



LUPIN LIMITED

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LUPIN

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

Particulars	(₹ in million)					
	3 Months Ended 30/09/2019 (Unaudited)	3 Months Ended 30/06/2019 (Unaudited)	3 Months Ended 30/09/2018 (Unaudited)	6 Months Ended 30/09/2019 (Unaudited)	6 Months Ended 30/09/2018 (Unaudited)	Accounting Year Ended 31/03/2019 (Audited)
1) Revenue from operations						
a) Sales/income from operations	42,969.0	43,558.3	38,909.3	86,527.3	76,655.0	163,693.7
b) Other operating income	627.5	625.5	601.3	1,253.0	1,414.9	3,488.1
Total Revenue from operations	43,596.5	44,183.8	39,510.6	87,780.3	78,069.9	167,181.8
2) Other income	1,332.7	722.1	2,306.8	1,984.5	4,126.1	3,640.2
3) Total Income (1+2)	44,929.2	44,905.9	41,817.4	89,764.8	82,196.0	170,822.0
4) Expenses						
a) Cost of materials consumed	8,876.8	8,816.6	8,735.0	17,693.4	17,362.5	35,596.7
b) Purchases of stock-in-trade	6,262.8	7,413.8	6,280.9	13,676.6	12,536.2	24,595.5
c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	133.3	(730.1)	(1,087.7)	(596.8)	(1,528.8)	(1,734.3)
d) Employee benefits expense	8,502.7	8,072.2	7,937.7	16,574.9	15,431.8	31,512.9
e) Finance costs	864.6	856.2	738.2	1,720.8	1,425.4	3,078.3
f) Depreciation and amortisation expense	3,214.7	3,170.9	2,654.9	6,385.6	5,244.7	10,850.1
g) Other expenses	12,510.5	12,009.1	12,148.3	24,449.3	23,479.4	48,388.8
Total expenses	40,365.4	39,608.7	37,407.3	79,903.8	73,951.2	152,288.0
5) Profit before share of profit of jointly controlled entity and exceptional items (3-4)	4,563.8	5,297.2	4,410.1	9,861.0	8,244.8	18,534.0
6) Share of profit from jointly controlled entity	9.6	9.9	3.5	19.5	10.4	37.5
7) Profit before exceptional items and tax (5+6)	4,573.4	5,307.1	4,413.6	9,880.5	8,255.2	18,571.5
8) Exceptional Items (Refer note 9)	5,464.8	-	-	5,464.8	-	3,399.8
9) Profit / (Loss) before tax (7-8)	(891.4)	5,307.1	4,413.6	4,415.7	8,255.2	15,171.7
10) Tax expense						
Current Tax (net)	548.8	1,815.5	1,843.2	2,364.3	3,311.0	8,727.0
Deferred Tax (net)	(205.8)	464.3	(114.1)	258.5	229.5	289.9
Total Tax Expense	343.0	2,279.8	1,729.1	2,622.8	3,540.5	9,016.9
11) Profit / (Loss) after tax and before non-controlling interest (9-10)	(1,234.4)	3,027.3	2,684.5	1,792.9	4,714.7	6,154.8
12) Share of Profit / (Loss) attributable to non-controlling interest	36.3	(3.2)	24.7	33.1	27.3	89.3
13) Net Profit / (Loss) after taxes attributable to owners of the Company (11-12)	(1,270.7)	3,030.5	2,659.8	1,759.8	4,687.4	6,065.5
14) Other Comprehensive Income / (Loss)						
(a) (i) Items that will not be reclassified subsequently to profit or loss	(105.6)	(135.3)	9.9	(240.9)	80.3	(24.0)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	42.1	47.3	(3.5)	89.4	(28.1)	1.9
(b) (i) Items that will be reclassified subsequently to profit or loss	(872.5)	891.0	(494.1)	18.5	(3,458.5)	(2,452.2)
(ii) Income tax relating to items that will be reclassified subsequently to profit or loss	28.1	(54.3)	230.5	(26.2)	444.2	137.4
Other comprehensive Income / (Loss) for the year, net of tax	(907.9)	748.7	(257.2)	(159.2)	(2,962.1)	(2,336.9)
15) Share of comprehensive Income / (Loss) attributable to non-controlling interest	1.8	3.9	3.6	5.7	6.9	6.9
16) Other Comprehensive Income / (Loss) attributable to Shareholders of the Company (14-15)	(909.7)	744.8	(260.8)	(164.9)	(2,969.0)	(2,343.8)
17) Total Comprehensive Income / (Loss) attributable to:						
Shareholders of the Company (13+16)	(2,180.4)	3,775.3	2,399.0	1,594.9	1,718.4	3,721.7
Non-Controlling Interest of the Company (12+15)	38.1	0.7	28.3	38.8	34.2	96.2
Total Comprehensive Income / (Loss) for the year	(2,142.3)	3,776.0	2,427.3	1,633.7	1,752.6	3,817.9
18) Paid up equity share capital (Face value ₹ 2/- each)	905.3	905.2	904.4	905.3	904.4	905.0
19) Other Equity						136,517.3
20) i) Earnings Per Share (of ₹ 2/- each) (before exceptional items net of taxes) (Not Annualised)						
a) Basic (in ₹)	5.70	6.70	5.88	12.40	10.37	20.93
b) Diluted (in ₹)	5.68	6.67	5.86	12.36	10.33	20.84
ii) Earnings Per Share (of ₹ 2/- each) (after exceptional items net of taxes) (Not Annualised)						
a) Basic (in ₹)	(2.81)	6.70	5.88	3.89	10.37	13.41
b) Diluted (in ₹)	(2.81)	6.67	5.86	3.87	10.33	13.36

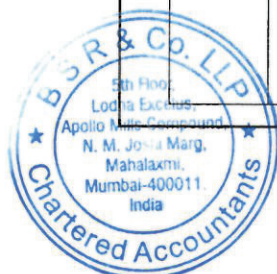
See accompanying notes to the financial results.

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NOTES:

- The above Consolidated Financial Results were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on November 06, 2019. The Statutory Auditors of the Company have carried out limited review of the above Consolidated Financial Results for the quarter and six months ended September 30, 2019 pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- The Consolidated Financial Results include the financial results of the subsidiaries, Lupin Pharmaceuticals, Inc. - U.S.A., Kyowa Pharmaceutical Industry Co., Limited - Japan, Lupin Australia Pty Limited - Australia, Lupin Holdings B.V. - Netherlands, Pharma Dynamics (Proprietary) Limited - South Africa, Hormosan Pharma GmbH - Germany, Multicare Pharmaceuticals Philippines Inc. - Philippines, Lupin Atlantis Holdings SA - Switzerland, Lupin Healthcare (UK) Limited - U.K., Lupin Pharma Canada Limited - Canada, Generic Health Pty Limited - Australia, Bellwether Pharma Pty Limited - Australia, Lupin Mexico S.A. de C.V. - Mexico, Lupin Philippines Inc. - Philippines, Lupin Healthcare Limited - India, Generic Health SDN. BHD. - Malaysia, Kyowa CritiCare Co., Limited - Japan (upto September 30, 2019), Lupin Middle East FZ-LLC - U.A.E., Lupin Inc. - U.S.A., Lupin GmbH - Switzerland, Nanomi B.V. - Netherlands, Laboratorios Grin S.A. de C.V. - Mexico, Medquimica Industria Farmaceutica LTDA - Brazil, Lupin Pharma LLC - Russia (upto April 09, 2019), Gavis Pharmaceuticals, LLC - U.S.A. (upto March 26, 2019), Novel Laboratories, Inc. - U.S.A., Lupin Research Inc. - U.S.A., Lupin Ukraine LLC - Ukraine (upto February 07, 2019), Lupin Latam, Inc. - U.S.A., Lupin Japan & Asia Pacific K.K. - Japan, Symbiomix Therapeutics, LLC - U.S.A., Lupin IP Ventures Inc. - U.S.A., Lupin Europe GmbH - Germany and jointly controlled entity, YL Biologics Limited - Japan.
- The Consolidated Financial Statements are prepared in accordance with Ind AS 110 "Consolidated Financial Statements" and Ind AS 28 "Investments in Associates and Joint Ventures".
- As approved by the Members of the Company at the 37th Annual General Meeting held on August 07, 2019, the Company has disbursed on August 13, 2019 a final dividend of ₹ 5.0 per equity share of the face value of ₹ 2/- each aggregating ₹ 2,263.0 million. The corporate tax on such dividend aggregates ₹ 465.2 million.
- Consolidated Balance Sheet:

Particulars	(₹ in million)	
	As at 30/09/2019 (Unaudited)	As at 31/03/2019 (Audited)
A. ASSETS		
1. Non-Current Assets		
a. Property, Plant and Equipment	53,341.0	49,115.3
b. Capital Work-in-Progress	7,158.2	10,185.9
c. Goodwill on Consolidation	22,387.9	23,803.2
d. Other Intangible Assets	35,644.1	37,948.6
e. Intangible Assets Under Development	7,507.5	6,211.2
f. Investments accounted for using equity method	284.4	251.8
g. Financial Assets		
(i) Non-Current Investments	589.9	1,604.5
(ii) Non-Current Loans	852.8	814.6
(iii) Other Non-Current Financial Assets	670.6	433.5
h. Deferred Tax Assets (Net)	7,218.2	7,340.0
i. Non-Current Tax Assets (Net)	2,208.9	1,424.1
j. Other Non-Current Assets	2,358.0	1,825.2
Sub-total - Non-Current Assets	140,221.5	140,957.9
2. Current Assets		
a. Inventories	41,135.8	38,367.7
b. Financial Assets		
(i) Current Investments	33,571.7	21,098.6
(ii) Trade Receivables	49,161.6	51,498.0
(iii) Cash and Cash Equivalents	7,612.6	5,722.1
(iv) Other Bank Balances	4,018.7	4,149.9
(v) Current Loans	247.7	248.4
(vi) Other Current Financial Assets	5,133.5	6,393.4
c. Current Tax Assets (Net)	74.5	296.8
d. Other Current Assets	10,341.5	10,760.9
Sub-total - Current Assets	151,297.6	138,535.8
TOTAL - ASSETS	291,519.1	279,493.7
B. EQUITY AND LIABILITIES		
1. Equity		
a. Equity Share Capital	905.3	905.0
b. Other Equity	135,256.5	136,517.3
c. Non-Controlling Interest	481.7	468.6
Sub-total - Equity	136,643.5	137,890.9
Liabilities		
2. Non-Current Liabilities		
a. Financial Liabilities		
(i) Non-Current Borrowings	66,481.8	66,417.2
(ii) Trade Payables	-	22.8
(iii) Other Non-Current Financial Liabilities	6,601.7	4,128.6
b. Non-Current Provisions	3,072.3	3,707.9
c. Deferred Tax Liabilities (Net)	2,745.8	2,882.8
d. Other Non-Current Liabilities	3,029.1	3,144.8
Sub-total - Non-Current Liabilities	81,930.7	80,304.1
3. Current Liabilities		
a. Financial Liabilities		
(i) Current Borrowings	20,208.5	15,802.1
(ii) Trade Payables		
- Total outstanding dues of Micro Enterprises and Small Enterprises	794.5	1,046.1
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	25,797.1	23,935.7
(iii) Other Current Financial Liabilities	16,104.1	10,885.3
b. Other Current Liabilities	2,138.7	1,912.9
c. Current Provisions	7,741.0	7,274.5
d. Current Tax Liabilities (Net)	161.0	442.1
Sub-total - Current Liabilities	72,944.9	61,298.7
TOTAL - EQUITY AND LIABILITIES	291,519.1	279,493.7



6. Consolidated Statement of Cash Flows:

Particulars	(₹ in million)	
	For the Current Six Months ended 30/09/2019 (Unaudited)	For the Previous Six Months ended 30/09/2018 (Unaudited)
A. Cash Flow from Operating Activities		
Profit before Tax	4,415.7	8,255.2
Adjustments for:		
Depreciation and Amortisation Expense	6,385.6	5,244.7
Loss / (Profit) on sale / write-off of Property, Plant and Equipment / Intangible Assets (Net)	(2.5)	(37.7)
Finance Costs	1,720.8	1,425.4
Net Gain on Sale of Mutual Fund Investments	(257.3)	(81.0)
Interest on Deposits with Banks and Others	(130.0)	(186.7)
Dividend on Mutual Fund Investments	(147.6)	(180.3)
Doubtful Trade Receivables / Advances / Deposits written off and provided	3.1	45.5
Unrealised Loss/ (Gain) on Mutual Fund Investments (net)	(361.9)	23.7
Provisions / Credit balances no longer required written back	-	(0.5)
Share Based Payment Expense	272.7	309.5
Loss / (Profit) on divestment of subsidiary	1,673.0	-
Impairment of Intangible Assets / Intangible Assets Under Development	6.7	-
Share of Profit from Jointly Controlled Entities	(19.5)	(10.4)
Unrealised Exchange loss / (gain) on revaluation (net)	(187.4)	(2,360.0)
Operating Cash flows before Working Capital Changes	13,371.4	12,447.4
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Non-Current Loans	(34.9)	(96.5)
Other Non-Current Financial Assets	(237.1)	2.3
Other Non-Current Assets	88.6	(119.3)
Inventories	(2,606.8)	(5,072.6)
Trade Receivables	2,556.8	(1,949.8)
Current Loans	1.7	(32.6)
Other Current Financial Assets	1,227.9	441.0
Other Current Assets	697.9	(2,713.7)
Adjustments for increase / (decrease) in operating liabilities:		
Non-Current Trade Payables	(22.8)	(7.0)
Other Non-Current Financial liabilities	(334.2)	399.2
Non-Current Provisions	(496.1)	209.8
Other Non-Current liabilities	(127.6)	909.1
Trade Payables	1,659.4	3,966.7
Other Current Financial liabilities	5,083.3	(314.6)
Other Current liabilities	217.4	659.3
Current Provisions	436.2	67.9
Cash Generated from Operations	21,481.1	8,796.6
Net Income tax paid	(3,207.9)	(2,987.7)
Net Cash Flow generated / (used in) from Operating Activities	18,273.2	5,808.9
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment, including capital advances	(4,630.3)	(6,578.4)
Proceeds from sale of Property, Plant and Equipment / Intangible Assets	2,098.2	64.5
Purchase of Non-Current Investments	(1,014.6)	-
Purchase of Current Investments	(89,972.9)	(47,151.9)
Proceeds from sale of Current Investments	77,501.0	33,386.4
Proceeds from Divestment of subsidiary	1,969.8	-
Bank balances not considered as Cash and Cash Equivalents (net)	130.7	(1,553.8)
Interest on Deposits with Banks and Others	130.0	186.7
Dividend on Mutual Fund Investments	147.6	180.3
Net Cash Flow generated / (used in) from Investing Activities	(13,640.5)	(21,466.2)
C. Cash Flow from Financing Activities		
Proceeds from / (Repayment of) Non-Current Borrowings (net)	(1,843.2)	4,941.1
Proceeds from / (Repayment of) Current Borrowings (net)	4,241.9	9,756.4
Proceeds from issue of equity shares (ESOPs)	0.3	0.2
Securities Premium Received (ESOPs)	22.4	22.8
Payment of Lease liabilities	(800.7)	-
Finance Costs	(1,657.1)	(1,149.1)
Dividend paid	(2,265.4)	(2,258.8)
Corporate Tax on Dividend	(465.2)	(464.6)
Net Cash Flow generated / (used in) from Financing Activities	(2,767.0)	10,848.0
Net increase / (decrease) in Cash and Cash Equivalents	1,865.7	(4,809.3)
Cash and Cash Equivalents as at the beginning of the year	5,440.6	14,164.3
Cash and Cash Equivalents as at the end of the reporting period	7,306.3	9,355.0
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet	7,612.6	9,171.4
Unrealised loss / (gain) on foreign currency Cash and Cash Equivalents	(306.3)	183.6
Cash and Cash Equivalents as at the end of the reporting period	7,306.3	9,355.0

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7. During the quarter, 56,796 (year-to-date 153,851) equity shares of ₹ 2/- each, fully paid-up, were allotted upon exercise of the vested stock options pursuant to the Lupin Employees Stock Option Plans (ESOPs), resulting in an increase in the paid-up share capital by ₹ 0.1 million (year-to-date ₹ 0.3 million) and securities premium account by ₹ 49.6 million (year-to-date ₹ 166.2 million).
8. Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use asset and adjusted lease liability. Accordingly, comparatives for the quarter and six months ended September 30, 2018 and year ended March 31, 2019 have not been retrospectively adjusted. The effect of the adoption is not significant to the profit for the period.
9. In reference to the State of Texas lawsuit in the USA, the Company has agreed to pay USD 63.5 million (₹ 4,500.6 million) as settlement and accordingly provision of USD 53.5 million (₹ 3,791.8 million) [net off earlier provision of USD 10 million (₹ 708.8 million)] has been made during the quarter. Also, the Company incurred loss of ₹ 1,673.0 million (net off tax and non-controlling interest ₹ 1,232.8 million) on divestment of its entire stake in Kyowa CritiCare Co., Limited, Japan. These items have been disclosed as exceptional items. The exceptional item of ₹ 3,399.8 million for the year ended March 31, 2019 pertains to provision for fine to European Commission.
10. The aggregate amount of revenue expenditure incurred on Research and Development as reflected under the respective heads of account is as under:

	3 Months Ended 30/09/2019	3 Months Ended 30/06/2019	3 Months Ended 30/09/2018	6 Months Ended 30/09/2019	6 Months Ended 30/09/2018	Accounting Year Ended 31/03/2019
₹ in million	4,356.0	3,785.1	3,757.8	8,141.1	7,510.9	15,730.9

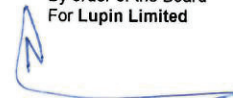
11. The Company operates in one reportable business segment i.e. "Pharmaceuticals".

12. Standalone Results are as under:

Particulars	(₹ in million)					
	3 Months Ended 30/09/2019 (Unaudited)	3 Months Ended 30/06/2019 (Unaudited)	3 Months Ended 30/09/2018 (Unaudited)	6 Months Ended 30/09/2019 (Unaudited)	6 Months Ended 30/09/2018 (Unaudited)	Accounting Year Ended 31/03/2019 (Audited)
Total Income from Operations (net)	28,853.6	29,408.0	27,125.5	58,261.6	52,916.6	113,563.2
Profit Before Tax (before Exceptional items)	5,590.3	6,087.7	5,801.8	11,678.0	11,423.3	26,823.5
Profit Before Tax (after Exceptional items)	1,798.5	6,087.7	5,801.8	7,886.2	11,423.3	23,423.7
Profit After Tax (before Exceptional items)	3,997.9	4,459.3	4,247.5	8,457.2	8,542.3	18,788.1
Profit After Tax (after Exceptional items)	1,378.0	4,459.3	4,247.5	5,837.3	8,542.3	15,388.3

13. Figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.

By order of the Board
For Lupin Limited



Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Place : Mumbai
Dated : November 06, 2019

