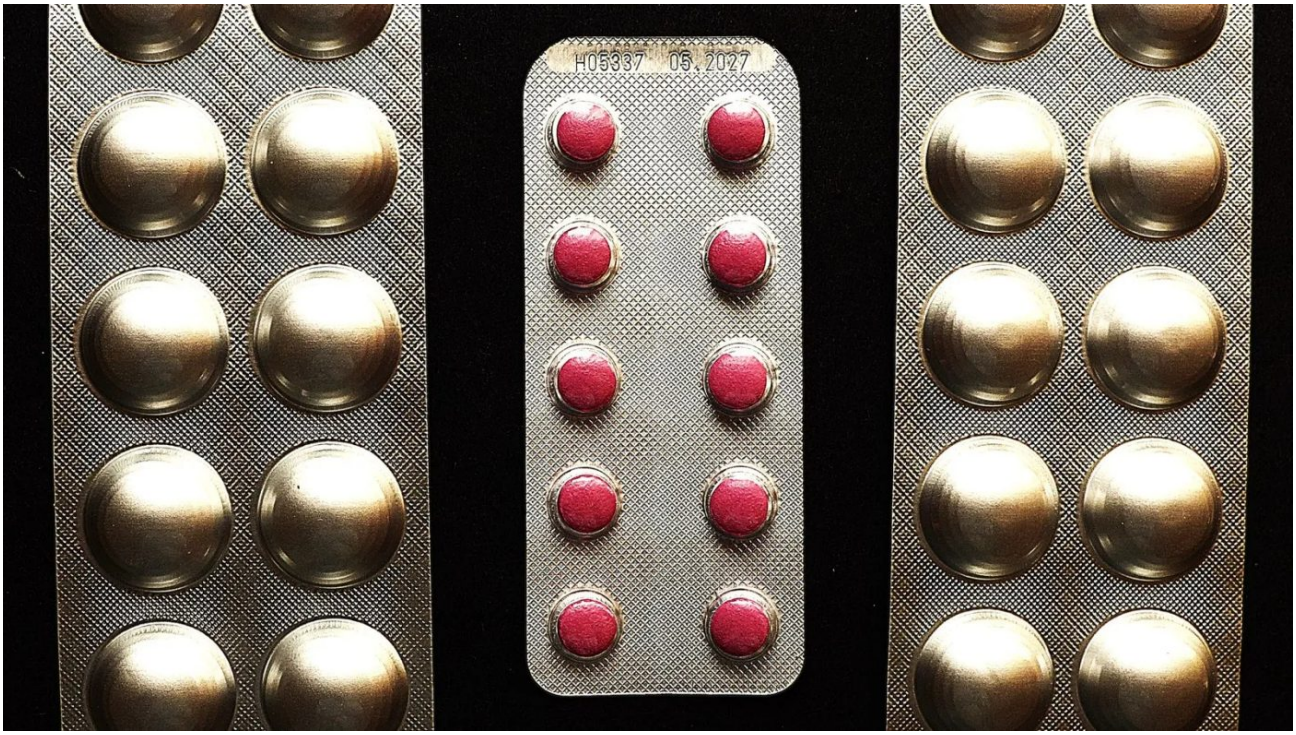
BUSINESS LEADERS

Dilip Shanghvi: how a ₹10,000 start in 1983 became India's largest drugmaker

The Sun Pharma founder began with five psychiatry medicines and built India's biggest pharmaceutical company through patient bets on niche drugs and bold acquisitions.

By Economic.Express Desk · 24 April 2025 · 2 min read



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In 60 seconds

1. Founded Sun Pharma in 1983 with about ₹10,000 and five psychiatry products.
2. The 2014 all-stock deal for Ranbaxy, valued at about $4 billion, made Sun India's largest drugmaker.
3. His strategy: start in niche therapies, buy distressed assets cheaply and fix them.
4. Awarded the Padma Shri in 2016.

Few Indian founders have built a global business as quietly as Dilip Shanghvi. The son of a pharmaceutical distributor, he started Sun Pharmaceutical Industries in 1983 with about ₹10,000 and five medicines for psychiatric conditions, a corner of the market that larger companies

largely ignored.

A niche first

Shanghvi, a commerce graduate from Calcutta University, had seen the drug trade from his father's wholesale business. He chose to specialise rather than compete head-on with established players, focusing on chronic therapies such as psychiatry, neurology and cardiology, where doctors value consistency and patients stay on treatment for years.

That focus gave Sun steady margins and loyal prescribers. The company listed on the stock market in 1994 and began investing in its own research and manufacturing.

Buying what others would not

Shanghvi's reputation was built on acquisitions, particularly of businesses that were struggling. Sun bought into US generics maker Caraco in the late 1990s and later took control of Israel's Taro Pharmaceutical. He was known for paying sensible prices and then patiently fixing quality and operations.

The biggest bet came in April 2014, when Sun agreed to acquire Ranbaxy Laboratories in an all-stock deal valued at about $4 billion. Ranbaxy was troubled by US regulatory problems at the time. The Competition Commission of India approved the deal in December 2014 with conditions, and the combination made Sun the largest pharmaceutical company in India and one of the biggest specialty generic companies in the world.

> *The lesson from Sun's rise: choose a niche, stay disciplined on price, and be patient with turnarounds.*

From generics to specialty medicines

In recent years Sun has pushed into specialty medicines, branded products for conditions in dermatology, ophthalmology and oncology that carry higher value than simple generics. This shift is designed to make the business less dependent on the price pressure that affects generic drugs, especially in the United States.

Recognition

Shanghvi received the Padma Shri, one of India's highest civilian honours, in 2016. He continues to lead Sun Pharma and is regularly counted among India's wealthiest people.

For young entrepreneurs, his story offers a practical model: begin small and specialised, reinvest steadily, and use acquisitions to grow only when the price and the fix are both clear.