LUPIN

NOTICE

Dear Members,

Notice pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 that Resolutions are proposed to be passed by Postal Ballot for the following matters: -

1. To accord approval by a Special Resolution for 'Lupin Employees Stock Option Plan 2014' and

2. To accord approval by a Special Resolution for 'Lupin Subsidiary Companies Employees Stock Option Plan 2014'.

The proposed Resolutions and Explanatory Statement 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 attached. You are requested to carefully read 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 Saturday, October 18, 2014.

Pursuant to Circular No. CIR/CFB/DIL/6/2012 dated July 13, 2012 of the Securities and Exchange Board of India and Rule 22 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to offer the option of e-voting facility to all the members of the Company. In this connection, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable members to cast their votes electronically instead of physical mode. You are requested to follow the procedure as stated in the notes and instructions on the Postal Ballot Form for casting your votes.

Members who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs shall receive the Notice of Postal Ballot dated September 12, 2014 along with Explanatory Statement through e-mail. The Notice can also be downloaded from the link www.evoting.nsdl.com or www.lupinworld.com/other-statutory-info.htm or obtained from the Investors' Services Department of the Company.

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 shall be announced on Tuesday, October 21, 2014 at 5.00 p.m. at the Registered Office of the Company and shall also be communicated to the BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed. The results shall also be displayed on the websites of the Company (www.lupinworld.com) and NSDL.

By Order of the Board of Directors

R. V. SATAM
Company Secretary & Compliance Officer

Mumbai, September 12, 2014

Registered Office:
159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.
Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2402/2403, **Fax:** +91 22 2652 8806.
Email: investorservices@lupinpharma.com
Website: www.lupinworld.com

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 Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, ('the Act') and subject to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') (including any statutory modifications or re-enactment of the Act or SEBI Guidelines for the time being in force) and subject to the provisions contained in the Articles of Association of the Company and subject to other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board (which term shall be deemed to mean and include the Nomination and Remuneration Committee constituted by the Board, to exercise its powers including the powers conferred by this Resolution), consent and approval of the Company be and is hereby accorded to the Board to grant, issue, offer and allot at any time or from time to time to the present and future employee(s) including Director(s) in the whole-time employment of the Company selected on the basis of criteria prescribed by the Board in accordance with the SEBI Guidelines, hereinafter referred to as 'the Eligible Employees' of the Company, except a promoter or a person who belongs to the promoter group, both these expressions being defined in the SEBI Guidelines, under a scheme titled 'Lupin Employees Stock Option Plan 2014' (hereinafter referred to as 'Plan'), such number of options as may be decided by the Board, which could give rise to the issue of 3,375,000 equity shares of the face value of ₹ 2/- each (about 0.75% of the issued and paid-up capital of the Company as on August 31, 2014) amounting to ₹ 6,750,000/- (Rupees six million seven hundred fifty thousand only) on such terms and conditions as described below:

The offer shall be in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by the SEBI Guidelines and in accordance with any other guidelines, rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the Company provided that:

i) The equity shares issued upon exercise of the options shall rank pari passu in all respects with the existing equity shares.
ii) Each option shall vest in the hands of the Option Grantee (as defined in the SEBI Guidelines) after a minimum of 12 months from the date of grant of the option or such longer period as may be determined by the Board from time to time subject to the condition that the Option Grantee continues to be an employee or director of the Company/its subsidiary in or outside India except in the case of retirement, permanent disability or death. The maximum vesting period shall be five years from the date of grant of the option or such other period as the Board may determine.
iii) The options shall be valid and exercisable for such period as may be determined by the Board from time to time, but would not exceed a period of ten years from the date of grant of options to the Eligible Employees. The options shall be exercised in accordance with the process as may be specified in the Plan.
iv) Each option granted to an Eligible Employee shall entitle him/her to one equity share of the nominal value of ₹ 2/- each at the par value or such other price as may be determined by the Board.
v) The consideration for the shares to be issued upon exercise of an option may, as determined by the Board at the time of granting the options, be in one or more tranches, consist of cash, cheque or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment subject to fulfillment of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time or any other relevant SEBI regulations.
vi) Before granting the options to the employees under the Plan, the Board would, apart from examining and evaluating overall group corporate performance, inter alia, take into consideration the length of service, grade, performance, merit, key position, future potential contribution, conduct of the employee, terms of the employment contract and such other factors as may be deemed appropriate by it.
vii) The maximum number of options to be granted to each Eligible Employee shall not exceed 337,500 being 10% of the total options under the Plan.
viii) The Company shall conform to the accounting policies mandated by the applicable law or the SEBI Guidelines or any other relevant SEBI regulation or direction as is applicable to the accounting of such options.
ix) The Board shall have the power to make consequential adjustments to the number of options to be exercised and the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others, provided that such adjustments or alterations do not adversely affect the rights and interests of the Option Grantees and is subject to the terms and conditions specified in the SEBI Guidelines.
x) The Board shall have the power to make consequential modifications or substitutions to the terms of the Plan, as may be thought fit from time to time, provided that such modifications or alterations do not adversely affect the rights and interests of the Option Grantees or the members of the Company and is subject to the terms and conditions specified in the SEBI Guidelines.

RESOLVED FURTHER THAT without prejudice to the generality of the above, but subject to the terms as approved by the members, the Board be and is hereby authorised to implement the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorised in whole or in part, to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and pay fees and commission and incur expenses in relation to or for implementing the Plan.

RESOLVED FURTHER THAT the said options may be granted/equity shares may be allotted in accordance with the Plan framed in that behalf, to such Eligible Employees.

RESOLVED FURTHER THAT the Board may, at its discretion, or in order to comply with any applicable rules or guidelines, add, amend or put restrictions or any other conditions as it may deem fit.

RESOLVED FURTHER THAT the Plan may also envisage providing any financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said equity shares of the Company in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the Plan and to the shares, issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of this Resolution.

RESOLVED FURTHER THAT a Committee of Senior Executives of the Company as constituted by the Board be and is hereby authorised to identify the Eligible Employees and determine the number of options that may be offered to them pursuant to the Plan.

RESOLVED FURTHER THAT the Company shall value the options granted under the Plan, at their 'Fair value' or 'Intrinsic value' defined under the SEBI Guidelines.

RESOLVED FURTHER THAT in case the Company calculates the employee compensation cost using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share ('EPS') of the Company shall also be disclosed in the Directors' Report."

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, ('the Act') and subject to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') (including any statutory modifications or re-enactment of the Act or SEBI Guidelines for the time being in force), Guidelines issued by the Reserve Bank of India and subject to the provisions contained in the Articles of Association of the Company and subject to other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board (which term shall be deemed to mean and include the Nomination and Remuneration Committee constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent and approval of the Company be and is hereby accorded to the Board to grant, issue, offer and allot at any time or from time to time to the present and future employee(s) of the Company's subsidiaries including Director(s) in the whole-time employment of the Company's subsidiaries selected on the basis of criteria prescribed by the Board in accordance with the SEBI Guidelines, hereinafter referred to as 'the Eligible Employees', except a promoter or a person who belongs to the promoter group, both these expressions being defined in the SEBI Guidelines, under a scheme titled 'Lupin Subsidiary Companies Employees Stock Option Plan 2014' (hereinafter referred to as 'Plan'), such number of options as may be decided by the Board, which could give rise to the issue of 1,125,000 equity shares of the face value of ₹ 2/- (about 0.25% of the issued and paid-up capital of the Company as on August 31, 2014) amounting to ₹ 2,250,000/- (Rupees two million two hundred fifty thousand only) on such terms and conditions as described below:

The offer shall be in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by the SEBI Guidelines and in accordance with any other guidelines, rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the Company provided that:

i) The equity shares issued upon exercise of the options shall rank pari passu in all respects with the existing equity shares.
ii) Each option shall vest in the hands of the Option Grantee (as defined in the SEBI Guidelines) after a minimum of 12 months from the date of grant of the option or such longer period as may be determined by the Board from time to time subject to the condition that the Option Grantee continues to be an employee or director of the Company/its subsidiary in or outside India except in the case of retirement, permanent disability or death. The maximum vesting period shall be five years from the date of grant of the option or such other period as the Board may determine.
iii) The options shall be valid and exercisable for such period as may be determined by the Board from time to time, but would not exceed a period of ten years from the date of grant of options to the Eligible Employees. The options shall be exercised in accordance with the process as may be specified in the Plan.
iv) Each option granted to an Eligible Employee shall entitle him/her to one equity share of the nominal value of ₹ 2/- each at the par value or such other price as may be determined by the Board.
v) The consideration for the shares to be issued upon exercise of an option may, as determined by the Board at the time of granting the options, be in one or more tranches, consist of cash, cheque or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment subject to fulfillment of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time or any other relevant SEBI regulations.
vi) Before granting the options to the employees under the Plan, the Board would, apart from examining and evaluating overall group corporate performance, inter alia, take into consideration the length of service, grade, performance, merit, key position, future potential contribution, conduct of the employee, terms of the employment contract and such other factors as may be deemed appropriate by it.
vii) The maximum number of options to be granted to each Eligible Employee shall not exceed 112,500 being 10% of the total options under the Plan.
viii) The Company shall conform to the accounting policies mandated by the applicable law or the SEBI Guidelines or any other relevant SEBI regulation or direction as is applicable to the accounting of such options.
ix) The Board shall have the power to make consequential adjustments to the number of options to be exercised and the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others, provided that such adjustments or alterations do not adversely affect the rights and interests of the Option Grantees and is subject to the terms and conditions specified in the SEBI Guidelines.
x) The Board shall have the power to make consequential modifications or substitutions to the terms of the Plan, as may be thought fit from time to time, provided that such modifications or alterations do not adversely affect the rights and interests of the Option Grantees or the members of the Company and is subject to the terms and conditions specified in the SEBI Guidelines.

RESOLVED FURTHER THAT without prejudice to the generality of the above, but subject to the terms as approved by the members, the Board be and is hereby authorised to implement the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorised in whole or in part, to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem

RESOLVED FURTHER THAT the said options may be granted/equity shares may be allotted in accordance with the Plan framed in that behalf, to such Eligible Employees.

RESOLVED FURTHER THAT the Board may, at its discretion, or in order to comply with any applicable rules or guidelines, add, amend or put restrictions or any other conditions as it may deem fit.

RESOLVED FURTHER THAT the Plan may also envisage providing any financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said equity shares of the Company in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the Plan and to the shares, issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of this Resolution.

RESOLVED FURTHER THAT a Committee of Senior Executives of Lupin Limited as constituted by the Board be and is hereby authorised to identify the Eligible Employees and determine the number of options that may be offered to them pursuant to the Plan.

RESOLVED FURTHER THAT the Company shall value the options granted under the Plan, at their 'Fair value' or 'Intrinsic value' defined under the SEBI Guidelines.

RESOLVED FURTHER THAT in case the Company calculates the employee compensation cost using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share ('EPS') of the Company shall also be disclosed in the Directors' Report."

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NOS. 1 & 2

Considering the competitive global business environment and the need to attract and retain talented and competent personnel, the Company had successfully implemented various Employees Stock Option Plans (ESOPs), namely, 'Lupin Employees Stock Option Plan 2003', 'Lupin Employees Stock Option Plan 2005', 'Lupin Subsidiary Companies Employees Stock Option Plan 2005', 'Lupin Employees Stock Option Plan 2011' and 'Lupin Subsidiary Companies Employees Stock Option Plan 2011'.

With a view to widen the coverage of the stock option plans and keeping in mind the Company's ambitious growth plans, it is proposed to launch two new plans namely, 'Lupin Employees Stock Option Plan 2014' and 'Lupin Subsidiary Companies Employees Stock Option Plan 2014', for Eligible Employees of the Company and its subsidiaries (except a Promoter or a person belonging to the Promoter group) as may be permitted by law. These plans would bring about a deep sense of involvement of employees in the progress of the Company by aligning their rewards with shareholders' value creation.

Each option granted to an Eligible Employee shall entitle him/her to one equity share of the nominal value of ₹ 2/- each at the par value or such other price as may be determined by the Board. The difference between the market price of the equity shares of the Company on the date of grant and the exercise price will be amortized as an employee cost over the vesting period.

The maximum number of shares which could be issued pursuant to both the plans will be 4,500,000 which is about one percent of the existing share capital of the Company.

Pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Listing Agreement, whenever it is proposed to increase the subscribed capital of a company by allotment of further shares, such further shares shall be offered pro-rata to the persons who on the date of the offer are holders of equity shares in the Company, unless the members decide otherwise. Hence, consent of the members is sought by Special Resolutions, to authorise the Board to issue shares to the Eligible Employees of the Company and its subsidiaries as stated in the respective Resolutions.

The wholetime directors (other than promoter directors) who may be eligible to avail the benefit of the above-referred Plan(s) may be deemed to be interested in the said Resolutions to the extent of shares, which may be offered to them. None of the other Directors can be considered to be interested in or concerned with the said Resolutions.

These matters 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 110 of the Act.

The Board recommends passing of the said Resolutions.

By Order of the Board of Directors

R. V. SATAM
Company Secretary & Compliance Officer

Mumbai, September 12, 2014

Registered Office:
159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.
Corporate Identity Number: L24100MH1983PLC029442
Tel: +91 22 6640 2402/2403, **Fax:** +91 22 2652 8806.
Email: investorservices@lupinpharma.com
Website: www.lupinworld.com