Research Report

Sun Pharmaceutical Industries Limited

Prepared By-

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About

Sun Pharmaceutical Industries Ltd is engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulations and Active Pharma Ingredients (APIs). The company and its subsidiaries has various manufacturing facilities spread across the world with trading and other incidental and related activities extending to global market. **It is the largest pharmaceutical company in India.**

Business Segments

A) India Branded Generics (33% in FY25):

The company is India's largest pharmaceutical company, holding an 8.4% market share. Its product portfolio covers a range of therapeutic areas, including neuropsychiatry, cardiology, diabetes, gastroenterology, pain management, gynecology, etc. It is the top-ranked company in prescriptions across 14 prescriber classes and a leader in the chronic segment, with 31 of its brands among India's top 300 pharmaceutical brands.

b) Emerging Markets (18% in FY25):

The company deals in emerging markets, with a presence in 80+ countries worldwide, including key regions like Romania, Russia, South Africa, Brazil, and Mexico. It has a sales force of 2,900+ sales representatives across various markets.

Therapeutic Revenue Break-Up 9M FY29:

Neuro-Psychiatry: 19%,Cardiology: 17%,Gastroenterology: 14%,Diabetology: 9%,Pain/Analgesics: 7%,Others: 34%

Synopsis of Financials

Financial performance: Q4 FY26 vs Q4 FY25 (consolidated):

- Revenue: INR 145,598m (+13.6% YoY).
- Gross margin: 80.8% (up YoY) driven by "better product mix."
- EBITDA: INR 39,542m (+6.4% YoY); EBITDA margin 27.1% (down YoY from 28.7% and down QoQ from 31.9%)

Source: Company Annual Report

Stock data (as 16th July 2026)

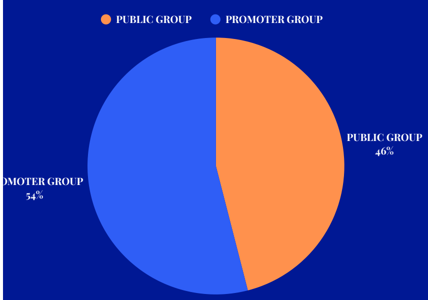
Nifty Price	: 24,125.80
52 week High (in Rs.)	: 1,962.70
52 week Low (in Rs.)	: 1,548.00
Market Cap. (in Crore)	: 4,67,870.32
NSE Code	: INE044A01036

Stock data

-NIFTY-50

-Sun Pharmaceutical Industries Ltd.

Shareholding Pattern (March 2026)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particular	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
Sales -	38,654	43,886	48,497	52,578	58,462
Sales Growth %	15.39%	13.53%	10.51%	8.42%	11.19%
Expenses +	28,397	32,235	35,479	37,464	41,961
Operating Profit	10,258	11,650	13,018	15,114	16,501
OPM %	27%	27%	27%	29%	28%
Net Profit +	3,389	8,513	9,610	10,965	11,509
EPS in Rs	13.64	35.32	39.91	45.55	47.84
Dividend Payout %	73%	33%	34%	35%	33%

Quaterly Results

Particular	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Sales -	13,675	12,959	13,851	14,478	15,521	14,612
YOY Sales Growth %	10.46%	8.14%	9.47%	8.93%	13.49%	12.76%
Expenses -	9,666	9,243	9,550	9,951	10,572	10,658
Material Cost %	20.04%	20.35%	20.32%	20.60%	18.98%	19.17%
Employee Cost %	18.66%	19.20%	20.23%	19.10%	18.63%	20.26%
Operating Profit	4,009	3,716	4,302	4,527	4,948	3,954
OPM %	29%	29%	31%	31%	32%	27%
Other Income -	149	251	-354	470	89	458
Other income normal	466	613	464	470	579	458
Interest	52	49	75	100	78	86
Depreciation	631	664	701	730	732	775
Profit before tax	3,476	3,254	3,173	4,168	4,227	3,551
Tax %	16%	34%	27%	25%	20%	23%
Net Profit +	2,913	2,154	2,293	3,125	3,381	2,710

Source: Screener

Key Ratios

Ratios and Formulae	Remarks	As at March 31, 2026	As at March 31, 2025	Variance (in %)
a) Current ratio = Current assets / Current liabilities	Change due to decrease in current liabilities on account of classification of borrowing as non current during the year.	2.56	1.03	148.5%
b) Debt equity ratio = (Long-term borrowings + Short-term borrowings and lease liabilities) / Total equity		0.61	0.50	22.0%
c) Debt service coverage ratio = (Profit/(loss) after tax but before finance costs, depreciation and amortisation and exceptional items) / (Finance costs + Short-term borrowings + Short term Lease liabilities)	Change due to classification of loans taken as non-current loans during the year.	5.44	0.54	907.4%
d) Return on equity ratio (%) = Net profit/(loss) after tax / Equity share capital	Change due to decrease in net profit after tax	1093.41%	1762.20%	(38.0%)
e) Inventory turnover ratio = (Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress) / Average inventory		1.37	1.58	(13.3%)
f) Trade receivables turnover ratio in no. of days = (Average trade receivables * no. of days) / Revenue from contracts with customers		194	166	16.9%
g) Trade payable turnover ratio in no. of days = (Average trade payable * no. of days) / Purchases during the year		218	184	18.5%
h) Net capital turnover ratio = Revenue from contracts with customers / (Current assets - Current liabilities)	Change due to decrease in revenue and decrease in current liabilities on account of classification of borrowing to non-current during the year.	2.03	39.03	(94.8%)
i) Net profit ratio (%) = Net profit/(loss) after tax / Total revenue from operations	Change due to decrease in profit in current year	12.64%	18.40%	(31.3%)
j) Return on capital employed (%) = Net Profit/(loss) after tax / (Total assets - total liabilities - intangible assets - intangible assets under development - Goodwill + Long term borrowings + Short term borrowings + Lease liabilities)	Change due to decrease in net profit	7.89%	12.88%	(38.7%)
k) Return on investment (%) = Income generated from FVTPL Investment / Weighted average FVTPL investment		5.89%	7.27%	(19.0%)

Source: Company Annual Report

Yearly Results

Particulars	March 2022	March 2023	March2024	March2025	March2026
Equity Capital	240	240	240	240	240
Reserves	47,771	55,755	63,427	71,978	83,330
Borrowings	1,290	6,886	3,274	2,362	4,627
Other Liabilities	20,474	17,831	18,387	17,328	20,210
Total Liabilities	69,776	80,712	85,328	91,908	1,08,407
Fixed Assets	22,665	24,065	23,248	22,586	32,822
CWIP	1,287	4,973	5,354	6,644	3,052
Investments	12,849	14,824	15,026	18,354	24,723
Other Assets	32,975	36,849	41,700	44,324	47,811
Total Assets	69,776	80,712	85,328	91,908	1,08,407

Source: Screener

Synopsis Quarter Results

Concall Notes - May-2026: Key Highlights

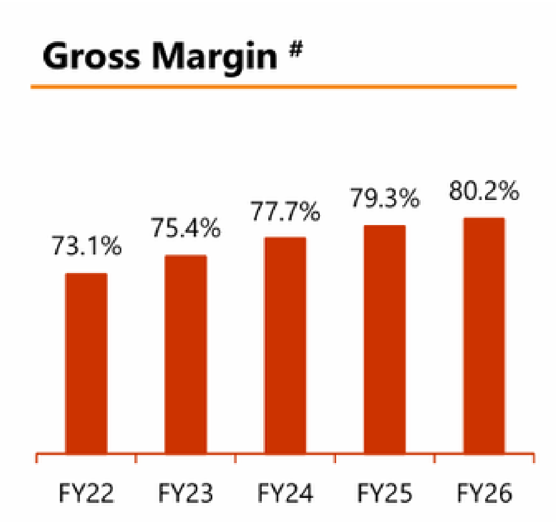
Financial performance: Q4 FY26 vs Q4 FY25 (consolidated):

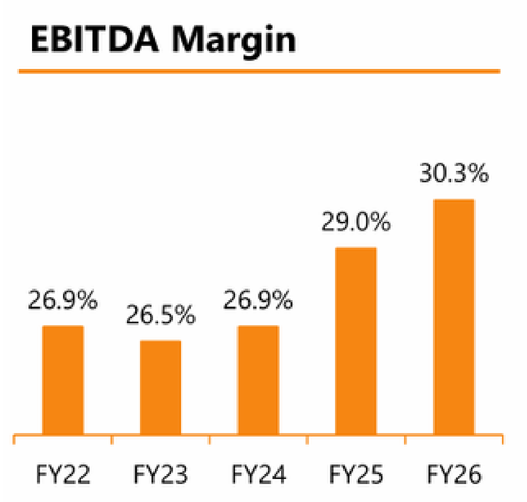
- Revenue: INR 145,598m (+13.6% YoY).
- Gross margin: 80.8% (up YoY) driven by "better product mix."
- EBITDA: INR 39,542m (+6.4% YoY); EBITDA margin 27.1% (down YoY from 28.7% and down QoQ from 31.9%).
- CFO attributed QoQ margin decline (ex-forex) to: "lower milestone income, some seasonality, reduced contribution from lenalidomide in Q4 versus Q3 and higher spend in certain geographies, including US."
- Spend was described as "elevated for the quarter" with expectation it "normaliz[es] in the subsequent quarters."
- Forex gain: INR 4,268m.
- Net profit: Reported PAT INR 27,140m; adjusted PAT INR 27,507m; EPS INR 11.31.
- Tax rate: 22.3% in Q4 (vs 19.8% Q4 FY25; 24.3% Q3 FY26).
- Balance sheet: net cash $3.2bn (consolidated).

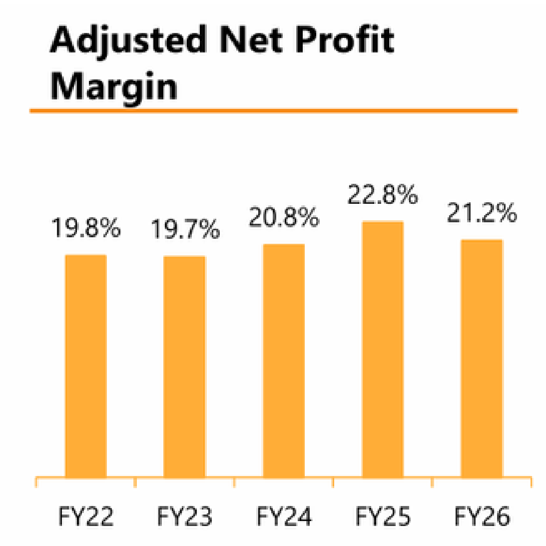
Full-year FY26: scale, profitability, shareholder returns:

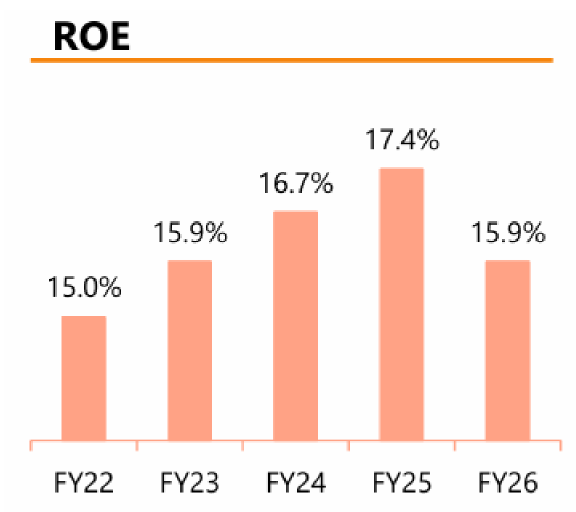
- Revenue: INR 582bn (+11.9% YoY).
- Gross margin: 80.2%.
- EBITDA: INR 177,314m (+16.1%); EBITDA margin 30.3%.
- Adjusted net profit: INR 124,015m.
- Dividend: Final INR 5/share plus interim INR 11/share = INR 16/share total (unchanged vs FY25).

Highlights









Source: Investor Presentation

Peer Comparison

Peer Stock Performance (5Y) Indexed

Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Sun Pharma.Inds.	1950	37.69	467870.3	0.82	2709.66	13.58	14611.79	12.76	20.53
Divi's Lab.	7348.3	74.41	195074.2	0.41	751	13.44	2831	9.52	21.96
Torrent Pharma.	4914.4	75.86	166325.6	0.76	364	-20.58	4197	41.84	15.19
Cipla	1435.6	30.46	115974.3	0.9	542.51	-54.61	6541.2	-2.8	15.49

Source: Screener

Final Outlook

SUNPHARMA : HOLD| LTP: 1950.00

Summary:
Sun Pharma continues to demonstrate strong business fundamentals supported by consistent revenue growth, healthy profitability, and leadership in the Indian pharmaceutical market. Its diversified product portfolio, expanding specialty business, and strong global presence provide a solid foundation for long-term growth. While the company remains financially strong with robust cash generation, increasing investments in global markets and product development may keep margins under some pressure in the near term. Overall, Sun Pharma remains one of the highest-quality pharmaceutical companies in India with stable long-term growth prospects.

Recent Performance (FY26 – View)

- FY26 Revenue increased to ₹58,462 Cr, up 11.9% YoY.
- Q4 FY26 Revenue grew 13.6% YoY.
- Gross Margin improved to 80.8% due to a better product mix.
- EBITDA increased 6.4% YoY, although margins softened because of higher spending and lower milestone income.
- The company continues to maintain a strong net cash position of US$3.2 billion, providing financial flexibility for future investments.

Simple Understanding:

- Revenue has grown consistently over the last five years.
- Profitability has improved with strong operating margins of around 28–29%.
- Net profit and EPS continue to show healthy growth.
- The company maintains a stable dividend policy while investing for future expansion.

Sun Pharmaceutical Industries remains a **fundamentally strong pharmaceutical company** with a market-leading position, healthy cash flows, and consistent financial performance. The company is well placed to benefit from growing demand for branded generics and specialty medicines across domestic and international markets. However, after a strong run in the stock price, much of the near-term growth appears to be reflected in current valuations. Additionally, continued investments in specialty products and global expansion could keep margins volatile in the short term.