July 08, 2026

Lupin Limited: Rating reaffirmed

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	3,000.00	3,000.00	[ICRA]A1+; reaffirmed
Total	**3,000.00**	**3,000.00**	

**Instrument details are provided in Annexure II*

Rationale

While assigning the credit rating, ICRA has taken a consolidated view of Lupin Limited (Lupin) and its key subsidiaries – Lupin Manufacturing Solutions Limited, Lupin Life Sciences Limited, Lupin Diagnostics Limited and Lupinlife Consumer Healthcare Limited, given their common management and significant operational and financial linkages.

The reaffirmation of the rating for Lupin factors in its position as one of the leading Indian pharmaceutical companies with a well-diversified revenue mix and an established market position across its key markets. The US is the largest market for the company, generating 42% of its revenues in FY2026, followed by the domestic market (30%), other developed markets (ODMs; 12%), emerging markets (EMs; 13%) and active pharmaceutical ingredients (APIs; 4%). Lupin is the third-largest generics company in the US by prescriptions and is ranked eighth in the Indian pharmaceutical market (IPM). The company also has leadership in several API segments and benefits from its backward-integrated operations. Lupin's revenues have grown at a compound annual growth rate of around 15% between FY2022 and FY2026. The revenues grew by 26.0% to Rs. 28,614.5 crore in FY2026, aided by healthy growth across key geographies, including the US (46.0%), the domestic market (7.1%), ODMs (13.3%) and EMs (35.2%). The growth in the US was supported by a healthy contribution from new launches with limited competition, such as Tolvaptan, Mirabegron and generic Risperdal Consta. The improvement in the product mix with the launch of complex products also aided profitability, and the operating profit margin (OPM) improved to 30.8% in FY2026 from 23.3% in FY2025. ICRA notes that the industry has faced challenges related to input cost inflation and raw material/solvent availability due to the West Asian conflict; however, there has been no material impact of the same on the company's performance.

The rating also factors in Lupin's healthy financial profile, characterised by strong leverage and coverage indicators, as indicated by a total debt/OPBDITA of 0.8 times, gearing of 0.3 times and an interest cover of 20.3 times during FY2026. Further, ICRA expects Lupin to sustain its coverage and leverage indicators over the medium term. However, any major debt-funded acquisition and its impact on the credit profile shall continue to be monitored. The liquidity position remains strong, aided by healthy cash flow from operations and surplus cash balances.

The company, however, remains exposed to regulatory risks and litigation. It has two unresolved warning letters issued by the United States Food and Drug Administration (USFDA) for its manufacturing facilities at Tarapur (Maharashtra) and Mandideep (Madhya Pradesh). Moreover, its manufacturing facility at Pithampur (Madhya Pradesh) is also classified as official action indicated (OAI) by the USFDA. The company does not have any material pipeline from these facilities to the US, thereby mitigating the impact of the regulatory issues to a large extent. However, it remains exposed to the risk of further adverse actions by the USFDA across its other facilities. Lupin is also part of an ongoing industry-wide investigation by the antitrust division of the US DoJ for price-fixing and price-collusion allegations. Moreover, owing to the nature of its business, it remains exposed to the risk of further litigation, such as patent infringement cases. Lupin's profitability also remains vulnerable to foreign exchange (forex) fluctuations because of its foreign operations and foreign currency borrowings, though it hedges these through forward contracts.

Key rating drivers and their description

Credit strengths

Leading player in US and domestic markets; growing contribution of complex generics in inhalation and injectables – Lupin ranks eighth in the IPM with a leading position in several therapies including anti-tuberculosis (first), respiratory (second), cardiology (third) and anti-diabetic (third)[1]. It is also the third-largest generics player (by prescriptions) in the US. The company benefits from its established position and strong market presence in these markets. The company is increasing its focus on the launch of complex generics, including inhalations and injectables, biosimilars and specialty products, with a strong pipeline of more than 45 injectables, more than 20 inhalations and more than five biosimilars. This is expected to support the company's revenue over the medium to long term while also maintaining healthy profitability.

Geographically diversified revenue mix – Lupin's revenue profile is well diversified, with India and the US being the key markets, contributing 30% and 42%, respectively, to its consolidated revenues during FY2026. Moreover, ODMs and EMs contributed 12% and 13%, respectively, to its revenues in FY2026. The 26.0% growth in Lupin's revenues in FY2026 was driven by healthy performance across all key geographies, as the US business grew by 46.0%, India by 7.1%, ODMs by 13.2% and EMs by 35.2%. The growth within ODMs and EMs was also driven by broad-based growth across key markets.

Global leadership in several API segments – Lupin's API manufacturing capabilities are predominantly focussed on its captive requirements for formulations, with a large part of the APIs being consumed in-house. However, it has also 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, which is expected to support improvements in the scale and profitability of the API business. It has been a global leader in cephalosporins (third-generation antibiotics), anti-tuberculosis (anti-TB) and cardiovascular APIs for over 15 years and is one of the largest suppliers of anti-TB products to the World Health Organization's (WHO's) Global Drug Facility. It enjoys significant 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.

Healthy financial profile and strong liquidity position – Lupin has a healthy financial profile, aided by strong cash flow generation and healthy profitability. It registered a revenue of Rs. 28,614.5 crore in FY2026 (+26.0% YoY) with an OPM of 30.8% (23.3% in FY2025). While profitability is expected to moderate due to increasing competition and price erosion across some of its key products in the US, including Tolvaptan and Mirabegron, it is expected to sustain an OPM of 22-25% over the near to medium term. Thus, it is also expected to maintain a strong liquidity position with a sustained net cash surplus. Its leverage and coverage indicators are also comfortable, with total debt/OPBDITA of 0.8 times, gearing of 0.3 times and an interest cover of 20.3 times during FY2026. The financial profile is expected to remain strong over the near to medium term, aided by healthy cash accruals and low leverage levels.

Credit challenges

Base US business remains 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 players in the market. Lupin is also exposed to pressure on revenues and profitability owing to continued price erosion. However, the company has been able to mitigate the impact of price erosion by focusing on the launch of limited-competition drugs and complex generics (inhalations and injectables). It is also working towards building a strong biosimilars and specialty portfolio over the medium to long term.

Exposure to regulatory risks and litigations – Lupin's operations remain exposed to regulatory risks, including scrutiny by regulatory agencies such as the USFDA, pricing controls in the domestic market and various litigations. Two of the company's facilities, located at Mandideep and Tarapur, have outstanding warning letters, while the facility located at Pithampur is

[1] *Source: Company presentation*

classified as OAI. Moreover, the company remains exposed to the risk of further adverse inspection outcomes across its remaining USFDA-approved facilities. It is also part of the ongoing industry-wide investigation by the antitrust division of the US DoJ pertaining to price-fixing and price-collusion allegations. In FY2026, Lupin settled one of the ongoing antitrust matters for an amount of Rs. 265.4 million and made provisions of another Rs. 316.3 crore towards possible future payouts. Any adverse outcome of the ongoing investigations/litigations or any new litigation would remain an event risk, and the impact of such developments on its business and credit profile would be monitored on a case-by-case basis.

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

Environmental and social risks

Environmental considerations: Lupin does not face any major physical climate risk. However, it remains exposed to tightening environmental regulations regarding breaches of waste disposal and pollution norms, which can lead to an increase in operating costs or capital investments.

Social considerations: The industry faces social risks related to product safety and the associated litigation risks, access to qualified personnel for R&D and process engineering, and the maintenance of high manufacturing compliance standards. Further, government intervention related to price caps/controls also remains a social risk faced by entities in the pharmaceutical industry. As of December 31, 2026, around 384 drugs were covered under the NLEM, falling under the ambit of the Drug Price Control Order, and the Government may bring more such drugs under price control.

Liquidity position: Strong

Lupin's liquidity position remains strong, marked by consolidated cash, bank balances and liquid investments of Rs. 9,230.0 crore as on March 31, 2026. Liquidity is further enhanced by its unutilised standalone bank facilities of more than Rs. 2,000 crore. Moreover, the company's cash flow generation is expected to remain sufficient to fund its capex and debt servicing obligations. The company has planned capex of Rs. 3,500-4,000 crore in FY2027 (including towards the acquisition of VISU Pharma) and around Rs. 1,000-1,500 crore in FY2028. Additionally, it has debt repayment obligations of around Rs. 270-290 crore per annum over this period.

Rating sensitivities

Positive factors – Not Applicable.

Negative factors – Pressure on the rating could emerge if there is a considerable and sustained weakening in the company's leverage and liquidity position due to aggressive capex, inorganic investments or increased working capital intensity of operations. Any adverse impact of regulatory developments, thereby impacting Lupin's product launches and, consequently, its revenues and profitability, would also remain 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 rating, ICRA has considered the consolidated financials of Lupin. The list of Lupin's subsidiaries is mentioned in Annexure III.

About the company

Lupin was founded in 1968 by the Late Dr. Desh Bandhu Gupta, the father of the current Managing Director, Mr. Nilesh Gupta. Dr. Gupta bought the Lupin trademark from Charak Pharmaceuticals. Originally set up 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, it 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 a presence across the research, manufacturing and marketing of formulations and APIs. The company's business mix can be broadly divided into two segments - formulations (accounting for 96% of consolidated revenues in FY2026) and APIs (4%). In terms of geographic presence, Lupin derived 42% of its FY2026 sales from the US, another 30% from India, 12% from ODMs and 13% from EMs. The API segment generated 4% of its sales in FY2026.

Key financial indicators (audited)

Lupin (consolidated)	FY2025	FY2026*
Operating income	22,713.7	28,614.5
PAT	3306.3	5355.5
OPBDIT/OI	23.3%	30.8%
PAT/OI	14.6%	18.7%
Total outside liabilities/Tangible net worth (times)	0.7	0.7
Total debt/OPBDIT (times)	1.0	0.8
Interest coverage (times)	18.0	20.3

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	July 08, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based/Non-fund based limits	Short Term	3,000.00	[ICRA]A1+	Jun 30, 2025	[ICRA]A1+	Apr 25, 2024	[ICRA]A1+	-	-
				Oct 09, 2025	[ICRA]A1+	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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 II: 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	3,000.00	**[ICRA]A1+**

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: 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
Lupin Healthcare (UK) Limited [formerly Lupin (Europe) Limited]	100.00%	Full Consolidation
Lupin Pharma Canada Limited	100.00%	Full Consolidation
Lupin Diagnostics (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.	100.00%	Full Consolidation
Lupin Biologics Limited (India)	100.00%	Full Consolidation

Company Name	Lupin Ownership	Consolidation Approach
Lupin Oncology Inc. (USA)	99.87%	Full Consolidation
Lupin Digital Health Limited (India) (with effect from 21 May 2021)	100.00%	Full Consolidation
Southern Cross Pharma Pty Ltd (with effect from 3 Feb 2022)	100.00%	Full Consolidation
Lupin Manufacturing Solutions Limited	100.00%	Full Consolidation
Lupin Life Science Limited	100.00%	Full Consolidation
Medisol S.A.S	100.00%	Full Consolidation
Lupin Lanka (Private) Ltd. - Sri Lanka (w.e.f. August 05, 2024)	100.00%	Full Consolidation
Lupin NZ Ltd. - New Zealand (w.e.f. August 08, 2024)	100.00%	Full Consolidation
Lupinlife Consumer Healthcare Limited - India (w.e.f. March 08, 2025)	100.00%	Full Consolidation
Renascience Pharma Limited - U.K. (w.e.f. April 02, 2025)	100.00%	Full Consolidation
Joint Venture		
YL Biologics Limited	45.00%	Equity method

Source: Company results – FY2026

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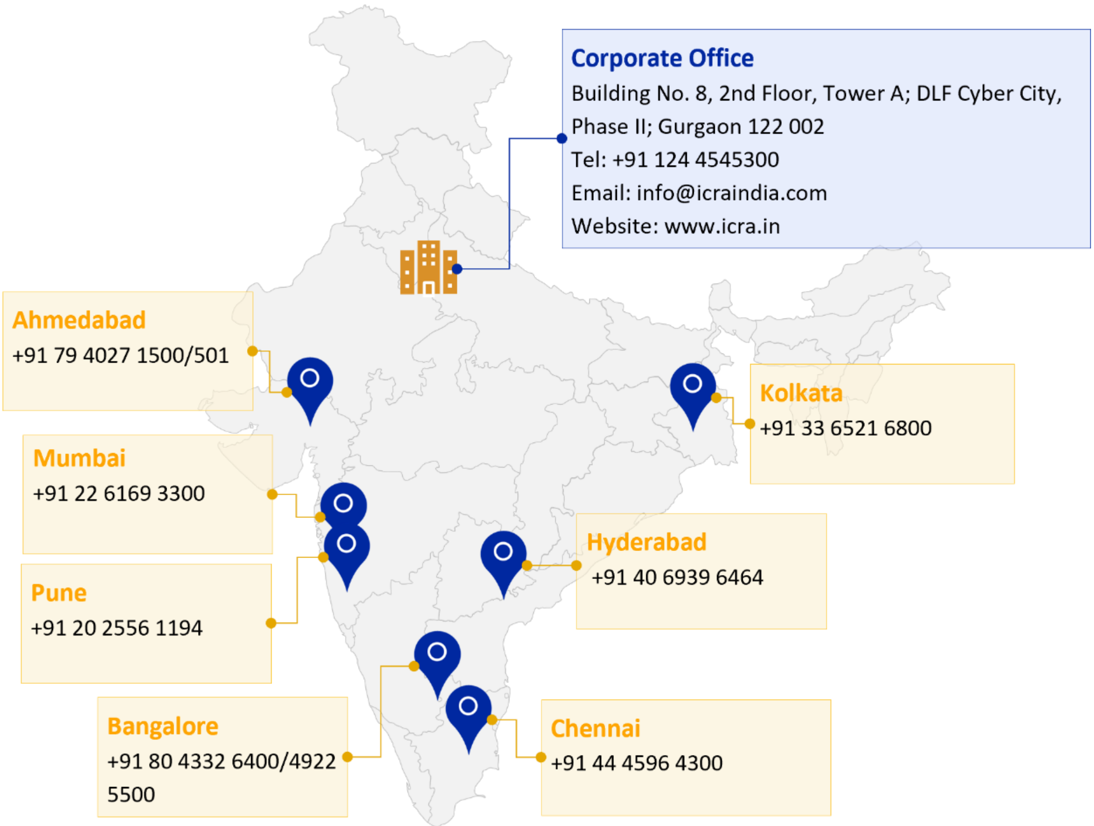

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