

Lupin Limited

Code of Business Conduct for Senior Management

The Board of Directors (the "Board") of Lupin Limited ("the Company") has adopted the following Code of Business Conduct and Ethics (the "Code") for Senior Management. As per Clause No.49 of the Listing Agreement, the term "Senior Management" shall mean personnel of the Company who are members of its core management team and would comprise all members of management one level below the executive directors, including all functional heads. It is proposed to make this Code of Conduct applicable to persons working in the cadre of General Managers and above. This Code is intended to focus on areas of ethical risk; provide guidance and help to Senior Management 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 Senior Management person 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 a person. Senior Management persons 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 Managing Director.

Code of Conduct

1. CONFLICT OF INTEREST

Senior Management must 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 Managing Director.

A "Conflict of interest" can occur when:

- ♣ Personal interest of a Senior Management person 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 Senior Management person or a member of his or her immediate family as defined by the Insider Trading Regulation of the Company receives improper personal benefits as a result of his or her position as a Senior Management person of the Company or as his or her relative.

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

a) Relationship of Company with third parties

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

Senior Management persons will not engage in any activity that interferes with his/her performance or responsibilities to the Company.

Senior Management will avoid conducting Company business with a relative or with a business in which a relative is associated in any significant role.

A Senior Management person will not divert to his/her own advantage any business opportunity that the Company is in pursuit.

b) Compensation from non-Company sources

Senior Management will not accept compensation (in any form) for services performed for the Company from any source other than the Company and will not accept any offer, payment or anything of value from customers, vendors, service providers, consultants, etc. Any exception, to address a case where such compensation is not to be perceived to influence business decision, will be made only by the Managing Director.

c) Gifts

Senior Management will not offer, give or receive gifts from/to persons or entities that deal with the Company in those cases where any such gift is being made in order to influence the actions or where acceptance of the gifts could create the appearance of a conflict of interest. In any case, where gifts exceeding about Rs.1,000/- in value is offered, given or received, the details thereof should be provided to the Compliance Officer, who in turn will make a suitable report to the Managing Director.

d) Personal use of Company assets

Senior Management will not use Company assets or information for personal use unless approved by the Managing Director or as part of a compensation or expense reimbursement program available to Senior Management. Senior Management should not charge personal expenses to the Company under any circumstances.

2) CORPORATE OPPORTUNITIES

Senior Management persons 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 Senior Management.
- b) Competing with the Company for business opportunities.
- c) Accepting simultaneous employment/directorship with the suppliers, customers or competitors of the Company or taking part in any activity that enhances or supports a competitor or has the potential to so enhance or support.
- d) Investing in or otherwise taking stake in other entities, to which the Company sells products, or from which it buys materials, or from which it obtains services, or to which it provides service, or engages for sub-contracting, except with the prior approval of the Managing Director. This would not, however, apply to buying/selling shares of companies listed on recognized stock exchange(s).

3) BRIBERY AND CORRUPTION

Senior Management will not resort to bribery or corruption in conducting the Company's business. Senior Management will not offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any business advantage for the Company.

4) INSIDER TRADING

Senior Management shall comply with the Insider Trading Regulations as laid down by SEBI and the Company. A Senior Management person shall not engage in transaction(s) for the purchase/sale of the Company's shares exceeding 1,000 in a financial year, except with the prior intimation to the Compliance Officer, who in turn, shall forward the intimation to the Managing Director.

5) USE AND PROTECTION OF ASSETS AND INFORMATION

Senior Management persons entrusted with property belonging to the Company are responsible for the careful use, protection, expenditure and administration of such assets. They must pay particular attention to Information Technology aspects such as data protection and data security as well as intellectual property aspects.

6) USE AND PROTECTION OF THE RIGHTS

The Senior Management persons must ensure that the rights of the Company are properly protected and enforced.

7) CONFIDENTIALITY

Senior Management 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 Senior Management, except when disclosure is authorised or legally mandated.

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

- a) Senior Management must comply and oversee compliance by employees, officers and other Senior Management persons, with laws, rules and regulations applicable to the Company, including insider trading laws.
- b) Senior Management 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) Senior Management 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) Senior Management 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.
- e) Senior Management 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

Senior Management 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

Senior Management should communicate any suspected violations of this Code promptly to the 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.