



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Title:

This Policy shall be called 'Policy for determining Material Subsidiaries'.

Objective:

This Policy is framed, pursuant to the requirement of Clause 49(V)(D) of the Listing Agreement with an intention to ensure governance framework of material subsidiaries and shall be effective October 1, 2014.

Definitions:

'Act' means Companies Act, 2013 and Rules made thereunder, including any amendments or modifications thereof.

'Board' means the Board of Directors of Lupin Limited.

'Company' means Lupin Limited

'Holding Company' in relation to one or more other companies, means a company of which such companies are subsidiary companies.

'Independent Director' means a director of the Company who is not a Managing Director or Whole-time Director or Nominee Director and who is neither a promoter of the Company or its holding, subsidiary or associate company and who is not related to promoter or Director of the Company or its holding, subsidiary or associate company and who satisfies the criteria for independence as prescribed by Section 149(6) of the Companies Act, 2013 as also the provisions of the Listing Agreement related to Independent Directors.

'Policy' means this Policy as amended from time to time.

'Subsidiary' shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and Rules made thereunder.

'Material Subsidiary' means if the investment of the Company in the subsidiary exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty percent of the consolidated income of the Company during the previous financial year.

'Material non-listed Indian Subsidiary' means an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of Lupin and its subsidiaries in the immediately preceding accounting year.

'Significant transaction or arrangement' means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediate preceding accounting year.

Governance Framework:

- a. At least one Independent Director on the Board of Lupin Limited shall be a director on the board of directors of a material non-listed Indian subsidiary company.
- b. The Audit Committee of Lupin Limited shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meetings of Lupin Limited.
- d. The management should periodically bring to the attention of the Board of Directors of Lupin Limited, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

'Requirements regarding Material Subsidiary':

Lupin Limited shall not without passing a special resolution in its General Meeting: -

- dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50%; or cease the exercise of control over the subsidiary, except under a scheme of arrangement duly approved by a Court/Tribunal; or
- sell, dispose and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year unless the same is made under a scheme of arrangement duly approved by a Court/Tribunal.

Scope and Limitation:

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder and the Listing Agreement, the provisions of the Companies Act, 2013/Rules, SEBI Act/Rules and Regulations and the Listing Agreement shall prevail.

Dissemination of the Policy:

This Policy shall be hosted on the website of Lupin Limited and a web-link thereto shall be provided in the Annual Report.

Amendments:

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.
