

March 19, 2025

Sun Pharmaceutical Industries Limited: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Commercial paper programme	4,000.0	4,000.0	[ICRA]A1+
Long-term/ short term, fund-based/ non-fund based limits	5,000.0	5,000.0	[ICRA]AAA (Stable)/[ICRA]A1+
Total	9,000.0	9,000.0	

*Instrument details are provided in Annexure-I

Rationale

Material Event

On March 10, 2025, Sun Pharmaceutical Industries Limited (SPIL) informed the Bombay Stock Exchange and the National Stock Exchange that it had entered into an agreement to acquire Checkpoint Therapeutics, Inc. (Checkpoint). Checkpoint is a commercial-stage company focused on developing novel treatments for patients with solid tumor cancers and is listed on Nasdaq. It has received approval from the United States Food and Drug Administration (USFDA) for UNLOXCYT™ for the treatment of adults with metastatic cutaneous squamous cell carcinoma (cSCC) or locally advanced cSCC who are not candidates for curative surgery or curative radiation. The transaction is expected to be completed by Q2 CY2025 for an upfront consideration of \$355.0 million (\$4.1 per share of common stock) and contingent value rights for up to \$0.7 per share on the achievement of certain milestones. The acquisition is subject to approval from Checkpoint's stockholders and other customary closing conditions.

Impact of Material Event

The acquisition will allow SPIL to add UNLOXCYT™ to its global onco-dermatology franchise and leverage its strong global presence to accelerate patient access to the drug. ICRA expects the transaction to be funded completely through internal accruals/surplus liquidity available, given SPIL's strong liquidity position and healthy cash flow generation. Moreover, the acquisition is expected to bolster the growth in SPIL's specialty business. Nonetheless, SPIL's ability to successfully launch the product in the US and secure regulatory approvals for its launch in other regions will remain key monitorable.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, liquidity position, rating sensitivities, key financial indicators: [Click here](#)

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 SPIL. As on March 31, 2024, the company had 93 subsidiaries/ step-down subsidiaries, one joint venture, and 25 associates/ subsidiaries of associates, which are enlisted in Annexure-II.

About the company

SPIIL is a leading Indian pharmaceutical company involved in developing, manufacturing and marketing formulations and APIs. Its business is broadly categorised into five segments — India-branded generics, US formulations (generics and speciality branded products), emerging markets (formulations), ROW business, and APIs. The company has a diversified presence across more than 100 regulated and semi-regulated markets with its branded formulations business in India accounting for ~32% of its consolidated revenues in 9M FY2025 and the US formulations business accounting for ~31%.

As on December 31, 2024, the company had 41 manufacturing facilities across India, North and South America, Asia, Africa, Australia and Europe. Several of its facilities have received approvals from the USFDA, Medicines and Healthcare products Regulatory Agency (MHRA, UK) and other international regulatory authorities.

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating history for past three years

Current rating (FY2025)						Chronology of rating history for the past 3 years					
			FY2025			FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs. crore)	19-MAR-2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based/ non-fund Based Limits	Long term/ Short term	5000.00	[ICRA]AAA (Stable)/ [ICRA]A1+	06-MAR-2025	[ICRA]AAA (Stable)/ [ICRA]A1+	04-MAR-2024	[ICRA]AAA (Stable)/ [ICRA]A1+	06-MAR-2023	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-
Commercial Paper Programme	Short term	4000.00	[ICRA]A1+	06-MAR-2025	[ICRA]A1+	04-MAR-2024	[ICRA]A1+	06-MAR-2023	[ICRA]A1+	31-MAR-2022	[ICRA]A1+
Fund-based / Non-fund Based Limits	Short term	-	-	-	-	-	-	-	-	31-MAR-2022	[ICRA]A1+
Proposed Borrowing Programme	Long term/ Short term	-	-	-	-	-	-	06-MAR-2023	[ICRA]AAA (Stable)/ [ICRA]A1+; Withdrawn	31-MAR-2022	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial Paper Programme	Very simple
Long-term / Short-term, Fund-based / Non-fund Based Limits	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	Commercial Paper	Yet to be placed	NA	-	4,000.0	[ICRA]A1+
-	Fund-based / Non-fund Based Limits	-	-	-	5,000.0	[ICRA]AAA (Stable)/ [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	SPIL's Ownership	Consolidation Approach
Subsidiaries		
Green Eco Development Centre Limited	100.00%	Full Consolidation
Sun Pharmaceutical (Bangladesh) Limited	72.50%	Full Consolidation
Sun Pharma De Mexico S.A. DE C.V.	75.00%	Full Consolidation
Sun Pharma Japan Ltd.	100.00%	Full Consolidation
Sun Pharma De Venezuela, C.A	100.00%	Full Consolidation
Sun Pharma Laboratories Limited	100.00%	Full Consolidation
Faststone Mercantile Company Private Limited	100.00%	Full Consolidation
Sun Pharma Holdings	100.00%	Full Consolidation
Softdeal Pharmaceutical Private Limited	100.00%	Full Consolidation
Sun Pharma (Netherlands) B.V.	100.00%	Full Consolidation
Foundation for Disease Elimination and Control of India	100.00%	Full Consolidation
Zenotech Laboratories Limited	68.84%	Full Consolidation
Sun Farmaceutica do Brasil Ltda.	99.99%	Full Consolidation
Sun Pharma France	100.00%	Full Consolidation
Sun Pharmaceutical Industries, Inc.	100.00%	Full Consolidation
Ranbaxy (Malaysia) SDN. BHD.	95.67%	Full Consolidation
Ranbaxy Nigeria Limited	86.16%	Full Consolidation
Chattem Chemicals Inc.	100.00%	Full Consolidation
The Taro Development Corporation	100.00%	Full Consolidation
Taro Pharmaceutical Industries Ltd. (Taro)	78.48%	Full Consolidation
Taro Pharmaceuticals Inc.	78.48%	Full Consolidation
Taro Pharmaceuticals U.S.A., Inc.	78.48%	Full Consolidation
Taro Pharmaceuticals North America, Inc.	78.48%	Full Consolidation
Taro Pharmaceuticals Europe B.V.	78.48%	Full Consolidation
Taro International Ltd.	78.48%	Full Consolidation
3 Skyline LLC	78.48%	Full Consolidation
One Commerce Drive LLC	78.48%	Full Consolidation
Dusa Pharmaceuticals, Inc.	100.00%	Full Consolidation
2 Independence Way LLC	100.00%	Full Consolidation
Universal Enterprises Private Limited	100.00%	Full Consolidation
Sun Pharma Switzerland Ltd.	99.99%	Full Consolidation

Company Name	SPIL's Ownership	Consolidation Approach
Sun Pharma East Africa Limited	100.00%	Full Consolidation
PI Real Estate Ventures, LLC	100.00%	Full Consolidation
Sun Pharma ANZ Pty Ltd.	100.00%	Full Consolidation
Ranbaxy Farmaceutica Ltda.	100.00%	Full Consolidation
Sun Pharma Canada Inc.	100.00%	Full Consolidation
Sun Pharma Egypt LLC	100.00%	Full Consolidation
Rexcel Egypt LLC	100.00%	Full Consolidation
Basics GmbH	100.00%	Full Consolidation
Sun Pharma Italia srl	100.00%	Full Consolidation
Sun Pharmaceutical Industries SAC.	100.00%	Full Consolidation
Ranbaxy (Poland) SP. Z O.O.	100.00%	Full Consolidation
SC Terapia SA	96.81%	Full Consolidation
AO Ranbaxy	100.00%	Full Consolidation
Ranbaxy South Africa (Pty) Ltd.	100.00%	Full Consolidation
Ranbaxy Pharmaceuticals (Pty) Ltd.	100.00%	Full Consolidation
Sonnke Pharmaceuticals Proprietary Limited	70.00%	Full Consolidation
Sun Pharma Laboratorios, S.LU.	100.00%	Full Consolidation
Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	100.00%	Full Consolidation
Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	100.00%	Full Consolidation
Ranbaxy Inc.	100.00%	Full Consolidation
Ranbaxy (Thailand) Co., Ltd.	100.00%	Full Consolidation
Ohm Laboratories, Inc.	100.00%	Full Consolidation
Ranbaxy Signature LLC	67.50%	Full Consolidation
Sun Pharmaceuticals Morocco LLC	100.00%	Full Consolidation
"Ranbaxy Pharmaceuticals Ukraine" LLC	100.00%	Full Consolidation
Sun Pharmaceutical Medicare Limited	100.00%	Full Consolidation
JSC Biosintez	100.00%	Full Consolidation
Sun Pharmaceuticals Holdings USA, Inc.	100.00%	Full Consolidation
Zenotech Inc	68.84%	Full Consolidation
Zenotech Farmaceutica Do Brasil Ltda	45.69%	Full Consolidation
Sun Pharma Distributors Limited	100.00%	Full Consolidation
Realstone Infra Limited	100.00%	Full Consolidation
Sun Pharmaceuticals (ÉZ) Limited	72.49%	Full Consolidation
Sun Pharma (Shanghai) Co., Ltd.	100.00%	Full Consolidation
Sun Pharma Japan Technical Operations Limited	100.00%	Full Consolidation
Alchemee, LLC	78.48%	Full Consolidation
The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	78.48%	Full Consolidation
Proactiv YK	78.48%	Full Consolidation
The Proactiv Company KK	78.48%	Full Consolidation
Alchemee Skincare Corporation (Formerly known as The Proactiv Company Corporation)	78.48%	Full Consolidation
Foliage Merger Sub, Inc.	-	Full Consolidation
Concert Pharmaceuticals, Inc.	-	Full Consolidation
Concert Pharmaceuticals Securities Corp.	100.00%	Full Consolidation
Concert Pharma U.K. Ltd.	100.00%	Full Consolidation
Concert Pharma Ireland Limited	100.00%	Full Consolidation
Sun Pharma New Milford Parent LLC	100.00%	Full Consolidation

Company Name	SPIL's Ownership	Consolidation Approach
Sun Pharma Housatonic LLC	100.00%	Full Consolidation
Sun Pharma Housatonic II LLC	100.00%	Full Consolidation
Sun Pharma Housatonic III LLC	100.00%	Full Consolidation
Alkaloida Chemical Company Zrt.	99.99%	Full Consolidation
Sun Pharmaceutical Industries (Australia) Pty Limited	100.00%	Full Consolidation
Aditya Acquisition Company Ltd.	99.99%	Full Consolidation
Sun Pharmaceutical Industries (Europe) B.V.	99.99%	Full Consolidation
Sun Pharmaceuticals Germany GmbH	99.99%	Full Consolidation
Sun Pharma Philippines, Inc.	100.00%	Full Consolidation
Caraco Pharmaceuticals Private Limited	100.00%	Full Consolidation
Sun Pharmaceutical Peru S.A.C.	100.00%	Full Consolidation
Sun Laboratories FZE	100.00%	Full Consolidation
Sun Pharma Middle East FZE LLC	100.00%	Full Consolidation
Libra Merger Ltd	99.99%	Full Consolidation
Taro Pharma Corporation, Inc.	78.48%	Full Consolidation
Vivaldis Health and Foods Private Limited	60.11%	Full Consolidation
Joint Venture		
Artes Biotechnology GmbH	45.00%	Equity Method
Associates		
Medinstill LLC	19.99%	Equity Method
Generic Solar Power LLP	28.76%	Equity Method
Trumpcard Advisors and Finvest LLP	40.61%	Equity Method
Tarsier Pharma Ltd.	20.98%	Equity Method
WRS Bioproducts Pty Ltd.	12.50%	Equity Method
Remidio Innovative Solutions Private Limited	27.39%	Equity Method
Agatsa Software Private Limited	23.47%	Equity Method
Ezerx Health Tech Private Limited	37.76%	Equity Method
Surgimatix Inc	16.33%	Equity Method
Composite Power Generation LLP	36.90%	Equity Method
Vintage Power Generation LLP	39.41%	Equity Method
Vento Power Generation LLP	40.55%	Equity Method
HRE LLC	19.22%	Equity Method
HRE II LLC	19.99%	Equity Method
HRE III LLC	19.99%	Equity Method
Dr. Py Institute LLC	19.22%	Equity Method
Medinstill Development LLC	19.22%	Equity Method
ALPS LLC	19.22%	Equity Method
Intact Pharmaceuticals LLC	19.22%	Equity Method
Intact Media LLC	19.22%	Equity Method
Intact Solutions LLC	19.22%	Equity Method
Intact Closed Transfer Connectors LLC	19.22%	Equity Method
Intact PUR-Needle LLC	19.22%	Equity Method
Medios Technologies Pte. Ltd.	27.39%	Equity Method
Remidio Innovative Solutions Inc.	27.39%	Equity Method

Source: SPIL annual report FY2024

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545 328

shamsherd@icraindia.com

Kinjal Shah

+91 22 6114 3400

kinjal.shah@icraindia.com

Deepak Jotwani

+91 124 4545 870

deepak.jotwani@icraindia.com

Gaurav Kushwaha

+91 22 4547 4829

gaurav.kushwaha@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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