

Global Footprints - Our Aspiration
Technology - Our Impetus

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BRANDS

GENERICS

NDDS

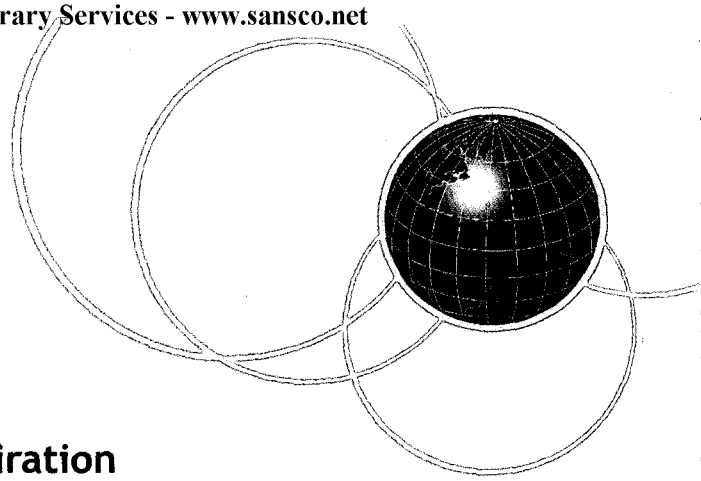
BIOSIMILARS

NCES

APIS

INTERMEDIATES





Global Footprints - Our Aspiration Technology - Our Impetus

Our Growing Ambitions...

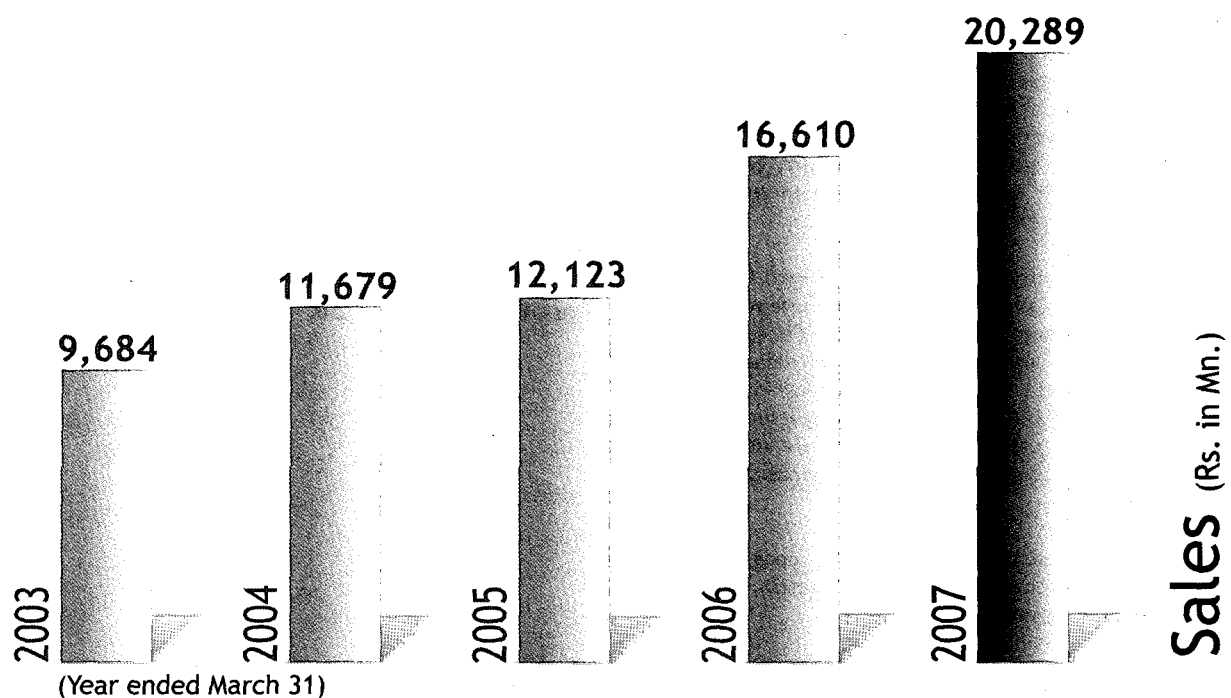
At Lupin, we exist to flourish. Driven by our maxim, we aspire, we strive and consequently, we achieve. The taste of frequent success continues to fuel our aspirations repeatedly, leading to an exciting journey along the growth path. Today, having firmly ensconced ourselves in selected markets, setting widespread global footprints is the next obvious step along this journey.

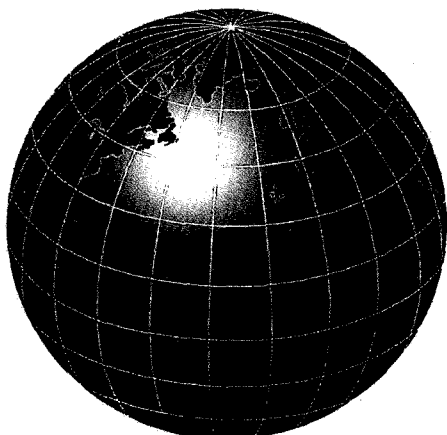
Our Energy Within...

Our investments into R&D over the last few years have morphed into a vast treasure trove of promising products. This strong technological pedestal is propelling us towards our target with undeterred focus.

It's not just about reaching global markets. It is also about quality, complexity, sustainability and recognition by our customers. In our desire to become transnational, we are entering each important market with intimate understanding. Our R&D thrust is enabling us to be unique and relevant to each market we choose to prosper in.

At Lupin, we believe that technology and innovation are the keys for unlocking superior stakeholder value.





OUR VISION TO BE AN INNOVATION LED TRANSNATIONAL PHARMACEUTICAL COMPANY

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Forward-Looking Statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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CORPORATE INFORMATION

Directors

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

Mrs. M. D. Gupta
Executive Director

Mr. D. K. Contractor

Mr. Marc Desaeleer

Mrs. Vinita Gupta

Mr. P. K. Kaul
(up to February 28, 2007)

Dr. Vijay Kelkar

Dr. K. U. Mada

Mr. Sunil Nair

Mr. Edward R. Roberts
Additional Director

Mr. R. A. Shah

Dr. D. P. Sinha
(up to May 9, 2006)

Company Secretary & Compliance Officer

Mr. Kiran N. Bade

Auditors

Deloitte Haskins & Sells
Chartered Accountants

Audit Committee

Dr. K. U. Mada
Chairman

Mr. D. K. Contractor

Dr. Kamal K. Sharma

Investors' Grievances Committee

Mr. D. K. Contractor
Chairman

Dr. K. U. Mada

Remuneration/Compensation Committee

Dr. K. U. Mada
Chairman

Mr. Sunil Nair
(alternate - Mr. Marc Desaeleer)

Mr. R. A. Shah

Solicitors

AZB & Partners

Crawford Bayley & Co.

DSK Legal

Bankers

ABN AMRO Bank N.V.

Bank of Baroda

Central Bank of India

Citibank N.A.

ICICI Bank Ltd.

Standard Chartered Bank

State Bank of India

The Hongkong and
Shanghai Banking Corporation Ltd.

Senior Management Team

Dr. Desh Bandhu Gupta

Chairman

Dr. Kamal K. Sharma

Managing Director

Mrs. Vinita Gupta

*President & Managing Director -
Lupin Pharmaceuticals Inc., USA*

Mr. Satish Khanna

Group President - API

Dr. Sudershan Arora

President - NCE Research

Mr. Shakti Chakraborty

President - India Region Formulations

Mr. Vinod Dhawan

President - Business Development

Mr. Rajan Dutta

*President - Human Resources
Development*

Mr. Naresh Gupta

President - API 1 & Global TB

Mr. Nilesh Gupta

President - Advanced Markets

Mr. Harish Narula

President - Corporate

Mr. Alok Ghosh

*Executive Vice President - Global
Dosage Form Manufacturing and
Quality Assurance*

Mr. Sunil Makharia

Executive Vice President - Finance

Registered Office

159, C.S.T. Road, Kalina,
Santacruz (East), Mumbai-400 098.
Tel: + 91 22 6640 2323
Fax: + 91 22 2652 8806

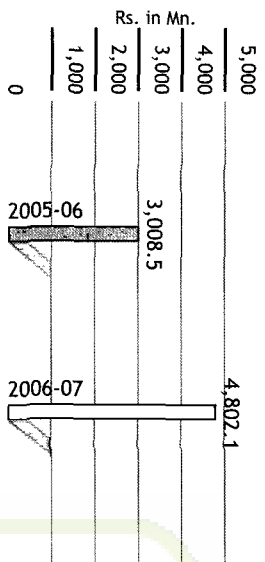
Corporate Office

Laxmi Towers, 'B' Wing,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.
Tel: + 91 22 6640 2222
Fax: + 91 22 6640 2130

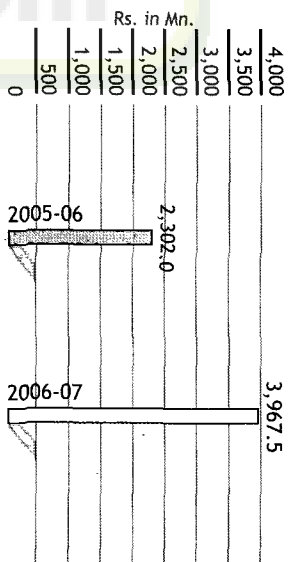
www.lupinworld.com

FINANCIAL HIGHLIGHTS FY2006-07

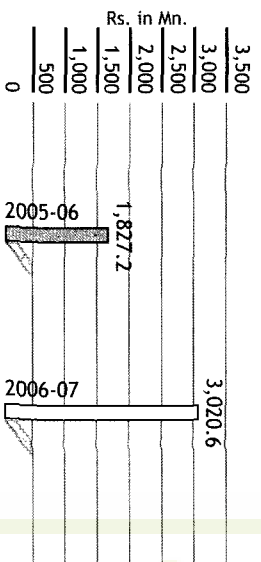
EBIDTA



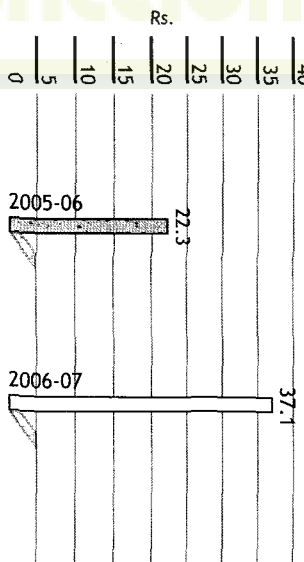
PBT



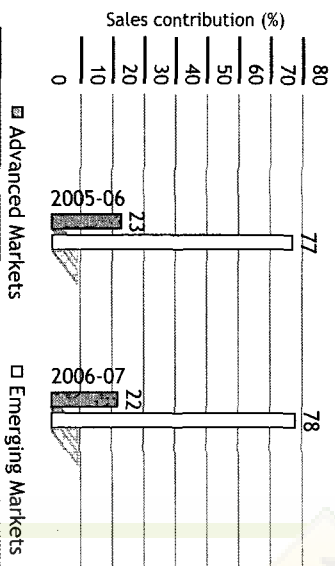
NET PROFIT



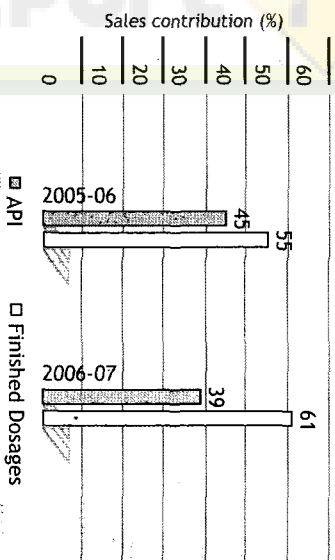
EPS*

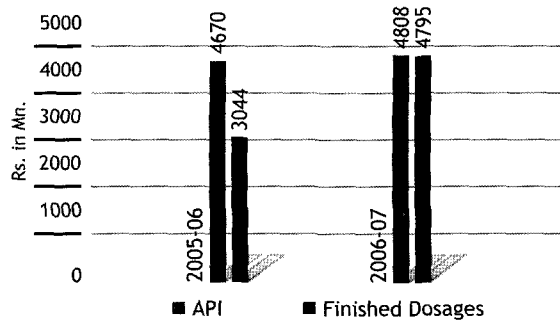
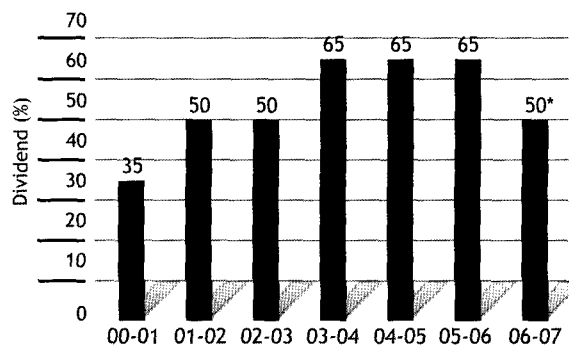


GROSS SALES (MARKET BREAK - DOWN)



GROSS SALES (BUSINESS MIX)

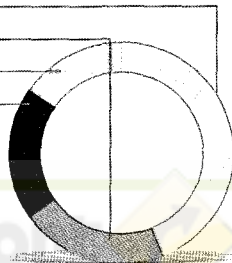


EXPORTS**DIVIDEND HISTORY**

* Proposed dividend, on enhanced capital, post bonus issue (1:1)

THERAPEUTIC MIX

| | |
|-----------------|-----|
| Cephalosporins | 44% |
| Anti-TB | 21% |
| Cardiovasculars | 15% |
| Others | 20% |

**GROSS SALES (GEOGRAPHY BREAK - DOWN)**

| | |
|--------------------------|-----|
| Domestic | 53% |
| Exports-Advanced Markets | 22% |
| Exports-Emerging Markets | 25% |

**OUR VALUES**

INTEGRITY • SUPERIOR PERFORMANCE • ENTREPRENEURSHIP

CUSTOMER ORIENTATION • WORKING TOGETHER

RESPECT FOR PEOPLE

BUSINESS HIGHLIGHTS

LUPIN'S PRODUCTS REACH

FINISHED
DOSAGES

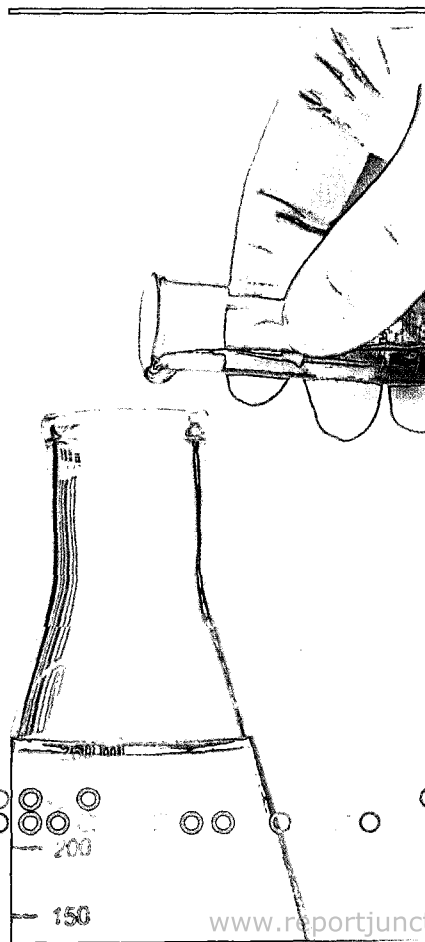
- Rapid strides in the US generics market - Top 3 rankings and significant market share attained in all products launched by the Company. Lisinopril tablets attained market leadership.
- Suprax® continues to register strong growth in the US: over 8,500 Rx, per week in peak season, 73% growth in sales. Line extension launched to further expand the market.
- Formulation revenues from North America and Europe take quantum leap, record 48% growth.
- Product offerings - Robust product basket, set to expand further. Over 50 ANDAs filed, including several Modified release, Para IV and niche products.
- 15 ANDAs and 14 DMFs filed during FY2006-07. 18 ANDAs approved by US FDA up to March 31, 2007.
- Destination next, Europe - Strong product pipeline. 24 submissions for finished dosages. Lupin was the first company to get approval in France for generic Cefpodoxime Proxetil.
- 20 submissions for Finished Dosages in Australia and New Zealand.
- India Region continues its strong performance; registers growth of 30%, outpaces market growth rate.
- Lupin in the elite club of top 10 pharmaceutical companies in India.
- Lupenox (Enoxaparin) - Lupin's first in-licensed product introduced.
- Restructured domestic business, with focus on lifestyle ailments and consolidation of rural reach.
- CIS and AAMLA regions - steady progress and growth in filings.

API AND
INTERMEDIATES

- Converted several API relationships into value-added Finished Dosage relationships.
- API revenues from emerging markets grow by 14%.
- Lupin a Global Leader in the Anti-TB APIs. The Company is Pre-Qualified as a preferred supplier to the Global Drug Facility.
- Global market leader in terms of volume in eight products, ranks second in two.
- Is amongst the largest pharmaceutical intermediate suppliers from India.
- Emerging global player in supply of Optically Active Intermediates.

RESEARCH AND
DEVELOPMENT

- Income from sale of Intellectual Property of Perindopril to Laboratoires Servier of France - Rs.1,143 Mn.
- Heartening progress in NCE research:
 - Anti-Migraine Moves to Phase III
 - Anti-Psoriasis (pure) Moves to Phase II
 - Anti-Psoriasis (herbal) Completed Phase II
 - Anti-TB In Phase I
- Ramp-up in filings across the globe. Focus on products with increasing complexities and differentiated products.
- Committed to fuelling the Research growth engine - R & D expenditure at 7.2% of Net Sales in FY2006-07.



OVER 50 COUNTRIES

FINANCE

- Board recommends dividend @50% for FY2006-07, on enhanced capital base post Bonus issue in the ratio of 1:1.
- Lupin scrip available for trading in Futures & Options (F & O) segment of National Stock Exchange, effective December 29, 2006.
- A1+ credit rating by ICRA for Company's Short-Term Debt (including Commercial Paper) programme of Rs.1,000 Mn.
- Reserves at Rs.8,080 Mn., up from Rs.6,038 Mn. Debt-Equity ratio improves to 0.61:1.

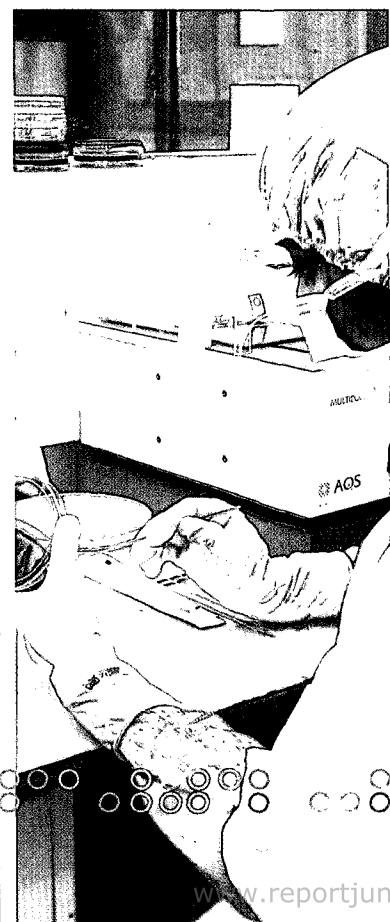
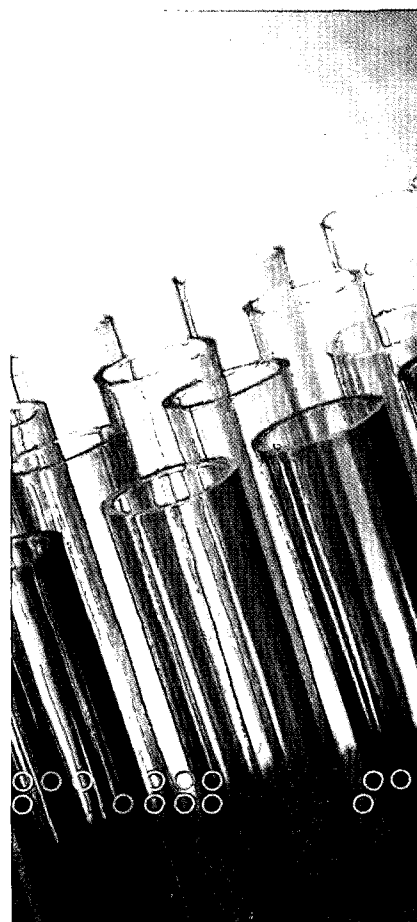
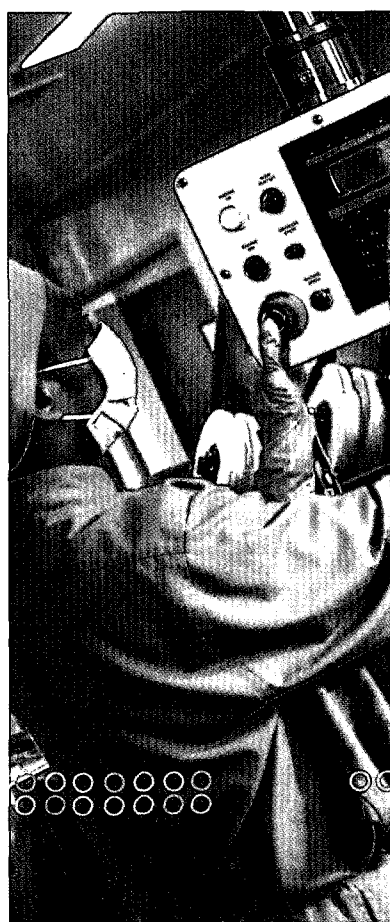
HUMAN RESOURCES

- Five key training interventions initiated to groom future leaders. ACE - A Cutting Edge, an initiative in collaboration with IIM - Ahmedabad launched.
- Focussed employee engagement and retention programmes initiated.
- Creation of In-House competencies in training and development.
- Hewitt Associates, an internationally renowned consultancy firm is working closely with Lupin to evolve new Organisational structure for facilitating growth.

FACILITIES

- Jammu Facility set-up at Bari Brahmna for India Region Formulations.
- US FDA inspection of Mandideep facility concluded successfully.

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Dr. Desh Bandhu Gupta
Chairman