

LUPIN LIMITED

Code of Business conduct for Directors

The Board of Directors (the "Board") of Lupin Limited ("the Company") has adopted the following Code of Business Conduct and Ethics (the "Code") for Directors. This Code is intended to focus on areas of ethical risk; provide guidance and help to Board members to recognize and deal with ethical issues; provide mechanisms to report unethical conduct; and help foster a culture of honesty, accountability and professionalism.

It is expected that each Director would comply with the letter and spirit of this Code.

No Code or policy can anticipate every situation that may arise or replace the thoughtful behaviour of an ethical person. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Board or the Managing Director.

Code of Conduct

1. CONFLICT OF INTEREST

Directors should avoid any conflicts of interest between themselves and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairman/Managing Director. Notice of disclosure of interest, made by a Director under Section 299 of the Companies Act, 1956 shall be treated as adequate compliance with this Code. A Director shall inform the Company punctually about emergence of any situation that may disqualify him/her from being a Director.

A "Conflict of interest" can occur when:

- ♣ A Director's personal interest is adverse to – or may appear to be adverse to the interests of the Company as a whole or if not adverse, the magnitude of own interest is grossly at variance with that of the Company.
- ♣ A Director or a member of his or her immediate family as defined by the Insider Trading Regulations of the Company receives improper personal benefits as a result of his or her position as a Director of the Company or as a relative.

Some of the more common conflicts, which Directors should avoid, are listed below: -

a) Relationship of Company with third parties

Directors may not receive a personal benefit from a person or firm, which is seeking to do business or to retain business with the Company. A Director shall excuse himself/herself from any decision involving another firm or company with which he/she is affiliated.

b) Compensation from non-Company sources

Directors may not accept compensation (in any form) for services performed for the Company from any source other than the Company and may not accept any offer, payment or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision.

c) Gifts

Directors may not offer, give or receive gifts from/to persons or entities dealing with the Company in those cases where any such gift is being made in order to influence the actions or where acceptance of the gift could create the appearance of a conflict of interest.

d) Personal use of Company assets

Directors may not use Company assets or information for personal use unless approved by the Chairman of the Board or Managing Director or as part of a compensation or expense reimbursement program available to Directors. Directors should not charge personal expenses to the Company.

Directors should not hold any office or place of profit in the Company by himself or by his relatives without full disclosure of information in connection therewith.

2) CORPORATE OPPORTUNITIES

Directors are prohibited from:

- a) Taking for themselves or their companies opportunities that are discovered through the use of Company property, Company information or their position as a Director.
- b) Competing with the Company for business opportunities.

3) BRIBERY AND CORRUPTION

No Director of the Company will resort to or aid or abet bribery or corruption in conducting the Company's business. No Director will offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any improper business advantage.

4) INSIDER TRADING

All Directors shall comply with the Insider Trading Regulations as laid down by SEBI and the Company.

5) USE AND PROTECTION OF ASSETS AND INFORMATION

The Directors entrusted with property belonging to the Company are responsible for the careful use, protection, expenditure and administration of such assets. They must also pay attention to Information Technology as well as intellectual property aspects. The Directors shall also encourage careful use of the Company's assets amongst employees.

6) USE AND PROTECTION OF THE RIGHTS

The Directors must also ensure that the rights of the Company are properly protected and enforced.

7) CONFIDENTIALITY

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a Director, except when disclosure is authorised or legally mandated.

8) COMPLIANCE WITH LAWS, RULES AND REGULATIONS, ENCOURAGING FAIR DEALING AND PROFESSIONALISM

- a) Directors must comply, and oversee compliance by employees, officers and other Directors, with laws, rules and regulations applicable to the Company, including insider trading laws.
- b) Directors should take reasonable efforts to keep themselves abreast of the business affairs of the Company; it's compliance status with relevant laws, rules and regulations and should exercise independent judgement on issues of strategy, performance, policy matters, etc.
- c) Directors must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees and should encourage professionalism, protect integrity and honesty.
- d) Directors must take all necessary steps to protect the interests of shareholders, including the minority and small shareholders.
- e) Directors should take reasonable steps to ensure that product quality is maintained and process quality parameters are properly adhered to by concerned officials of the Company.
- f) Directors should take all reasonable steps to ensure that necessary disclosures are being regularly made as part of financial reporting.

9) ENCOURAGING ETHICS AND REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR

Directors should promote ethical behaviour and take steps to ensure that the Company: -

- a) Encourages employees to talk to Supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.
- b) Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to appropriate personnel.
- c) Informs employees that the Company will not allow retaliation for reports made in good faith.

10) COMPLIANCE STANDARDS

Directors should communicate any suspected violations of this Code promptly to the Chairman of the Board or Managing Director. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

11) WAIVER OF CODE OF BUSINESS CONDUCT AND ETHICS

Any waiver of this Code may be made only by the Board of Directors.

Approved by the Board of Directors at its Meeting held on May 17, 2006.