



LUPIN LIMITED

Registered Office :

159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.

Tel.: 022 - 6640 2402/2403 • Website : www.lupinworld.com

NOTICE

Dear Members,

Notice pursuant to Section 192A of the Companies Act, 1956

Notice is hereby given pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 that Resolutions are proposed to be passed by Postal Ballot for the following matters: -

1. To accord approval by a Special Resolution for the re-appointment of Dr. Desh Bandhu Gupta, as Executive Chairman of the Company, for a period of five years w.e.f. January 1, 2011 and approve the remuneration payable to him.
2. To accord approval by an Ordinary Resolution for the re-appointment of Mrs. M. D. Gupta, as Executive Director of the Company, for a period of five years w.e.f. January 1, 2011 and approve the remuneration payable to her.
3. To accord approval by a Special Resolution for payment of commission to non-executive directors.

The proposed Resolutions and Explanatory Statements stating material facts are enclosed for your consideration.

The Company has appointed Ms. Neena Bhatia, Practising Company Secretary, as the Scrutiniser, for conducting the Postal Ballot process in a fair and transparent manner.

A Form for Postal Ballot is enclosed.

You are requested to read carefully the instructions printed in the Postal Ballot Form and return the same, duly completed in all respects in the enclosed self-addressed, postage pre-paid envelope, so as to reach the Scrutiniser on or before the close of working hours (5.30 p.m.) on Monday, December 20, 2010.

The Scrutiniser will submit her report to the Chairman of the Company after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Tuesday, December 21, 2010 at 5.00 p.m. at the Registered Office of the Company.

By order of the Board of Directors

R. V. SATAM
Company Secretary

Mumbai, November 16, 2010

Registered Office:

159, C.S.T. Road,
Kalina, Santacruz (East),
Mumbai - 400 098.

PROPOSED RESOLUTIONS

1. To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act as may be amended from time to time and subject to other approvals as may be necessary, consent and approval of the Company be and is hereby accorded for the re-appointment of Dr. Desh Bandhu Gupta as Executive Chairman of the Company, for a period of five years w.e.f. January 1, 2011 and the payment of remuneration to him, as per the terms and conditions set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT Dr. Gupta shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

2. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act as may be amended from time to time and subject to other approvals as may be necessary, consent and approval of the Company be and is hereby accorded for the re-appointment of Mrs. M. D. Gupta as an Executive Director of the Company, for a period of five years w.e.f. January 1, 2011 and the payment of remuneration to her, as per the terms and conditions set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT Mrs. Gupta shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

3. To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), Clause 49 of the Listing Agreement and such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded for payment of commission not exceeding in the aggregate, 0.5% per annum of the Company's net profit, computed in the manner laid down by Sections 198, 349, 350 and other applicable provisions, if any, of the Act, to the non-executive directors of the Company or to some or any of them, in such proportion, as may be decided by the Board of Directors from time to time, for a period of five years commencing from April 1, 2010.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO.1

At the Twenty-Third Annual General Meeting held on July 28, 2005, Dr. Desh Bandhu Gupta was re-appointed as Executive Chairman of the Company for a period of five years w.e.f. January 1, 2006. His present tenure as the Chairman is up to December 31, 2010.

Dr. Gupta is a prominent personality in the pharmaceutical industry. He has been the main promoter of the Company with diverse business experience and expertise; he has been responsible for the overall management of business and the corporate strategies of the Company. Dr. Gupta had displayed leadership of an exceptionally high order and provided to the Company, the benefit of his insight into the pharmaceutical industry, business acumen and vast experience. Under his stewardship, the Company has grown exponentially and is poised to seek newer heights in its performance in the years to come. It is therefore, necessary to continue to avail of his services and guidance for the future progress of the Company.

At its meeting held on November 1, 2010, the Board of Directors re-appointed Dr. Gupta as Executive Chairman of the Company, for a period of five years w.e.f. January 1, 2011 and revised his remuneration subject to terms and conditions as mentioned herein below: -

ABSTRACT OF THE TERMS OF RE-APPOINTMENT AND REMUNERATION OF DR. DESH BANDHU GUPTA AS EXECUTIVE CHAIRMAN:

Salary and allowances:

- a) Basic Rs.18,000,000/- per annum.
- b) Management Allowance Rs.9,600,000/- per annum.
- c) House Maintenance Allowance Rs.4,200,000/- per annum.

Commission:

@ 1% of the net profit calculated in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 ('the Act').

Others:

Dr. Gupta shall be entitled to chauffeur-driven cars, telephones, telefaxes, computers and other communication facilities at residence, as may be required. He would be entitled for leave travel allowance for self and family up to Rs.500,000/- per annum and actual medical expenses incurred in India and/or abroad, including hospitalisation and surgical charges for self and family. He shall be entitled to provident fund, superannuation, gratuity, mediclaim, accident and life insurance coverage and leave with full pay and encashment thereof as per Company rules. He shall also be entitled to membership fees, including life membership of clubs, as may be required. He may be granted Stock Options if permissible under SEBI Guidelines or other benefits in lieu thereof, as the Board may decide.

Subject to overall ceiling on remuneration, Dr. Gupta shall be given annual increments of 15% of his last drawn fixed cost to the Company.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

Overall remuneration:

The overall remuneration of Dr. Gupta in any one financial year shall not exceed the limits prescribed by Sections 198, 309, Schedule XIII and other applicable provisions of the Act or any amendments thereof, as may from time to time be in force.

Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency or tenure of his service, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule XIII of the Act or any amendment thereof.

The above terms of remuneration for Dr. Gupta were recommended by the Remuneration Committee at its meeting held on October 27, 2010.

The terms of remuneration of Dr. Gupta were last revised w.e.f. January 1, 2006. The proposed remuneration is structured in line with the present trends in the Indian industry which would befit the position and the size of operations of the Company. Considering his experience, expertise, leadership qualities, responsibilities shouldered by him, volume of the Company's business and profits earned by it, the terms of his remuneration are reasonable.

Dr. Gupta holds 2,195,730 equity shares of the face value of Rs.2/- each in the Company.

Dr. Desh Bandhu Gupta and Mrs. M. D. Gupta, Mrs. Vinita Gupta and Mr. Nilesh Gupta who are related to him are interested in the said Resolution. None of the other directors are interested in or concerned with the said Resolution.

The terms of his re-appointment and remuneration as set out hereinabove, may be treated as an abstract pursuant to the provisions of Section 302 of the Act.

This matter need not be transacted by a Postal Ballot, however, in order to save time and for the sake of convenience, your approval is sought by Postal Ballot as per the provisions of Section 192A of the Act.

The Board recommends passing of the said Resolution.

ITEM NO.2

At the Twenty-Third Annual General Meeting held on July 28, 2005, Mrs. M. D. Gupta was re-appointed as Executive Director of the Company for a period of five years w.e.f. January 1, 2006. Her present tenure as Executive Director is up to December 31, 2010.

Mrs. Gupta is one of the promoters of the Company with intimate knowledge of the working of the Company, wide business experience and expertise.

At its meeting held on November 1, 2010, the Board of Directors re-appointed Mrs. Gupta as Executive Director of the Company, for a period of five years w.e.f. January 1, 2011 and revised her remuneration subject to terms and conditions as mentioned herein below: -

ABSTRACT OF THE TERMS OF RE-APPOINTMENT AND REMUNERATION OF MRS. M. D. GUPTA AS EXECUTIVE DIRECTOR:**Basic Salary:**

Rs.3,600,000/- per annum.

Others:

Mrs. Gupta shall be entitled to chauffeur-driven cars, telephones, telefaxes, computers and other communication facilities at residence, as may be required. She would be entitled for leave travel allowance for self and family up to Rs.200,000/- per annum and actual medical expenses incurred in India and/or abroad, including hospitalisation and surgical charges for self and family. She shall be entitled to provident fund, superannuation, gratuity, mediclaim, accident and life insurance coverage and leave with full pay and encashment thereof as per Company rules. She shall also be entitled to membership fees, including life membership of clubs, as may be required. She may be granted Stock Options if permissible under SEBI Guidelines or other benefits in lieu thereof, as the Board may decide.

Subject to overall ceiling on remuneration, Mrs. Gupta shall be given annual increments of 15% of her last drawn fixed cost to the Company.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

Overall remuneration:

The overall remuneration of Mrs. Gupta in any one financial year shall not exceed the limits prescribed by Sections 198, 309, Schedule XIII and other applicable provisions of the Act or any amendments thereof, as may from time to time be in force.

Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency or tenure of her service, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule XIII of the Act or any amendment thereof.

The above terms of remuneration for Mrs. Gupta were recommended by the Remuneration Committee at its meeting held on October 27, 2010.

The terms of remuneration of Mrs. Gupta were last revised w.e.f. January 1, 2006. The proposed remuneration is structured in line with the present trends in the Indian industry and the position and size of operations of the Company. Considering her experience, expertise, volume of the Company's business and profits earned by it, the terms of her remuneration are reasonable.

Mrs. Gupta holds 3,491,820 equity shares of the face value of Rs.2/- each in the Company.

Mrs. M. D. Gupta and Dr. Desh Bandhu Gupta, Mrs. Vinita Gupta and Mr. Nilesh Gupta who are related to her are interested in the said Resolution. None of the other directors are interested in or concerned with the said Resolution.

The terms of her re-appointment and remuneration as set out hereinabove, may be treated as an abstract pursuant to the provisions of Section 302 of the Act.

This matter need not be transacted by a Postal Ballot, however, in order to save time and for the sake of convenience, your approval is sought by Postal Ballot as per the provisions of Section 192A of the Act.

The Board recommends passing of the said Resolution.

ITEM NO.3

The Company has been greatly benefiting from the invaluable inputs provided by the non-executive directors, who have vast experience, expertise and wisdom in various fields of business. The non-executive directors are members of various Committees constituted by the Board and offer expert advice and guidance.

At its meeting held on June 29, 2005, the Board had approved the payment of commission to non-executive directors, not exceeding 0.25% p.a. of the net profit of the Company, for a period of five years from April 1, 2005, provided that the aggregate of such commission payable to all non-executive directors, would not exceed Rs. five million per year, which was approved by the members at the Twenty-Third Annual General Meeting held on July 28, 2005. The aforesaid approval was up to March 31, 2010 and it is necessary to seek fresh approval.

In appreciation of the valuable support and guidance rendered by the non-executive directors, the Board, at its meeting held on November 1, 2010, fixed the limit for payment of commission not exceeding in the aggregate 0.5% p.a. of the Company's net profit, computed in the manner laid down by Sections 198, 349 and 350 and other applicable provisions, if any, of the Companies Act, 1956, for a period of five years commencing from April 1, 2010.

Your approval is accordingly sought, authorising the payment of commission to non-executive directors as per the Special Resolution which would also constitute your approval pursuant to the Clause 49 of the Listing Agreement.

All non-executive directors are interested in the said Resolution.

This matter need not be transacted by a Postal Ballot, however, in order to save time and for the sake of convenience, your approval is sought by Postal Ballot as per the provisions of Section 192A of the Act.

The Board recommends passing of the said Resolution.

By order of the Board of Directors



R. V. SATAM
Company Secretary

Mumbai, November 16, 2010

Registered Office:

159, C.S.T. Road,
Kalina, Santacruz (East),
Mumbai - 400 098.