Cipla Limited

September 10, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	2,238.00 (Reduced from 2,268.00)	CARE AAA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Cipla Limited (Cipla) continue to derive strength from the company's strong business profile in domestic formulation market considering its leadership position in respiratory therapeutics segment and large presence across multiple therapeutic segments, such as urology, anti-infective, and cardiology, in domestic and international markets. Ratings also consider Cipla's extensive portfolio of over 1,500 products covering diverse therapies, and a robust product pipeline. Ratings also factor in stable scale of operations while maintaining healthy operating profitability, comfortable capital structure, and strong liquidity.

However, rating strengths offset the regulatory risks associated with the domestic and regulated markets and exposure to intense pricing pressure in generic drugs. CARE Ratings Limited (CareEdge Ratings) also continues to monitor the update regarding the pending litigation with National Pharmaceutical Pricing Authority (NPPA) for pricing issue and U.S. Food and Drug Administration (USFDA) 'Import Alert' at one of its contract manufacturer's facilities in Greece.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors:

- Declining operating profitability to below 15% either due to increased competition or regulatory issues.
- Weakening of financial and business profiles as a result of crystallisation of NPPA liability and/or untoward regulatory issues.
- Significantly deteriorating credit metrics because of large debt-funded capex or acquisitions resulting in net debt to profit before interest, lease rentals, depreciation, and taxation (PBILDT) going beyond 0.75x on a sustained basis.

Analytical approach: Consolidated

CareEdge Ratings has considered consolidated approach to arrive at ratings of Cipla, considering operational and financial linkages, and common management between Cipla and its subsidiaries. Consolidated entities are listed under Annexure-5.

Outlook: Stable

CareEdge Ratings believes Cipla will continue to benefit from its strong business risk profile, which shall support it healthy financial risk profile and liquidity over the medium term.

Detailed description of key rating drivers

Key strengths

Reputed brand with leading market position across therapies

Cipla is one of the leading pharmaceutical companies in India. The company is among the top three largest pharma companies in India and holds second position in the pharma prescription market of South Africa. The company is second-largest Indian exporter to emerging markets and the fourth-largest Indian exporter to Europe. It has a widespread presence across the globe through subsidiaries/associates. The company continues to have 23 brands in top 300 brands of India Pharma Market (IPM). Cipla enjoys market leadership in the respiratory segment with a share of 26.20% in India, followed by strong positions in urology, anti-infectives, and cardiac therapies, with market shares of 12.40%, 7.40%, and 4.90%, respectively (Source: Company). Cipla's established brands, extensive distribution network, and growing chronic portfolio underpin its strong competitive position in the domestic market.

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[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Diversified product portfolio and geographical presence

Cipla has a well-diversified product portfolio spanning branded prescription medicines, trade generics, consumer healthcare products, complex generics and active pharmaceutical ingredients (API) across chronic and acute therapies. The company operates in both regulated and semi-regulated markets. Its revenues are also geographically diversified, with India contributing ~45% of FY26 revenue, followed by North America at 24%, Africa at 15%, emerging markets and Europe at 13%, and APIs for the balance 2%. This diversification across products, therapies and geographies reduces dependence on any single market and supports stability in the company's operating performance.

Strong research and development capabilities and product pipeline

Cipla operates well-equipped research and development (R&D) facility with over 1,700 dedicated employees. In FY26, the company expended ~₹1,974 crore towards R&D (~7% of its total operating income [TOI] in FY26) and launched 166 new products across geographies. The newly launched products cater to key therapeutic areas, including respiratory care, anti-diabetes, obesity management, dermatology, urology, and anti-infectives. The company has healthy product pipeline consisting of respiratory products, peptide injectables, and other complex assets. CareEdge Ratings expects that Cipla will continue to maintain its position in the domestic and international pharmaceutical market.

Accredited manufacturing facilities

Cipla operates 48 state-of-the-art manufacturing facilities for APIs and formulations across five countries. Its manufacturing footprint includes 38 sites in India, spread across Maharashtra, Goa, Madhya Pradesh, Karnataka, Himachal Pradesh, and Sikkim. Outside India, the company operates five facilities in the United States, three in Africa, comprising two in South Africa and one in Morocco, and one in China. It has the capacity to manufacture 25 billion tablets and capsules, 569 million respules, 46.5 million units of oral liquids, 45.3 million nasal sprays, 150.3 million pressurised metered-dose inhalers (pMDIs), 0.15 million lyophilised injections, and 3.4 million dry-powder inhalers. Its annual API manufacturing capacity stands at 792 tonnes.

The company's manufacturing facilities are approved by leading regulatory authorities worldwide, including India's Central Drugs Standard Control Organisation (CDSCO), the US Food and Drug Administration (US FDA), the UK Medicines and Healthcare products Regulatory Agency (MHRA), the World Health Organization (WHO), the South African Health Products Regulatory Authority (SAHPRA), Australia's Therapeutic Goods Administration (TGA), and Brazil's National Health Surveillance Agency (ANVISA).

Sustained growth in scale of operations with healthy profitability

The company has demonstrated sustained growth in scale of operations, along with maintaining healthy profitability margin over the years. In FY26, TOI grew by 2% year-on-year (y-o-y) to ₹28,215 crore (FY25: ₹27,538 crore), supported by growth in India and Africa, partly offset by moderation in North America due to product-specific challenges and the declining contribution from Revlimid. PBILDT margin remained healthy at 21.19%, although lower than 24.70% and 25.85% in FY24 and FY25, respectively, primarily due to the normalisation of high-margin generic Revlimid sales and disruption of sale of Lanreotide from Q3FY26.

In Q1FY27, Cipla's consolidated revenue grew by 4% y-o-y supported by a strong India franchise, where branded prescriptions benefited from volume growth and new launches. North American revenue declined by 28% y-o-y considering Revlimid-related higher base effect and continued disruption of Lanreotide sales. PBILDT margin declined 16.75% in Q1FY27 (Q1FY26: 25.99%) due to the adverse product mix in North America, elevated sourcing and logistics costs arising from the West Asia conflict, and upfront expenditure on manpower and manufacturing readiness for upcoming US product launches. The company commenced commercial supplies of generic Ventolin where it enjoys six months generic exclusivity, retained leadership in the US Albuterol market with a 21% share, launched nintedanib and dapagliflozin, and plans to launch generic Advair in coming months. These launches are expected to support Cipla's revenue growth in North America and overall profitability.

Healthy capital structure and strong debt coverage indicators

The company's capital structure remained robust as on March 31, 2026, underpinned by low leverage, strong debt protection metrics, and substantial liquidity. The capital structure and debt coverage indicators continued to remain robust, supported by its strong net worth base and low debt levels and healthy profitability. Cipla continued to maintain net debt free status as on March 31, 2026. In FY26, PBILDT interest coverage also stood very strong at 109.90x (FY25: 114.80x). CareEdge Ratings expects that the company's financial risk profile will continue to remain comfortable supported by strong operating cash flow and available cash and liquid investments and no planned large debt-funded capex.

Liquidity: Strong
Cipla's liquidity is marked strong in presence of healthy cash and liquid investments of over ₹11,000 crore as on March 31, 2026. The company has a repayment of ~₹117 crore in the medium term, and generated cash accruals are expected to remain sufficient to service the repayment obligation. Supported by healthy generation of cash accruals, and available liquidity, the company has low reliance on working capital borrowings.

Key weaknesses

Liability under NPPA
Since 1998, the NPPA has raised overcharging demands on Cipla under the Drugs (Price Control) Order-1995, which the company initially contested successfully in the Bombay High Court. However, the Supreme Court ordered a fresh hearing in 2003 and directed a 50% deposit of the alleged amount (₹175.08 crore). Subsequent demands, including duplicates, took the total claim to ₹3,707 crore. After removing duplicates, ₹2,011 crore (₹863 crore principal and ₹1,148 crore interest) remains under litigation. The matter is still sub judice, and management, confident of a favourable outcome, has made no provision in the accounts. In its analysis, CareEdge Ratings has factored in the scenario where if the liability materialises and the same has to be funded by debt, then overall gearing is expected to remain comfortable below 0.10x. Apart from the above, the company has over ₹11,000 crore in the form of cash and liquid investments as on March 31, 2026, which provides an adequate liquidity cushion.

Acquisitions risk
With a robust cash flow, the company might develop strategic strengths in focused therapies and expand its geographical presence. Post the large debt-funded acquisitions of US-based Invagen Pharmaceuticals Inc and Exelan Pharmaceuticals Inc in FY16 for US$ 550 million, Cipla did not venture into large-size capex. However, significant cash outflow in case of large size acquisition will remain a key credit monitorable.

Regulatory risk
Cipla sells its products in over 70 countries across the world with its production units spread across locations. The company has entered in-licensing agreements with global partners across countries for manufacturing/marketing of drugs. Hence, the company is required to comply with laws, rules, and regulations and operate under strict regulatory environment in India and abroad considering the nature of business. Pharmathen International S.A.'s manufacturing facility in Greece, which supplies Lanreotide to Cipla as its exclusive manufacturing and supply partner for the US market, was placed under 'Import Alert' in April 2026, resulting in a supply disruption. The timeline for resumption remains contingent upon the satisfactory completion of corrective actions and receipt of the necessary USFDA clearances, including reinspection. Accordingly, progress on remediation and the normalisation of Lanreotide supplies remain key monitorable.

Environment, social, and governance (ESG) risks

Risk Factors	Compliance and action by the company
Environmental	• Cipla implements its environmental initiatives under the "Championing Climate Positivity" pillar of its CARE ESG framework, with focus areas covering energy and carbon management, water stewardship, circular economy, waste management and biodiversity. As of March 31, 2026, Cipla's Indian manufacturing operations were 2.6x water positive, and zero-waste-to-landfill certified. • Renewable electricity accounted for 84% of electricity consumption at these operations, while energy-related Scope 1 and Scope 2 greenhouse-gas emissions declined by 82% from the FY20 baseline. • Zero Liquid Discharge systems covered 54% of its global manufacturing units.
Social	• Cipla implements its social initiatives under the "Accelerated Community Well-being" and "Enhancing Access and Affordability" pillars of its CARE ESG framework. The company has policies and management systems covering occupational health and safety, employee well-being, diversity and inclusion, human rights, product quality, patient safety, pharmacovigilance and stakeholder grievance redressal. • Its programmes in healthcare, palliative care, education, skill development and environmental sustainability benefited over 2.55 lakh individuals. Palliative-care initiatives reached over 65,900 individuals, while the Cipla Palliative Care and Training Centre recorded over 1,000 unique admissions and 13,500 home-care visits during the year. In addition, over 5,000 children received support through paediatric healthcare programmes.
Governance	• Cipla has Board-approved policies covering business ethics, anti-bribery and anti-corruption, whistle-blower protection, enterprise risk management, responsible marketing, human rights, data privacy, cybersecurity and stakeholder grievance redressal. The company follows a zero-tolerance approach

	towards bribery and corruption and conducts relevant ethics, compliance and ESG training for directors, key managerial personnel and employees. • As on June 30, 2026, Cipla's Board comprised 10 directors, including five independent directors and two women directors.

Applicable criteria

Consolidation
Definition of Default
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Short Term Instruments
Pharmaceuticals
Manufacturing Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Incorporated in 1935, Cipla was promoted by the late Dr. K.A. Hamied and is currently spearheaded by Dr. Y.K. Hamied. The promoter group holds a 29.22% equity stake in the company as on June 30, 2026. The company is engaged in manufacturing formulations and APIs, with ~99% of sales being contributed from formulation segment in FY26. Cipla has a diversified product portfolio of over 1,500 different types of drugs catering to segments, such as anti-infective, cardiac, gynaecology, and gastrointestinal in 73 markets across the world.

Brief Financials (₹ crore) – Consolidated	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	27,538	28,215	7,119
PBILDT	7,119	5,977	1,192
Profit after tax (PAT)	5,269	3,862	786
Overall gearing (x)	0.02	0.02	NA
Interest coverage (x)	114.80	109.90	70.01

A: Audited, UA: Unaudited; NA: Not available
Note: these are latest financial results available
Financials are reclassified per CareEdge Ratings' standards.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	RBI	Simple	-	-	-	-	360.00	CARE AAA; Stable / CARE A1+
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	RBI	Simple	-	-	-	-	1878.00	CARE AAA; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	360.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (26-Aug-25)	1)CARE AAA; Stable / CARE A1+ (08-Oct-24)	1)CARE AAA; Stable / CARE A1+ (09-Oct-23)
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	1878.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (26-Aug-25)	1)CARE AAA; Stable / CARE A1+ (08-Oct-24)	1)CARE AAA; Stable / CARE A1+ (09-Oct-23)

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated as on June 30, 2026

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Meditab Specialities Limited	Full	Subsidiary
2	Medispray Laboratories Private Limited	Full	Subsidiary
3	Goldencross Pharma Limited	Full	Subsidiary
4	Sitec Labs Limited	Full	Subsidiary
5	Cipla Health Limited	Full	Subsidiary
6	Cipla Pharma and Life Sciences Limited	Full	Subsidiary
7	Cipla Pharmaceuticals Limited	Full	Subsidiary
8	Inzpera Healthsciences Limited	Full	Subsidiary
9	Jay Precision Pharmaceuticals Private Limited	Full	Subsidiary
10	Cipla Health Employees Stock Option Trust	Full	Subsidiary
11	Cipla Digital Health Limited	Full	Subsidiary
12	Cipla Medpro South Africa (Pty) Limited, South Africa	Full	Subsidiary
13	Cipla Medpro Manufacturing (Pty) Limited, South Africa	Full	Subsidiary

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
14	Cipla-Medpro (Pty) Limited, South Africa	Full	Subsidiary
15	Cipla-Medpro Distribution Centre (Pty) Limited, South Africa	Full	Subsidiary
16	Cipla Medpro Botswana (Pty) Limited, Botswana	Full	Subsidiary
17	Cipla Kenya Limited, Kenya	Full	Subsidiary
18	Cipla Select (Pty) Limited, South Africa	Full	Subsidiary
19	Medpro Pharmaceutica (Pty) Limited, South Africa	Full	Subsidiary
20	Mirren (Pty) Limited, South Africa	Full	Subsidiary
21	The Cipla Empowerment Trust, South Africa	Full	Subsidiary
22	Actor Pharma (Pty) Limited, South Africa	Full	Subsidiary
23	InvaGen Pharmaceuticals Inc., USA	Full	Subsidiary
24	Exelan Pharmaceuticals Inc., USA	Full	Subsidiary
25	Cipla USA Inc., USA	Full	Subsidiary
26	Cipla Therapeutics Inc., USA	Full	Subsidiary
27	Aspergen Inc., USA	Full	Subsidiary
28	Cipla Holding B.V., Netherlands	Full	Subsidiary
29	Cipla (EU) Limited, United Kingdom	Full	Subsidiary
30	Cipla Australia Pty Limited, Australia	Full	Subsidiary
31	Meditab Holdings Limited, Mauritius	Full	Subsidiary
32	Cipla Malaysia Sdn. Bhd., Malaysia	Full	Subsidiary
33	Cipla Europe NV, Belgium	Full	Subsidiary
34	Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda., Brazil	Full	Subsidiary
35	Cipla Algérie, Algeria	Full	Subsidiary
36	Breathe Free Lanka (Private) Limited, Sri Lanka	Full	Subsidiary
37	Cipla Maroc SA, Morocco	Full	Subsidiary
38	Cipla Gulf FZ-LLC, UAE	Full	Subsidiary
39	Cipla Colombia SAS, Colombia	Full	Subsidiary
40	Cipla (China) Pharmaceutical Co., Ltd., China	Full	Subsidiary
41	Cipla (Jiangsu) Pharmaceutical Co., Ltd., China	Full	Subsidiary
42	Mexicip S.A. de C.V., Mexico	Full	Subsidiary
43	CiplaRna GmbH, Germany	Full	Subsidiary
44	Cipla Middle East Company, Kingdom of Saudi Arabia	Full	Subsidiary
45	Aspergen Limited	Full	Subsidiary
46	Stempeutics Research Private Limited	Proportionate	Associate
47	AMPIN Power Systems Private Limited	Proportionate	Associate
48	AMPIN Energy Green Eleven Private Limited	Proportionate	Associate
49	Clean Max Auriga Power LLP	Proportionate	Associate
50	GoApptiv Private Limited	Proportionate	Associate
51	Iconphygital Private Limited	Proportionate	Associate
52	MKC Biotherapeutics Inc., USA	Proportionate	Associate
53	Pactiv Healthcare Private Limited	Proportionate	Associate
54	Achira Labs Pvt. Ltd	Proportionate	Associate
55	Brandmed (Pty) Limited, South Africa	Proportionate	Associate
56	AMPIN Energy C&I Eighteen Private Limited	Proportionate	Associate
57	iCaltech Innovations (Private) Limited	Proportionate	Associate

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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