



5th
Largest generic player in
the US (by prescriptions)

USD 723 million
US Generic revenues

29%
Sales growth in US & Europe

47%
Contribution to overall Company
revenues

31
Generic products that are ranked
number 1 by market share

USD 80 billion
Addressable opportunity of the
93 ANDAs pending approval

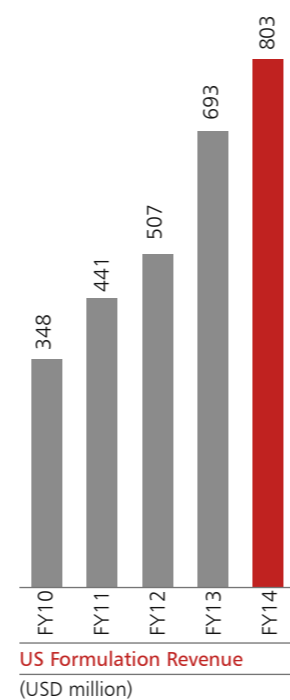
United States and Europe

THE LAST DECADE HAS BEEN A VERY REWARDING ONE FOR LUPIN WHERE WE HAVE EMERGED AS ONE OF THE MOST EXCITING GROWTH STORIES IN THE PHARMACEUTICAL WORLD. NOT ONLY HAVE WE OUTPERFORMED MOST OF OUR PEERS BUT WE HAVE CONTINUED TO BUILD ON OUR LEADERSHIP CREDENTIALS CONSISTENTLY.

Driving this growth have been the markets of US & Europe which remain the principal growth engines for the Company and are the major contributors to Lupin's global revenues and overall profitability. US & Europe formulation sales contributed 47% to the Company's overall consolidated revenues for FY 2014. Formulations sales for the market by grew by 29% to clock in revenues of ₹51,805 million during FY 2014, as against ₹40,051 million in FY 2013. Lupin remains the fifth largest and the fastest growing top 5 generics player in the US.

FY 2014 saw Lupin expand its business with key new product launches. It also saw us add scale, breadth and depth

by acquiring new technology, increased investments in research in our continued efforts to build a differentiated quality pipeline. In keeping with our global strategy of building a highly differentiated specialty business, the Company made significant inroads in establishing two dedicated Centers of Excellence for research in Inhalation and Complex Injectables in Florida and Maryland in the US. This will enable us to gain entry into the multi-billion dollar global opportunity in the Inhalation and Complex Injectables space. Our commitment to this project has attracted the best in available research talent for these therapies globally. We know what we do today, will drive growth for tomorrow.

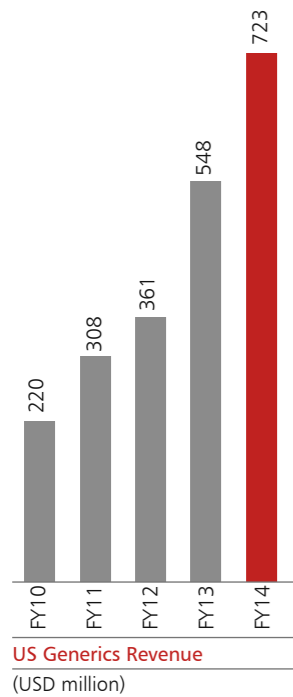


United States

Headquartered in Baltimore, Maryland, 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 has built strong relationships in the US wholesale and retail channels with an excellent reputation as a reliable supplier of quality generics. In addition, LPI has developed a meaningful presence among Pediatric specialists and primary care physicians with a dedicated field sales force selling our branded product line. Strong commercial capabilities in the US market for both branded and generic product offerings position LPI to capitalize on the Company's growth strategy for the Advanced Markets built around quality niche products, world-class research, manufacturing and supply chain capabilities, protected by strong Intellectual Property. US revenues grew by 16% to USD 803 million during FY 2014, up from USD 693 million in FY 2013. The Brands business contributed 10% of total US sales whereas the Generics business contributed 90% during FY 2014.

US Generics

LPI remains the 5th largest and the fastest growing top 5 generics player in the US with a 5.4% market share by prescriptions. LPI grew by 9.2% during the calendar year 2013 as compared to a 4.9% overall growth rate for the US generic industry (IMS Health). LPI's strength in the generics market is best characterized by its ability to achieve leading market shares in even the most competitive market scenarios. As of March 2014, 31 of the 63 generic products marketed by LPI in the US ranked No. 1 by market share and 53 of the 63 are in the top 3 by Market share (IMS Health). We have played to our strengths, focusing on increasing our market shares not only for new launches but by executing well to ensure that we are able to grow market shares for our existing products as well. We are constantly engaging with our trade partners and customers, and have worked hard to strengthen our supply chain to ensure industry record response times which explains why Lupin has one of the best fill ratios in the US.



Lupin's US headquarters, Baltimore

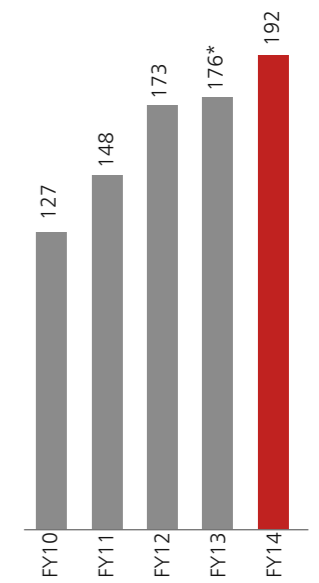
The Company filed 19 ANDAs in the US market and received approval for 22 ANDAs during FY 2014. The Company has 93 ANDAs pending for approval and launch, addressing a total market size of over USD 80 billion. Of these, 30 ANDAs are first-to-file addressing a market size of over USD 20 billion. The Company has 15 exclusive first-to-file addressing a market size of USD 2 billion.

The US Generics business continued its impressive growth story in FY 2014, recording revenues of USD 723 million, an increase of 32% over last year. In FY 2014, we launched 19 new products, including the successful commercialization of generic versions of Zymaxid®, Trizivir® and Cymbalta® to name a few high profile exclusive and semi-exclusive launches.

US Branded

One of Lupin's biggest differentiators has been the Company's US branded business. LPI continued to expand its Suprax® branded franchise with the launch of a capsule dosage form during FY 2014, building on the FY 2013 addition of Suprax® chewable tablets. The total Suprax® family of products continues to grow and remains the foundation of the company's US branded business.

During the year, the Company continued to work hard to maintain market share on Antara® (Fenofibrate Capsules 43mg and 130mg) in the wake of Mylan's launch of a generic version in February 2013. During FY 2014, LPI introduced the Antara® 90mg capsules. LPI has maintained 70% market



ANDA Pipeline

* The Company withdrew 16 ANDAs during FY13 after re-evaluating their business potential

share of the Fenofibrate 130mg market with our brand and authorized generic products.

In FY 2014, the Company added two new products to its portfolio in order to enhance and extend its US brands business for the future. In August FY 2013, we acquired exclusive rights to promote, distribute and market Alinia® (nitazoxanide) for oral suspension in the US. Alinia® for oral suspension is indicated for the treatment of diarrhea caused by Giardia lamblia or Cryptosporidium parvum in patients 1 year of age and older. These are the two most common protozoal causes of diarrhea in the developed and developing world. In September 2013 LPI also signed a strategic co-promotion agreement for exclusive rights to promote

Locoid® Lotion (hydrocortisone butyrate 0.1%) to the Pediatric community in the US. Locoid® is the most highly prescribed mid-potency steroid brand in the US for the topical treatment of mild to moderate Atopic Dermatitis (AD) in patients 3 months of age and older. AD, more commonly called eczema, is one of the most common skin disorders in young children and has a prevalence of 10% to 20% in the first decade of life.

LPI's strategy is to prudently invest in its specialty sales force targeting both Pediatricians and select high prescribing primary care physicians. The Company aims to continue to strengthen its branded portfolio with the launch of additional products developed and filed with the US FDA from its own pipeline as well as strategic brand acquisitions for the future.

Europe

Lupin has developed a solid foundation to grow its formulations business in the European markets having built a robust product pipeline over the years. In FY 2014, we not only strengthened our presence across select EU markets through a blend of direct-to-market initiatives and strategic partnerships but also bolstered our presence by bringing on board a seasoned industry stalwart Dr. Maurice Chagnaud, who now heads Lupin's Europe business and is responsible for our growth there. The Company is today well placed to address the unique demands of the fragmented and diverse EU market. The EU finished dosage business recorded Net Sales of ₹2,934 million during FY 2014 as against ₹2,356 million in the previous year, a growth of 24%.

Lupin successfully launched new products like Gliclazide MR and Desogestrel + Ethinylestradiol in the EU market while existing products clocked in healthy growth during the year. Lupin continued to focus on building its pipeline in the UK and German markets through its own direct-to-market initiative.

The Company filed 4 marketing authorization applications during the year and received approvals for 10 applications during the year. The Company launched a total of 4 new products in Europe during FY 2014. Cumulative filings with European authorities now stands at 57 with 48 approvals to date.

Dispensed TRX US Industry

Unbranded Generics, MAT December 2013

Lupin is rated 5th in the US Industry standings of Unbranded Generics

Leading corporations	MAT September 2013		MAT December 2013		
	Rank	% Market Share	TRXS mn	% Market Share	% Growth
US Industry		100.0	3,384	100.0	4.9
1 Teva	1	15.5	493	14.6	0.3
2 Mylan Labs Inc	2	10.9	366	10.8	-5.5
3 Actavis US	3	8.2	258	7.6	-9.4
4 Sandoz (Novartis)	4	5.8	208	6.2	4.5
5 Lupin Pharma	5	5.4	175	5.2	9.2

Total Industry, MAT December 2013

Lupin is rated 6th in the US Industry standings of Leading corporations

Leading corporations	MAT September 2013		MAT December 2013		
	Rank	% Market Share	TRXS mn	% Market Share	% Growth
US Industry		100.0	4,211	100.0	1.4
1 Teva	1	13.8	559	13.3	-0.6
2 Mylan Labs Inc	2	8.8	370	8.8	-5.4
3 Actavis US	3	7.3	302	7.2	-9.0
4 Novartis (Inc Sandoz)	4	6.0	258	6.1	-1.0
5 Endo Pharma Inc	5	4.6	192	4.6	17.5
6 Lupin Pharma	6	4.3	176	4.2	9.1



2.8%
Overall market share of IPM
(IMS TSA MAT, March, 2014)

21
Brands with sales in excess of
₹300 million

22%
Contribution to overall Company
revenues

23
Products in-licensed in the last
4 years

5,365
Specialty field force

India

INDIA HAS ALWAYS BEEN AT THE HEART OF LUPIN'S GROWTH PLANS. IT IS THE COMPANY'S SECOND LARGEST MARKET AND CONTRIBUTED 22% OF LUPIN'S CONSOLIDATED REVENUES DURING FY 2014.

Our consistent outperformance over the last 5 years in the Indian market is a reflection of our ability to provide an ever-widening choice of quality, affordable medicines across existing and new therapeutic segments.

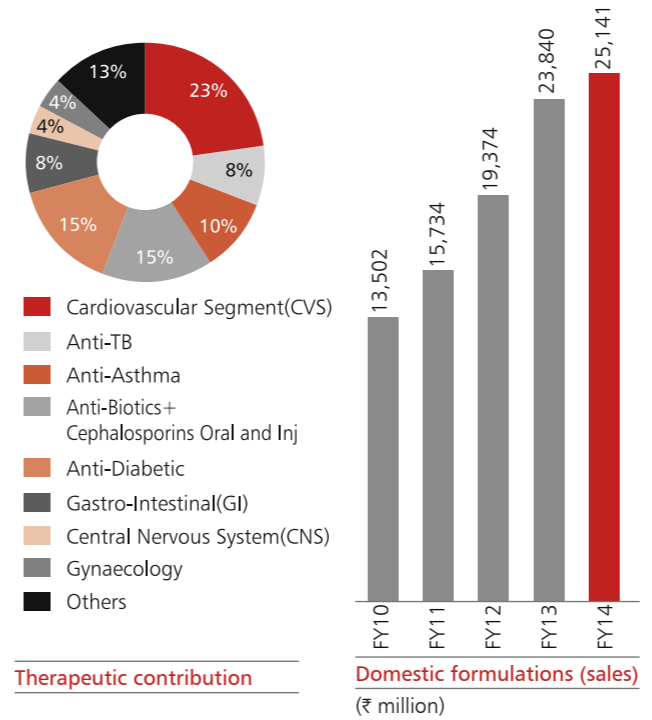
We are the 10th largest in terms of formulation sales in India and our passion and commitment to grow in our home turf has never been stronger than now. Propelled and driven by a passionate 5,365 strong field force, Lupin has been extremely agile in not only garnering and growing its market share but also swift in responding to a regulated, hyper-competitive fragmented market environment. FY 2014 was a challenging year for the Indian Pharmaceutical Market (IPM) given the changes in the Drug Price Control Order (DPCO) and related events. Under the National Pharmaceutical Pricing Policy, the government had regulated the prices of 348 essential drugs and their combinations, covering 60% of drugs sold in the country. It also resulted in supply disruptions which gave rise

to challenging conditions between the trade and industry. Our prudent handling of the situation ensured that Lupin remained on the growth path in the domestic market, ending the year on a positive note.

The Company's India formulations business grew by 5%, clocking in gross revenues of ₹25,141 million during FY 2014, as compared to ₹23,840 million in FY 2013. The business has grown at a CAGR of 17% over the last five years.

Today, Lupin is one of the fastest growing players in high growth therapy segments like Cardiology, Central Nervous System (CNS), Diabetology, Anti-Asthma, Gynaecology, Anti-Infective, Gastro-Intestinal and Oncology.

The Company is the 2nd largest player in India's respiratory (anti-asthma) segment, the 3rd largest player in the cardiovascular segment and the 7th largest player in Diabetes segment.



Over the last decade, the Company has transitioned from a primary dependence on acute therapies to a position now where close to 64% of our revenues (on a significantly enlarged revenue base) come from higher value and more frequently used chronic therapies.

In the last few years, the Company launched 23 in-licensed products, of which 9 were first to be introduced into the IPM. During FY 2014, the Company launched 4 in-licensed products.

Proportion of revenues derived from key segments	Acute therapies	Chronic therapies
2013-14	36%	64%
2012-13	37%	63%
2007-08	56%	44%
2005-06	69%	31%

Therapy segments and Key divisions

Pinnacle Cardiology

Lupin India formulation business's flagship division continued to outperform the market with the division emerging as the 3rd largest player within the Indian cardiology market.

The Company continues to expand on its association with the American College of Cardiology (ACC) where we conducted a special program called Rhythm 2013, an Advanced ECG Program in seven locations across India with over 1,500 doctors with international certification participating in the proceedings.

Pinnacle also conducted an Emergency Cardiovascular Care workshop in association with and certification from the American Heart Association (AHA) for doctors across different cities in India. The division also conducted and facilitated Innovative Doctor Engagement webcasts in the area of Hypertension and Dyslipidemia.

Lupin Blue Eyes

This specialized ophthalmic division of the Company is ranked amongst the top 10 in its represented market within the IPM. The division grew by 48% in FY 2014 as against a market which grew by just 7% (AIOCD AWACS MAT Feb 2014).

Lupin Blue Eyes in association with Eye Bank Association of India (EBAI) launched the 'Punarjyoti' campaign to promote eye donation in the country after death.

Lupin Diabetes Care

India is unfortunately often referred to as the future diabetic capital of the world. It is estimated that by 2030, every fifth diabetic will be an Indian. Since inception, the Lupin Diabetes Care division has been scripting new chapters in its fight against diabetes. Lupin Diabetes Care has consistently outperformed the market and ranked as the 3rd largest player in its participated market with a growth of 28% during FY 2014 (AIOCD AWACS MAT Feb 2014).

The division has created very strong patient care programs like Arogya and The Wellness program. The Arogya diabetes program is a first-of-its kind initiative to screen 37,000 patients with over 2,000 doctors participating across India. It has not only enabled diabetes and hypertension screening and diagnosis but also covers lipid and renal profile and

thyroid screening for patients. The Tereos Wellness Program (TWP) is an exclusive unique patient support venture where qualified nurses and periodic laboratory testing at the patients door step is ensuring better monitoring of the patient.

Lupin Metabolics

The Lupin Metabolics division covers the Company's presence in metabolics diseases like hypertension and obesity. The division is also responsible for promoting and distributing Lilly's conventional Insulin range of product in India and Nepal. In FY 2014, Lupin Metabolics launched a special patient support and awareness service called 'Humrahi' with 31 diabetes educators to facilitate the goal of supporting, educating and counseling patients on Diabetes and its effective management.

Lupin CVN

Set up in FY 2010, Lupin CVN is focused on the Nephrology and Urology segments. The Lupin CVN division has grown at a CAGR of 28% over the last 5 years. The division continues to build on its leadership credentials in its participated markets where it is ranked 1st by prescription.

The division continues to innovate by creating specialized webinars and was the first to introduce QR Code Interactive Communications to communicate with doctors and patients.

The Lupin Division – Anti-Tuberculosis, Anti-Biotics, Gynaecology, Orthopaedic & Dermatology

This has been yet another year that the Lupin division has continued to outperform the represented market with 8.8% growth as compared to 4.9% of IRM growth. It is a matter of pride that we built on our market leader credentials in the TB space by increasing our market share to 54.9%, up from 44.7% last year.

The Lupin division has a wide basket of women's healthcare products which include IVF, nutritional supplements, contraceptives and other products meant for gynaecological disorders. Lupin's alliances with the Ian Donald School and Royal College of Obstetrics and Gynaecology (RCOG) continued to offer academic updates and the latest information to Indian gynecologists and obstetricians in the field of ultrasonography.

The division has also been working hard on building its equity within the orthopaedic segment.

FY 2014 marked the foray of the Lupin Division into Dermatology. We have taken our first steps having entered this segment with differentiated products in derma-cosmetology and would seek to emerge as a formidable player in the future.

Respira

The Respira Division is responsible for the Company's business in the Inhalation space, targeting core therapy segments such as Asthma, Allergic Rhinitis and Respiratory Tract Infections and the Chronic Obstructive Pulmonary Disease (COPD) space. Respira continues to garner market share and has emerged as the 2nd largest player in the Inhalation space with a market share of 21.7% (AIOCD MAT Feb 2014). The division ventured into new strategic segment targeting chronic therapy segments within Respiratory such as Idiopathic pulmonary fibrosis and Interstitial lung diseases.

Endeavour

This division focuses on Anti-Infective, Gastroenterology and Osteoarthritis businesses as well as acute therapy areas like Anti-Biotics and Pain Management. It covers almost 16 specialties and engages with everybody ranging from a

general practitioner to a gastroenterologist. In keeping with its tradition, Endeavour continues to consistently outperform the market where it was ranked the 2nd largest player in its participated market, clocking in a growth of 14% during FY 2014 (AIOCD AWACS MAT Feb, 2014).

Lupin Maxter

Lupin's Critical Care division focuses mainly on four therapy areas; Critical Care, Orthopaedic, Urology & GP/CP/Surgery based products. As per SMSRC Prescription data, Maxter clocked in growth of 19% while the market growth was just 4% during the same period (SMSRC Mar-Feb 2014 over Mar-Feb 2013).

Lupin Mindvision

Lupin is ranked 8th in the CNS segment, having grown by 7% in FY 2014 (AIOCD AWACS MAT Feb 2014). Mindvision division successfully launched new products in major sub-segments such as Anti-Depressants, Anti-Epileptics, Pain and Stroke. Mindvision enjoys strong brand equity in the Neurology and Psychiatry segment.

Lupin Ikonik

Formed in FY 2013, Lupin Ikonik is the youngest division within the Company and the 2nd specialized division to be focusing on Neuropsychiatry and Oncology catering to neurologists, psychiatrists and oncologists.

Therapeutic segment – ORG IMS MAT MAR '14	Lupin growth %	Market rank
Anti-TB	(5.1%)	1
Cardiovascular segment (CVS)	8.4%	3
Respiratory	11.3%	5
Anti-Diabetic	8.0%	6
Neuro/Central Nervous System (CNS)	2.3%	8
Anti-Infective	2.8%	12
Nutraceutical	5.7%	15
Gastrointestinal+Hepatoprotective	3.1%	17
Gynaecology	8.4%	17
Pain/Analgesic	16.7%	18

BRAND	Growth %
GLUCONORM	11.2%
RABLET	1.9%
RAMISTAR	1.0%
CLOPITAB	0.7%
BUDAMATE	15.8%
TELISTA	19.1%
TELEKAST	1.4%



Lupin Sanda facility, Japan

8th
Largest generics player in Japan

4th
Largest generics player in South Africa

700
Number of products filed in ROW markets

8%
Growth in revenues (including Japan & South Africa) over FY 2013

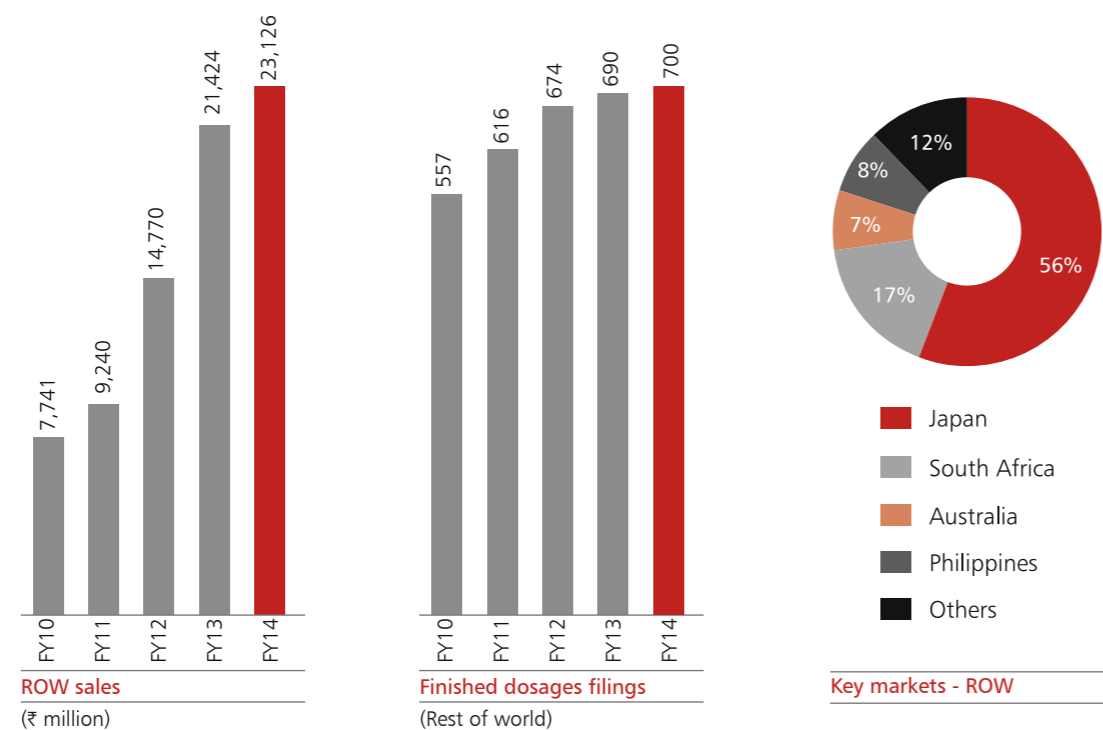
21%
Contribution to overall company revenues

Rest of the World

LUPIN'S REST OF WORLD (ROW) BUSINESS IS THE FASTEST GROWING BUSINESS WITHIN THE COMPANY COVERING MARKETS ACROSS ASIA PACIFIC, AFRICA, MIDDLE-EAST AND LATIN AMERICA. OVER THE LAST DECADE, LUPIN HAS MADE RAPID INROADS INTO THESE FAST GROWING MARKETS AND ALSO BEEN ABLE TO ESTABLISH AND STRENGTHEN ITS LEADERSHIP CREDENTIALS AND GROWING BUSINESS PRESENCE IN KEY MARKETS SUCH AS JAPAN AND SOUTH AFRICA. THESE MARKETS REPRESENT THE FASTEST GROWING MARKET OPPORTUNITY WITHIN THE GLOBAL PHARMACEUTICAL MARKET AND ARE EXPECTED TO GROW TO OVER USD 300 BILLION BY 2015 (IMS HEALTH).

The Company's ROW business clocked in revenues of ₹23,126 million, registering a growth of 8% during FY 2014. The business contributed 21% to Lupin's global total consolidated revenues.

The Company continued to grow and build its pipeline for these markets. With 10 new product filings, the cumulative filings for ROW markets now stand at 700 product applications.



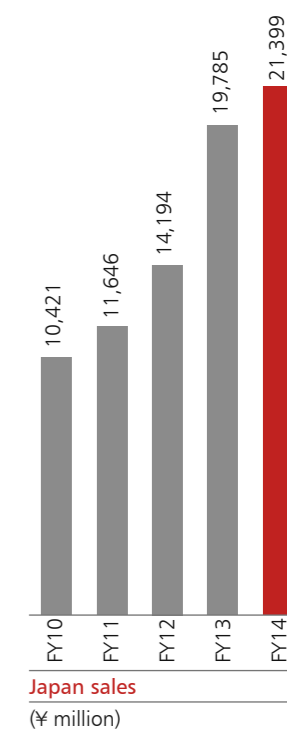
Japan

Japan is the largest market within Lupin's ROW business. During FY 2014, Lupin's Japanese business clocked in revenues of JPY 21,399 million as against revenues of JPY 19,785 million; registering a growth of 8% over the previous year. Lupin is the 8th largest generics player in the Japanese market and has a strong presence in the Neurology, Cardiovascular, Gastroenterology and Injectable segments.

The Japanese pharmaceutical market (JPM) is the second largest pharmaceutical market in the world and is valued at over USD 110 billion. The Japanese generics pharmaceutical industry has witnessed a lot of changes over the last 7 years which include incentives announced by the

Japanese Government to promote generics, increased competition with the entry of more international players and the entry of innovator pharma companies into the Japanese generics space.

Current generics market penetration stands at 44% in Japan. The Japanese Government has set new target of about 60% generic penetration by year 2017 which translates into an additional 30-35% of the overall pharmaceutical volumes getting genericized over the next 3-4 years. Add to this, the patent expiries of key molecules worth USD 16-17 billion by 2017; all of this adds up to one of the largest market opportunity for Lupin outside of the US.



Lupin received three product approvals for its Goa plant from the Japanese Health Ministry; the commercialization of these products has already commenced. The Company also commercialized two APIs in Japan during the year and expects to file close to ten DMFs in the next two years.

During the year, the Company remained focused on revamping I'rom Pharmaceutical Co., Ltd (I'rom), a niche injectable company that it had acquired during FY 2012. I'rom has a significant presence in the DPC hospital segment within the Japanese pharmaceutical market.

Kyowa

- Kyowa reported sales of JPY 15,918 million, growing by 14% during the year
- The Company launched two new specialty segment products (Oncology) and one CNS product. Kyowa has a portfolio of over 350 products

- The Company ramped up its field force to strengthen its CNS business & also to target CVS patent expiries worth USD 8 Billion over the next 3-4 years

- Kyowa inaugurated its 3rd plant at its Sanda facility to meet growing demand

- Lupin commenced commercial supply of formulations from its Goa facility

- The Company filed for 8 formulations and 6 DMF's in the year

I'rom Pharmaceuticals

- I'rom posted sales of JPY 5,512 million for the year ended March 31, 2014, indicating a de-growth of 6% on account of decline in contract manufacturing sales

- The Company implemented restructuring initiatives to rationalize cost and overheads

South Africa

The South African pharmaceutical market is valued at about USD 3.5 billion. The generics market grew by 6% in value terms and 2% by volume during FY 2014. Lupin's South African subsidiary Pharma Dynamics (PD) recorded revenues of ZAR 638 million, registering a growth of 28% over the previous year.

PD's consistent out performance has made it the 4th largest generics company and the 12th largest pharmaceutical

company in the South African market. It remains the largest Company in the Cardiovascular segment. The Company is a market leader in 8 products (by prescriptions) and ranked 2nd (by prescriptions) for another 8 in the South African market.

PD launched 6 new products and remains focused on building and growing into the CNS & OTC segments within the South African market. It also filed for and registered 10 products during FY 2014.

Australia

The total Australian pharmaceutical market is valued at USD 13.5 billion. The generics market is estimated to be USD 2.2 billion, growing at approximately 8%. Lupin operates in the Australian market through its subsidiary Generic Health Pty Ltd. (GH). GH received

approvals for 7 products and filed for 7 new products in the year. GH recorded revenues of AUD 30 million during FY 2014, clocking in a growth of 23% over the previous year. GH has presence in both the ethical medicine and OTC markets in Australia.

Philippines

The Philippines pharma market is valued at USD 3.3 billion and grew by 6.6% for FY 2014 (IMS MAT March 14). Lupin's Philippines subsidiary Multicare Pharmaceuticals (Multicare) continues to outpace the market, having grown 38%, clocking in revenues of PHP 909 million during

FY 2014 as compared to PHP 659 million in the last fiscal. The Company launched a new Oncology division during the year and expects its products to make inroads into the market place over the next few years.



Mexico & Latin America – Expanding Horizons

FY 2014 saw Lupin realize its long stated ambition of foraying into the Latin American pharmaceutical market with the acquisition of 100% equity stake in Laboratorios Grin, S.A. De C.V. (Grin), Mexico, subject to certain closing conditions. The acquisition marks Lupin's foray into the high growth Mexican pharmaceuticals market. Today, Mexico is one of the fastest growing pharmaceutical markets globally and valued at over USD 13.5 billion, growing at 9-10% annually (IMS Health).

Incorporated in 1955, Grin is a specialty pharmaceutical company engaged in the development, manufacturing and commercialization of branded ophthalmic products. Grin is the 4th largest ophthalmic player and a trusted brand in

Mexico. The Company recorded revenues of approximately USD 28 million during calendar year, 2013. It has over 275 employees with its own dedicated manufacturing and product development facilities that are compliant with international standards and certified for production and supplies to other Latin American Markets.

The acquisition is a reflection of Lupin's commitment to expand not only into the Latin American market but also build its global specialty business as we leverage our own ophthalmic pipeline to build the Grin business and also ramp-up our presence in other promising segments in Mexico.



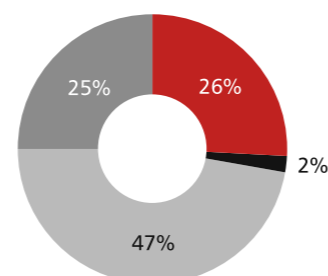
Lupin Goa facility, India

Global Active Pharmaceutical Ingredients

THE GLOBAL API MARKET IS WITNESSING STRONG GROWTH AND IS CURRENTLY VALUED AT OVER USD 125 BILLION. PATENT EXPIRIES IN THE US AND EUROPE, GROWTH IN EMERGING MARKETS, DEMAND FOR HIGH QUALITY APIs FROM OTHER PHARMACEUTICAL PLAYERS AND INCREASING DEMAND FOR ESSENTIAL DRUGS ARE BOOSTING THE GROWTH OF THE GLOBAL API INDUSTRY.

India remains the most favoured API producing nation globally; largely because of its high quality manufacturing credentials as well as its cost competitiveness.

Lupin is one of the most vertically integrated pharmaceutical companies that has consciously focused on building scale and efficiencies that have made it an undisputed leader in its chosen product segments. Lupin has remained a global leader in therapeutic segments such as Cephalosporins, Cardiovasculars and the Anti-TB space for over 15 years. Lupin's strengths and cost leadership in APIs has not only enabled forging of better synergies between a complex, rapidly growing and fast evolving formulation business but also created new opportunities for future growth.



- Anti-TB Family
- Cardiovascular
- Cephalosporins
- Others

API – Therapeutic contribution

No.1

In Anti-TB and Cephalosporins segment globally

17%

Growth in API revenues

10%

Contribution to overall Company revenues

90%

Captive consumption of APIs

The Company's API output has grown significantly in both volume and value. FY 2014 was a milestone year for the Company's API business, recording revenues of ₹11,140 million in FY 2014 as compared to ₹9,498 million in FY 2013, reporting a growth of 17%.

The Company has already embarked on some key initiatives that are going to drive the future growth of the business; adopting greener chemistry technologies with the dual purpose of improving efficiencies and protecting the environment. The Company has re-focused its API group into making further inroads into markets such as US, Europe, Japan and exploring new opportunities in emerging markets like China, Brazil, Mexico, Korea and Russia.

The API plus division of the Company has also taken rapid strides in its value-added finished formulation business, the

Principal-to-Principal (P2P) business. Lupin's P2P business leverages our rich expertise in API research and formulations development. The Company's P2P business has been successful in taking its products to other markets with launches in the Philippines and Ukraine during FY 2014. The internationalization of the P2P product portfolio is expected to be an important growth driver for the business.

The Company also consolidated its institutional formulations business position. It retained its leading position as one of the few coveted suppliers of Anti-TB products to the World Health Organization's (WHO's) Global Drug Facility. Lupin has the unique distinction of being the only company to have both its APIs and formulations for TB products prequalified by the WHO globally.



Lupin Research Park, Pune, India

8.6%

R&D expenditure as a percentage of Net sales

19

ANDAs filed in FY 2014

30

First-to-file products

1,762

Patents filed as on March 31, 2014

₹37,358 million

Cumulative R&D spend in the last 7 years

10

Pipeline of NDDD / NCE programs in various phases of drug discovery & development

Research and Development

The Heart of Lupin

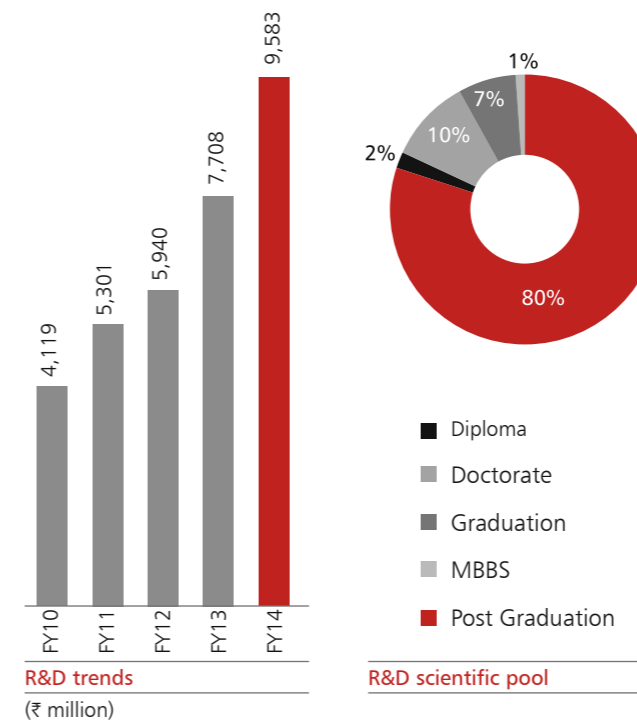
The Quality of Business is decided by how a company goes about creating, developing and nurturing the basics that build up the business.

The seeds of Lupin's business start at our Research and Development (R&D) facilities, this is reflected in the choices that we make in terms of products, therapies and programs that we invest in. It is what makes us relevant and meaningful to our customers, markets and communities. These basics have fuelled the Company's emergence as a global generics powerhouse and an emerging specialty pharmaceutical player.

Over 1,400 research scientists at the Lupin Research park, Pune and other research facilities in India, Japan and the US create and deliver quality products and platforms that fuel our business aspirations.

Lupin continues to invest heavily in its R&D programs and FY 2014 was no different. The Company invested 8.6% of its net sales in R&D and related spends, amounting to ₹9,583 million.

Lupin has designed a very successful research program which continues to ensure the delivery of a sustainable pipeline of high-value opportunities that are maximizing growth for the Company across markets. We are also working hard to identify future areas of growth and we are investing to move up the technology curve. FY 2014 saw the Company acquire Nanomi B.V. in the Netherlands for its patented technology platforms that it plans to leverage to develop complex injectable products. The Company is also in the process of setting up two dedicated Centers of Excellence for research in Inhalation and Complex Formulations in Florida and Maryland in the US.



Our commitment to this project has seen us attract the best research talent for these therapies globally. In 2014, Lupin also entered into a strategic joint venture agreement with Japanese pharmaceuticals company, Yoshindo Inc. (Yoshindo) to create a new entity – YL Biologics (YLB). YLB will be responsible for conducting clinical development of certain Biosimilars including regulatory filings and obtaining marketing authorizations in Japan.

A year of heightened activity, FY 2014 saw the Company continue to step on the gas across all its research programs, be it filings across markets, our drug discovery & delivery programs or biotechnology research.

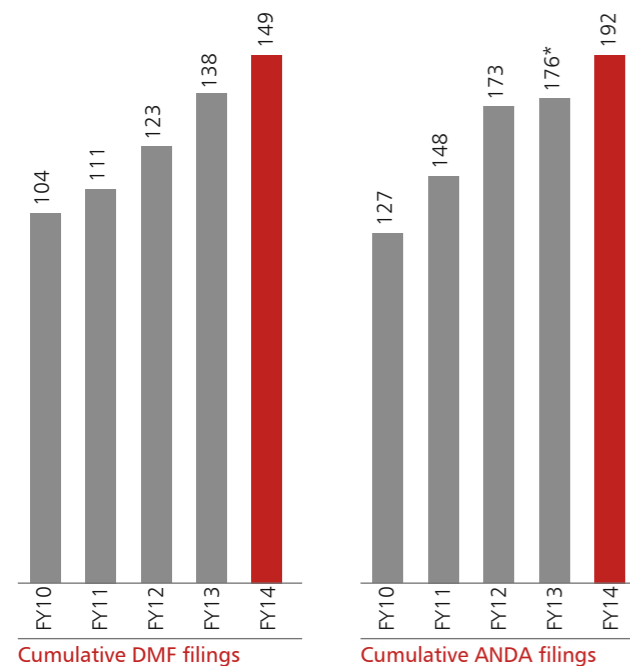
Highlights, FY 2014

- Filed 19 ANDAs and 11 DMFs in the US; received approvals for 22 ANDAs as well as one supplemental NDA (New Drug Application) from the US FDA during FY 2014
- Filed 2 exclusive first-to-files for the generic versions of Prolensa® and Quartette®

- Received project milestones payments of USD 8.8 million for 2 products that are currently under joint development with Medicis Pharmaceutical Corporation, US
- Completed Phase-I studies in Europe for a program in the CNS area, which is being advanced to Phase II clinical trial now
- Candidates from two programs in the area of endocrine disorders and cancer, entered clinical phase during FY 2014
- The Company acquired Nanomi B.V. in Netherlands for its patented technology platforms that would help develop products in the Complex Injectables space
- Set up a joint venture with Japanese pharmaceuticals company Yoshindo to address the biotech opportunity in Japan

Lupin's research and development programs cover the following disciplines:

- Generics Research
 - Process Research
 - Formulations Research
- Advanced Drug Delivery Systems (ADDS)
- Novel Drug Discovery and Development (NDDD)
- Biotechnology Research



* The Company withdrew 16 ANDAs during FY13 after re-evaluating their business potential

Generics Research

Lupin's Generic Research programs continue to fuel the Company's growth into higher orbits of leadership. It is focused on developing APIs and formulations for the US, European, Japanese and other advanced and emerging markets and has helped the Company emerge as a global generics powerhouse.

API process research

Our API R&D capabilities are the backbone of the Company's generics research program and support it by developing non-infringing and cost competitive APIs. The Process Research Group has also been responsible for fuelling the growth of Lupin's global API business, making it one of the most competitive quality players in the API space globally.

Highlights, FY 2014

- During FY 2014, the Company filed 11 US DMFs, taking cumulative total to 149 DMF filings. The Company also filed 1 EDMF, 1 CEP, 3 Australia DMFs, 1 Japan DMF and 3 Canada DMFs during the year
- This year's filings include complex APIs Prostaglandins that involve very complex multistep chemistry

Pharmaceutical Research

FY 2014 was a very productive year for the Pharmaceutical Research Group. Not only did it step up filings for key markets globally but also saw its efforts of preceding years bearing fruit in the form of 45 approvals received in key advanced markets; 22 in US; 10 in Europe; 6 in Australia; 5 in Canada and 2 in Japan. The group continued to focus on developing a highly differentiated quality pipeline of niche products in diverse therapy areas such as Oral Contraceptives, Ophthalmology, Inhalation (MDIs, DPIs and Nasal Sprays) and Dermatology.

Highlights, FY 2014

- Filed 19 ANDAs with US FDA; 4 MAAs with European regulatory authorities; 4 MAAs in Australia; 2 ANDS in Canada
- The cumulative number of ANDA filings with the US FDA now stand at 192
- Confirmed first-to-file opportunities now stand at 30 with 15 being exclusive first-to-files
- Cumulative filings with European authorities now stand at 57 with the Company having received 48 approvals to date

Advanced Drug Delivery Systems (ADDS)

Lupin's Advanced Drug Delivery program is focused on creating and leveraging technologies that not only provide



clinical advantage but also transform and facilitate better patient convenience and experience. We are leveraging these technologies to build a highly differentiated pipeline of branded products globally and have also been working on joint development programs with like-minded peers to create new products.

Highlights, FY 2014

- The team achieved further milestone payments of USD 8.8 million for 2 products that are being jointly developed with Medicis Pharmaceutical Corporation
- The Company also completed technology transfer to a US CMO site for 2 of its two drug fixed-dose combination extended-release NDA products

Analytical Research

The Analytical Research Group is responsible for ensuring that all processes and products transferred to Lupin's manufacturing plants meet regulatory requirements and expectations through the development and validation of the

right testing methods and systems. The group also ensures that all development and documentation are in line with regulatory expectations. The Company's Analytical research facility is fully automated and equipped with state-of-the-art technology and instrumentation needed to support a top-notch global research program, for example, equipment like Powder X-ray Diffraction, Solid State NMR and Differential Scanning Calorimetry to study physical properties such as polymorphism and the latest LC/MS-MS systems and automated preparative HPLCs for the isolation/synthesis and characterization of impurities in APIs and drug products.

Lupin Bioresearch Center

The Lupin Bioresearch Center (LBC) located in Pune is responsible for conducting bioequivalence studies for Lupin's generic products and branded formulations which form a part of the Company's regulatory filings. They also support pharmacokinetic studies of Lupin's biosimilars and respiratory products pipeline. LBC has both clinical and bioanalytical capabilities and houses 2 clinics; a bioanalytical



lab with 12 state-of-the-art LC-MS/MS systems, 2 Ion Chromatography systems and a clinical chemistry lab that has been accredited by National Accreditation Board of Laboratories (NABL). LBC completed setting up an ELISA Lab for the support of PK studies of Biotech products in FY 2014.

LBC also manages outsourced BA/BE studies, clinical end-point studies as well as studies for the Company's ADDS initiatives. During the year, LBC completed 35 full studies, taking the cumulative tally to 156 to date. LBC had undergone successful French regulatory (ANSM) audit and US FDA audits for its Bioanalytical and Clinical areas.

Intellectual Property Management

Over the years, Lupin's Intellectual Property Management Group (IPMG) has become a benchmark in the industry for not only protecting the Company's research and product pipeline but by also building an enviable litigation track record and carrying out patent challenges successfully. The Group is also responsible for identifying new therapy areas and products for the Company's research programs to develop.

Highlights, FY 2014

- The confirmed first-to-file products now stand at 30
- Post successful litigation wins, Lupin launched the generic versions of Zymaxid® and Trizivir® with 180 days of exclusivity

- The Company also launched the generic version of Niaspan®
- Post settlement, Lupin successfully launched the generic versions of Seasonique®, Trilipix® and Cymbalta®
- During the year, the Company settled 9 pending litigations with various global pharmaceutical companies

During FY 2014, the Company filed 381 new patents, taking the cumulative total to 1762 patents filed till date in India and other countries. This included 108 Formulation patents, 39 API/Process patents, 2 Biotech and 232 NCE patents in India and other countries. The Company received 6 Formulation patents, 6 API Patents and more importantly 2 NCE patents.

Novel Drug Discovery and Development

Lupin's Novel Drug Discovery and Development (NDDD) program focuses on the discovery, development and commercialization of new drugs that address disease areas with significantly unmet medical needs. We have identified targets from which 10 research programs are currently underway. Scientists at NDDD have been working to ensure that our portfolio of novel compounds are progressing and are at various stages ranging from discovery to development. This steady movement will ensure that



at least one compound enters the clinical phase in terms of first-in-human studies each year. Lupin's NDDD efforts address disease areas such as metabolic disorders, pain and inflammation, autoimmune diseases, CNS disorders, cancer and infectious diseases.

Highlights, FY 2014

- Completed Phase I studies in Europe for a program in the CNS area, which is being advanced to Phase II clinical trials in Europe
- Candidates from two programs in the area of endocrine disorders and cancer have entered clinical phase in FY 2014

Lupin Biotechnology

Over the last six years, Lupin Biotechnology Group (LBG) has been steering its efforts towards the development of affordable, high quality Biosimilars. LBG has a talent pool of 150 scientists who are developing and working on a product basket of 10 Biosimilars. The product basket under development has an interesting mix of blockbuster microbial and mammalian products, addressing diverse and niche therapeutic indications such as Oncology, Inflammation, Antivirals, Osteoporosis, Rheumatoid Arthritis and Ophthalmics.

Highlights, FY 2014

- Lupin's first biosimilars foray into Advanced markets was marked by the entry into a JV with Yoshindo Inc. for developing and commercializing biosimilars for Japan
- 5 of Lupin's biosimilar products are slated to enter the Clinical trial phase this year, having successfully completed pre-clinical studies
- 3 pipeline products preparing to enter pre-clinical phase this financial year

The product development conforms to ICH and biosimilar guidelines issued by the Indian regulatory bodies and is also in tune with the global regulatory landscape. The product development has been supported by innovative and proprietary expression systems, innovative process designs and novel formulations as evidenced through encompassing 15 Indian patent applications, 13 PCT applications, 10 patent applications in regulated markets and 23 publications till date. The JV with Yoshindo would also act as a stepping stone for exploring other regulated markets now.

We are now well positioned to write a new chapter in Lupin's evolution as a global pharmaceutical Company, where we have not only put all the building blocks together but have built a solid foundation to ink a remarkable tomorrow.



Global Manufacturing and Supply Chain

The Business of Quality

In the pharmaceutical world, there are no shortcuts to quality because manufacturing drugs is a responsibility; and carrying it out to the best of our capabilities, an obligation we have.

The Productivity, Quality and Regulatory Compliance standards that we have set for ourselves have become key differentiators to help Lupin emerge as a global generics and specialty pharmaceutical major.

Lupin has a global manufacturing footprint, with operations in India and Japan. The Company operates 12 world-class facilities (10 in India and 2 in Japan) manufacturing and supplying APIs and formulations approved by leading pharmaceutical regulatory authorities like the US FDA, World Health Organisation, MHRA (UK), TGA (Australia), MHLW (Japan), ANVISA (Brazil) and MCC (South Africa) to name a few. A 700+ strong Global Corporate Quality Assurance function spread across all manufacturing locations is not

only engaged in developing and implementing policies and quality guidelines for our manufacturing operations but also responsible for ensuring that we stay current with rapidly changing good manufacturing practices as laid down by regulatory agencies globally.

The Company continues to maintain focus not only on building new systems, adopting new technologies and smart automation but is also investing in continuous learning and development programs that keep personnel current with cGMP guidelines, instilling and ingraining quality and compliance deep into our very DNA.

During FY 2014, the Company received certification for International Sustainability Rating Standard, 8th edition (ISRS) from Det Norske Veritas (DNV). The certification was received after audits were conducted at three of the Company's manufacturing facilities in India located at Ankleshwar, Mandideep and Tarapur. Lupin is the first

pharmaceutical company globally to have received the ISRS 8th edition certification. Using ISRS ensures operations are safe and sustainable which helps improve and demonstrate safety, environmental, and sustained business operations and performance. This certification bears testimony to Lupin's commitment towards adopting best practices in Environment, Health and Safety for Lupin's global manufacturing operations in our mission to remain best-in-class in the industry. We are building new efficiencies by adopting six sigma and lean manufacturing across most of our manufacturing facilities.

Lupin has over the last decade not only ramped up but also set up new manufacturing facilities to meet future demand. Capital Expenditure for the Company stood at ₹4,831 million for FY 2014.

The Company also completely restructured its supply chain by setting up a centralized Global Supply Chain Organization. These measures were taken to ensure that we build a future-

ready, nimble and strong supply chain. The new division has already implemented and put in place new systems that are enabling a segmented supply chain strategy; long range supply chain strategy for capacity planning and adopting scientific statistical tools for advanced forecasting.

Highlights, FY 2014

- Received the prestigious QCI-DL Shah National Award under the Drugs & Pharmaceuticals category for excellent display of application of six sigma principles
- Optimized manufacturing costs with the rollout of the DISHA program to all locations (based on Lean and Six Sigma principles) to increase productivity and reduce costs
- Our new formulations manufacturing facility in Nagpur is now operational

As we aspire to stay ahead we must fine tune execution to exceed customer expectations to deliver greater value for a better tomorrow.

1st

Pharmaceutical company globally to receive the ISRS 8th edition certification

12

Manufacturing facilities spread across India and Japan

Over 6,000

Lupinytts engaged in manufacturing and quality

₹29,856 million

Cumulative capital expenditure over the last 7 years

No.1

within US generics players with 99.6% fill rates



GREAT PLACE TO WORK® Best Companies to Work for 2014 India

15,000+
Lupinytts globally

30
Years – average age of a Lupinytt

2nd
Rank in the 'Great Place to Work' survey amongst Indian pharma companies

₹150 million
Invested in training and development

72%
Employee retention of team within Lupin for more than 3 years

2,400
Lupinytts covered under the Lupin stock option plan

Human Resources

THE LAST DECADE HAS SEEN LUPIN ON AN ACCELERATED GROWTH PATH AND THE COMPANY TRANSFORM INTO A GLOBAL GENERICS POWERHOUSE AMIDST A HIGHLY COMPETITIVE GLOBAL ENVIRONMENT. WE HAVE GROWN IN SIZE, SCALE, STATURE AND SET STANDARDS FOR OTHERS TO FOLLOW.

We have faced challenges but never lost focus, have been guided by a common vision and shared values and followed the high standards of integrity and governance. This creates an incredibly powerful performing engine that has translated into business success for the company and professional growth for all our people.

We are proud of our meritocratic culture, the strength and eminence of our leadership team and the values that all Lupinytts practice as a way of life. Our people are our strength and the fountainhead of our competitive advantage. Our HR vision has been built around the fundamental principles of innovation, empowerment and people-development. These principles ultimately translate into an array of policies, practices and processes institutionalized by the HR function and practiced unequivocally by the entire organization.

Innovation is the core of our business and the very heart of everything that we do, be it in research, operations, supply chain or how we have gone about executing flawlessly in markets around the world. Innovation is the not just

an element but is in the DNA of Lupin. Our people are always looking at how we can do things better, to not only reinvent processes but deliver world class products. Several HR programs within the Company have been specifically designed to engage and encourage people to ideate, create and innovate. Be it simple suggestion schemes that have actively engaged our employees in the process of workplace improvement and continuous innovation or our Learn & Earn program, which is a classic example of filling the talent gap through innovative and inclusive talent development strategies.

For a Company that is expanding at a rapid pace and is diversified both geographically and business-wise, micromanaging the taskforce is never an option. Empowerment thus becomes critical. The success of Lupin lies in the abilities and business-focused approach of our managers, coupled with a highly engaged and enthused Gen Y workforce. Being in a highly regulated business environment, balancing creativity and freedom of thought with the norms that govern the business, we always

run the risk of suppressing the entrepreneurial streak in young minds. To that end, we are empowering and enabling our junior and middle management employees through several specially designed leadership development programs such as the 'Leader Plus', 'Managers' Excellence Program', 'Business Leaders Program' that prevents this balance from tipping over and ensuring that we provide our employees with the right tools at the right time and empower them to develop the ability to exercise sound judgment and take decisions through rational and risk-evaluative thinking.

People development is at the very heart of the Company's agenda. At Lupin, we are proud of the slew of learning interventions we offer that caters not only to each stage of the employee lifecycle but is also specific to the nature of each function, role and its characteristics. A combination of structured academic inputs coupled with experiential learning opportunities and high impact accelerator experiences has helped our employees design their own careers at Lupin. We continue to partner with the best academic institutions, such as the Indian Institute of Management (Ahmedabad), SP Jain Institute (Mumbai), Narsee Monjee Institute (Mumbai) and BITS (Pilani). From job enhancement, enrichment and enlargement

opportunities to developing technical and behavioural competence and finally fulfilling the aspirations for higher education, we have developed several broad based as well as niche initiatives for every stream within our system. Such focused learning interventions have not only helped groom managers but also ensured their evolution as leaders and from leaders to being visionaries, a value chain that is integral to building a resilient tomorrow. Some examples of these programs are the Area Managers' Excellence program, ASCENT initiative and The Top 100 Managers leadership development program. Lupin won the American Society for Training and Development (ASTD) BEST Award 2014 for Employee Learning and Development.

Our Values of Integrity, Customer Focus, Teamwork, Passion for Excellence, Entrepreneurial Spirit, Respect and Care are aptly christened as 'The Spirit of Lupin' and guide us in all our endeavours.

Lupin is a global team; 14,000 highly-passionate Lupinytts spread across 21 geographies; makes us truly a transnational company. We are passionate and focussed on leaving no stone unturned to ensure the development of each one our people; to ensure that each one of us is giving our best and contributing towards an enriching tomorrow.

We are committed
to ensuring an
insured tomorrow...



WE HAVE A CLEAR VISION FOR THE FUTURE AND HAVE ALREADY BUILT A ROAD-MAP WHICH GIVES US CLEAR LINE-OF-SIGHT AS FAR AS REVENUES AND MARKETS GO.

Lupin had a very strong year in FY 2014. Despite volatility, the Company has delivered a record set of numbers, be it growth in revenues or margins or increased shareholder value. It not only reflects value created and delivered, but is also an expression of the shareholder's trust in the Company and its management over the years.

The Business Performance Matrix

FY 2014 was a landmark year:

- The Company recorded consolidated Net revenues of ₹110,866 million in FY 2014, a growth of 17% over the previous year. The Company has recorded a CAGR of 24% over the last 5 years
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 36% to ₹31,193 million in FY 2014, a CAGR of 33% over the last 5 years
- Profit before tax (PBT) grew by 47% to ₹28,317 million during FY 2014, up from ₹19,246 million, FY 2013

- Net profit grew to ₹18,364 million in FY 2014; a growth of 40%; a CAGR of 30% over the last 5 years
- Our Reserves & Surplus increased to ₹68,419 million during FY 2014

These numbers are an outcome of the Company's overall global growth strategy, be it in how we have gone about growing our existing businesses, calibrating our M&A strategy in terms of prioritizing markets and perfecting our entry into these high growth geographies. It is also an outcome of our continued investments in new therapies, technology and building a niche product pipeline, not to mention a rigorous attention to input costs in a never-ending quest to improve margins.

We have a clear vision for the future and have already built a road-map which gives us a clear line-of-sight in so far as revenues and markets go. We have built systems and are continually strengthening our processes to help us mitigate volatility and risks. FY 2014 saw the Company not only increase its investment in R&D but also saw us expand our

research base by acquiring Nanomi B.V. in the Netherlands and also set up two new research and development centres in the US, which would help us address niche segments like Inhalation and Complex Injectables globally. Lupin also took its first steps to address the global biological opportunity by entering into a joint venture agreement with Yoshindo Inc., Japan, which would help the Company address the Japanese biologics market and also make inroads into global markets. FY 2014 was also the year where the Company announced its entry into the Latin American market by acquiring Laboratorios Grin, a specialty pharmaceutical company in Mexico. It is the 4th largest ophthalmological player in the Mexican market.

The Market Matrix

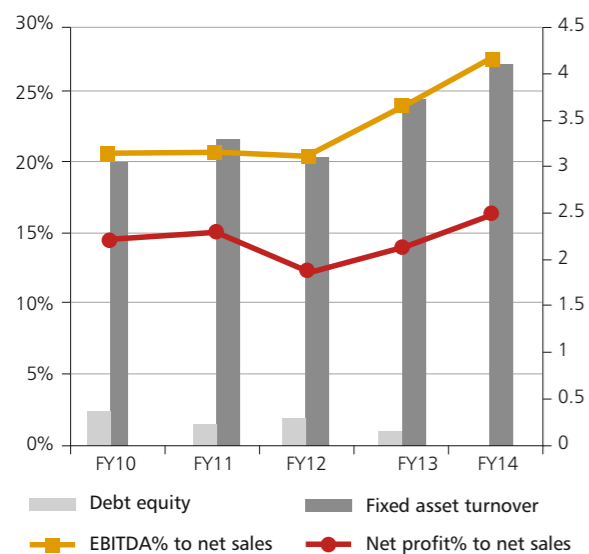
- Advanced market (US & Europe) sales increased to ₹51,805 million in FY 2014 as compared to ₹40,051 million in FY 2013, a growth of 29%
- Lupin's India Region Formulations business Net revenues increased to ₹24,795 million during FY 2014, a growth of 5%

- Lupin's Japanese business recorded revenues of ₹12,955 million during FY 2014 and contributed 12% to the Company's overall revenues, a de-growth of 1%
- Lupin's South African Subsidiary Pharma Dynamics reported sales of ₹3,800 million in FY 2014 as compared to ₹3,210 million in FY 2013, growth by 18%
- The Company's global API business clocked in revenues of ₹11,140 million a growth of 17%

Strong Balance Sheet

We have delivered a strong balance sheet yet another year; more importantly a debt-free balance sheet bolstered by strong and positive cash flows, all of which we would be leveraging to strengthen and capitalize on larger opportunities to grow the business faster. The ability of the Company to raise credit is stronger than ever. Lupin's short-term debt program continued to receive the highest rating from ICRA.

Net Operating working capital increased to ₹28,158 million as on 31st March, 2014 as against ₹24,312 million in the previous year.



The Company has improved its financial performance significantly over the years. The Asset turnover ratio has improved from 3 to 4.1 during the same period despite substantial increase in capacities.

Earnings per share, Dividends & Taxation

The Company recorded a growth of 39% in Earnings per Share (EPS) to ₹40.99 during the financial year FY 2014. The Board of Directors recommended a dividend of 300%, a YoY increase of 100%. Lupin delivered an outstanding shareholder return of 48% during FY 2014, outperforming the BSE Sensex (19%) & BSE Healthcare Index (25%). This translates into a market cap increase from ₹281 billion at the beginning of April 2013 to ₹418 billion by the end of March 2014.

The Company's tax expense for FY 2014 was ₹9,622 million as compared to ₹5,842 million for FY 2013. The aggregate tax obligations of the Company were significantly higher during FY 2014 due to changes in tax regimes; some of our Tax Free Production Zones losing their benefits; the one time impact of tax on dividend received from our US subsidiary and tax that was levied on inventories shipped to overseas subsidiaries for new launches part of which remained unsold towards the year end. The effective rate of tax increased to 34% during FY 2014 as a result of the above.

Capital Allocation – Investing in Tomorrow

Capital expenditure

The Company continues to invest ahead of the curve and deployed ₹4,831 million towards capital expenditure during FY 2014. Capital expenditure was deployed towards setting up new facilities and enhancement of existing capacities. The underlined importance of technology and safe-guarding intellectual property saw the Company allocate a sizeable chunk on ramping up and investing in new IT infrastructure & Intangible assets.

Research & Development

Revenue Expenditure on R&D increased to ₹9,294 million, 8.4% of Lupin's net sales globally, which indicates how aggressively the Company is investing in our future to creating meaningful and differentiated technology platforms and a

niche, highly differentiated proprietary product pipeline, a great pointer to the quality of our future earnings.

Internal Control Systems & Information Technology (IT)

At Lupin, we have put in place automated internal business controls and a centralized global process framework that works and governs the day-to-day operations of key functions like research, technical operations, global procurement, manufacturing and supply chain, integrating them with key support functions like marketing, sales, finance, regulatory affairs and HR. An alert and empowered internal audit group monitors systems and processes ensuring that automated control procedures ensure prudent financial control, accountability and integrity in every part of our organization. Ernst and Young are our internal auditors and submit reports and updates to the Audit Committee of the Board, which reviews and provides direction on how we can further enhance controls within the Company.

The Company continues to invest heavily to ensure that we remain a truly scalable, technologically advanced, process-integrated IT enabled organization globally.

- Implemented state-of-art IT system to support the Company's Global Supply Chain
- Implemented technologies to optimize Lupin's global network and critical applications infrastructure, as well as to make it resilient in the event of a disaster
- Re-modelled the tax structure in the SAP system for the India business, to position it for upcoming statutory changes such as GST and DTC
- Implemented Quality Assurance Management Systems at manufacturing locations to automate and improve compliance in key quality assurance processes
- Implemented best-in-class IT technologies in networks and firewalls to enhance Lupin's enterprise security

Risks, Concerns & Threats

Lupin has over the last decade built a strong financial organisation. Governed by a strong compliance ethic, it relies

heavily on risk management and forecasting frameworks to manage competitive, economic, financial, geo-political and social risks. Coupled with our investments in IT and Business intelligence, Lupin has put in place information security, disaster management and recovery solutions to ensure that our Intellectual property is secure and business operations continue to function without any disruptions globally. We have put in place response mechanisms that mitigate environmental, operational and business risks and minimize impact on business. The Company's currency hedging strategy for the short, mid and the long-term through forward exchange contracts, have helped minimise volatility and have helped buffer the impact of currency exchange rate fluctuations. We benefited by the steep depreciation of the Rupee against major global currencies like the USD and the EURO during FY 2014. Close to 75% of the Company's revenues come from exports and sales in other markets.

FY 2014 was a challenging year for our India region formulations business given the Drug Price Control Order (DPCO) and related events that affected the entire Indian Pharmaceutical Industry. Our handling of the situation and the Company's current and envisaged therapy and product mix in the domestic market ensured that Lupin remained on the growth path in the domestic market, ending the year on a positive note.

Lupin continues to de-risk its global business by creating efficiencies within its systems. We are adopting best practices, learning and working with global domain leaders be it in research, quality or procurement; we are collaborating with leading institutions, think tanks, vendor partners, peers and our customers. We are working at every step to create value for all our stakeholders. More importantly, we are creating value for tomorrow.

Regards,

Ramesh Swaminathan
Chief Financial Officer
Lupin Limited



Floriculture at Deeg, Bharatpur

Corporate Social Obligation

WE BELIEVE WE COLLECTIVELY AS CORPORATE INDIA HAVE THE FUNDAMENTALS IN PLACE TO SHAPE A BETTER FUTURE FOR SOCIETY AND WE MUST EMBRACE THIS NOT AS A RESPONSIBILITY BUT AN OBLIGATION. THIS IS WHAT LED LUPIN TO SET UP THE LUPIN HUMAN WELFARE & RESEARCH FOUNDATION (LHWRF) IN 1988; LHWRF WAS SET UP WITH THE OBJECTIVE OF CREATING A REPLICABLE AND EVER-EVOLVING MODEL FOR SUSTAINABLE RURAL DEVELOPMENT WITH THE SIMPLE GOAL OF UPLIFTING FAMILIES.

LHWRF is focussed on building a sustainable model which would aim to improve Human Development Indices (HDI) in its chosen geographic area of operations.

LHWRF operates in districts with a low HDI score such as Alwar, Dhaulpur, Karauli and Bharatpur in Rajasthan; Dhule, Nandurbar, Pune and Sindhudurg in Maharashtra; Raipur in Madhya Pradesh and Dehradun in Uttarakhand. In addition, of the ten locations where Lupin's manufacturing plants are located, LHWRF has initiated development work at all the locations except Jammu and Nagpur, which will be taken up in FY 2015.

We have worked hard over the last 26 years in creating, developing, nurturing and executing programs in partnership with the rural communities we choose to work with. We have collaborated with numerous institutions, governments, individuals, visionaries and domain experts on multiple projects to ensure growth and progress for the communities we serve. LHWRF reaches out to 2.8 million people, living in 3100 villages spread across 4 states in India. We are passionate about what we have set out to do, about transforming the rural landscape of the country; about changing the lives of the communities we exist in and

work with; we are working to create a happier more meaningful tomorrow.

LHWRF focuses on rural development programs that help promote and enable Economic Development, Social Development, Natural Resource Management and Infrastructure Development.

Economic Development Agriculture

The Foundation works to improve the income levels and living conditions of farmers by propagating the introduction and use of modern agricultural equipment, crop diversification and technology infusion to enhance farm productivity. Our intervention in agricultural sector focuses on crop diversification and productivity enhancement.

Animal Husbandry

LHWRF focusses on improving productivity by inducting livestock of superior breeds and on breed improvement. This is complemented by routine activities such as providing animal health services, organising vaccination camps, ensuring fodder security and introducing advanced cattle management and livestock productivity practices.

Rural Industries Promotion

LHWRF continues to focus on skill development for rural population, particularly youth and women enabling them to become entrepreneurs by facilitating timely micro-finance support. In FY 2014, LHWRF provided skill training to 4,478 persons and facilitated establishment of about 4,014 new self-enterprises.

2.08 million
Human lives touched

3,100
Villages to which LHWRF reaches out

₹500 million
Mobilized by LHWRF

8
Lupin locations where we carry out CSR



Poultry works for income generation



A rural youth engaged in gems polishing work



Provided tents for flood victim families



Rural women after eye surgical operation

Financial Inclusion

LHWRF collaborated with State Bank of Bikaner and Jaipur (SBBJ) to implement an innovative programme that enables banks to go to rural households. Initiated in FY 2013, the programme has led to 1,20,000 new accounts opened across 560 villages in 6 districts in eastern Rajasthan.

Social Development

Women empowerment

Economic independence is critical to women, their development and empowerment in rural India. The Foundation has focused on strengthening Self-Help Groups (SHGs) to encourage employability and development. Linking these SHGs with financial institutions and banks ensures timely and much-needed credit. SHG movement in adopted areas has resulted in development of leadership qualities and economic empowerment amongst rural women.

Health

Quality and in-time health care is the most basic need in rural areas. The Foundation has made health services available even in the most inaccessible parts. In FY 2014, about 2.5 lakh patients were treated through medical camps and our Mobile Medical Diagnostic Unit (MMDU).

Education

LHWRF has introduced e-learning systems to make education exciting and easy for students as well as teachers. This unique initiative has not only improved the quality of education but has also improved retention. These school based interventions have also helped reduce dropout rates.

Natural Resource Management (NRM)

Natural resource conservation is critical to the local eco-system and thereby to the rural economy. Various NRM measures such as construction of check dams, ponds, anicuts, farm bunds and excavation of streams are undertaken by the foundation for soil and water conservation in its adopted areas.

Infrastructure

The foundation focusses on school infrastructure, rural sanitation and housing for improving the quality of life in its adopted areas.

Post Disaster Response in Uttarakhand

In June 2013, LHWRF adopted three districts in the state of Uttarakhand; Uttarkashi, Chamoli and Rudraprayag which were hit badly due to the devastating floods and landslides that caused unprecedented damage.