API patents, 1 Biotech patent and more importantly 3 NCE patents.



Tablet coating at our Goa manufacturing facility, India

13

MANUFACTURING FACILITIES GLOBALLY

₹37,438

MILLION CUMULATIVE CAPITAL EXPENDITURE OVER THE LAST 8 YEARS

>6,000

LUPINYTTS ENGAGED IN MANUFACTURING AND QUALITY

GLOBAL MANUFACTURING & SUPPLY CHAIN

SUSTAINED GROWTH IN THE PHARMACEUTICAL INDUSTRY IS A DIRECT FUNCTION OF THE QUALITY ONE HAS BEEN ABLE TO INSTILL INTO ONE'S TECHNICAL OPERATIONS BE IT RESEARCH, REGULATORY COMPLIANCE, PROCUREMENT, MANUFACTURING OR SUPPLY CHAIN.

The quality that we have instilled into our technical operations has helped us create a business second to none; one of the key differentiators that has made Lupin the global generics powerhouse it is today. This is a deep Quality ethic that drives 6,000+ Lupinytts spread across 13 world-class facilities in India, Japan & Mexico to deliver quality products globally.

All our manufacturing facilities are inspected and approved by leading pharmaceutical regulatory authorities like the US FDA, World Health Organization, MHRA (UK), TGA (Australia), MHLW (Japan), ANVISA (Brazil) and MCC (South Africa), to name a few. Today, Quality is institutionalized across all Lupin manufacturing facilities through varied mechanisms be it sophisticated systems and automation, training programs or enabling infrastructure. We build in Quality right from product

development to delivery; ensuring that we manufacture robust quality products using sound processes.

Lupin remains committed towards adopting best practices in Environment, Health and Safety for its global manufacturing operations, investing in technologies and initiatives that have helped us reduce, recover and recycle resources and inputs that would enable better environment management. A good example would be the fact that the Company used 51% of its incinerable organic waste as a substitute fuel thus reducing fossil fuel consumption during FY 2015. The Company also installed advanced waste water reverse osmosis units in various facilities to treat and recover around 1,000 kilolitres a day of waste water for utility operations thereby reducing fresh water consumption at our facilities. We continue to



Capsule filling in progress at Goa facility, India



Tablets under production at Mandideep facility, near Bhopal, India

set new formulations and API facilities and also ramp up existing manufacturing facilities and capacities to meet future demand. Capital expenditure for the Company stood at ₹ 7,582 million for FY 2015.

Lupin's Global Supply Chain Organization (GSCO) was set up to ensure that our products not only reach patients and our key customers "on-demand" and "in-time" but also to ensure that we put in place systems and advanced forecasting tools that enable us to plan and build capacities accordingly. Our fill ratios for the US, a key metric of our supply chain's ability to service some of our largest customers are the best in the industry, making Lupin a preferred and reliable supplier of generics to the US.

Highlights for FY 2015

- Lupin successfully cleared four US FDA inspections at our Indore and Aurangabad facilities as well as at our new formulations manufacturing site at Mihan, Nagpur
- The Company's manufacturing sites were also audited and approved by other regulators such as the MHRA (UK), TGA (Australia) and WHO (Geneva) during the year
- Initiated work in setting up new API manufacturing facilities at Vishakapatnam, Andhra Pradesh and added two

new multi-product API plants at our existing manufacturing facility in Dabhasa

- Expanded our new formulations manufacturing facilities in Goa increasing current formulations manufacturing capacities by 50%
- DISHA, the Company's initiative for operational excellence completed its third year. Key highlights:
 - Teams at Lupin's manufacturing plants are currently working on 80+ projects, targeting cost savings in excess of ₹ 1,000 million. These projects have already resulted in significant improvement in yields, reduction in changeover time and savings in utility consumption, etc. Two of our yield improvement projects have been shortlisted for QCI-DL Shah National Award under the Drugs & Pharmaceuticals category, one of the most prestigious operational excellence awards
 - Capability development of employees under DISHA has been a top priority. Through multiple sessions of Lean, Six Sigma, TPM, MOST, Investigator Training, the Company has now trained 48 Black Belts, 62 Green Belts, 9 Lean Experts and 25 Investigators. A total of 961 Lupinytts have been trained under the DISHA Initiative



Lupinytts at manufacturing operations, Jammu facility, India

> 15,000
LUPINYTTS GLOBALLY

31
YEARS - AVERAGE AGE
OF A LUPINYTT

> 3,000
LUPINYTTS COVERED UNDER
THE LUPIN STOCK OPTION PLAN

HUMAN RESOURCES

WITH A CULTURALLY DIVERSE TEAM OF OVER 15,000 EMPLOYEES ACROSS 21 GEOGRAPHIES, LUPIN HAS ESTABLISHED ITSELF AS ONE OF INDIA'S BEST PLACES TO WORK IN THE BIOTECH AND PHARMA SECTOR*.

What defines a successful company? Is it its position in the global market? Or the numbers at the bottom of a balance sheet? At Lupin, we have a different definition of success. We believe that the growth of our employees is the growth of our Company. When we enable them to reach their full potential, we create possibilities, for them, and for us as well. Their success, is our success. Everything else follows, naturally.

Lupin is more than just a company; it is a partnership. A joint effort to learn, grow and develop synergies, thereby pushing the boundaries of progress. We strive towards providing each of our employees the encouragement, support and avenues to realise their potential and achieve more than they thought was possible. This is the vision of our Human Resource function, a

fundamental goal that we pursue with passion. Each of our HR programs has been created to attract the best available talent, develop skills, enhance roles and responsibilities, and shape well-rounded individuals.

Our employee friendly work culture and unique recruitment programs such as Learn and Earn and Parichay, help to efficiently fill staffing gaps through astute sourcing and selection. Our on-boarding and induction initiatives, Udbhav and Buddy, assimilate new joiners faster, enhancing both stability and productivity; while initiatives such as the Spirit of Lupin – Values Program and PLEDGE – Corporate Governance program align our employees with Lupin’s inherent value system and high moral standards. The success of these programs exemplify that our index of employee engagement is the unique employee experience that we

* Survey conducted by Great Place to Work institute® and the Economic Times.



create by providing relevant touch points during their early life in Lupin.

While attracting talent is critical, we also place equal emphasis on honing and growing their knowledge and skills and upgrading cross-functional alignment among Lupin's business teams. The industry is constantly evolving, and we want our employees to be the ones setting the pace. We provide employees with several enhancement, enrichment and enlargement opportunities through programs such as the Area Managers' Excellence program, ASCENT Top 100 Managers Leadership and Management Development Programs where we have partnered with leading academic institutions like the Indian Institute of Management, Ahmedabad, Manipal University, SP Jain Institute, Narsee Monjee Institute, and BITS, Pilani. The effectiveness of these programs hinges on their deep integration with business units and their specific requirements, and how they successfully meet these requirements.

We truly believe that our employees are the finest in the industry and they have consistently delivered exceptional performances and results. That is the reason that they are groomed for higher roles and more responsibility within the organisation. For a rapidly expanding company that is diversified both geographically and business-wise, we

need to foresee talent gaps and take pre-emptive measures to build a talent pipeline and make the organization future-ready. We believe that this can be achieved through empowerment of employees. We have developed a sophisticated learning and development process matrix that caters not only to each stage of an employee life-cycle, but is also specific to the requirements of a specific function, role, its nuances and demands. Several novel programs such as 'Leader Plus', 'Managers' Excellence Program' and the 'Business Leaders Program' have thus helped harness untapped potential and create future leaders.

We periodically review and strengthen our People practices, HR programs and Learning initiatives, to maximize organizational performance. Continuous employee development is viewed as a basic business input and is treated on par with investment in technology, research and manufacturing. We are also ensuring that our employees are deeply aligned with our organizational culture and values while never losing focus of our business objectives. Lupin has thus built an enviable talent powerhouse and churned out truly well-rounded individuals.

At Lupin, our constant endeavor is that our people feel invested in, and in turn, they invest in the Company, its growth and its mission.



Rural Woman after harvesting at a LHWRF Funded Agriculture Project

16
CSR CENTRES ACROSS INDIA

7
STATES

20
DISTRICTS

56
BLOCKS

3,463
VILLAGES

2.8
MILLION FAMILIES

CORPORATE SOCIAL OBLIGATION

IN 1988, THE LUPIN HUMAN WELFARE AND RESEARCH FOUNDATION (LHWRF) SET OUT ON ITS JOURNEY TO ALTER THE SOCIO-ECONOMIC LANDSCAPE OF RURAL INDIA BY BUILDING A SUSTAINABLE, REPLICABLE AND ACTIONABLE MODEL OF SOCIAL DEVELOPMENT.

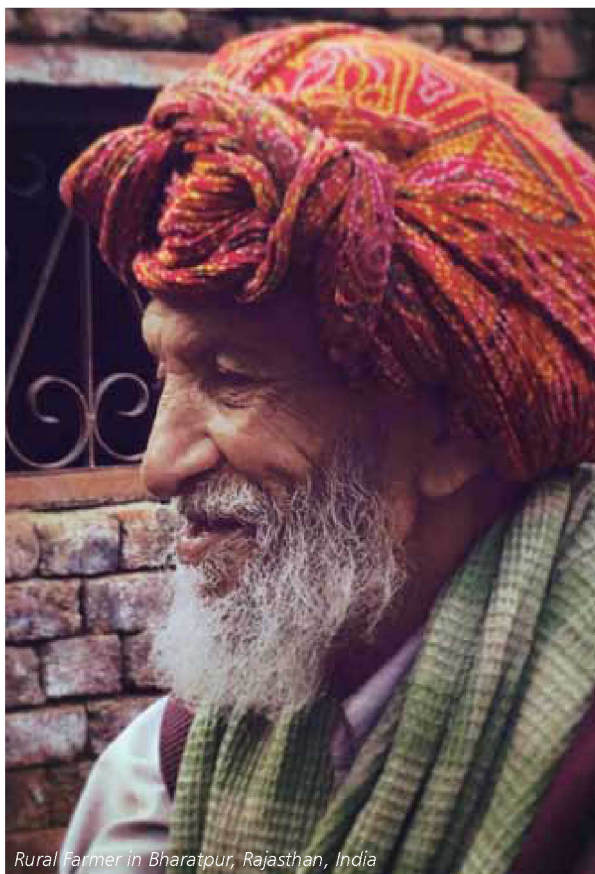
The LHWRF mission is simple, to ensure that we uplift families living below the poverty line in our rural hinterland.

It has been 26 years and we have come a long way. We have created efficient and sustainable programs that have become benchmarks which are being replicated not only by us but by like-minded institutions, governments and corporates through collaborations and partnerships. We are focused on finding ways to improve the Human Development Index (HDI) in the regions we cover with the

program design and timelines guided by the Millennium Development Goals (MDGs), which offer an appropriate framework for action. Today LHWRF reaches out to 2.8 million people living in 3,463 villages located in 56 blocks of 20 districts spread across 7 states. The Foundation operates through 16 hubs; Alwar and Bharatpur in Rajasthan; Nagpur, Tarapur, Aurangabad, Dhule, Nandurbar, Pune and Sindhudurg in Maharashtra; Bhopal and Dhar in Madhya Pradesh; Rishikesh in Uttarakhand; Dhargal in Goa; Dabhasha and Ankleshwar in Gujarat and Jammu in



Girl at a village school funded by LHWRF



Rural Farmer in Bharatpur, Rajasthan, India

Jammu and Kashmir. FY 2015 saw LHWRF not only set up 6 new hubs in areas around Lupin's manufacturing facilities but also further strengthen these by creating necessary manpower, infrastructure, management systems and processes to operationalize the same.

The key areas of focus for the LHWRF program are:

- Agriculture Development
- Promoting Livestock Development
- Rural Industries Promotion through Livelihood Hubs and Skill Development
- Leadership Development amongst Women through their Empowerment
- Providing Quality Health Services in remote areas
- Innovative interventions to make education effective
- Infrastructure Development and Natural Resource Management

Partners in Progress

We believe that transforming rural communities cannot be achieved by one organization or individual. Knowing that we need a much larger scale of operation to make meaningful impact, LHWRF works closely with government programs and other like-minded institutions. Over the years, we have been able to forge strong partnerships that have helped us reach out to more villages and rural families. From measures such as renovating Public Health Centres (PHCs) and Community Health Centres (CHCs), to working with the schools and education department for developing health and sanitation programs, LHWRF seeks out partners that it can align in its goals. These partnerships and programs are not only ensuring that progress and development reaches rural communities but also that we are taking the right steps along with the right partners in our journey towards a poverty free and progressive rural India.



Dear Shareowners,

Business Performance & Balance Sheet Highlights

FY 2015 was a strong year for Lupin where we not only continued to clock robust growth across key markets but also improved profitability and the overall quality of our business; a year of unlocking and delivering value for all our stakeholders. Consistent financial performance and value-creation that has not only made Lupin a benchmark across sectors but the best performing stock within the CNX NIFTY 50. The Company was also included in the Standard & Poor's Bombay Stock Exchange Sensitive Index (BSE SENSEX) which is recognition of the sustained value creation that we have done. Also called the BSE 30 or simply the SENSEX; it is a free-float market-weighted stock market index of 30 well-established and financially sound companies listed on BSE Limited.

- The Company recorded consolidated net revenues of ₹ 125,997 million in FY 2015, a CAGR of 21% over the last 5 years
- Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 24% to ₹ 38,593 million in FY 2015, a CAGR of 31% over the last 5 years
- Profit Before Tax (PBT) grew by 21% to ₹ 34,148 million during FY 2015, a CAGR of 33% over the last 5 years
- Net profit grew to ₹ 24,032 million in FY 2015; a CAGR of 29% over the last 5 years
- Our Reserves & Surplus increased to ₹ 87,842 million during FY 2015
- Net operating working capital increased to ₹30,980 million as on 31st March, 2015 as against ₹28,158 million in the previous year
- The Company continues to enjoy a debt-free status

Earnings per share, Dividend & Taxation

The Company recorded Earnings per Share (EPS) of ₹ 53.55 during FY 2015, up 31% from the previous year. The Board of Directors recommended a dividend of 375%.

We are happy to report that our sustained growth performance and our focus on operational excellence and cost leadership resulted in Lupin delivering outstanding shareholder returns of 116% during FY 2015 outperforming the BSE Sensex (25%) & BSE Healthcare Index (71%). The Company's market capitalization has more than doubled in the last 12 months.

The Company's effective tax rate for FY 2015 was 28% as compared to 34% for FY 2014.

Capital Allocation – Investing in our future

Capital Expenditure

We continue to invest in creating new manufacturing facilities and infrastructure as well as ramping up existing manufacturing facilities globally to build capacities to meet future demand. We are also investing in technology, automation and IT infrastructure to protect and ensure seamless business operations globally. The Company invested ₹ 7,909 million on capital expenditure during FY 2015.

Research & Development

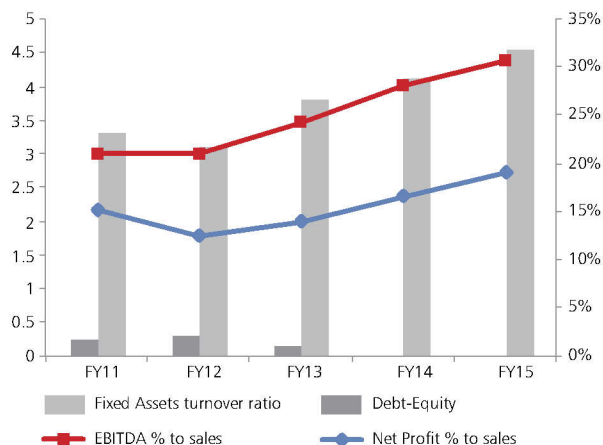
We believe in Research. Revenue expenditure on R&D increased to ₹ 10,988 million, 8.7% of Lupin's net sales globally, which in itself is an indicator of the value that we seek to create by investing in a global, quality pipeline of NCE's, Biosimilars and complex generic formulations.

Internal Control Systems & Information Technology (IT)

The Company continues to calibrate and fine-tune its business process & operations framework to build better efficiencies. These include automated internal business workflow and controls which integrate key functions such as research, technical operations, manufacturing, supply chain, integrating them with key support functions like marketing, sales, finance, regulatory affairs and HR. A key initiative launched during the year was the Lupin Enhanced Analytical Platform (LEAP), a program enabling enhanced reporting and analytics in real-time. The LEAP program is the implementation of Qlikview on Amazon cloud, which is an advanced new-generation Business Intelligence (BI) software platform. All of this backed up by a strong internal audit framework which monitors and controls all systems and processes and business groups ensuring compliance to financial norms and procedures, building financial control, accountability and integrity within our business ecosystem. We are ably assisted by Ernst and Young who are our internal auditors.

Risks, Concerns & Threats

Managing risk, be it competitive, financial or geo-political risks and navigating through an increasingly unpredictable and volatile economic environment globally has been the most business critical task for the financial services group within Lupin. Our continued investments in business intelligence, financial reporting, analysis and



Key financial ratios

forecasting systems has helped us identify such risks and come up with measures that have ensured business continuity and sustainability, while creating incremental value for shareholders and protecting company assets and intellectually property at the same time.

Lupin is a net exporter with over 70% of our revenues coming from exports to other markets and as such FY 2015 was a specially challenging year given foreign exchange fluctuations and volatility in oil prices, which have a direct bearing on input costs for us as an API and formulations manufacturer. Our hedging strategy for the short, mid and the long-term through forward exchange contracts helped minimize exchange volatility risk. We also had to tackle Industry challenges like rapid consolidation, heightened M&A activity within the generic and the pharmaceutical industry; a visible slowdown in product approvals and rapid customer consolidation in key markets like the US leading to additional price erosion. Our efforts at continuously de-risking global procurement; our ability to increase market shares for generics in key markets such as the US and our ability to service key customers globally not only helped us tackle these risks but enabled us to consolidate and build on our leadership credentials and sustain our growth momentum.

We are disciplined, we are responsible and we are committed to ensuring and delivering an increasingly "fail-safe" business; Ensuring that growth is not only protected but delivered by design.

Regards,

Ramesh Swaminathan
Chief Financial Officer
Lupin Limited

REPORTS AND FINANCIALS

Eight Years Financial Summary	34
Directors' Report.....	36
Corporate Governance Report	74
Auditors' Certificate on Corporate Governance	96
Business Responsibility Report	97
Independent Auditors' Report on Consolidated Financial Statements	108
Consolidated Financial Statements.....	112
Independent Auditors' Report	163
Financial Statements	166

EIGHT YEARS FINANCIAL SUMMARY

CONSOLIDATED BALANCE SHEET

₹ in million

As at March 31,	2008	2009	2010	2011	2012	2013	2014	2015
SOURCES OF FUNDS								
Shareholders' funds								
Equity Share Capital	820.8	828.2	889.4	892.4	893.3	895.1	896.8	899.0
Reserves and Surplus	11,976.0	13,420.0	24,788.9	31,918.4	39,235.6	51,146.7	68,418.9	87,841.6
	12,796.8	14,248.2	25,678.3	32,810.8	40,128.9	52,041.8	69,315.7	88,740.6
Minority Interest	94.5	142.5	254.9	515.1	722.9	594.5	669.4	241.0
Loan Funds								
Secured Loans	7,080.6	7,569.2	8,722.4	7,885.9	8,161.2	6,369.2	1,195.6	1,059.1
Unsecured Loans	4,948.2	4,663.5	2,676.1	3,738.0	8,229.8	5,275.7	5,341.8	4,312.1
	12,028.8	12,232.7	11,398.5	11,623.9	16,391.0	11,644.9	6,537.4	5,371.2
Deferred Tax Liabilities (net)	1,248.0	1,387.2	1,630.4	1,791.8	1,910.1	2,336.8	2,486.6	2,024.1
TOTAL	26,168.1	28,010.6	38,962.1	46,741.6	59,152.9	66,618.0	79,009.1	96,376.9
APPLICATION OF FUNDS								
Fixed Assets								
Gross Block	14,858.8	18,200.3	22,937.1	26,388.5	36,878.4	41,768.9	46,260.3	50,529.8
Less : Depreciation and Amortisation	4,697.5	6,188.3	7,072.2	9,075.1	14,421.8	16,840.4	19,283.0	23,329.0
Net Block	10,161.3	12,012.0	15,864.9	17,313.4	22,456.6	24,928.5	26,977.3	27,200.8
Capital Work-in-Progress (incl. Capital Advances)	963.8	2,239.7	3,578.7	5,319.3	4,973.7	3,909.0	4,110.2	6,745.3
	11,125.1	14,251.7	19,443.6	22,632.7	27,430.3	28,837.5	31,087.5	33,946.1
Goodwill on Consolidation	1,872.3	3,173.7	3,196.8	3,254.9	5,040.0	5,073.2	6,578.7	16,481.1
Investments	58.2	215.6	264.3	31.5	28.0	20.6	20.6	25.1
Deferred Tax Assets (net)	141.2	222.8	195.4	380.5	467.8	704.4	708.1	842.0
Other Assets								
Inventories	7,893.4	9,571.6	9,714.9	11,999.6	17,326.7	19,489.3	21,294.5	25,035.6
Receivables	7,439.0	9,179.7	11,265.7	12,556.4	17,800.1	21,869.9	24,641.0	26,565.7
Cash and Cash Equivalents (incl. Current investments)	2,741.8	777.7	2,015.3	4,201.4	4,024.7	4,348.8	9,739.1	21,372.4
Others	2,367.0	2,779.7	4,758.6	6,186.6	7,704.6	8,794.9	7,990.8	7,109.4
	20,441.2	22,308.7	27,754.5	34,944.0	46,856.1	54,502.9	63,665.4	80,083.1
Other Liabilities								
Liabilities	6,018.8	10,334.8	9,663.4	11,779.3	16,730.5	17,836.4	18,272.3	27,637.6
Provisions	1,451.1	1,827.1	2,229.1	2,722.7	3,938.8	4,684.2	4,778.9	7,362.9
	7,469.9	12,161.9	11,892.5	14,502.0	20,669.3	22,520.6	23,051.2	35,000.5
Net Other Assets	12,971.3	10,146.8	15,862.0	20,442.0	26,186.8	31,982.3	40,614.2	45,082.6
TOTAL	26,168.1	28,010.6	38,962.1	46,741.6	59,152.9	66,618.0	79,009.1	96,376.9

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in million

Year ended March 31,	2008	2009	2010	2011	2012	2013	2014	2015
INCOME								
Sales (Gross)	29,007.4	38,428.9	48,009.5	57,421.7	70,017.2	95,235.3	111,671.2	126,932.2
Less : Excise Duty	666.4	479.0	273.2	353.5	420.2	619.0	804.8	935.1
Sales (net)	28,341.0	37,949.9	47,736.3	57,068.2	69,597.0	94,616.3	110,866.4	125,997.1
Other Operating Income	575.9	637.1	762.5	1,121.5	1,232.1	1,796.7	1,999.3	1,703.0
Other Income	211.3	125.5	351.1	221.9	143.5	278.5	1,164.8	2,397.5
Total Income	29,128.2	38,712.5	48,849.9	58,411.6	70,972.6	96,691.5	114,030.5	130,097.6
EXPENDITURE								
Cost of Materials	11,638.0	16,043.1	19,694.2	22,379.3	26,039.0	35,485.0	38,173.8	41,570.4
Employee Benefits Expense	3,076.0	4,871.3	5,871.5	7,675.6	9,695.3	12,666.2	14,646.5	17,473.4
Manufacturing and Other Expenses	7,991.2	10,359.2	13,303.3	16,356.4	20,647.7	25,562.9	30,017.5	32,460.4
Total Expenses	22,705.2	31,273.6	38,869.0	46,411.3	56,382.0	73,714.1	82,837.8	91,504.2
Profit before Interest, Depreciation and Tax	6,423.0	7,438.9	9,980.9	12,000.3	14,590.6	22,977.4	31,192.7	38,593.4
Finance Cost	373.5	498.6	384.9	344.8	354.7	409.5	266.5	98.1
Depreciation and Amortisation	647.4	879.9	1,239.1	1,711.8	2,275.2	3,321.9	2,609.7	4,347.0
Profit before Tax	5,402.1	6,060.4	8,356.9	9,943.7	11,960.7	19,246.0	28,316.5	34,148.3
Current Tax	1,022.6	727.0	1,109.8	1,176.3	2,756.2	5,829.0	9,536.0	10,041.6
Deferred Tax	180.6	106.2	250.4	(26.5)	329.4	12.6	85.5	(337.6)
Fringe Benefit Tax	114.8	149.8	-	-	-	-	-	-
Net Profit before Minority Interest and Share of Loss in Associates	4,084.1	5,077.4	6,996.7	8,793.9	8,875.1	13,404.4	18,695.0	24,444.3
Minority Interest	1.3	28.6	111.6	148.4	198.6	262.8	331.3	411.9
Share of Loss in Associates	0.3	33.4	68.8	20.0	-	-	-	-
Net Profit	4,082.5	5,015.4	6,816.3	8,625.5	8,676.5	13,141.6	18,363.7	24,032.4

Note : Figures are suitably regrouped to make them comparable.

DIRECTORS' REPORT

To the members

Your Directors have pleasure in presenting their report on the business and operations of your Company for the year ended March 31, 2015.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Sales (Gross)	97050.5	88576.6	126932.2	111671.2
Profit before interest, depreciation and tax	35538.8	33277.1	38593.4	31192.7
Less: Interest and finance charges	49.0	209.9	98.1	266.5
Less: Depreciation and amortisation	3367.9	1676.3	4347.0	2609.7
Profit before tax	32121.9	31390.9	34148.3	28316.5
Less: Provision for taxation (including deferred tax)	8148.4	8148.7	9704.0	9621.5
Net Profit before Minority Interest	23973.5	23242.2	24444.3	18695.0
Less: Minority Interest	-	-	411.9	331.3
Net Profit	23973.5	23242.2	24032.4	18363.7
Add: Surplus brought forward from previous year	46646.6	28539.2	44401.0	31172.1
Amount available for Appropriation	70620.1	51781.4	68433.4	49535.8
Appropriations:				
Depreciation adjustment on transition to Schedule II of the Companies Act, 2013	610.8	-	610.8	-
Transfer to General Reserve	-	2500.0	-	2500.0
Interim Dividend on Equity Shares	-	1345.0	-	1345.0
Proposed final dividend on Equity Shares	3371.2	1345.1	3371.2	1345.1
Dividend on Equity Shares for previous year	0.5	1.1	0.5	1.1
Reversal of Corporate Tax on Final Dividend for previous years (In terms of Section 115-O/115BBD of the Income Tax Act, 1961)	-	(304.2)	-	(304.2)
Corporate Tax on dividend	686.4	247.8	686.4	247.8
Balance carried to Balance Sheet	65951.2	46646.6	63764.5	44401.0
	70620.1	51781.4	68436.7	49535.8

Performance Review

Your Company touched new heights in terms of sales and profits for the year ended March 31, 2015. Consolidated sales clocked ₹ 126932.2 million as against ₹ 111671.2 million of the previous year, higher by 13.7%. International markets accounted for 73% of sales. Profit before interest, depreciation and tax increased by 23.7% at ₹ 38593.4 million as against ₹ 31192.7 million in the previous year. Profit before tax was ₹ 34148.3 million, higher by 20.6% over the previous year. After providing for taxes and minority interest, net profit was ₹ 24032.4 million, higher by 30.9% over the previous year. Earnings per share was ₹ 53.54.

Dividend

Your Directors are pleased to recommend dividend at ₹ 7.50 per equity share of ₹ 2/- each, absorbing an amount of ₹ 3371.2 million. Corporate tax on the proposed dividend was ₹ 686.3 million and ₹ 0.1 million on dividend for the previous year.