



LUPIN LIMITED

Registered Office :

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

Tel: 022 - 6640 2402/2403

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 ('Act') 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 an Ordinary Resolution for the re-appointment of Dr. Kamal K. Sharma as the Managing Director of the Company for a period of four years w.e.f. September 29, 2008 and approve the remuneration payable to him.
2. To accord approval by a Special Resolution for the appointment of Mr. Nilesh Gupta as Executive Director of the Company for a period of five years w.e.f. October 8, 2008 and approve the remuneration payable to him.
3. To accord approval by a Special Resolution for altering the "Lupin Employees Stock Option Plan 2003".

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 Thursday, November 27, 2008.

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 Friday, November 28, 2008 at 5.00 p.m. at the Registered Office of the Company.

By order of the Board of Directors

Mumbai, October 21, 2008

Registered Office: -

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

R. V. SATAM
Company Secretary

PROPOSED RESOLUTIONS

1. 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 Dr. Kamal K. Sharma as Managing Director of the Company for a period of four years w.e.f. September 29, 2008 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. Sharma shall 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 a Special Resolution:
"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 198, 269, 309, 310, 311, 314 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 appointment of Mr. Nilesh Gupta as Executive Director of the Company for a period of five years w.e.f. October 8, 2008 and the payment of remuneration to him as per the terms and conditions set out in the explanatory statement annexed hereto."

RESOLVED FURTHER THAT Mr. Nilesh shall 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 in partial modification of the Special Resolution passed by the members at the Extraordinary General Meeting held on December 5, 2003, ('Special Resolution') approving the "Lupin Employees Stock Option Plan 2003" ("ESOP-2003"), consent and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee including the Remuneration/Compensation Committee constituted by the Board to exercise the powers, including the powers conferred by this resolution) for carrying out such adjustments, amendments and modifications as may be desirable, necessary and/or expedient in the best interest of the Company in the exercise price of the equity shares to be issued and allotted upon exercise of options to be granted to the eligible employees under and pursuant to the ESOP-2003 to the effect that:

Clause iv) of the 'Special Resolution' dealing with exercise price be and is hereby modified and amended to and read as "The Exercise price of the Option shall be the 'market price' of the shares as defined in the SEBI Guidelines as on the Grant Date or such other price as may be determined by the Board."

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may, in its sole and absolute discretion deemed necessary, expedient, usual or proper, settle any question, doubt or difficulty that may arise with regard to the pricing of the Options granted as aforesaid or any other matter incidental or consequential thereto and its decision shall be final and binding on all members and other interested persons."

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

ITEM NO.1

At the Extraordinary General Meeting of the Company held on December 5, 2003, Dr. Kamal K. Sharma was appointed as the Managing Director of the Company for a period of five years w.e.f. September 29, 2003 and his present tenure was up to September 28, 2008.

Dr. Kamal K. Sharma is a chemical engineer from the Indian Institute of Technology (IIT), Kanpur with a post-graduate diploma in industrial management from Jamnalal Bajaj Institute of Management Studies, Mumbai and a PhD. in Economics from IIT, Mumbai. He also completed an advanced management programme from Harvard Business School, Boston. Dr. Sharma has vast industry experience spanning more than three decades and has held a range of senior management positions in the fields of projects, operations, corporate development and general management in pharma and chemical industries.

During the last five years, the Company made all round progress and the consolidated turnover and profits have grown substantially from Rs.12,638 million and Rs. 868 million respectively during the year 2003-04 to Rs. 27,730 million and 4,082 million during the year 2007-08. Leadership of Dr. Sharma has contributed in substantial measure to this achievement.

At its meeting held on October 8, 2008 the Board re-appointed Dr. Sharma as the Managing Director of the Company for a period of four years w.e.f. September 29, 2008 and revised his remuneration w.e.f. September 29, 2008 subject to terms and conditions as mentioned herein below: -

Salary and allowances:

- a) Basic Rs. 14,400,000/- per annum.
- b) Management Allowance Rs.12,480,000/- per annum
- c) Flexible Benefits Rs. 2,400,000/- per annum.

Performance-linked Incentive:

An amount not exceeding 50% of the fixed cost to the Company.

Others:

Dr. Sharma shall be entitled to two chauffeur driven cars, telephones, telefaxes, computers and other communication facilities at residence as may be required as also Stock Options. He shall also be entitled to provident fund, superannuation, gratuity, key man insurance, mediclaim, accident and life insurance coverage and leave with full pay and encashment thereof as per Company rules. Dr. Sharma shall be entitled to membership fees including life membership for maximum two clubs and other minor memberships as may be decided by the Board.

Subject to overall ceiling on remuneration, he may be given annual increments not exceeding 25% of his last drawn fixed cost to the Company and any other allowances, benefits and perquisites as the Board may decide from time to time.

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. Sharma 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. Sharma were recommended by the Remuneration/Compensation Committee at its meeting held on October 8, 2008.

Considering Dr. Sharma's experience, qualifications, expertise, responsibilities shouldered by him, volume of the Company's business and profits earned by it, the above remuneration is considered reasonable.

Dr. Sharma is interested in the said Resolution. None of the other directors can be considered to be interested in or concerned with the said Resolution.

The terms of 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

Mr. Nilesh Gupta is a chemical engineer from UDCT, Mumbai and a graduate with honours from the Wharton School, U.S.A. specializing in healthcare, strategic management and finance. His diverse portfolio includes Intellectual Property, Strategy & Management, Research & Development, Projects, Manufacturing, QA and Supply Chain Management. He has demonstrated exemplary performance in integrating and leading this diversified portfolio and ably contributing to the growth and profitability of the Advanced Markets (US & EU) in particular and the Company in general. Mr. Nilesh has directed the IP strategy of the Company towards achieving niche position for the chosen products. This approach enabled the Company in achieving sustainable revenue/profit. Under his leadership, the team ensured flawless and immaculately timed launches of several products in the international market. He is a sound business leader and team builder. Amongst several of his contributions, supporting business in the Advanced Markets has been truly noteworthy wherein today this SBU has become the highest profit earner in the Company and is poised to contribute handsomely in the coming years.

At its meeting held on October 8, 2008, the Board appointed Mr. Nilesh Gupta as an Additional Director with immediate effect and designated him as Executive Director. The Board approved remuneration payable to Mr. Nilesh subject to terms and conditions as mentioned herein below: -

Salary and allowances:

- a) Basic Rs.10,800,000/- per annum.
- b) Management Allowance Rs.6,300,000/- per annum.
- c) Flexible Benefits Rs.1,400,000/- per annum.

Performance-linked Incentive:

An amount not exceeding 50% of the fixed cost to the Company.

Others:

Mr. Nilesh shall be entitled to two chauffeur driven cars, telephones, telefaxes, computers and other communication facilities at residence 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. He shall also be entitled to provident fund, superannuation, gratuity, key man insurance, mediclaim, accident and life insurance coverage and leave with full pay and encashment thereof as per Company rules. Mr. Nilesh shall be entitled to membership fees including life membership for maximum two clubs and other minor memberships as may be decided by the Board.

Subject to overall ceiling on remuneration, he may be given annual increments not exceeding 25% of his last drawn fixed cost to the Company and any other allowances, benefits and perquisites as the Board may decide from time to time.

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 Mr. Nilesh 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 Mr. Nilesh Gupta were recommended by the Remuneration/Compensation Committee at its meeting held on October 8, 2008.

Considering his qualifications, experience, responsibilities shouldered by him, volume of the Company's business and profits earned by it, the above remuneration is considered reasonable.

Mr. Nilesh Gupta is interested in the said Resolution. Dr. Desh Bandhu Gupta, Mrs. M. D. Gupta and Mrs. Vinita Gupta being related to Mr. Nilesh Gupta, can be considered to be interested in the said Resolution. None of the other directors can be considered to be interested in or concerned with 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.

ITEM NO.3

At the Extraordinary General Meeting held on December 5, 2003, the members had approved the issue of 401,411 equity shares (802,822 equity shares consequent to Bonus issue on August 17, 2006) to eligible employees of the Company under a scheme titled "Lupin Employees Stock Option Plan 2003" (Plan). In terms of the said Plan, the Board was authorised to grant options to eligible employees 'at the market price as defined in the SEBI Guidelines on the date of grant of options'.

Since the global business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. In view of this, it was necessary to make the Plan more attractive by authorising the Board to grant options 'at the market price as defined in the SEBI Guidelines on the date of grant or at such other price as may be determined by the Board'.

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.

Wholetime directors (other than promoter directors) who may be eligible to avail the benefit of the above-referred Plan may be deemed to be interested in the said resolution 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 Resolution.

The Board recommends passing of the said Resolution.

By order of the Board of Directors

Mumbai, October 21, 2008

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R. V. SATAM
Company Secretary