

January 19, 2026

Lupin Manufacturing Solutions Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term-fund-based/ non-fund based facilities	100.00	200.00	[ICRA]A1+; reaffirmed; assigned for enhanced amount
Total	100.00	200.00	

*Instrument details are provided in Annexure-I

Rationale

While assigning the rating for Lupin Manufacturing Solutions Limited (LMSL), ICRA has taken a consolidated view of Lupin Limited (Lupin) and its wholly-owned subsidiary, LMSL, given their common management and significant operational and financial linkages between them.

The rating reaffirmation of Lupin Limited (Lupin) factors in the company's strong financial profile, supported by healthy internal accrual generation on the back of sustained revenue growth and improvement in its operating profit margin (OPM). Aided by the strong performance of the North American business following a few first-to-file launches and a single-digit growth in the base business, the revenues of Lupin grew by 20.7% to Rs. 13,605.5 crore in H1 FY2026. Its OPM also improved to 29.9% from 23.2% in H1 FY2025. The rating also continues to factor in Lupin's strong business profile, its position as one of the leading¹ companies in the Indian pharmaceutical market, its geographically diversified revenue mix and global leadership in several API² segments. The company's capital structure and coverage indicators also continue to remain strong, supported by healthy accrual generation and strong liquidity position, characterised by total debt/OPBDITA of 0.8 times and interest cover of 20.4 times in H1 FY2026.

However, Lupin's operations remain exposed to regulatory risks. It has outstanding warning letters issued to the facilities at Tarapur (Maharashtra) and Unit-1 in Mandideep (Madhya Pradesh) by USFDA³. However, ICRA notes that these facilities do not contribute significantly to Lupin's US business. ICRA also notes the pending resolution of the ongoing industry-wide investigation by the anti-trust division of the US DoJ⁴ for price-fixing and price collusion allegations as well as other litigations. Moreover, Lupin's profitability remains vulnerable to foreign exchange (forex) rate fluctuations because of its overseas operations and foreign currency borrowings, though it hedges them through forward contracts.

Large inorganic investments by the company will also remain an event risk, and the impact of such investments on its business and credit profile would be monitored on a case-by-case basis. In this regard, ICRA notes Lupin's definitive agreement to acquire a 100% equity stake in VISUfarma B.V. (VISUfarma), a speciality pharmaceutical company headquartered in Amsterdam, the Netherlands and focusing on ophthalmic products along with a strong commercial footprint across Italy, the UK, and Spain. The acquisition will be executed through Lupin's wholly-owned subsidiary, Nanomi B.V. and the transaction is expected to be completed by February 2026. The transaction is proposed to be funded largely through Lupin's existing cash reserves, given the company's strong liquidity position and healthy cash flow generation. As a result, this event is unlikely to have any adverse material impact on Lupin's credit profile. Nonetheless, the company's ability to successfully integrate the acquired business will be monitored.

¹ Lupin is the third largest (IQVIA Qtr TRx, Mar 2025) generic player in the US by prescriptions, and ranks eighth (IQVIA MAT, Mar 2025) in the IPM

² Active Pharmaceutical Ingredient

³ United States Food and Drug Authority

⁴ Department of Justice

Key rating drivers and their description

Credit strengths

Leading player in the US and domestic markets; growing contribution of complex generics in inhalation and injectables – Lupin ranks eighth in the Indian pharmaceutical market with a key position in several therapies including anti-tuberculosis (first), respiratory (second), cardiology (third) and anti-diabetic (third). Moreover, performance of the US business has improved on account of increased pace of new product launches and better product mix with a higher share of complex generics (including inhalations and injectables). Launch of limited competition/ first-to-file products like Tolvaptan, Liraglutide, Glucagon and Risperidone over the last few quarters has aided in a healthy growth in the US business (+47.3% in Q2 FY2026). This has also helped improve the company's OPM. In India, despite a moderated growth in Q2 FY2026 (3.4% YoY), Lupin is expected to outperform the market growth over the medium term.

Geographically diversified revenue mix – Lupin's revenue profile is well diversified with India and the US being the key markets, contributing 30% and 40%, respectively, to its consolidated revenues in Q2 FY2026. The other emerging markets⁵ and other developed markets⁶ contributed 14% and 12%, respectively. Lupin also derived around 4% of its Q1 FY2026 revenues from its API business. Its API manufacturing capabilities are predominantly focussed on its captive requirements for formulations with up to 75-80% of its APIs consumed in-house.

Global leadership in several API segments, including cephalosporins and CVS drugs – Lupin has been a global leader in the cephalosporins (third-generation antibiotics), anti-tuberculosis (anti-TB) and cardiovascular spaces for over 15 years. It remains one of the largest suppliers of anti-TB products to the World Health Organisation's (WHO) global drug facility and is the only company pre-qualified by WHO globally for its anti-TB APIs as well as formulations. It enjoys large economies of scale in certain segments on account of forward integration into formulations, high bargaining power with intermediate suppliers and strong technological capabilities in API development and manufacturing. Lupin has carved out two of its API manufacturing sites at Dabhasa and Visakhapatnam, along with select R&D operations, including fermentation, at Lupin Research Park, Pune, into a separate wholly-owned subsidiary, Lupin Manufacturing Solutions Limited (LMSL). This will ensure better focus on its API business and improve its scale and profitability, particularly through its Contract Development and Manufacturing Organization (CDMO) strategy.

Healthy financial profile and strong liquidity position – Lupin has a healthy financial profile, characterised by sizeable net worth and strong accrual generation, aided by healthy revenue growth and improvement in margins. It has a debt of Rs. 6,217 crore as on September 30, 2025 with a total Debt/OPBDITA of 0.8 times and total debt/TNW of 0.3 times. The interest cover for H1 FY2026 stood at 20.4 times. Despite the acquisition of VISUfarma, healthy accrual generation and low reliance on external debt for funding regular capex will aid in sustenance of a strong credit profile by Lupin.

Credit challenges

Base US business continues to remain competitive – The US generic market has remained competitive with continued pricing pressure across various product categories. This has impacted the performance of the US generics business of several generic players in the market, including Lupin. While regular product launches and introduction of complex generics in the market have mitigated the impact to a certain extent, pressure will remain on Lupin's base business in the US.

Exposure to regulatory risks and litigations – Lupin's operations remain exposed to risks of greater scrutiny by regulatory agencies, including the USFDA, as well as pricing control in the domestic market. ICRA notes ~13-14% coverage of its domestic formulations under NLEM⁷, which remains exposed to future price control measures or addition of more products in the list of NLEM drugs. While Lupin is yet to resolve the warning letters issued by USFDA to its facilities at Tarapur and Unit-1 in

⁵ LATAM, South Africa, Philippines & RoW

⁶ Canada, Australia, Europe and others

⁷ National List of Essential Medicines

Mandideep, product supplies to the US from these facilities are negligible. Besides, it is a part of the ongoing industry-wide investigation by the anti-trust division of the US DoJ pertaining to price fixing and price collusion allegations as well as other product litigations. Any adverse outcome of the ongoing investigations/litigations would remain an event risk, and the impact of such outcomes on its business and credit profile would be monitored on a case-by-case basis. Also, given Lupin’s significant exposure to the US generics market, any regulatory/ policy changes in the US pharmaceutical industry, including any changes in the current tariff regime, would be monitored.

Vulnerability of profitability to forex fluctuations – Lupin’s profitability remains vulnerable to forex rate fluctuations on account of its overseas operations as well as foreign currency borrowings, although it hedges the same through foreign exchange forward contracts.

Liquidity position: Strong

Lupin’s liquidity position remains strong, supported by a robust cash flow generation, healthy cash, bank balances and liquid investments of Rs. 4,569.5 crore (consolidated) and substantial unutilised working capital facilities as on September 30, 2025. It has scheduled debt repayment obligation of Rs. 270-290 crore per annum and its regular capex is expected to be Rs. 700-800 crore per annum. The internal accrual generation and existing liquidity of Lupin would be sufficient to fund its debt repayment obligations and capex requirements over the medium term.

Rating sensitivities

Positive factors – Not Applicable.

Negative factors – Pressure on the rating could emerge if there is considerable weakening in the company's leverage and liquidity position on a sustained basis due to aggressive capex or inorganic investments or increased working capital intensity of operations. Any adverse impact of regulatory developments, impacting Lupin’s product launches and, in turn, revenues and profitability, would also be a key monitorable.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Lupin. The subsidiaries and joint ventures of Lupin are listed in Annexure II

About the company

LMSL is a wholly-owned subsidiary of Lupin, which was incorporated in July 2023 to carve out two of Lupin’s API manufacturing sites in Dabhasa and Visakhapatnam, along with select R&D operations, including fermentation, at Lupin Research Park, Pune.

Lupin Limited (erstwhile Lupin Chemicals) was founded in 1968 by Late Dr. Desh Bandhu Gupta, father of the current Managing Director, Mr. Nilesh Gupta, after Dr. Gupta bought the Lupin trademark from Charak Pharmaceuticals. Set up originally as a proprietary concern, Lupin was converted into a private limited company in 1972 and became a public limited company in 1992. In June 2001, Lupin Chemicals merged with Lupin Laboratories Limited, following which the merged entity was renamed Lupin Limited. The amalgamation was aimed at leveraging the strengths of the two companies.

Lupin is an integrated pharmaceutical company with presence across research, manufacturing and marketing of formulations and APIs. The company’s business mix can be broadly divided into two segments, formulations (accounted for 95% of Lupin’s consolidated revenues in FY2025) and APIs (accounted for 5% of Lupin’s consolidated revenues in FY2025). In terms of

geographical presence, Lupin derived 36% of its FY2025 revenue from the United States, 34% from India, 13% from developed markets (comprising Canada, Australia, Europe and others) and 11% from other emerging markets (comprising LATAM, South Africa, the Philippines and Rest of the World).

As per the company, it is the third largest pharmaceutical player in US by prescriptions and the eighth largest company in the Indian pharmaceutical market.

Key financial indicators (audited)

Lupin – Consolidated	FY2024	FY2025	H1 FY2026*
Operating income	20,021.3	22,713.7	13,605.5
PAT	1,935.6	3,306.3	2,706.3
OPBDIT/OI	19.4%	23.3%	29.9%
PAT/OI	9.7%	14.6%	19.9%
Total outside liabilities/Tangible net worth (times)	0.6	0.7	0.7
Total debt/OPBDIT (times)	0.8	1.0	0.8
Interest coverage (times)	12.4	18.0	20.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Results

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years							
Instrument	Type	Amount rated (Rs. crore)	Jan 19, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based/Non fund based limits	Short term	200	[ICRA]A1+	Jun 30, 2025	[ICRA]A1+	Apr 25, 2024	[ICRA]A1+	-	-	-	-
				Oct 09, 2025	[ICRA]A1+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Short-term-fund-based/non-fund based facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Short-term-fund-based/non-fund based facilities	NA	NA	NA	200.00	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Lupin Ownership	Consolidation Approach
Lupin Pharmaceuticals, Inc.	100.00%	Full Consolidation
Hormosan Pharma GmbH	100.00%	Full Consolidation
Pharma Dynamics (Proprietary) Limited	100.00%	Full Consolidation
Lupin Australia Pty Limited	100.00%	Full Consolidation
Nanomi B.V. (formerly known as Lupin Holding B.V.)	100.00%	Full Consolidation
Lupin Atlantis Holdings SA	100.00%	Full Consolidation
Multicare Pharmaceuticals Philippines Inc.	51.00%	Full Consolidation
Generic Health Pty Limited	100.00%	Full Consolidation
Bellwether Pharma Pty Limited	100.00%	Full Consolidation
Lupin Healthcare (UK) Limited [formerly Lupin (Europe) Limited]	100.00%	Full Consolidation
Lupin Pharma Canada Limited	100.00%	Full Consolidation
Lupin Diagnostics Limited (formerly Lupin Healthcare Limited)	100.00%	Full Consolidation
Lupin Mexico S.A. de C.V.	100.00%	Full Consolidation
Lupin Philippines Inc.	100.00%	Full Consolidation
Generic Health SDN. BHD.	100.00%	Full Consolidation
Lupin Inc.	100.00%	Full Consolidation
Laboratorios Grin S.A. de C.V.	100.00%	Full Consolidation
Medquímica Indústria Farmacêutica LTDA	100.00%	Full Consolidation
Novel Laboratories	100.00%	Full Consolidation
Lupin Research Inc.	100.00%	Full Consolidation
Avenue Coral Springs LLC (with effect from 29 November 2021)	100.00%	Full Consolidation
Lupin Europe GmbH	100.00%	Full Consolidation
Lupin Management Inc (Formerly Lupin IP Ventures Inc.)	100.00%	Full Consolidation
Lupin Biologics Limited (India)	100.00%	Full Consolidation
Lupin Oncology Inc. (USA)	100.00%	Full Consolidation
Lupin Digital Health Limited (India) (with effect from 21 May 2021)	100.00%	Full Consolidation
Lupin Foundation (India) (upto February 07, 2025)	100.00%	Full Consolidation
Southern Cross Pharma Pty Ltd (with effect from Feb 3, 2022)	100.00%	Full Consolidation
Lupin NZ Limited (with effect from August 8, 2024)	100.00%	Full Consolidation

Company Name	Lupin Ownership	Consolidation Approach
Lupin Lanka (Private) Ltd (with effect from August 05, 2024)	100.00%	Full Consolidation
Lupin Manufacturing Solutions Limited (with effect from July 24, 2023)	100.00%	Full Consolidation
Lupinlife Consumer Healthcare Limited (with effect from March 08, 2025)	100.00%	Full Consolidation
Lupin Life Science Limited (formerly Lupin Atharv Ability Limited) (with effect from July 17, 2023)	100.00%	Full Consolidation
Medisol S.A.S (with effect from September 01, 2023)	100.00%	Full Consolidation

Source: Annual report for FY2025

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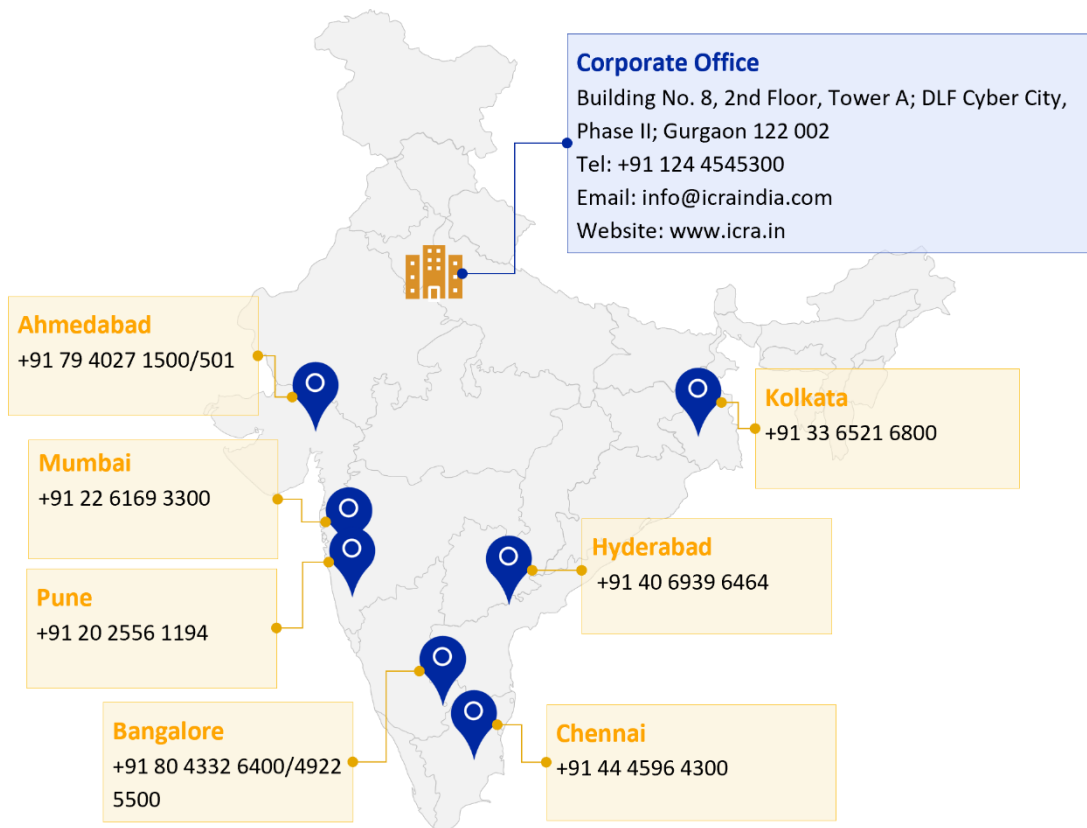
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