Title: Qualitative and Quantitative Fundamental Analysis of 5 listed companies of the same sectors for the span of 10 years.

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Submitted By:

S.NO	Reg.No	Student Name	Company Name
1	21BCE9434	Koyilampati Hari Krishna	BIOCON LIMITED
2	21MIS7170	Gondu Venkatesh	CIPLA
3	21MIS7119	Gunda LaxmiSai	DR.REDDY'S
4	21BCE9126	Cherukuri Bala Bharathi	GLENMARK
5	21BCE9887	Putta DilliPrasad	TORRENT PHARMACEUTICALS
6	21BCE9163	Sighakolli Sneha	SUN PHARMACEUTICALS

CONTENT:

INTRODUCTION:

TORRENT PHARMACEUTICAL LIMITED: It was founded in 1959. Torrent Pharmaceuticals operates in more than 40 countries with over 2000 product registrations globally. Torrent Pharma is active in the therapeutic areas of Cardiovascular (CV), central nervous system (CNS), gastro-intestinal, diabetology, anti-infective and pain management segments.

GLENMARK PHARMACEUTICAL: It was founded in 1977. These generics medicines are impact over 100 million patients each year globally. A global supplier of high quality API products and a preferred partner for pharmaceutical companies worldwide. Through Glenmark Foundation, the CSR activities are largely focused in the areas of Child Health and over the years we have impacted over 900,000 lives globally.

BIOCON LIMITED: It was founded in 1978. The company is a biopharmaceutical company, develops, manufactures, and sells biopharmaceuticals for diabetes, cancer, and autoimmune conditions. It products Small Molecules (APIs & Generic Formulations), Biosimilars, Branded Formulations, Research Service.

Dr Reddy's: It was founded in 1986.Its portfolio has over 200 products covering the whole spectrum of disease areas spanning gastroenterology, oncology, pain management, cardiovascular, dermatology, urology, nephrology, rheumatology and diabetes. Dr. Reddy's have an unmatched global regulatory expertise focused on international markets.

CIPLA: It was founded in 1935. Cipla Quality as a centre of excellence assures a culture of compliance and follows systematic interventions to consistently meet or exceed quality standards. Reputation of delivering consistently high-quality products has helped us to be considered as one of the key partners of choice for multinational Government and Non-Government institutions globally.

SUN PHARMACEUTICALS: It was founded in 1983. Supported by more than 40 manufacturing facilities, we provide high-quality, affordable medicines, trusted by healthcare professionals and patients, to more than 100 countries across the globe. Its core strength lies in our ability to excel in developing generics and technologically complex products backed by our dedicated teams in formulations, process chemistry, and analytical development.

RATIO ANALYSIS:

Ratio analysis is an accounting method that uses financial statements, like balance sheets and income statements, to gain insights into a company's financial health. Ratio analysis will help determine various aspects of an organization including profitability, liquidity and market value.

QUALITATIVE ANALYSIS:

Qualitative data analysis is a process of evaluating industrial data based on subjective data. It is a research tool used in businesses in order to analyse an organization's overall value based on non-quantifiable indicators.

QUANTITATIVE ANALYSIS:

Quantitative analysis is the use of mathematical models to analyse data points, with the intent of understanding a condition. This analysis is used to predict future outcomes, and is a key concept in financial modelling and other areas.

Therefore, Qualitative analysis differs from quantitative analysis in terms of measurement. Both qualitative and quantitative analysis will be used together in order to extensively examine an organization's trajectory and potential, both of which are incredibly important indicators used to determine investment opportunities.

1. **BIOCON LIMITED**

Company anlysus of biocon:

STRENGHTS:

Biocon's Biologics' product and brand portfolio enable it to target multiple segments of the domestic market at the same time. This has allowed Biocon's Biologics to develop a diverse revenue and profit mix. In international business and organizational structure areas, the firm must navigate the environment by establishing strong relationships with lobbying groups and political networks.

WEAKNESS:

Biocon's Biologics is not diverse enough, given that the majority of its growth has occurred in its domestic market. This could reduce Biocon's Biologics' chances of success in the international market. Despite the fact that Biocon's Biologics has integrated technology in the backend processes, it has yet to harness the power of technology in the front-end processes.

OPPURTUNITIES:

Growth in social media can assist Biocon's Biologics in lowering the cost of entering new markets and reaching customers with a significantly lower marketing budget. Globalization, along with the boom in digital marketing and social media, has significantly reduced the risks of market entry and marketing in international markets.

THREATS:

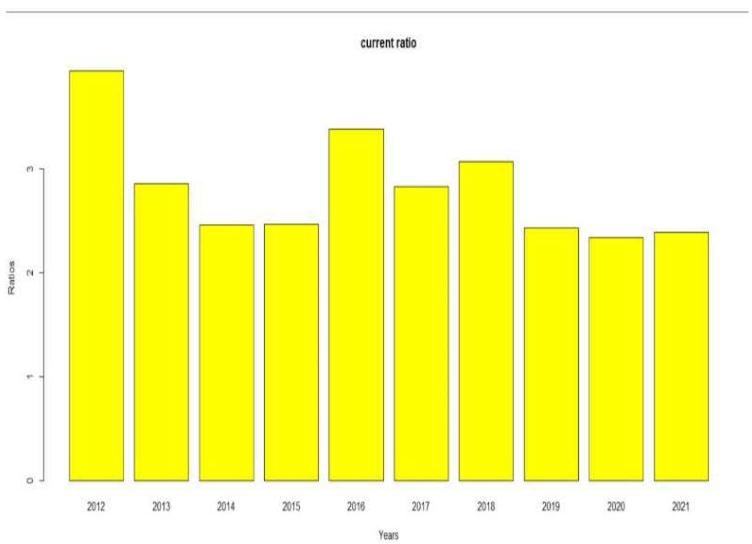
the bargaining power of Biocon's Biologics customers has grown significantly, putting downward pressure on prices. There is growing tension in US-China trade relations, which could lead to protectionism, increased friction in international trade, and rising costs in terms of both labours. costs and the cost of doing business.

LIQUIDITY RATIOS

1.CURRENT RATIO:

Ratio analysis: 3.942,2.862,2.462,2.474,3.385,2.839, 3.077,2.43,2.346,2.399

Interpretation: The current ratio describes the relationship between a company's assets and liabilities. So, a higher ratio means the company has more assets than liabilities. For example, a current ratio of 4 means the company could technically pay off its current liabilities four times over. An ideal current Ratio is 2:1, if it is 1:1 then it is impossible to get profit. From 2012 to 2021 all years having minimum of 2 and maximum of 4 current ratio. 2012 has higher current ratio that says their financial position is better by getting more profit.2020 has lower current ratio compared to all financial years.



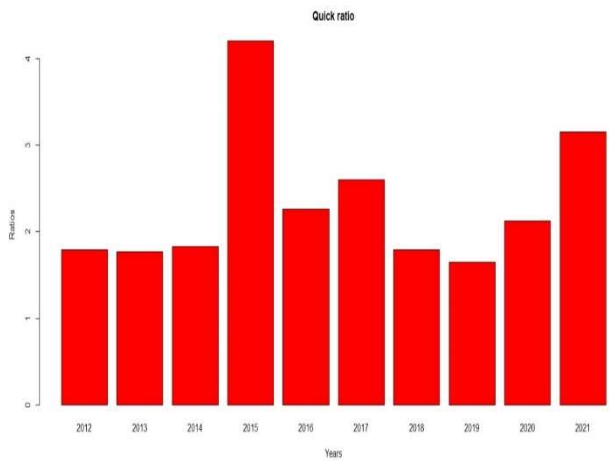
The graph is slightly decreasing, increasing and again decreasing.

2.Quick Ratio:

Ratio analysis: 1.795,1.774,1.837,4.272,2.262,

2.607,1.798,1.655,2.127,3.159

Interpretation: Quick ratio analysis is used to examine the ability of a business to pay its bills.
In essence, any quick ratio of 2:1 or better shows that a company is likely able to pay its short-term obligations. From 2012 to 2021 all years having minimum of 1 and maximum of 4.5 quick ratio. 2015 has higher quick ratio that says better a company's liquidity and financial health. 2019 has lower quick ratio compared to all financial years. The lower the ratio, the more likely the company will struggle with paying debts.But here it is ok because it is more than 1. The graph is constant for first few years and suddenly increasing to maximum level and slightly decreasing, increasing as going on.

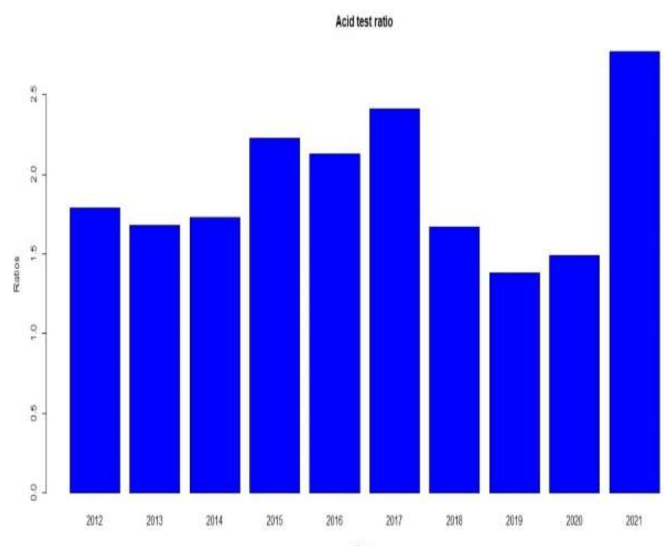


3.ACID TEST RATIO/ABSOLUTE LIQUIDITY RATIO:

Ratio analysis:

1.795,1.686,1.734,2.235,2.113,2.418,1.672,1.38,1.493,2.778

Interpretation: An acid test ration greater than 1 is considered healthy and is important for external stakeholders like creditors, lenders, investors and capitalists.
So we can say from graph this company has good acit test ratios. If a company has a ratio of less than 1, they cannot currently fully pay back its current liabilities.
A high or increasing acid test ratio as in year 2019 indicates a company has faster inventory turnover and cash conversion cycles than the other years.
From 2012 to 2021 all years having minimum of 1 and maximum of 3 acid test ratio.
2021 has higher acid test ratio and 2019 has lower.
The graph is slightly increasing from 2012 to 2017 and again slightly decreasing and reached to maximum acid test ratio.



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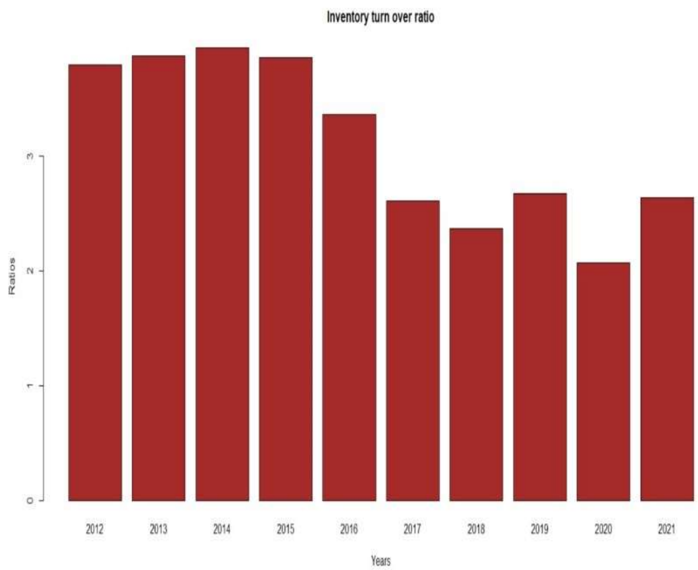
4.INVENTORY TURNOVER RATIO:

Ratio analysis:

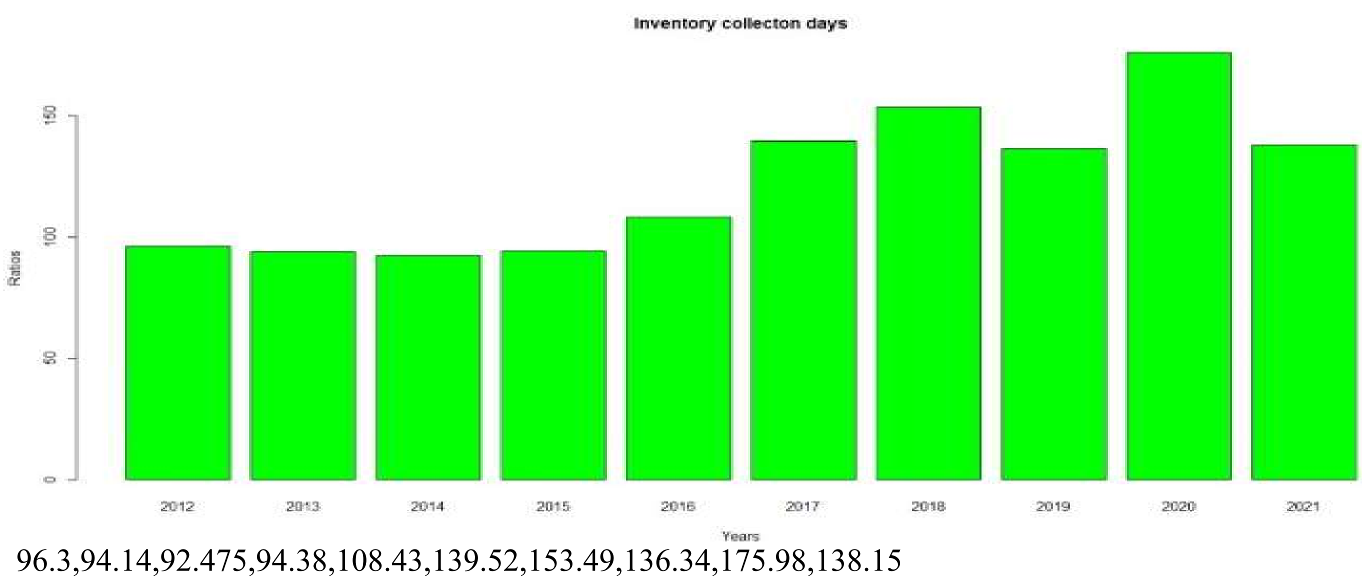
3.79,3.877,3.947,3.867,3.366,2.616,2.378,2.677,2.074,2.642

Interpretation: Inventory turnover is important because it highlights how efficient a company is at converting inventory into final sales and cash.
From 2012 to 2021 all years having minimum of 2 and maximum of 4 inventory turnover ratio.
2014 has higher and 2017 has lower inventory turn over ratios compared to all financial years.
The graph is slightly constant up to 2015 and then decreasing and fall down to minimum inventory turnover and again increasing at 2021.



5.INVENTORY COLLECTION DAYS:

Ratio analysis:



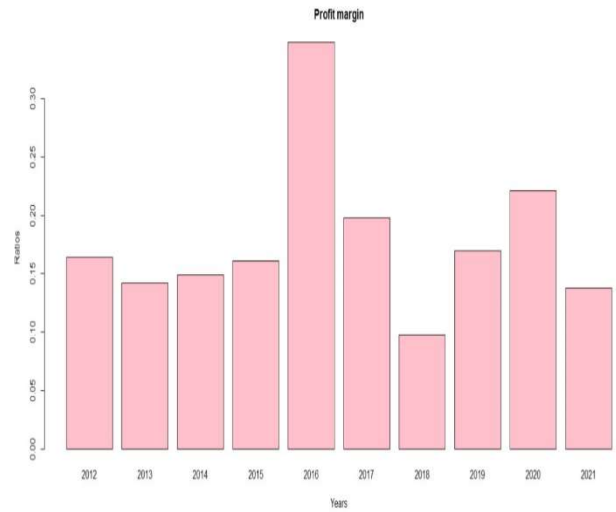
96.3,94.14,92.475,94.38,108.43,139.52,153.49,136.34,175.98,138.15

Interpretation: From 2012 to 2021 all years having minimum of 94 and maximum of 175 inventory collection days.
2020 has maximum inventory days and the year 2015 has minimum inventory days.
The graph is constantly increasing up to 2018 and reached to maximum inventory collection days at 2020 and slightly decreasing.
In number of days it takes to get cash or profit from inventory or sales.
Here all years taking more days for an operating cycle, that means it affects the financial position of company by getting slow rate of income or profit.

PROFITABILITY RATIOS

1.PROFIT MARGIN:

Ratio analysis:



0.164,0.142,0.149,0.161,0.348,0.198,0.098,0.17,0.221,0.138

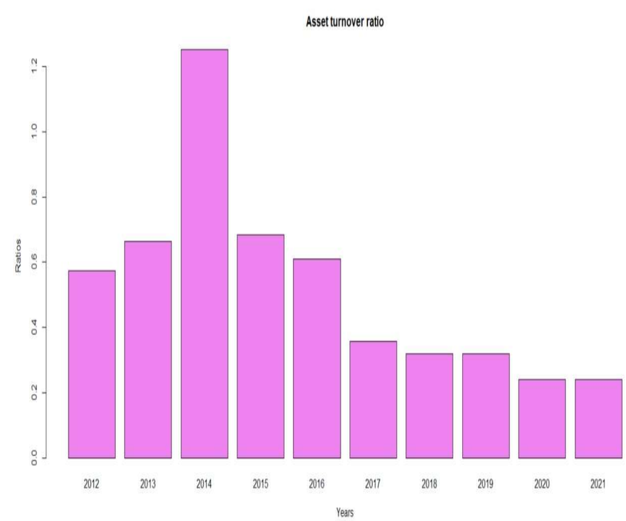
Interpretation:
The percentage figure indicates how many cents of profit the business has generated for each dollar of sale.
For instance, if a business reports that it achieved a 35% profit margin during the last quarter, it means that it had a net income of $0.35 for each dollar of sales generated.
From 2012 to 2021 all years having minimum of 0.05 and maximum of 0.4 profit margin.
2016 has highest profit margin and 2018 has lowest profit margin compared to all financial years.
The graph reached to highest profit margin at 2016 and lowest at 2018.
Overall, it has average profit margin ratios, it is good enough to be a healthy company.

2.ASSET TURN OVER RATIO:

Ratio analysis:

0.575,0.664,1.251,0.684,0.609,0.359,0.319,0.319,0.24,0.24

Interpretation:
The ratio measures the efficiency of how well a company uses assets to produce sales.
A higher ratio is favorable, as it indicates a more efficient use of assets. Conversely, a lower ratio indicates the company is not using its assets as efficiently.
The ratio measures the efficiency of how well a company uses assets to produce sales.
From 2012 to 2021 all years having minimum of 0.2 and maximum of 1.3 asset turnover ratio.
2014 has higher and 2020,2021 have lower asset turn over ratios.
The graph is slightly increasing and reached maximum turnover ratio at 2014 and slightly decreasing reached minimum asset turnover ratios at 2020 and 21.

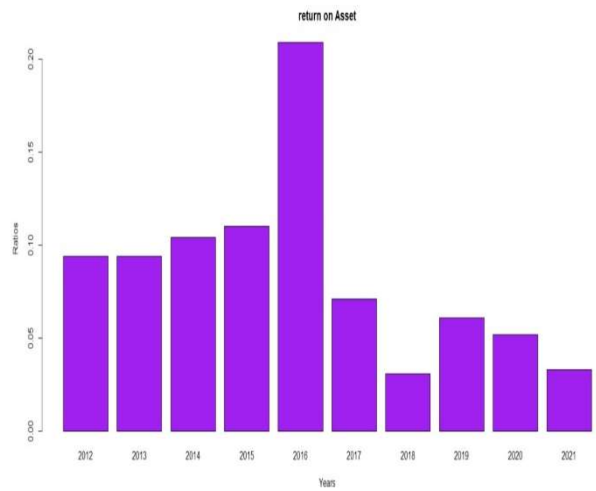


3.RETURN ON ASSET:

Ratio analysis:

0.094,0.094,0.104,0.11,0.209,0.071,0.031,0.061,0.052,0.03

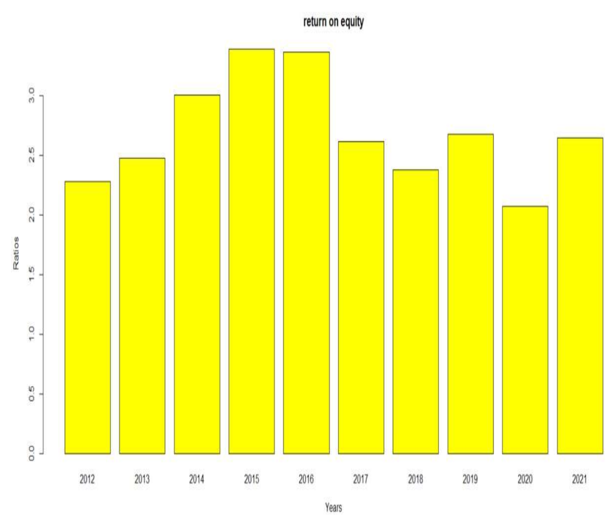
Interpretation:
Return on assets is a metric that indicates a company's profitability in relation to its total assets.
ROA can be used by management, analysts, and investors to determine whether a company uses its assets efficiently to generate a profit.
You can calculate a company's ROA by dividing its net income by its total assets.
The higher the ROA number, the better, because the company is able to earn more money with a smaller investment
From 2012 to 2021 all years having minimum of 0 and maximum of 1 return on asset.
2016 has higher return in assets and 2018 has lower return on assets compared to all financial years.
The graph is constantly increasing and reached higher return on asset at 2016 and fall down at 2018.



4.RETURN ON EQUITY:

Ratio analysis:2.279,2.473,3.002,3.386,7.44,5.141,2.088,1.523,0.711,0.467

Interpretation:
Return on equity signifies how good the company is in generating returns on the investment it received from its shareholders. Investors generally prefer firms with higher ROEs. Initially it has low REOs but gradually it increases now it is good. A higher percentage indicates a company is more effective at generating profit from its existing assets. Likewise, a company that sees increases in its ROE over time is likely getting more efficient. From 2012 to 2021 all years having minimum of 0.4 and maximum of 7.5 return on equity. 2016 has higher return on equity and 2021 has lower return on equity.
The graph shows same return on equity at 2015 and 2016.



SOLVENCY RATIOS

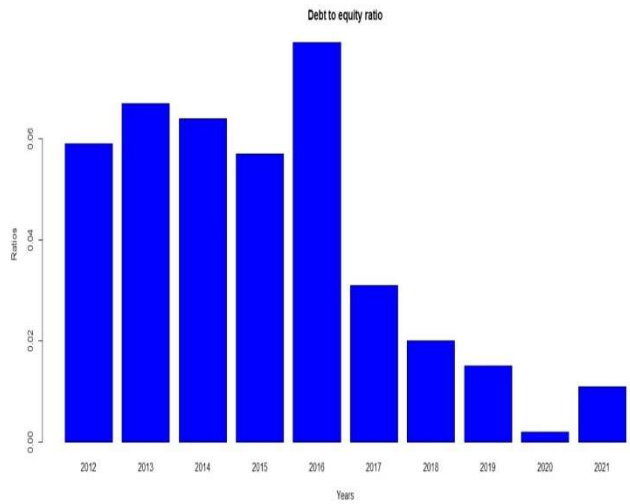
1.DEBT TO EQUITY RATIO:

Ratio analysis:

0.059,0.067,0.064,0.057,0.079,0.031,0.02,0.015,0.002,0.011

Interpretation:

Return on equity signifies how good the company is in generating returns on the investment it received from its shareholders.



Description: Mathematically, Return on Equity = Net Income or Profits/Shareholder's Equity. The denominator is essentially the difference of a company's assets and liabilities.

A high debt-to-equity ratio indicates that a company is borrowing more capital from the market to fund its operations, while a low debt-to-equity ratio means that the company is utilizing its assets and borrowing less money from the market. Capital industries generally have a higher debt-to-equity ratio

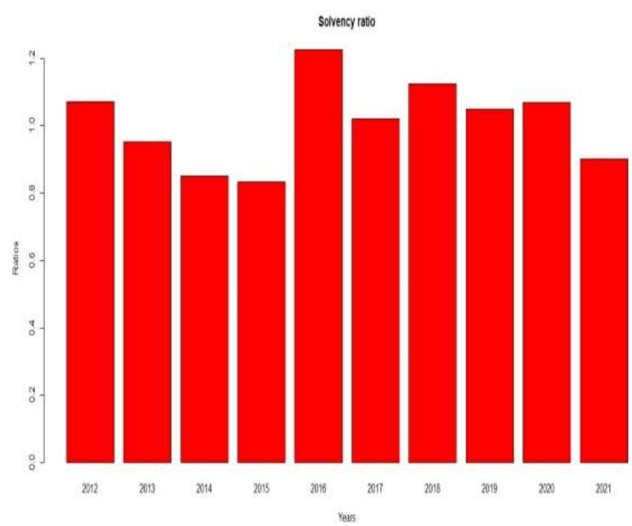
From 2012 to 2021 all years having minimum of 0.01 and maximum of 0.08 debt to equity ratio.

The graph shows debt to equity ratio is higher in 2016 year and lower in 2020 year.

2.SOLVENCY RATIO:

Ratio analysis:1.071,0.953,0.851,0.833,1.225,1.02,1.125,1.05,1.07,0.902

Interpretation:



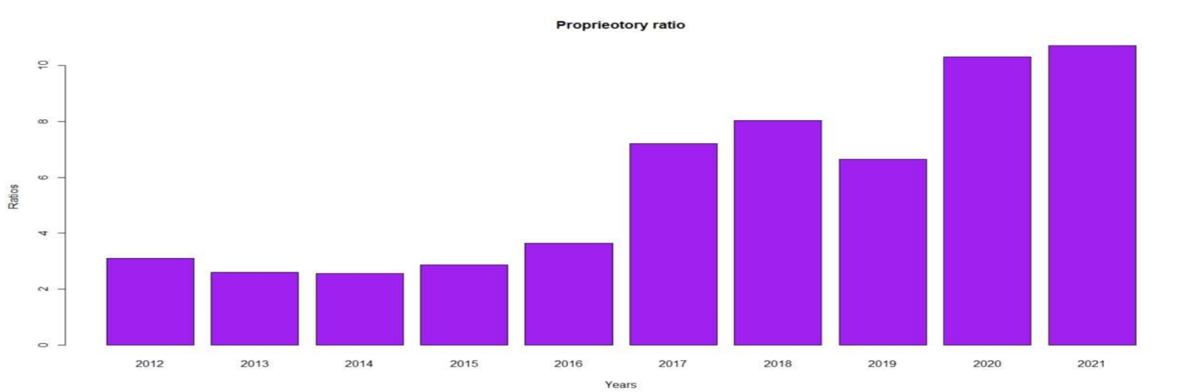
A solvency ratio measures how well a company's cash flow can cover its long-term debt.

Solvency ratios are a key metric for assessing the financial health of a company and can be used to determine the likelihood that a company will default on its debt. From 2012 to 2021 all years having minimum of 0.8 and maximum of 1.3 solvency ratio.

As graph is shown in above, the year 2016 has higher solvency ratio and 2015 has lower solvency ratio compared to all financial years. It means in 2016 company company’s cash flow covers its long term debt in very good manner and vice versa in 2015. The graph looks like slightly increasing and decreasing.

3.PROPRIETARY RATIO:

Ratio analysis:
3.102,2.61,2.569,2.876,3.639,7.197,8.032,6.643,10.303.10.705



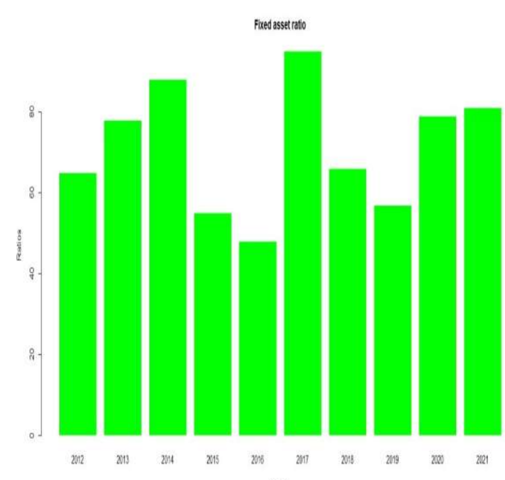
Interpretation:
A high proprietary ratio indicates that a business is in a strong position and provides relief to creditors, while a low proprietary ratio shows the dependence of the company on the debt financing in order to run its business.
It also indicates that creditors will lose interest for providing finance to such a company.
From 2012 to 2021 all years having minimum of 2 and maximum of 11 proprietary ratio.
2021 has higher proprietary ratio and 2014 has lower as compared to all financial years it means
The graph is slightly decreasing, increasing and again decreasing.

4.FIXED ASSET RATIO:

Ratio Analysis:

0.42,0.453,0.464,0.385,0.442,0.174,0.177,0.206,0.125,0.12

Interpretation:
The fixed asset turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets. The fixed asset turnover ratio is calculated by dividing net sales by the average balance in fixed assets. A higher ratio implies that management is using its fixed assets more effectively. From 2012 to 2021 all years having minimum of 0.1 and maximum of 0.5 fixed asset ratio. 2017 has higher fixed asset ratio and 2016 has lower fixed asset ratio as compared to all financial years.
The graph is slightly increasing and decreasing in a random way like some curve.



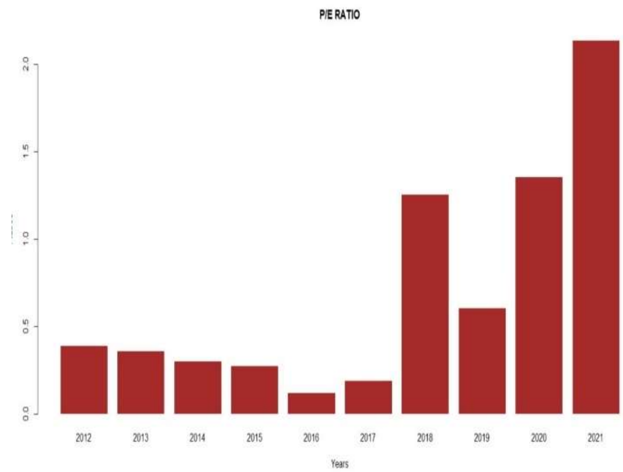
MARKET RELATED RATIOS

1.P/E RATIO:

Ratio analysis:

0.391,0.362,0.303,0.276,0.123,0.192,1.257,0.608,1.36,2.139

Interpretation:



In short, the P/E ratio shows what the market is willing to pay today for a stock based on its past or future earnings.

A high P/E could mean that a stock's price is high relative to earnings and possibly overvalued.

From 2012 to 2021 all years having minimum of 0.1 and maximum of 2.2 P/E ratio.

2021 has higher P/E ratio and 2108 has lower P/E ratioas compared to all financial years.

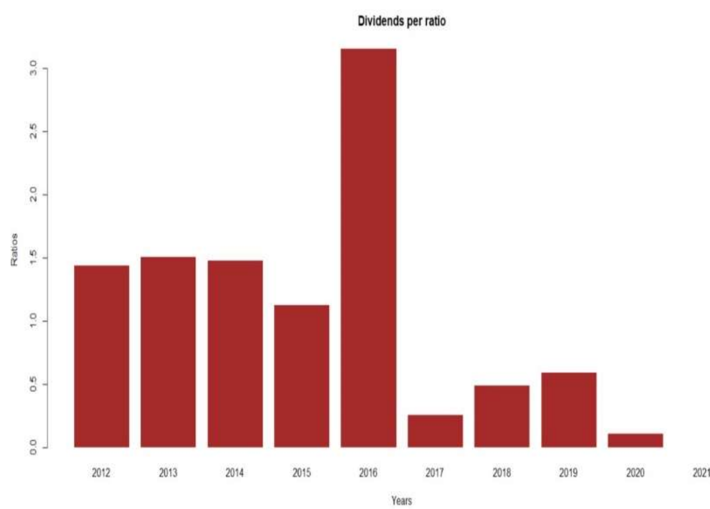
The graph is slightly decreasing up to year 2017 and increasing reached to maximum P/E ratio in 2021.

2.DIVIDENDS PER RATIO/DIVIDEND PAYOUT RATIO:

Ratio analysis:

1.445,1.515,1.485,1.13,3.16,0.26,0.495,0.595,0.116,0

Interpretation:



The dividend pay out ratio indicates the portion of a company's annual earnings per share that the organization is paying in the form of cash dividends per share. Cash dividends per share may also be interpreted as the percentage of net income that is being paid out in the form of cash dividends.

From 2012 to 2021 all years having minimum of 0 and maximum of 3.2 Dividends per ratio.

2016 has maximum Dividend pay-out ratio and 2021 has minimum(zero). It means the percentage of earnings paid to shareholders through dividend is 31.6% in 2106 and 0% in 2021.

This graph is slightly increasing and decreasing in a random way.

3.DIVIDEND YIELD:

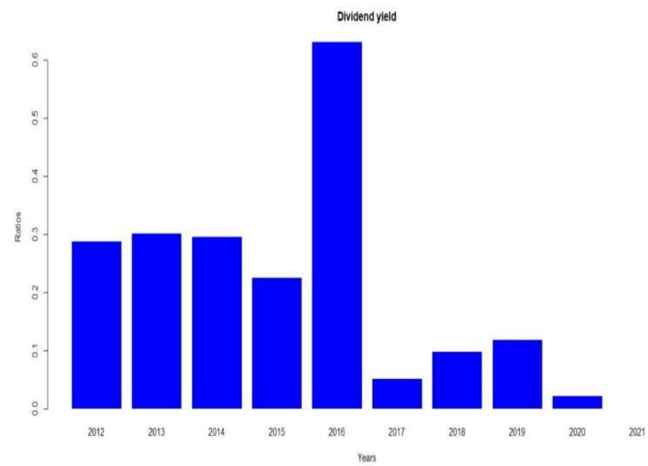
Ratio analysis:

0.289,0.303,0.297,0.226,0.632,0.052,0.099,0.119,0.023,0

Interpretation:

The dividend yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price. From 2012 to 2021 all years having minimum of 0 and maximum of 0.7 dividend yield. 2016 has higher dividend yield and 2021 has lower dividend yield as compared to all financial years. It means the company pays out in dividends each year relative to its stock price is higher in 2016 and lower in 2021.

The graph is approximately constant up to 2014 and reached maximum stage at 2016 and minimum at 2021.

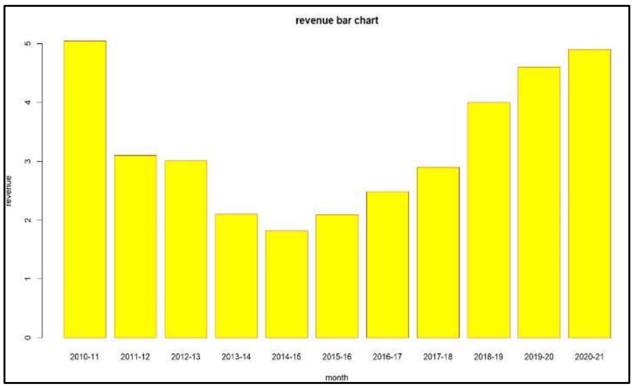


2. Cipla company ratio calculations from 2011 – 2021

Cipla Limited is a famous Indian multinational pharmaceutical company that has a presence in over 80 international markets. The company, headquartered in Mumbai, develops medications to treat cardiovascular disease, respiratory diseases, HIV/AIDS, diabetes, arthritis, depression, weight control, and many other conditions. Cipla also sells active pharmaceutical ingredients (APIs) to many different manufacturers and pharmaceutical and personal care products.

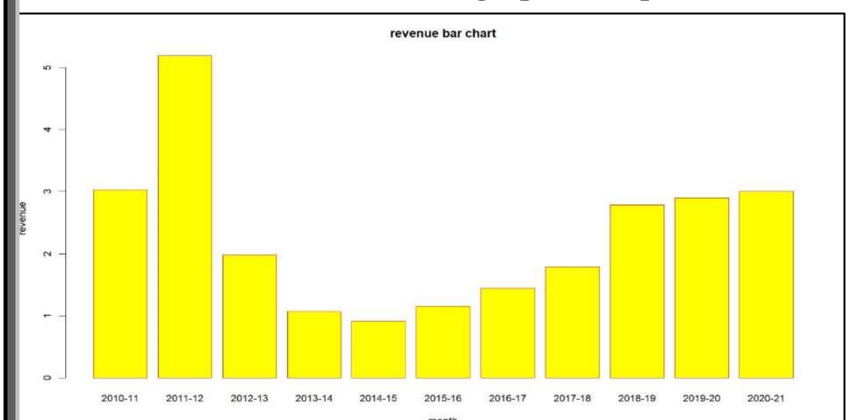
Liquidity ratio:

Current ratios from 2011 – 2021 graphical representation



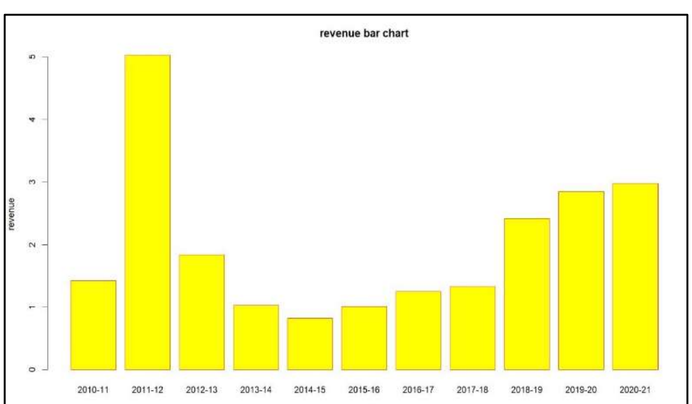
The current ratio indicates the ability of a company to generate cash from current assets to pay current liabilities, which become due in the short term.
An ideal current Ratio is 2:1, if it is 1:1 then it is impossible to get profit. Except the period 2014-15 all having more than 2 and year 2010 has higher current ratio that says their financial position is better by getting more profit.The low current ratio is a direct sign of a high risk of bankruptcy, and too high would impact the profits adversely.

Quick ratios from 2011 – 2021 graphical representation



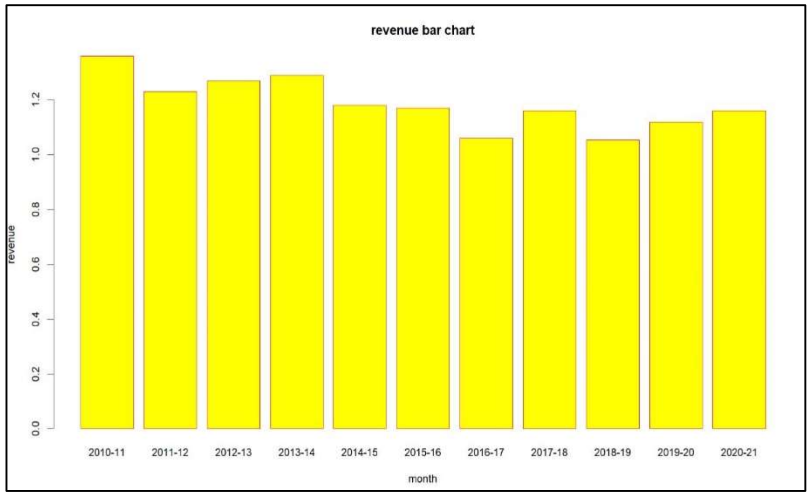
The quick ratio measures a company's capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing.
The ideal standard ratio is 1: 1. Here all are above 1, so these are good enough.
2011 has higher ratio that can say that better a company’s liquidity and financial health.
In the years 2013,2014,2015 it is low compared to remaining. The lower the ratio, the more likely the company will struggle with paying debts. But here it is ok because it is more than 1.

Absolute Liquidity ratios from 2011 – 2021 graphical representation

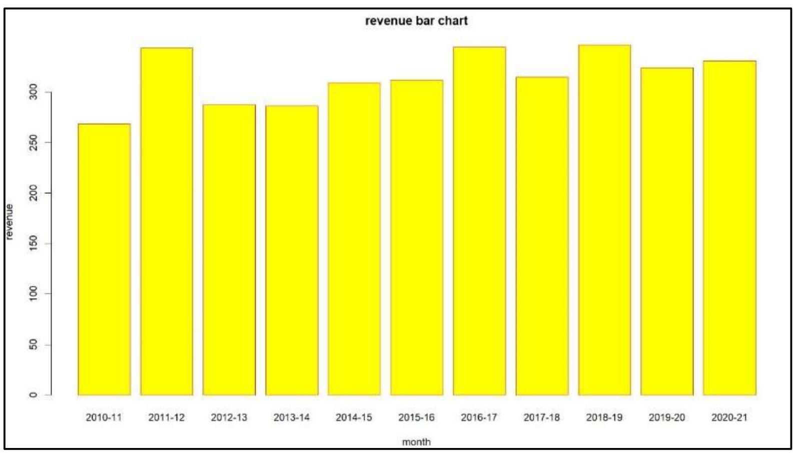


Inventory Turnover ratios from 2011 – 2021 graphical representation

- Inventory turnover is important because it highlights how efficient a company is at converting inventory into final sales and cash.
- From year 2014 to 2016 the ratio is falling that means company holding more stock which will increases carriage costs. Profit will not come from this rate of inventory ratio.
- It is increasing from the 2011 to 2013,that means it will able to convert inventory and get profit in a little bit faster rate than remaining years.



Inventory Collection days from 2011 – 2021 graphical representation

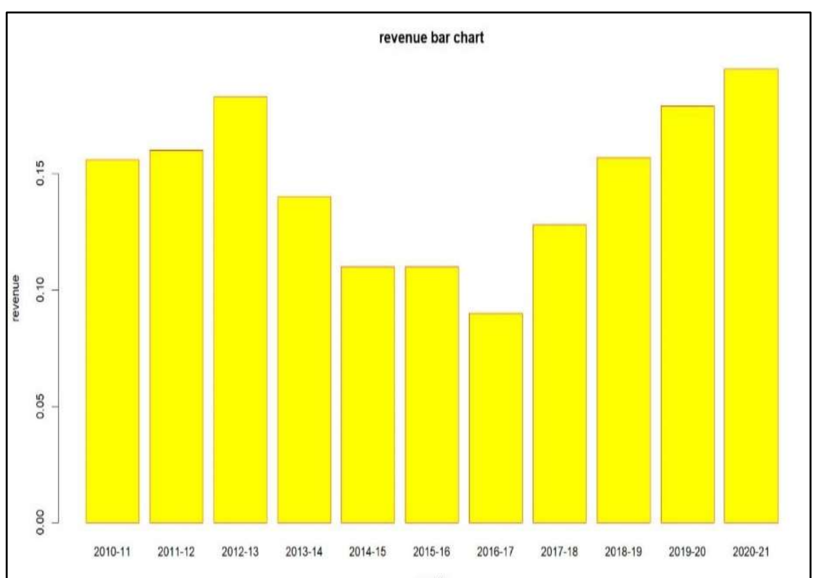


The number of days it takes to get cash or profit from inventory or sales.

- Here all years taking more days for an operating cycle, that means it affects the financial position of company by getting slow rate of income or profit.
- The year 2011 and from the year 2014 to 2020, take more than 300 days, then the company will be in financially low and struggle.

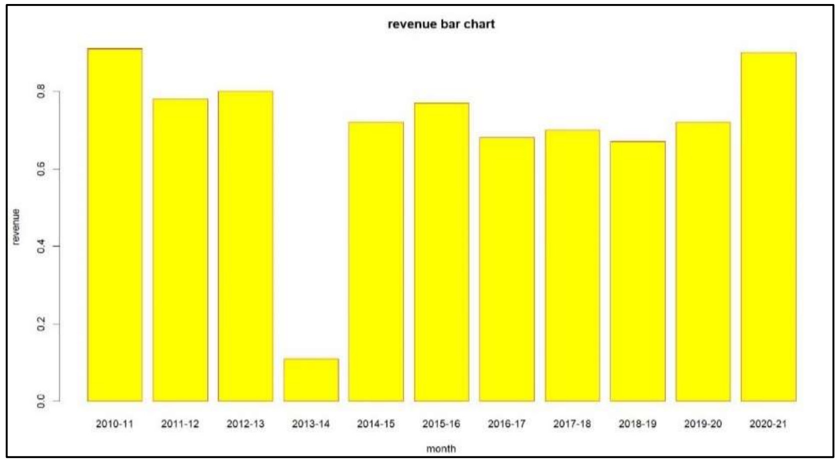
Profitability ratios
Profit margin from 2011 – 2021 graphical representation

In 2020, it is high means company has more cash available to distribute to shareholders or invest in new opportunities.In 2016 it is very low it can’t be able to maintain the company in that year Overall, it has average profit margin ratios, it is good enough to be a healthy company.



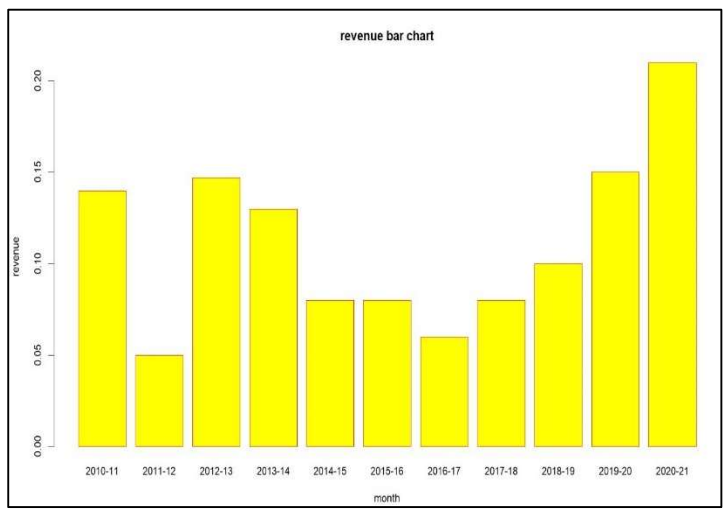
Asset from 2011 – 2021 graphical representation

- The ratio measures the efficiency of how well a company uses assets to produce sales.
- In the years 2010,2020 has higher ratio, it is favourable, as it indicates a more efficient use of assets.
- In the years 2013, it has very lower ratio indicates the company is not using its assets as efficiently.

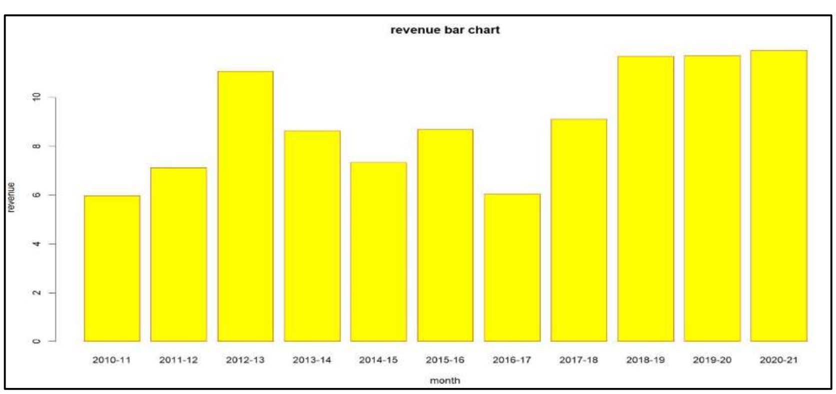


Return on Asset from 2011 – 2021 graphical representation

- The higher the ROA number, the better, because the company is able to earn more money with a smaller investment.
  - It has higher ROA in 2020, means more asset efficiency.
  - For the ten years it is low, so it effects the income of the company and its financial position, it must get a higher investment for earing income.
  - Because it has very low assets.



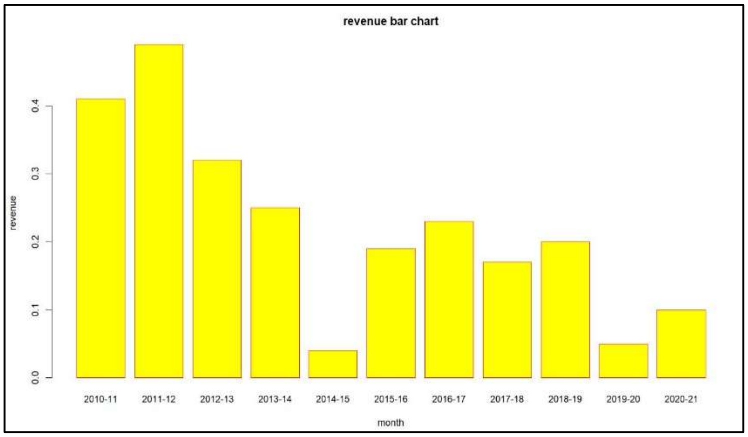
Return on Equity from 2011 – 2021 graphical representation



- Return on equity signifies how good the company is in generating returns on the investment it received from its shareholders.
- Investors generally prefer firms with higher ROEs. Initially it has low REOs but gradually it increases now it is good.
- From the years 2018 to 2020, it has a good return on equity.

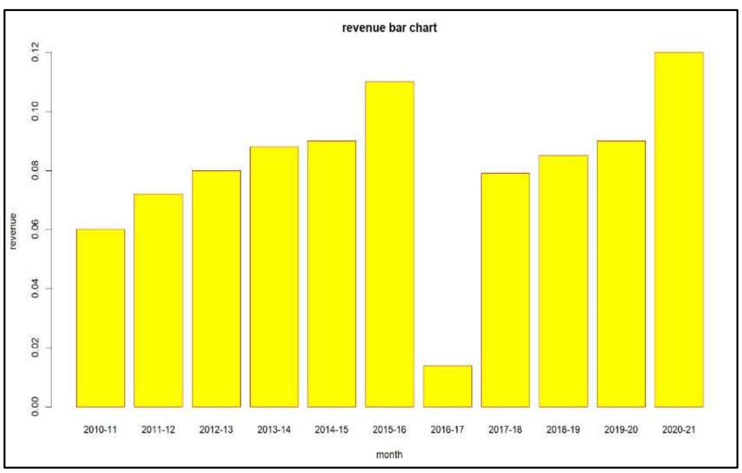
- A higher percentage indicates a company is more effective at generating profit from its existing assets. Likewise, a company that sees increases in its ROE over time is likely getting more efficient.

Debt to Equity ratio from 2011 – 2021 graphical representation



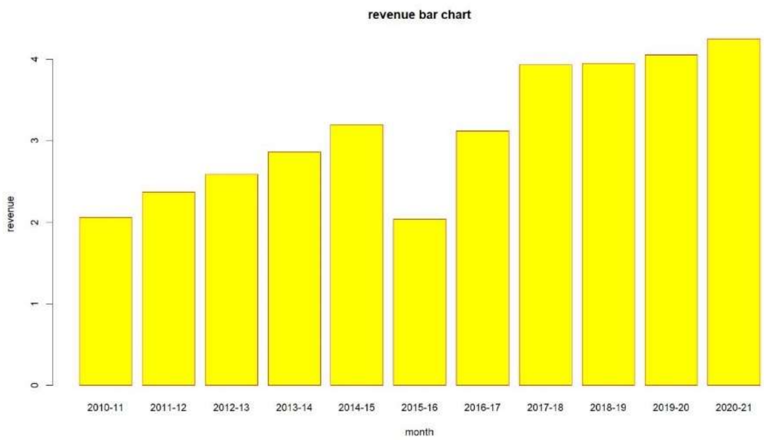
- In the years 2014,2019,2020 the value is very low, that means the company has more short-term debts than cash.
- In 2011, value is high means the company has enough cash to cover its debts.
- From the above graph, ratio is comparatively very low, lower debt to equity ratio means the company primarily relies on wholly-owned funds to leverage its finances

Solvency ratio from 2011 – 2021 graphical representation

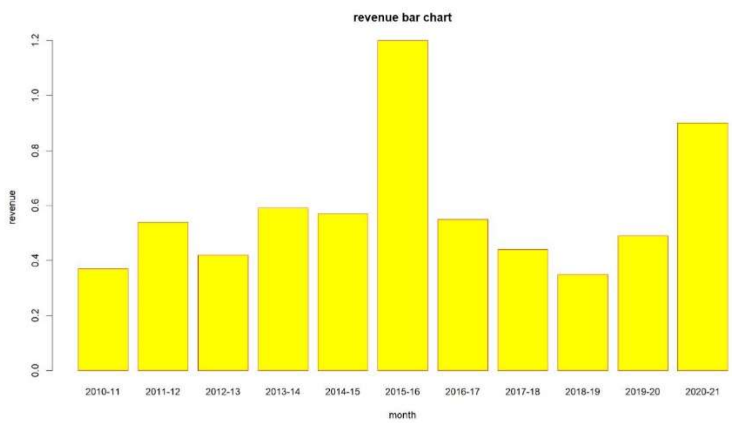


- It enables us to determine whether the company can meet its financial obligations in the long term.
- A high solvency ratio in the years 2015 and 2020 shows that a company can remain financially stable in the long term.
- After the year 2015, it has a great fall in the year 2016, but has a good increase from the year 2017. It has an ideal solvency ratio more than 20% it regarded as financially healthy so it is good enough.

Properietory ratio from 2011 – 2021 graphical representation



Fixed asset ratio from 2011 – 2021 graphical representation



3.DR REDDY'S RATIO ANALYSIS FROM THE YEAR 2012 TO2021

Company Analysis:

Qualitative analysis:

Business model: D r. Reddy's has a well-diversified business model, with operations in generic drugs, biosimilars, and proprietary products. This reduces the risk of dependence on a single product or product category. Research and development: The company has a strong focus on research and development, with high investments in this area. This shows the company's commitment to innovation and development of new products. Global presence: The company has operations in over 20 countries, which shows its strong global presence and diversified revenue streams.

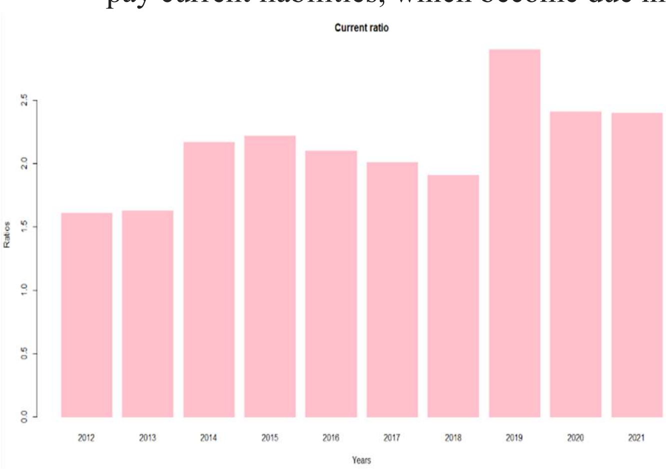
Quantitative analysis:

Dr. Reddy's Pharmaceuticals has a strong financial position, with good profitability and liquidity ratios. The company's moderate level of debt and strong interest coverage ratio also indicate a healthy financial position. Overall, D r. Reddy's Pharmaceuticals has shown consistent revenue and profitability growth over the past decade. The company has maintained a conservative approach towards debt financing and has consistently invested in R&D. These factors have helped the company to maintain a strong financial position and stay competitive in the global pharmaceutical market.

LIQUIDITY RATIOS:

Current Ratio:

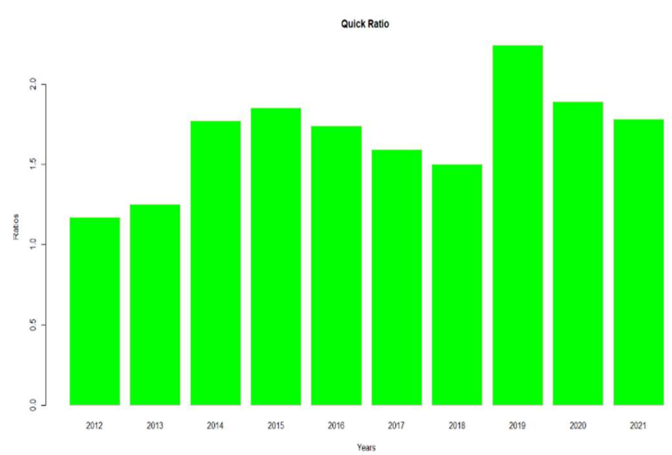
- The current ratio indicates the ability of a company to generate cash from current assets to pay current liabilities, which become due in the short term.



- A ideal current Ratio is 2:1 , if it is 1:1 then it is impossible to get profit.
- Except years 2012 and 2013 all having more than 2 and year 2019 has higher current ratio that says their financial position is better by getting more profit.
- The low current ratio is a direct sign of a high risk of bankruptcy, and too high would impact the profits adversely.

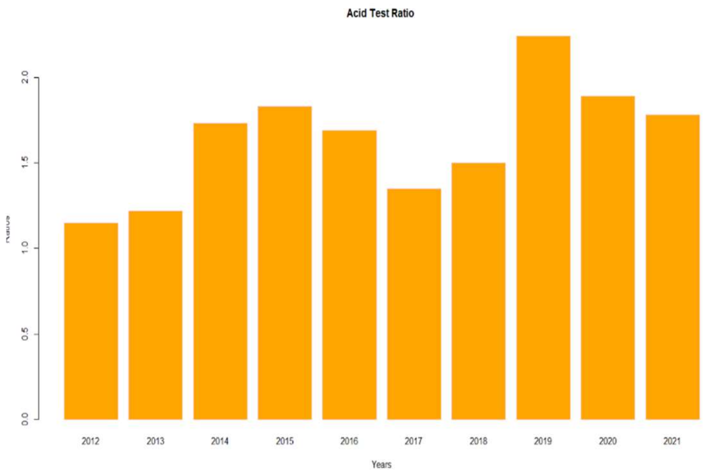
Quick Ratio:

- The quick ratio measures a company's capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing.
- The ideal standard ratio is 1: 1. Here all are above 1, so these are good enough.
- 2019 has higher ratio that can say that better a company's liquidity and financial health.



- In 2012,2013 it is low compared to remaining. The lower the ratio, the more likely the company will struggle with paying debts. But here it is ok because it is more than 1.

Acid test ratio:



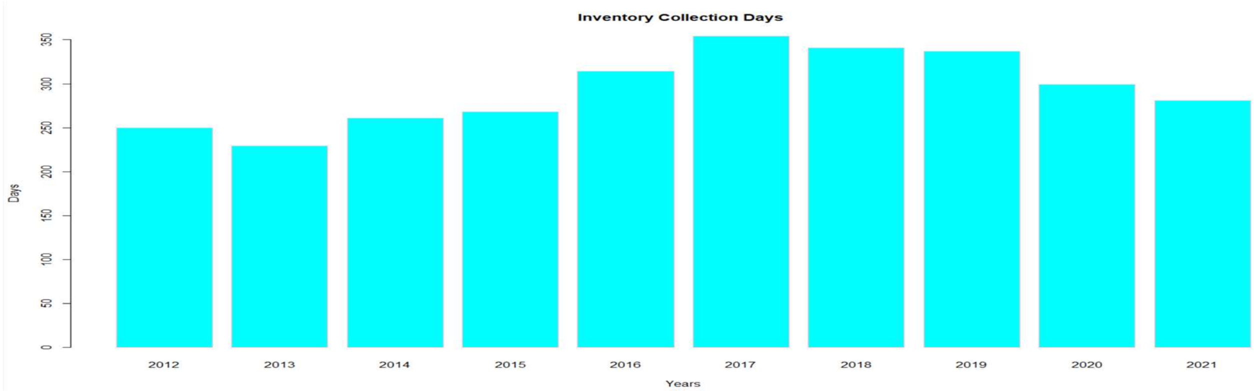
- An acid ratio test, same as a quick ratio, measures the ability of a company to use their short-term assets to cover their immediate liabilities.
- An acid test ration greater than 1 is considered healthy and is important for external stakeholders like creditors, lenders, investors and capitalists.
- So we can say from graph this company has good acidtest ratios. If a company has a ratio of less than 1, they cannot currently fully pay back its current liabilities.
- A high or increasing acid test ratio as in year 2019 indicates a company has faster inventory turnover and cash conversion cycles than the other years.

Inventory Turnover Ratio:

- Inventory turnover is important because it highlights how efficient a company is at converting inventory into final sales and cash.
- From year 2013 to 2017 the ratio is falling that means company holding more stock which will increases carriage costs. Profit will not come from this rate of inventory ratio.
- It is increasing from the 2017 to 2021, that means it will able to convert inventory and get profit in a little bit faster rate than remaining years.

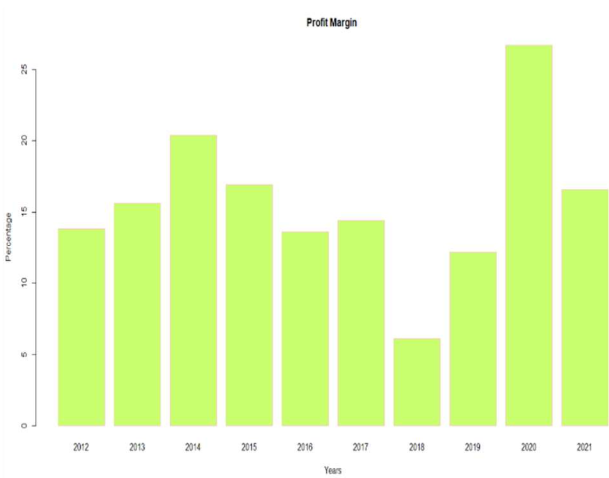
Inventory Collection Days:

- In number of days it takes to get cash or profit from inventory or sales.
- Here all years taking more days for an operating cycle, that means it affects the financial position of company by getting slow rate of income or profit.
- Year 2017 takes more than 300 days then company will be in financially low and struggle.



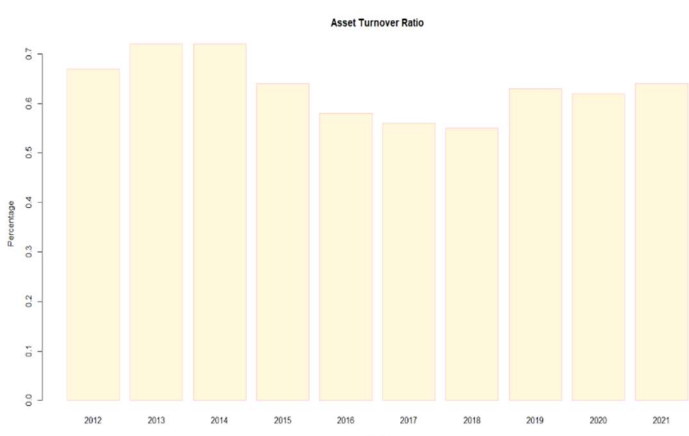
Profitability Ratio:

Profit Margin:



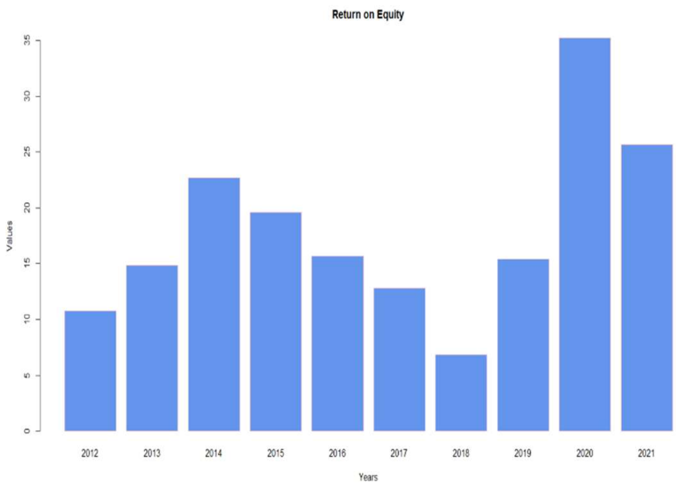
- In 2020, it is high means company has more cash available to distribute to shareholders or invest in new opportunities.
- In 2018 it is very low it can't be able to maintain the company
- In that year
- Overall, it has average profit margin ratios, it is good enough to be a healthy company.

Asset Turnover Ratio:



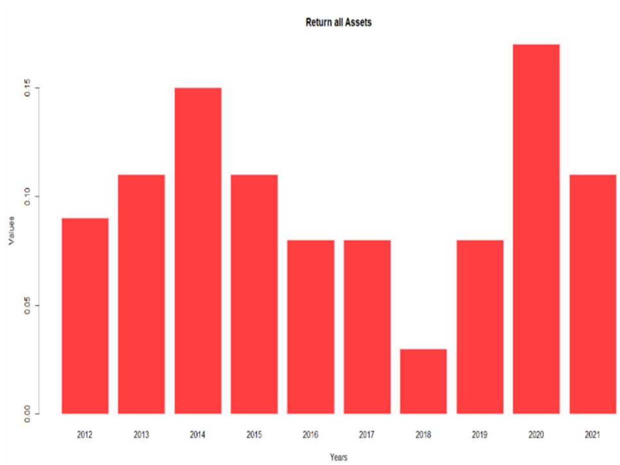
- The ratio measures the efficiency of how well a company uses assets to produce sales.
- In the years 2013,2014 has higher ratio, it is favourable, as it indicates a more efficient use of assets.
- In the years 2017,2018 it has slightly lower ratio indicates the company is not using its assets as efficiently.

Return on Equity:



- ➢ Return on equity signifies how good the company is in generating returns on the investment it received from its shareholders.
- ➢ Investors generally prefer firms with higher ROEs. Initially it has low REOs but gradually it increases now it is good.
- ➢ A higher percentage indicates a company is more effective at generating profit from its existing assets. Likewise, a company that sees increases in its ROE over time is likely getting more efficient.

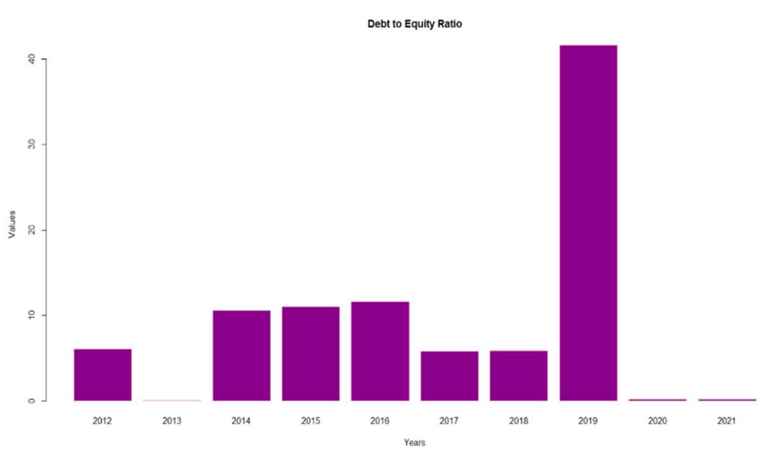
Return on Assets:



- ➢ The higher the ROA number, the better, because the company is able to earn more money with a smaller investment.
- ➢ It has higher ROA in 2020, means more asset efficiency.
- ➢ For the ten years it is low so it effects the income of the company and its financial position, it must get a higher investment for earing income.
- ➢ Because it has very low assets.

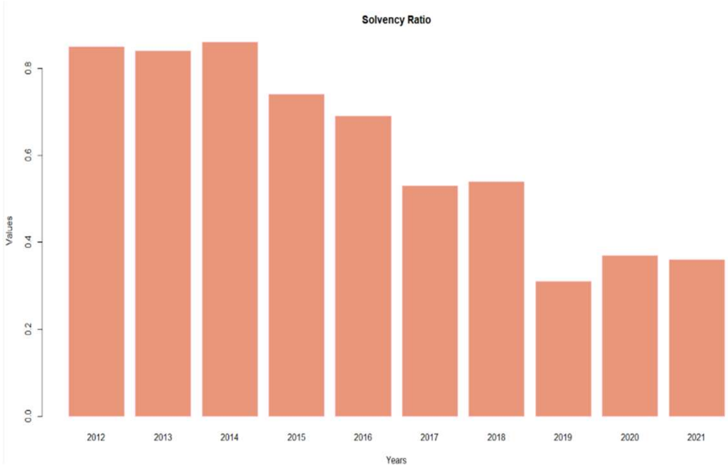
SOLVENCY RATIOS:

Debt to Equity Ratio:



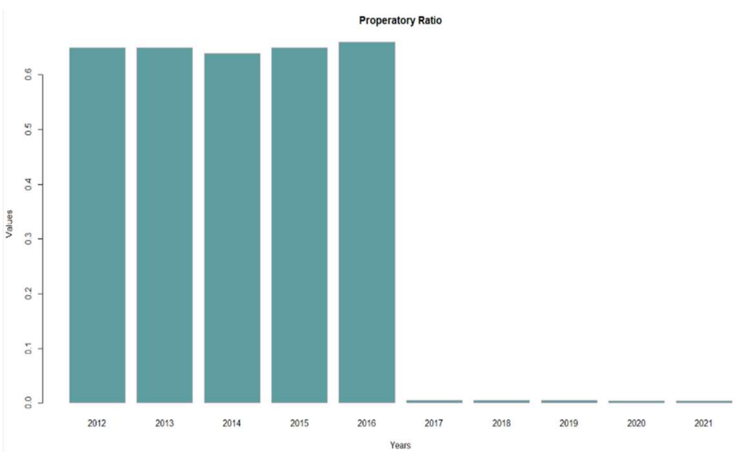
- ➢ In 2013,2021,2022 value is below 1 that means the company has more short-term debts than cash.
- ➢ In 2019 value is high means the company has enough cash to cover its debts.
- ➢ From the below graph ratio is comparitivly very low , lower debt to equity ratio means the company primarily relies on wholly-owned funds to leverage its finances

Solvency Ratio:



- It enables us to determine whether the company can meet its financial obligations in the long term.
- A high solvency ratio in the year 2012 to 2016 shows that a company can remain financially stable in the long term.
- After that it is falling, but a ideal solvency ratio more than 20% it regarded as financially healthy so it is good enough.

Properietory Ratio:

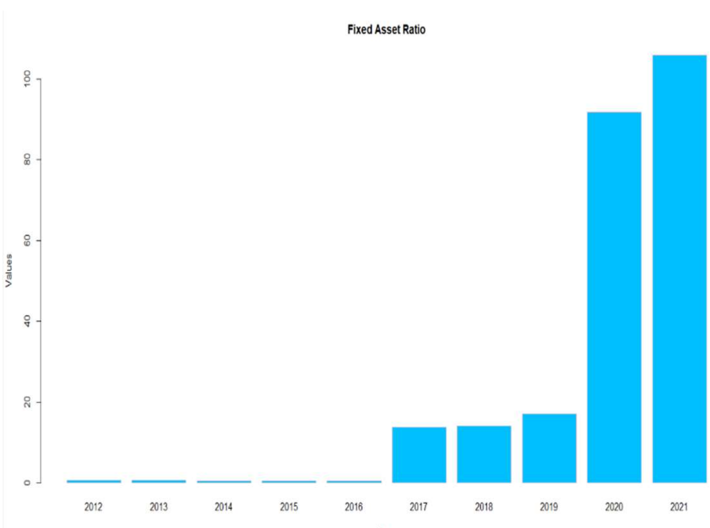


In the first 5 years, it has A high proprietary ratio indicates that a business is in a strong position and provides relief to creditors.

After that graph is suddenly fall-down for the next 5 years, it shows the dependence of the company on the debt financing in order to run its business.

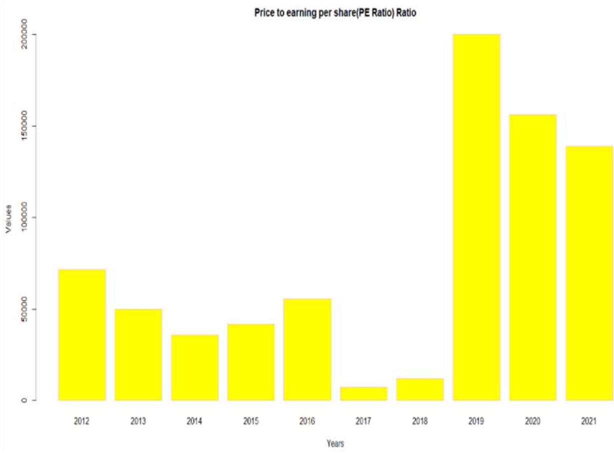
It also indicates that creditors will lose interest for providing finance to such a company. Interest rates will become high and there is also a high risk of bankruptcy.

Fixed Asset Ratio



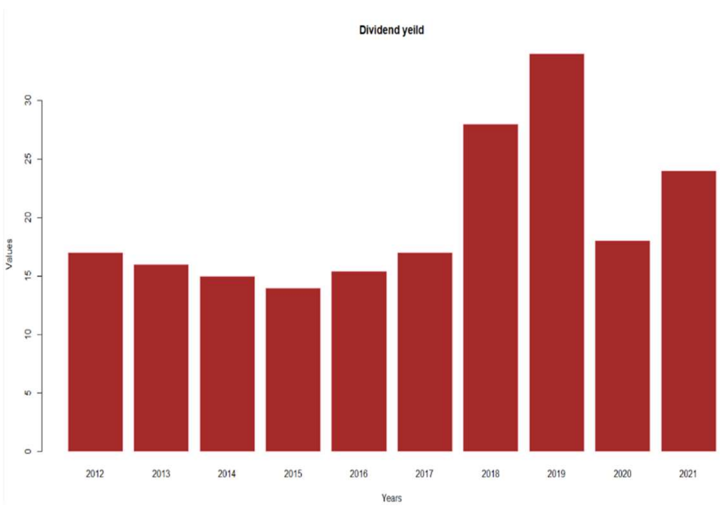
- The fixed asset turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets
- For the year 2020 and 2021, it has higher ratio implies that management is using its fixed assets more effectively.
- If it is very less like as the years 2012 to 2016, it's not good for the company as the total assets cannot produce enough revenue at the end of the year.

PE Ratio:



- The PE ratio is very useful in making investment decisions.
- As the years 2019,2020,2021 has high PE means that a stock is expensive and its price may fall in the future.
- As the years 2017 and 2018 has low PE means that a stock is cheap and its price may rise in the future.

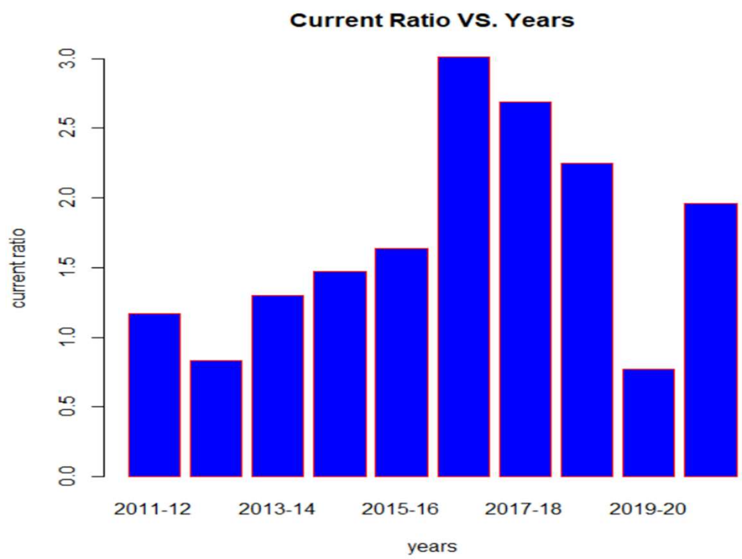
Dividend Yield:



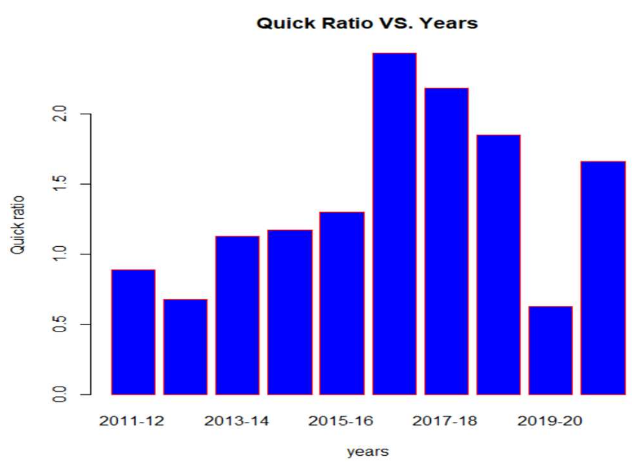
- This represents the risk inherently involved in investing in the company.
- For the year 2019 has high dividend yield stocks that indicate how much a firm pays out in dividends about its market share price each year.
- Good dividend yields from 2 to 6 percent ,from the graph we can tell that company is in good state.

4.GLENMARK

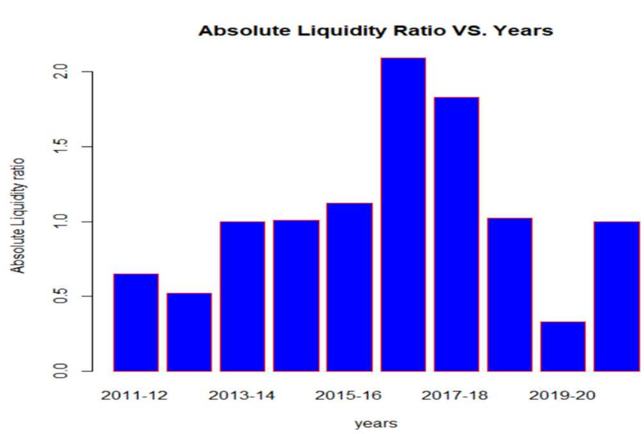
LIQUIDITY:



- The current ratio indicates the ability of a company to generate cash from current assets to pay current liabilities, which become due in the short term.
- A ideal current Ratio is 2:1 ,if it is 1:1 then it is impossible to get profit.
- Years 2017,2018,2019 and 2021 having more than 2 and year 2017 has higher current ratio that says their financial position is better by getting more profit.
- The low current ratio is a direct sign of a high risk of bankruptcy, and too high would impact the profits adversely.

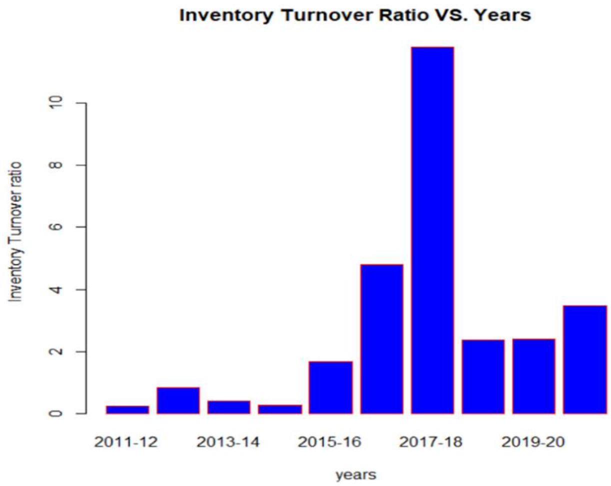


- The quick ratio measures a company's capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing.
- The ideal standard ratio is 1: 1. Here all are above 1, so these are good enough.
- 2017 has higher ratio that can say that better a company's liquidity and financial health.
- In 2013,2020 it is low compared to remaining. The lower the ratio, the more likely the company will struggle with paying debts. But here it is ok because it is more than 1.



- An acid ratio test, same as a quick ratio, measures the ability of a company to use their short-term assets to cover their immediate liabilities.
- An acid test ration greater than 1 is considered healthy and is important for external stakeholders like creditors, lenders, investors and capitalists.
- So we can say from graph this company has good acit test ratios. If a company has a ratio of less than 1, they cannot currently fully pay back its current liabilities.

- A high or increasing acid test ratio as in year 2017 indicates a company has faster inventory turnover and cash conversion cycles than the other years.



- Inventory turnover is important because it highlights how efficient a company is at converting inventory into final sales and cash.
- From year 2018 to 2021 the ratio is falling that means company holding more stock which will increases carriage costs. Profit will not come from this rate of inventory ratio.
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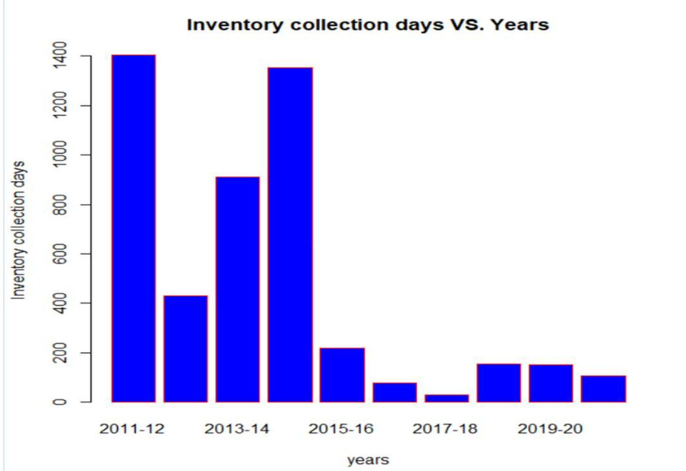
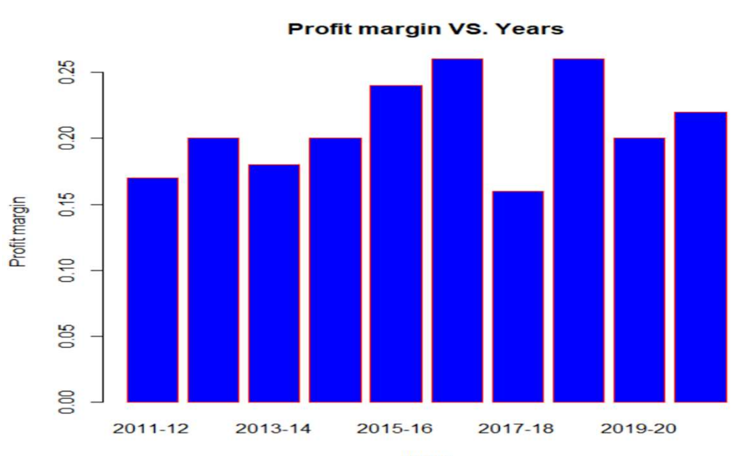
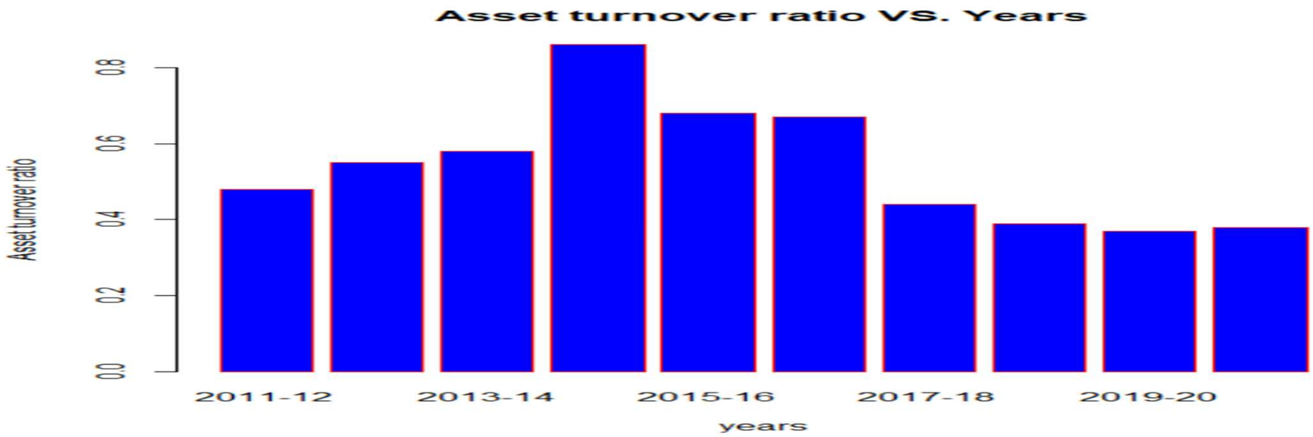


- In number of days it takes to get cash or profit from inventory or sales.
- Here all years taking more days for an operating cycle ,that means it affects the financial position of company by getting slow rate of income or profit.
- Until Year 2015 takes more than 300 days then company will be in financially low and struggle.



- In 2017 and 2019, it is high means company has more cash available to distribute to shareholders or invest in new opportunities.
- In 2018 it is very low it can't be able to maintain the company
- In that year, overall it has average profit margin ratios, it is good enough to be a healthy company.



- The ratio measures the efficiency of how well a company uses assets to produce sales.
- In the year 2015, has higher ratio, it is favourable, as it indicates a more efficient use of assets.
- In the years 2018,2019,2020 and 2021 it has slightly lower ratio indicates the company is not using its assets as efficiently.

- The higher the ROA number, the better, because the company is able to earn more money with a smaller investment.
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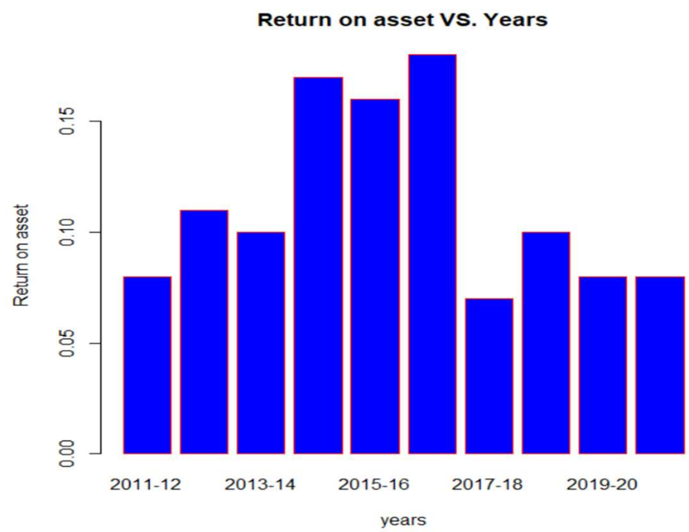
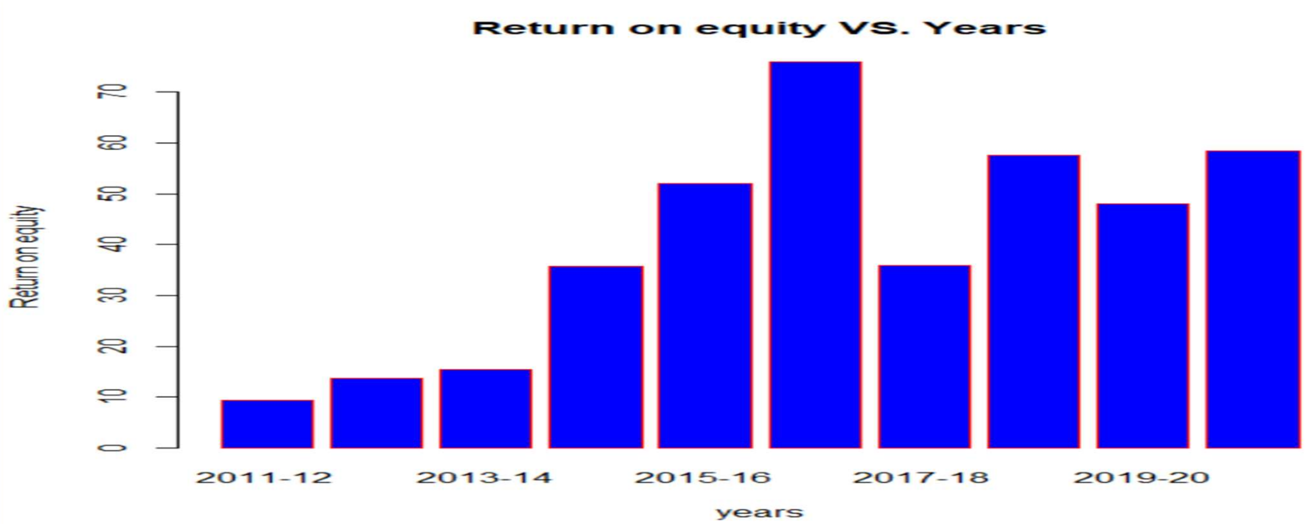
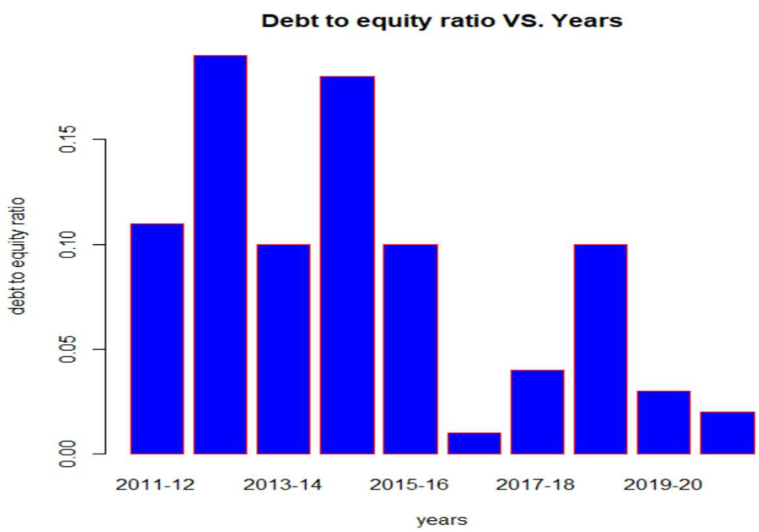




- Return on equity signifies how good the company is in generating returns on the investment it received from its shareholders.
- Investors generally prefer firms with higher ROEs. Initially it has low REOs but gradually it increases now it is good.
- A higher percentage indicates a company is more effective at generating profit from its existing assets. Likewise, a company that sees increases in its ROE over time is likely getting more efficient.



- In 2017, 2018, 2020, 2021 value is below 1 that means the company has more short-term debts than cash.
- In 2013 value is high means the company has enough cash to cover its debts.
- From the beow graph ratio is comparitively vey low , lower debt to equity ratio means the company primarily relies on wholly-owned funds to leverage its finances

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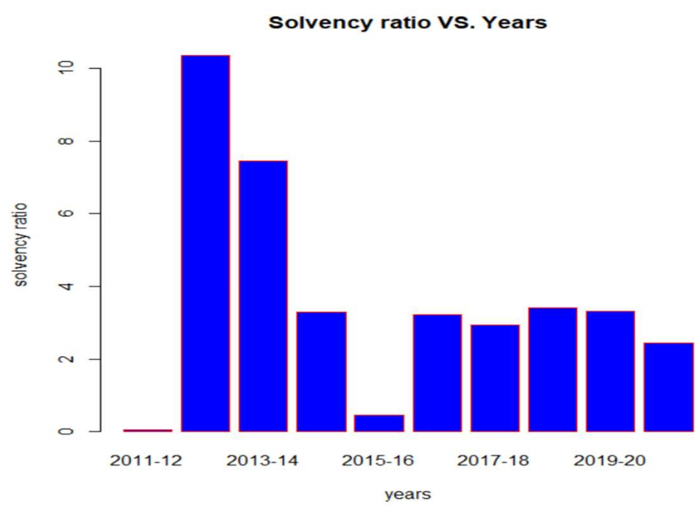
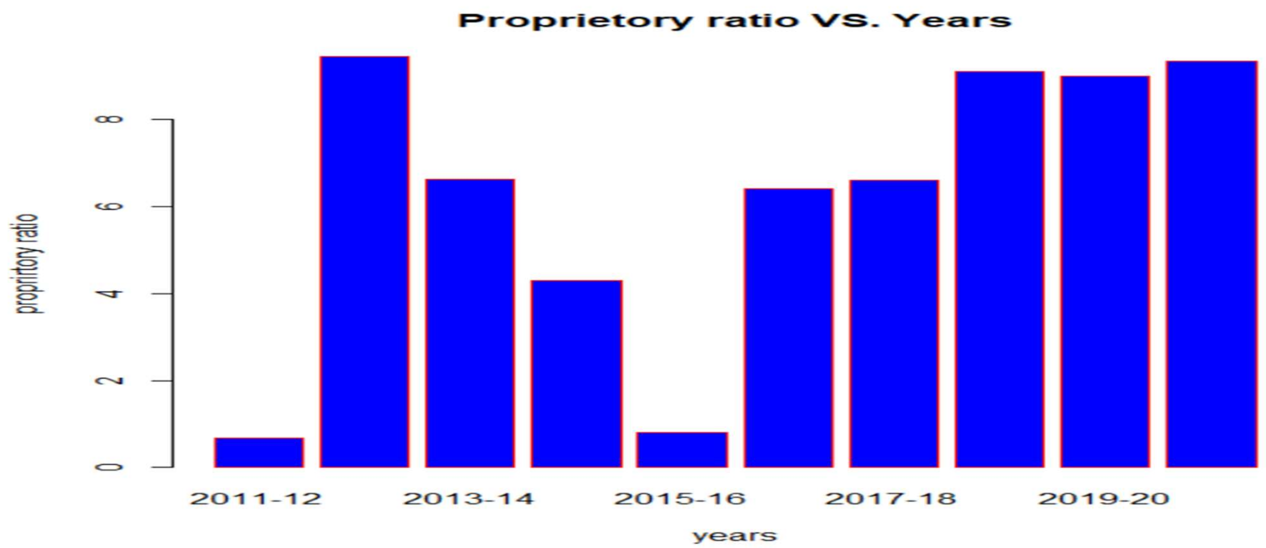
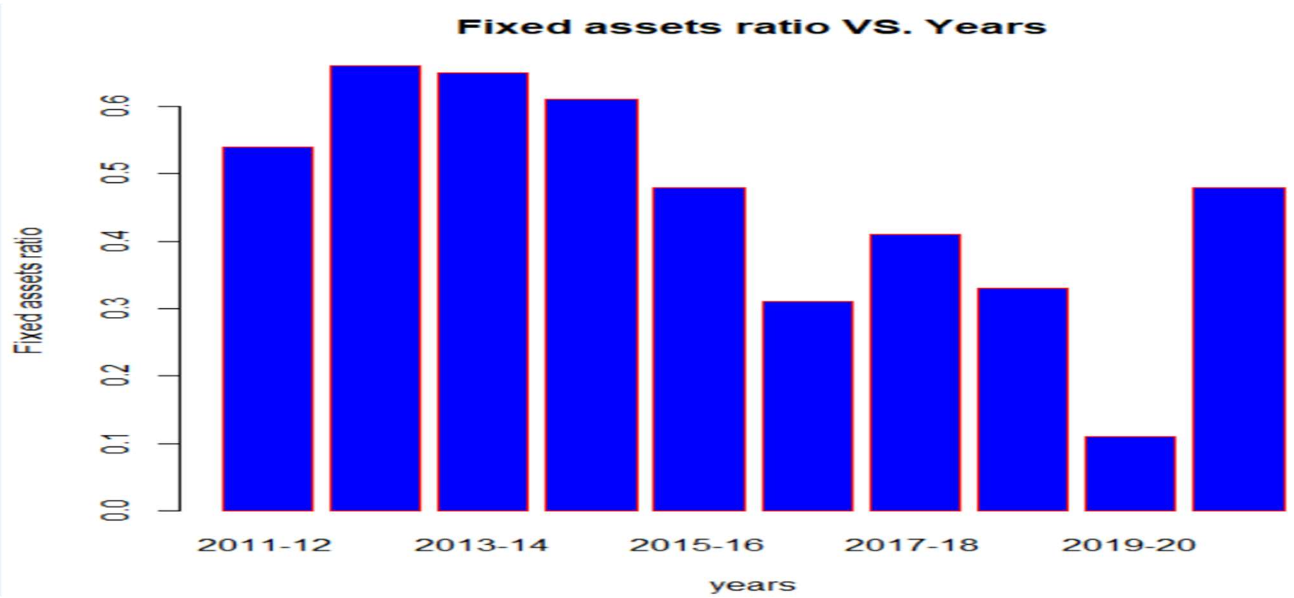



Proprietory ratio VS. Years
proprirtory ratio
0
2
4
6
8
2011-12
2013-14
2015-16
2017-18
2019-20
years

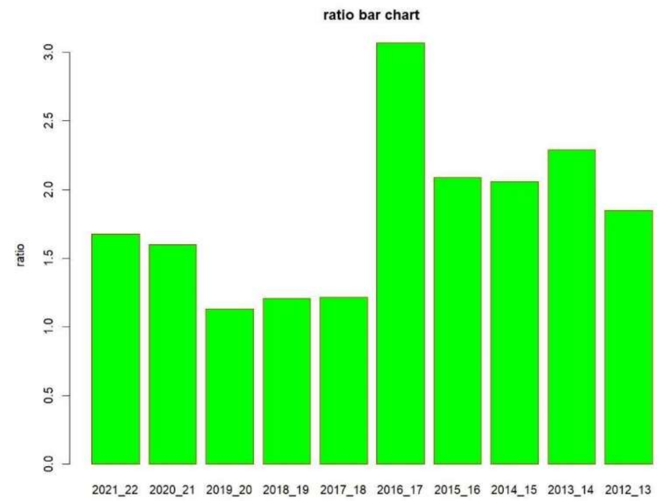

Fixed assets ratio VS. Years
Fixed assets ratio
0.0
0.1
0.2
0.3
0.4
0.5
0.6
2011-12
2013-14
2015-16
2017-18
2019-20
years

5.TORRENT PHARMACEUTICALS

LIQUIDITY RATIOS:

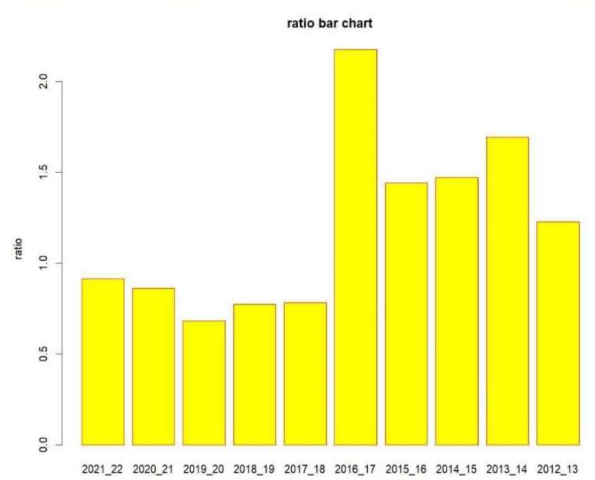
Current Ratio:

- The current ratio indicates the ability of a company to generate cash from current assets to pay current liabilities, which become due in the short term.
- A ideal current Ratio is 2:1, if it is 1:1 then it is impossible to get profit.
- In the year 2016-17 get highest current ratio. All the years it shows some what better, but crossing 2:1 in 4 years
- The low current ratio is a direct sign of a high risk of bankruptcy, and too high would impact the profits adversely.

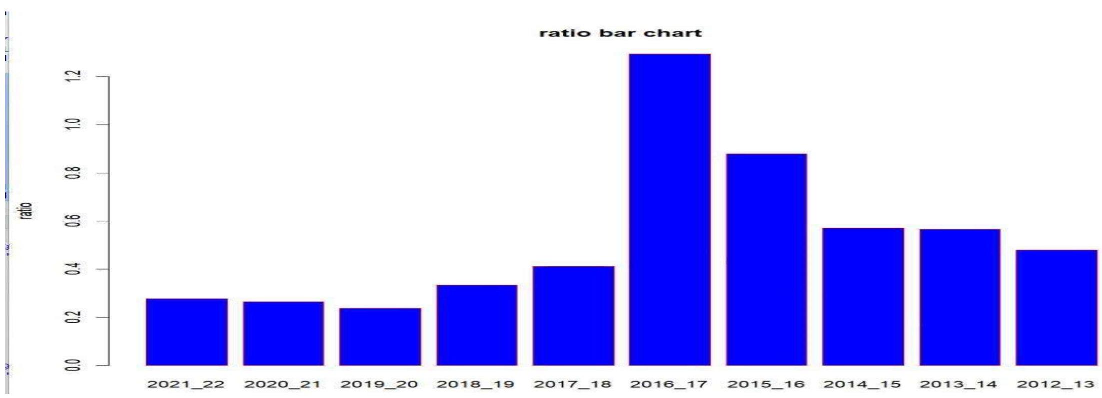


Quick Ratio:

- The quick ratio measures a company's capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing.
- The ideal standard ratio is 1: 1. Here all are above 1, so these are good enough.
- 2016-17 has higher ratio that can say that better a company's liquidity and financial health.
- In 2019-20,2018-19,2017-18 it is low compared to remaining. The lower the ratio, the more likely the company will struggle with paying debts.



Acid test ratio :



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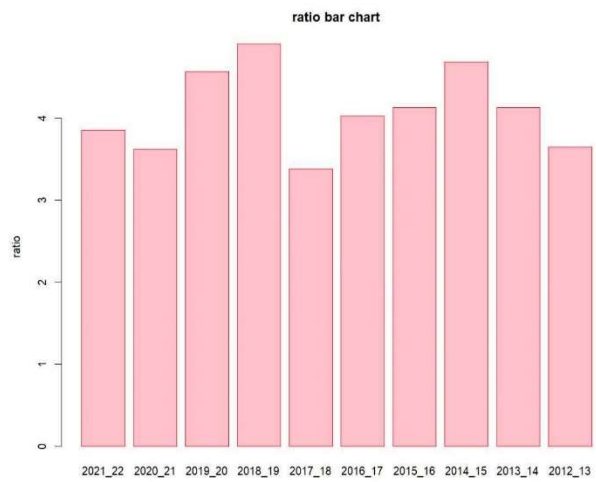
A high or increasing acid test ratio as in year 2016-17 indicates a company has faster inventory turnover and cash conversion cycles than the other years.

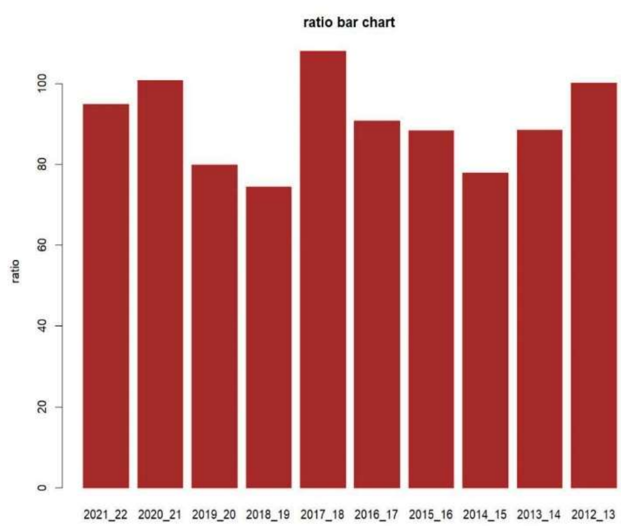
Inventory Turnover Ratio:

- Inventory turnover is important because it highlights how efficient a company is at converting inventory into final sales and cash.
- From the graph we can say that inventory turn over ratio is good and the company is good in converting inventories to cash in the year 2018-19
- It is increasing and decreasing in specific years but not sudden decreases



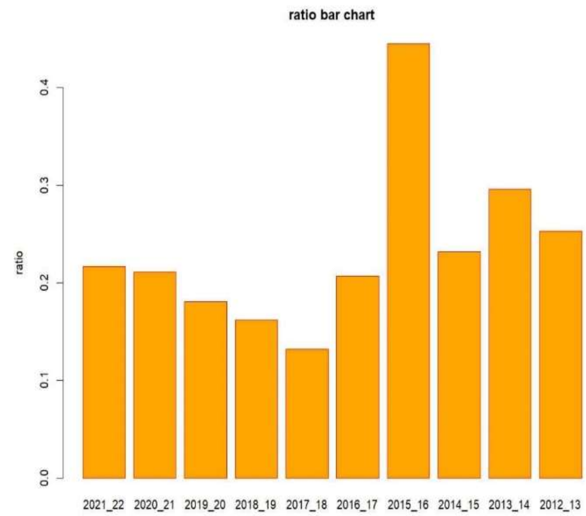
Inventory Collection on Days:

- In number of days it takes to get cash or profit from inventory or sales.
- Here all years taking less days for an opera ng cycle ,that means it affects the financial position of company by going fast rate of income or profit.
- Year 2017_18 takes more than 108 days then company will be in financially low and struggle., All the years, the company can complete operating cycle within 108 days



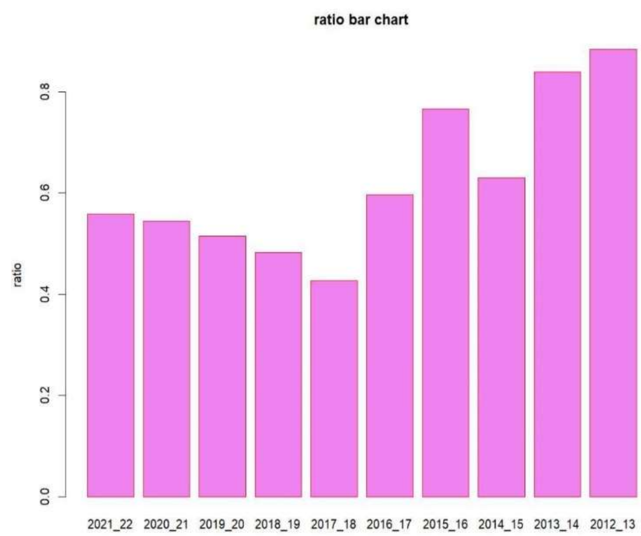
Profitability Ratio:

Profit Margin:



- In 2015-16 ,it is high means company has more cash available to distribute to shareholders or invest in new opportuni es.
- In 2017-18 it is very low it cant be able to maintain the company.
- In that year Overall, it has average profit margin ratios,it is good enough to be a healthy company

Asset Turnover Ratio:



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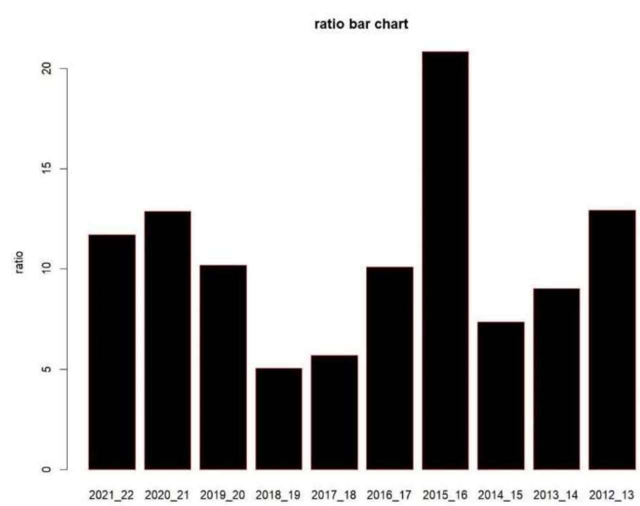
Return on Equity :



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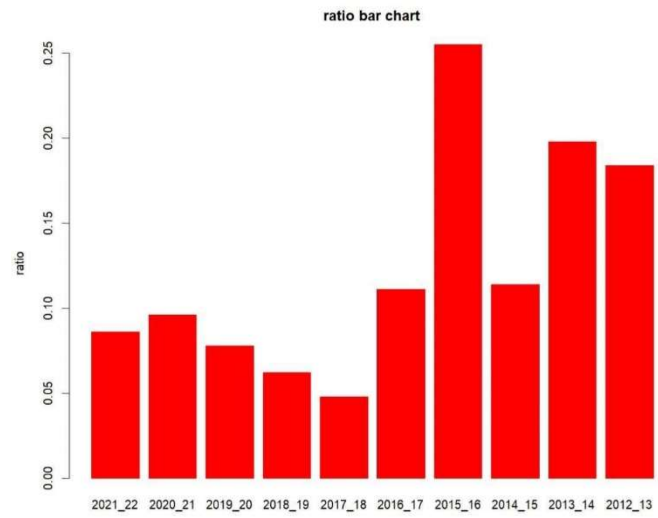
- A higher percentage indicates a company is more effective at generating profit from its existing assets. Likewise, a company that sees increases in its ROE over time is likely getting more efficient.

Return on Assets:

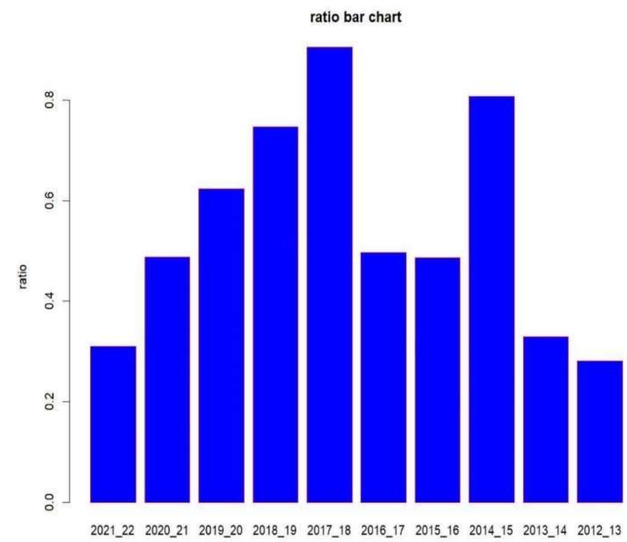


- The higher the ROA number, the better, because the company is able to earn more money with a smaller investment.
- It has higher ROA in 2015-16 ,means more asset efficiency.
- For the ten years it is low so it effects the income of the company and its financial posi on, it must get a higher investment for earing income.
- For initial five years it earn more profit with less assets, but a er it started sudden fall down ,Because it has very low assets.

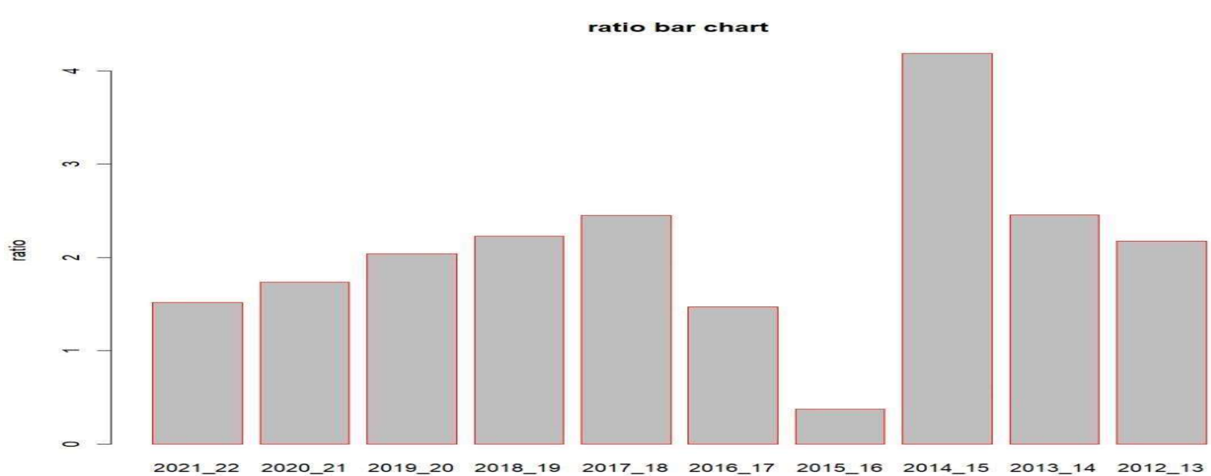
SOLVENCY RATIOS:

Debt to Equity Ratio:

- ALL the years value is below 1 that means the company has more shortterm debts than cash.
- In 2019 value is high, but the company has enough cash to cover its debts

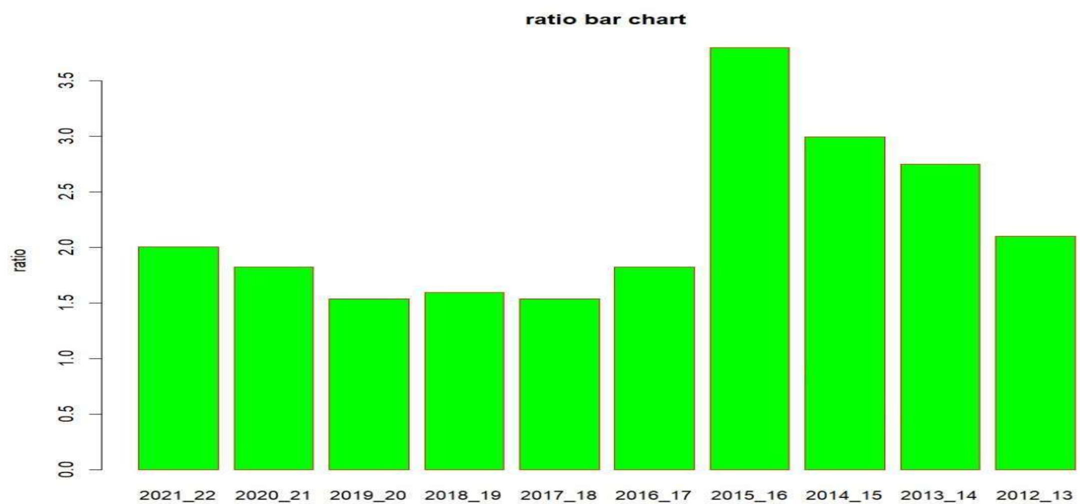


Solvency Ratio:



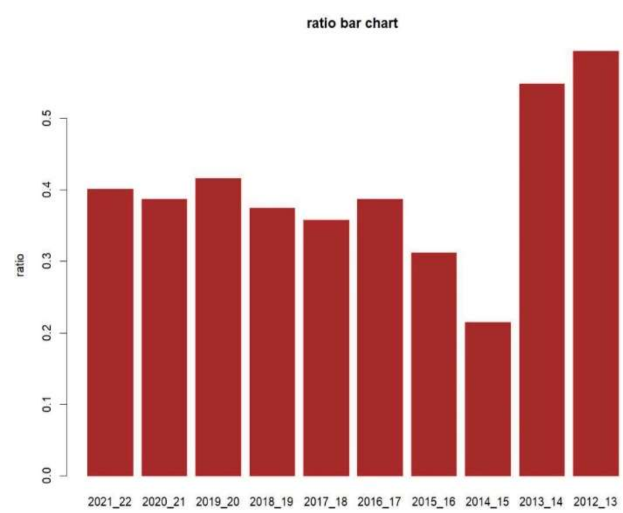
- o It enables us to determine whether the company can meet its financial obligations in the long term.
  - A high solvency ratio in the year 2014-15 shows that a company can remain
  - financially stable in the long term.
  - After that it is falling, but a ideal solvency ratio more than 20% it regarded as
  - financially healthy so it is good enough.

Propratory Ratio:



FIXED ASSET RATIO:

The fixed asset ra o is a financial ra o used to measure a company's ability to finance its fixed assets, such as property, plant, and equipment, through long-term financing. It is calculated by dividing a company's fixed assets by its long-term liabili es.

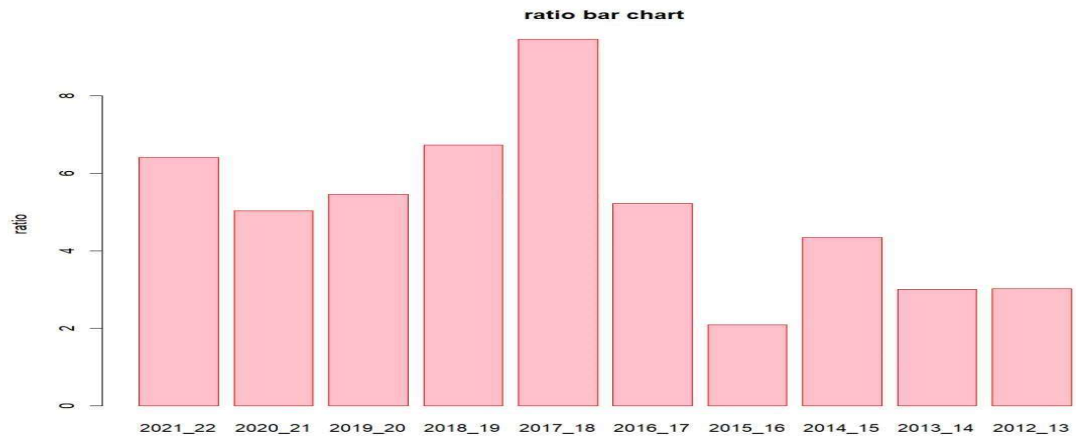


A high fixed asset ra o indicates that a company has a larger propor on of its fixed assets financed through long-term debt. This can be an indica on of a company's financial stability, as it implies that the company has a stable source of long-term financing to support its fixed assets.

- Here all ra os are below 1 so it shows fixed that less performance of the company and management of assets

MARKET RELATED RATIOS

P/E RATIO



The P/E ratio, or price-to-earnings ratio, is a financial metric used to evaluate the values on of a company's stock. It is calculated by dividing the current market price of a company's stock by its earnings per share (EPS) over the last twelve months.

A high P/E ratio indicates that investors are willing to pay a premium for each dollar of the company's earnings, which may be a sign that the market has high expectations for the company's future growth potential. On the other hand, a low P/E ratio suggests that the market has lower expectations for the company's future growth potential.

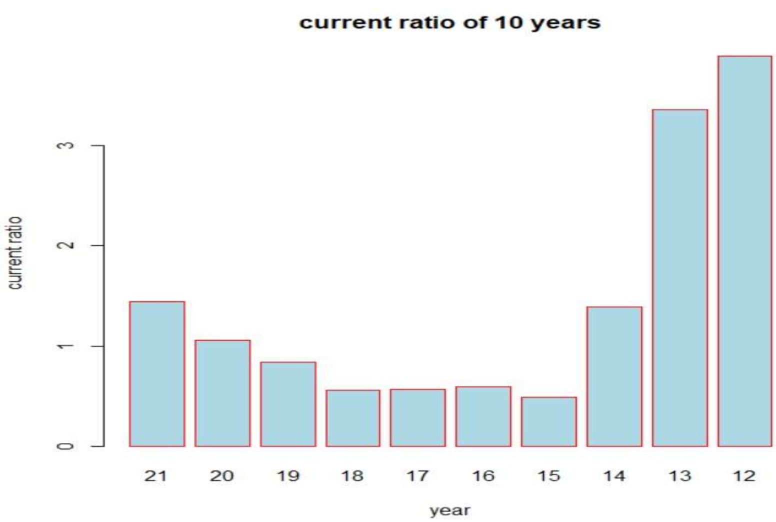
- High p/e ratio is not good in 2017-18 the p/e ratio is high and 2015-16 it is very less

6.SUN PHARMACEUTICALS

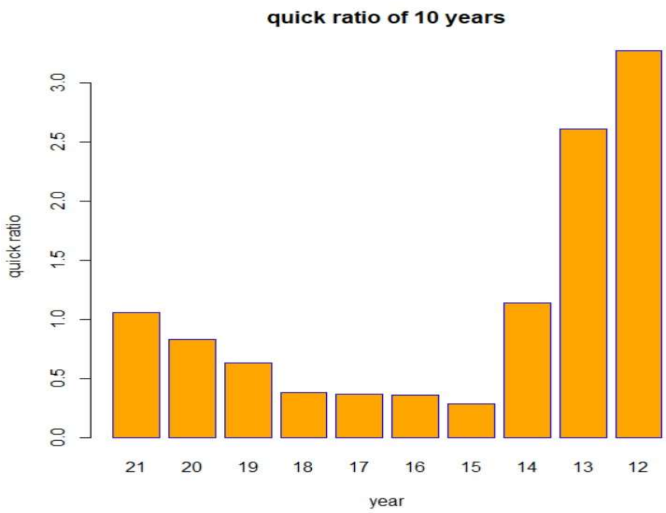
COMPANY ANALYSIS OF SUN PHARMACEUTICALS:

On using SWOT Analysis,
STRENGHTS: Even though most players in the Healthcare strive to innovate, Sun Pharma has successful record at consumer driven innovation. Sun Pharma has ventured into various businesses outside the Healthcare sector. This has enabled the company do develop a diversified revenue stream. Sun Pharma products have strong brand recognition in the Biotechnology & Drugs industry.
WEAKNESS: Internet and Artificial Intelligence has significantly altered the business model decreasing significance of the dealer network. Competitiveness in the Biotechnology & Drugs industry is putting downward pressure on the profitability.
OPPORTUNITIES: Increasing adoption of online services by customers will also enable Sun Pharma to provide new offerings to the customers in Biotechnology & Drugs industry. Tie-up with local players can also provide opportunities of growth for the Sun Pharma in international markets. Accelerated technological innovations and advances are improving industrial productivity, allowing suppliers to manufacture vast array of products and services.
THREATS: Trade Relation between US and China can affect Sun Pharma growth plans. the large customer base of Sun Pharma can't respond quickly to the needs of the niche markets that disruptors are focusing on. Tie-up with the local players in the export market for Sun Pharma is threat of losing IPR

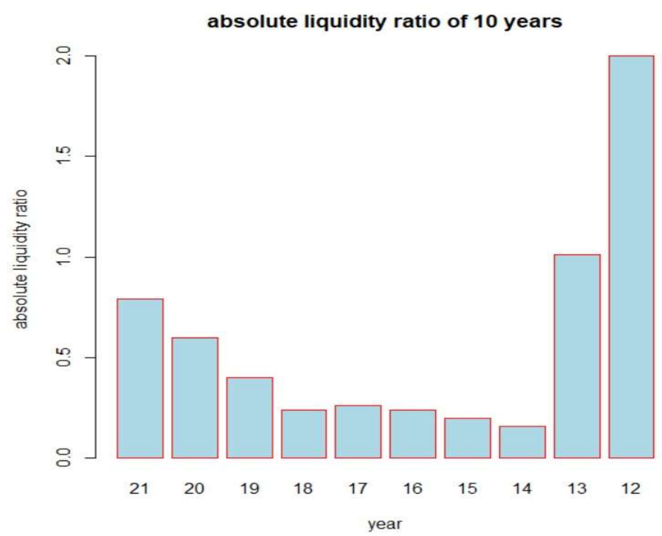
LIQUIDITY RATIOS:



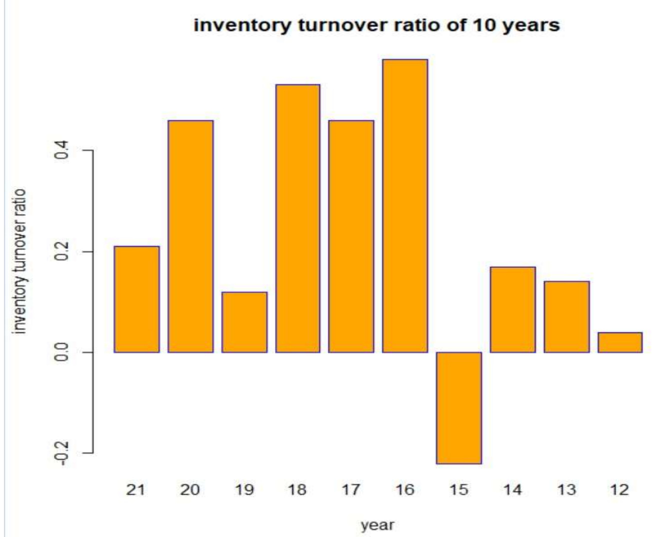
The current ratio indicates the ability of a company to generate cash from current assets to pay its current liabilities. The ideal current ratio is 2:1, if it is 1:1 then it is impossible to get the profit. In the year 2020-2021, 2013-2014, 2012-2013, 2011-2012 are the years which are ease in clearing the debts and liabilities. From 2015 to 2019 the company was in its worst situation that is facing difficulty in paying the debts and liabilities.



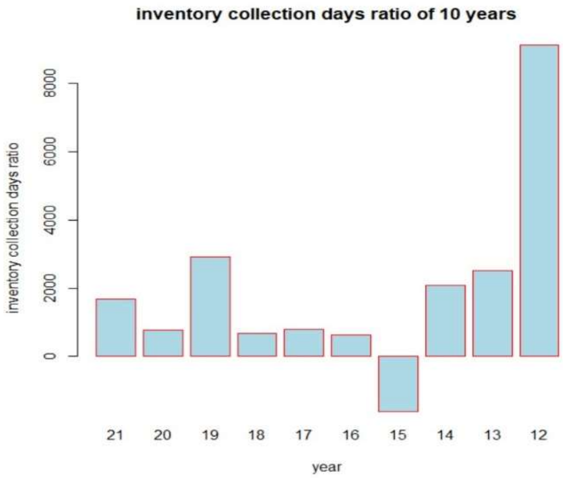
The Quick ratio measures a companys capacity to pay its current liabilities without any need in selling the inventory or by any additional financing. The ideal ratio is 1:1 that is the years with equal or above 1 are good. In the years 2020-2021 , 2013-2014, 2012-2013, 2011-2012 the company has sufficient liquid assets to satisfy its short term obligations. From 2015 to 2020 it had less than 1 which is not a good sign.



An absolute liquidity ratio test, same as a quick ratio, measures the ability of a company to use their short-term assets to cover their immediate liabilities. If it is greater than 1 is considered healthy and it is important for external stakeholders like creditors, lenders, investors and capitalists. In the years 2013, 2012 the company has faster inventor and cash conversion cycles compared to other years.

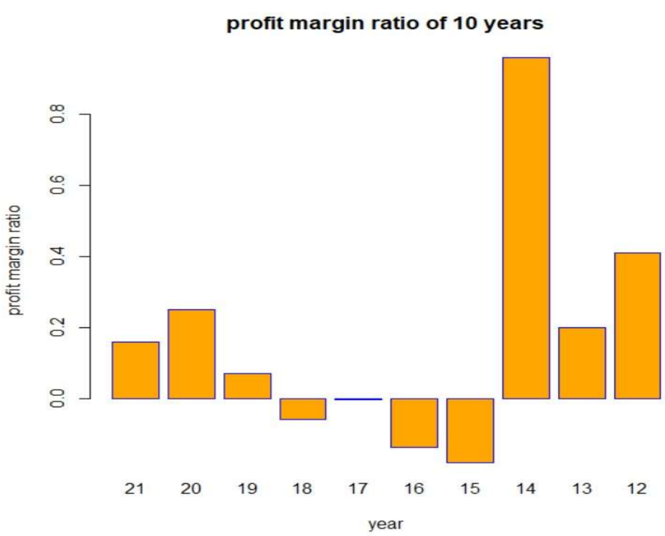


Inventory turnover is important because it highlights how efficient a company is at converting inventory into final sales and cash. The higher the ratio tends to point of strong sales and the lower to weak sales respectively. The company has strong sales in the year 2016, which implies the company sold its entire inventory 0.581 times in a given period and weak sales in the year 2015.

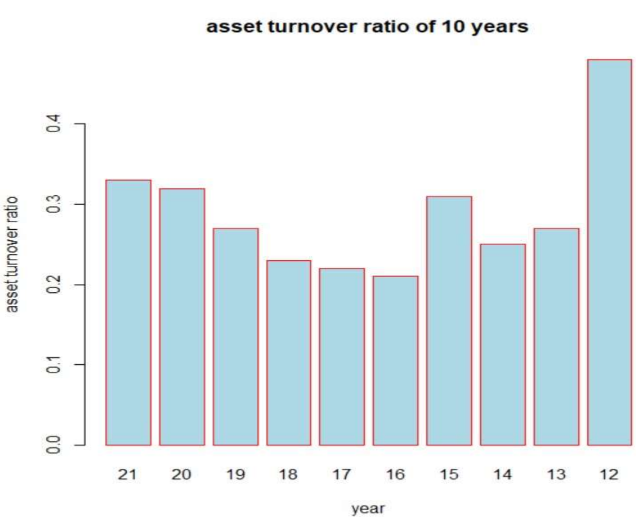


The number of days it takes to get cash or profit from inventory or the sales. The year 2012 is taking maximum days for conversion and to get profit it greatly effect the company's financial position.

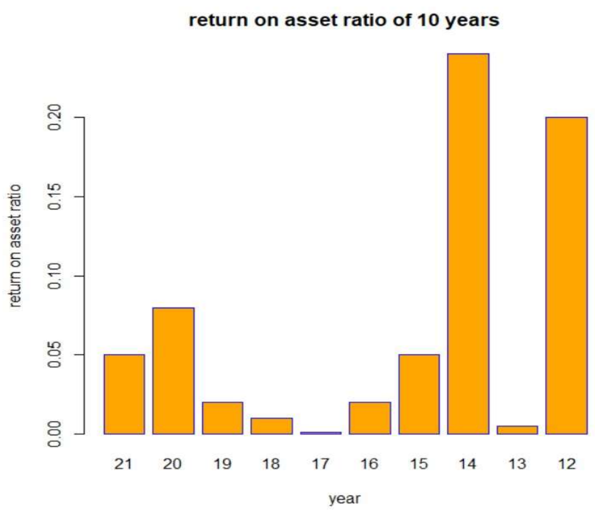
PROFITABILITY RATIO:



In the year 2014 the company saw the highest profit. Also, the company had been in the losses from 2015 to 218 where in the year 2017 it is neutral with no profit and loss.

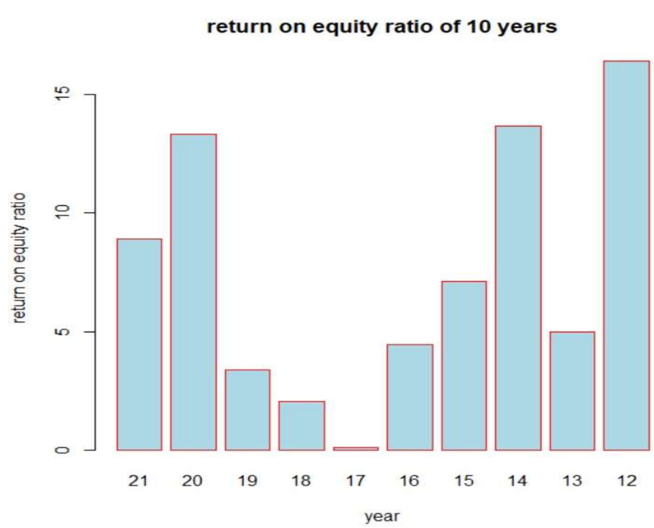


Asset turnover ratio measures the firm's efficiency in utilizing its assets indates how many times assets are turned over in a period to generate sales. In the year 2012 the company recorded the highest asset turnover that is 0.48 and the least utilization of assets is in 2016.

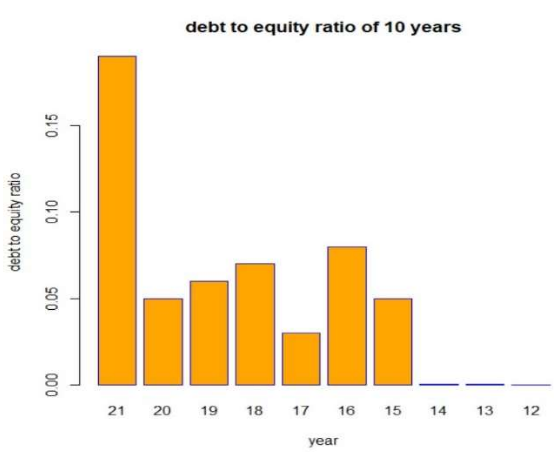


The higher the Return on asset the better is the companies performance. If it is around 5% it is better but from the above graph ratios are less than 1% hence it effects very badly.

The ideal ratio is around 15% to 20%. The ratio measures finacial performance calculated by dividing net income and shareholders equity. In the year 2012 the company crossed 15% that is its return on equity are good when compared to other years.

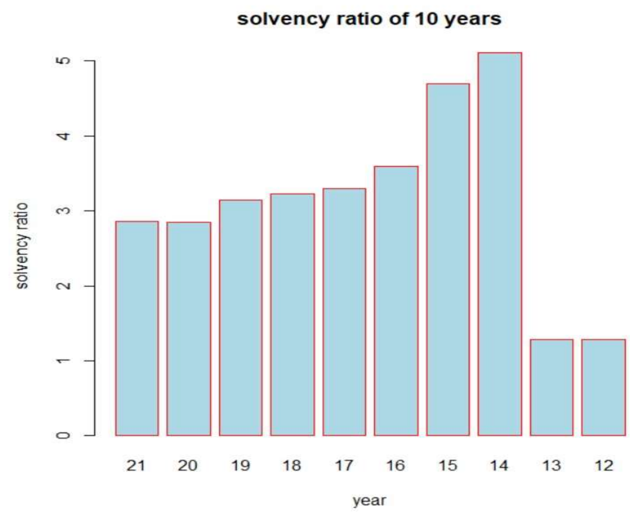


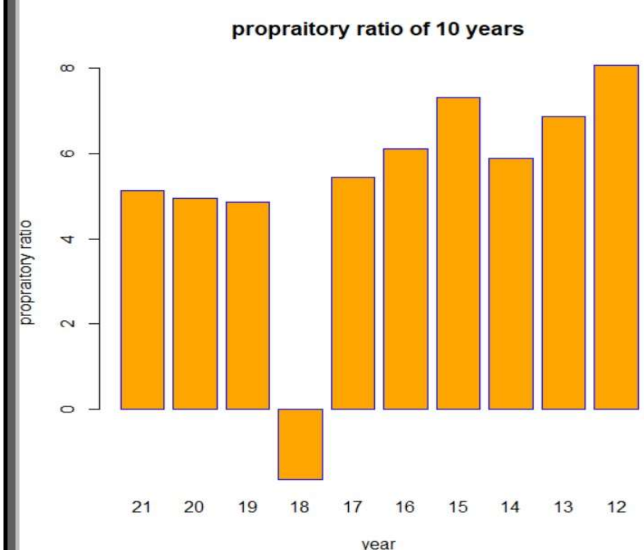
SOLVENCY RATIO:



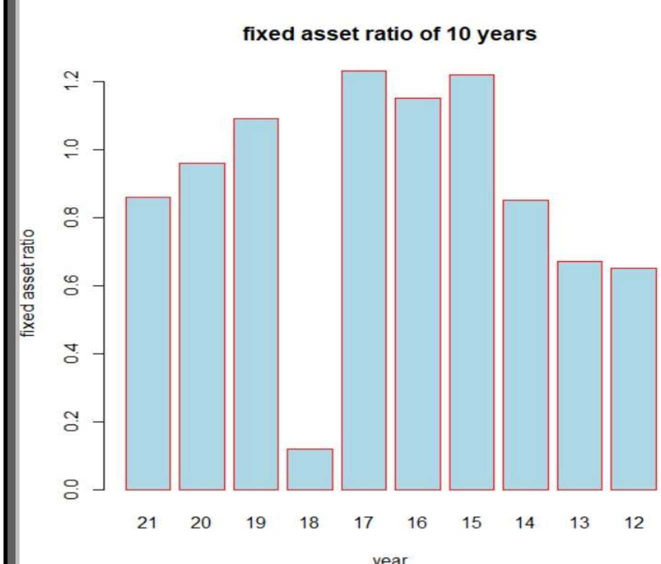
High debt to equity indicates a company is borrowing more capital from the market to fund its operations. It should not be above 2. Here in all the 10 years the company's ratios are less than 2, which means it does not borrow much from the market, which is a good sign.

Solvency ratio indicates whether a company's cash flow is sufficient to meet its long term liabilities. A high solvency ratio in the year 2015, 2014 shows that company can remain financially stable in long term.





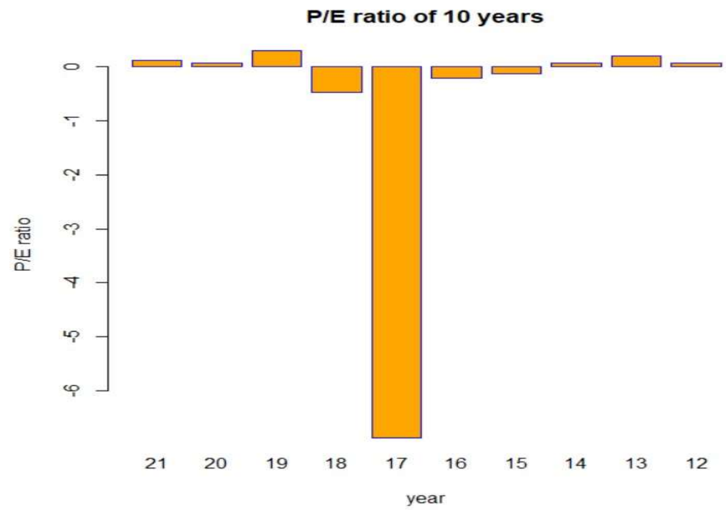
The higher the propraitory ratio the company is in strong in its business and it gives relief to the creditors. In the years 2021 and 2015 the company has reached highest which is a good sign but in the year 2018 the ratio is negative that it has a high amount of debt financing relative to its equity financing.

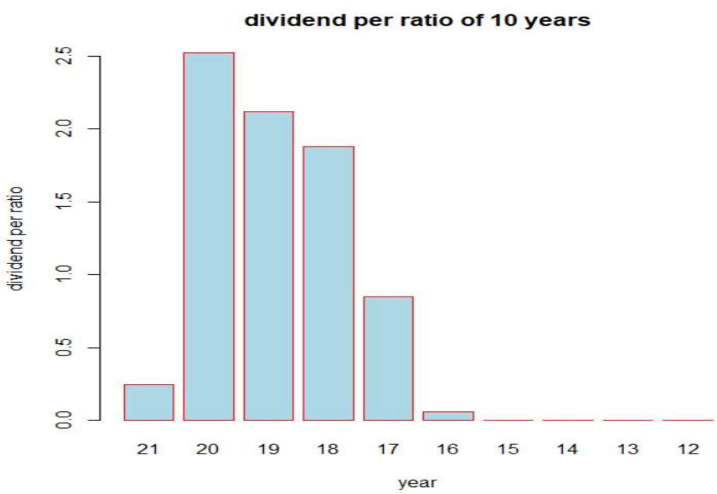


The ratio gives information about whether the company is investing wisely in its assets or not. The higher ratio in the years 2017,2015, 2015, and 19 respectively indicates the greater efficiency to generate sales from fixed asset. 2018 has the least efficiency in generating sales from assets.

MARKET RELATED RATIOS:

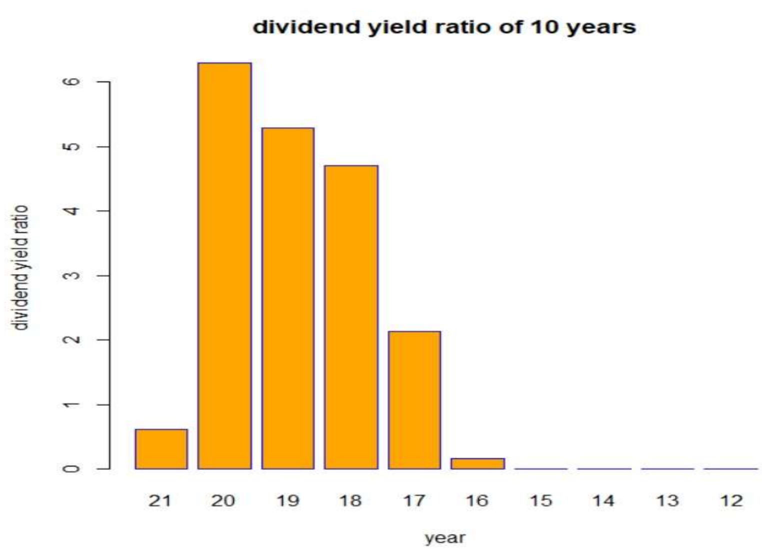
The negative ratio indicates that the company is losing the money that is company is reporting the loss. The graph shows that from 2015 to 2018 the company is in loss.





As the dividend per ratio is increasing from 2017 to 2020 the company is reinvesting less money back into the bussiness while paying out relatively more of its earning in form of dividends. In the years 2021, 2016 the ratio is least that means reinvesting more money back into business for its expansion.

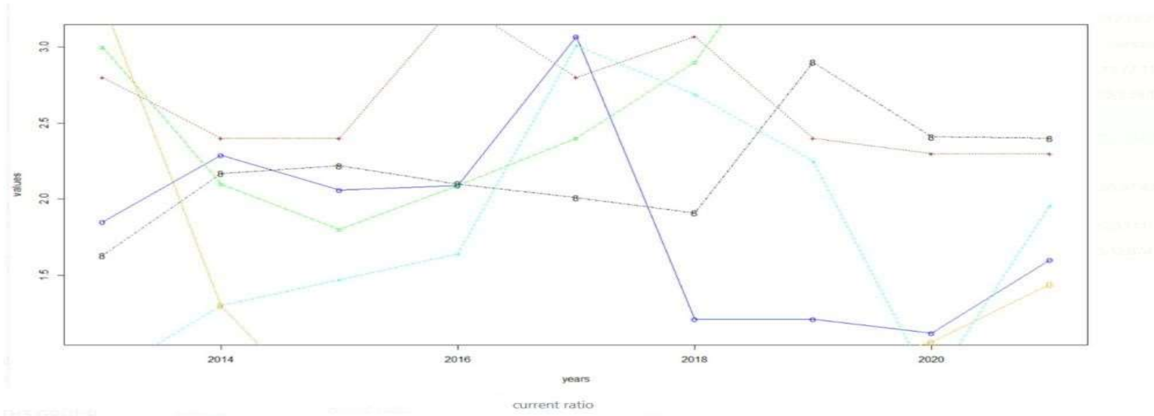
The % of a company's share price that it pays out in dividends each year. The ratio is higher in the years 2020, 2019,2018 respectively which means the company signifies attractive investments. But from 2012 to 2015 they saw the least attractive investments which is not a good sign. This ratio also helps in comparison of different companies of the same size.



INDUSTRIAL ANALYSIS:

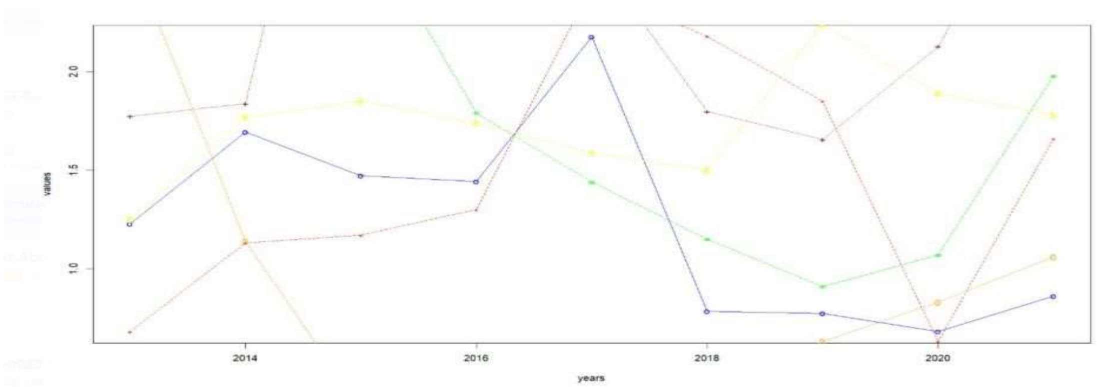
LIQUIDITY RATIOS:

CURRENT RATIO:



Interpretation: From above graph dark red line is at the highest point we conclude that, In pharmaceuticals sector out of all 6 companies BIOCON LIMITED has maximum current ratio in the year 2012 and Dr .Reddy's has minimum current ratio. It indicates that Biocon limited has more assets than liabilities when compared to all companies. By comparing all lines in the graph BIOCON LIMITED has good current ratio analysis across all financial years.

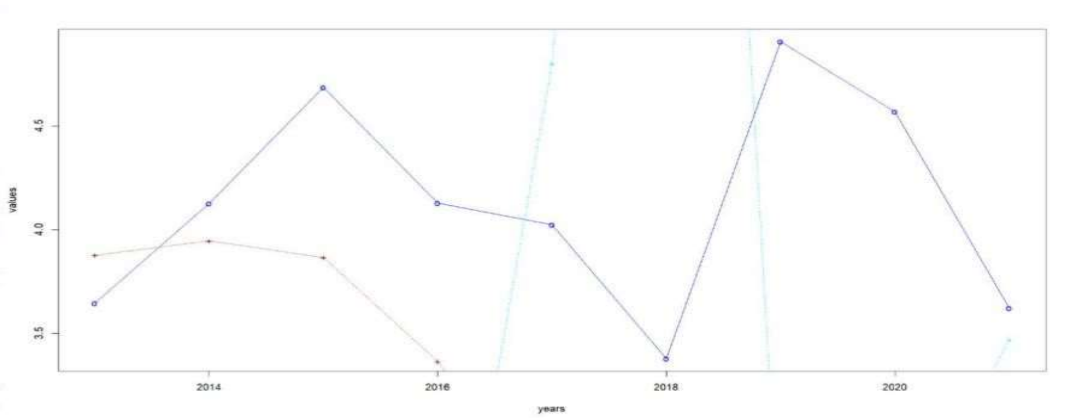
QUICK RATIO:



By observing graph dark red line is at the maximum point we conclude that, In pharmaceuticals sector out of all 6 companies BIOCON LIMITED has maximum quick ratio. It means BIOCON LIMITED has high ability to pay its short term obligations and graph should be in increasing and decreasing order. So it has good quick ratio analysis and remaining all other companies also have good quick ratio

INVENTORY TURNOVER RATIO:

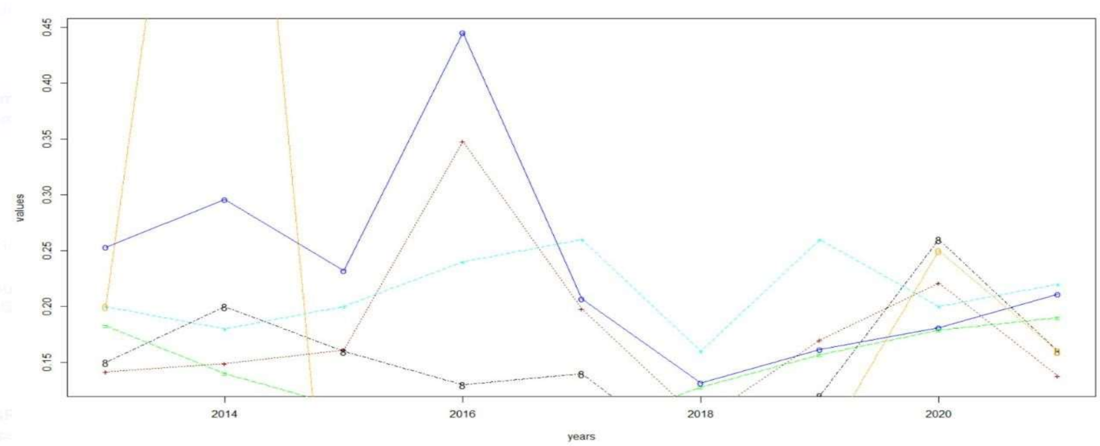
The above graph shows that TORRENT PHARMACEUTICALS has higher inventory turn over ratio with 4.97 compared to remaining companies in this sector. By comparing all the lines in the graph, TORRENT PHARMACEUTICALS has stronger sales as it get more profit than other companies. The other pharmaceutical companies graphs have moderate sales not strong and not weak some financial years they have strong sales and some years they have weak sales.



inventory turn over ratio

PROFITABILITY RATIOS:

PROFIT MARGIN:

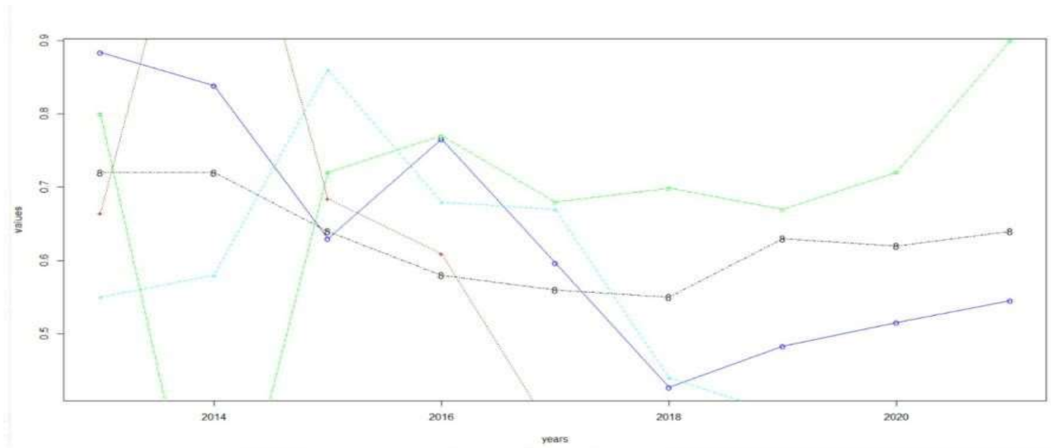


profit Margin

Like all ratios profit margin never offer perfect information. By observing above graph we conclude that blue line reaches to maximum point and TORRENT PHARMACEUTICALS have good profit margin. It indicates that torrent pharmaceuticals have higher profit margin in one particular financial year i.e, 2017. It means the company get more percentage of profit from sales compared to all other companies and graph also slightly increasing, decreasing.

ASSET TURNOVER RATIO:

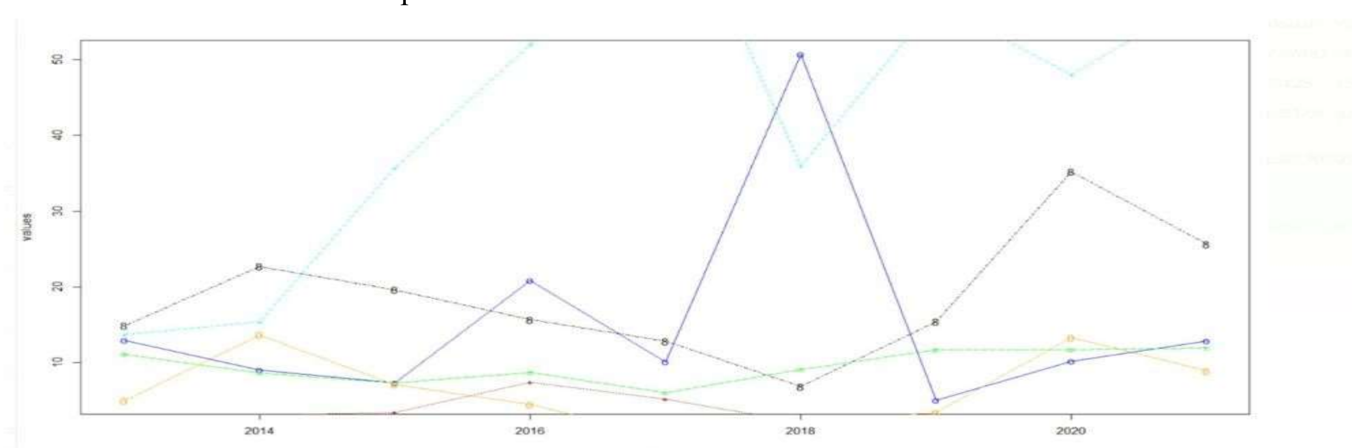
From above graph blue line is at the highest point we conclude that, In pharmaceuticals sector out of all 6 companies Torrent pharmaceuticals has maximum asset turn over with 0.88 and Glenmark also has good asset turn ratio with 0.86 in particular financial year. The graph says that Torrent and Glenmark companies are efficiently use their assets.



Asset Turnover Ratio

RETURN ON EQUITY:

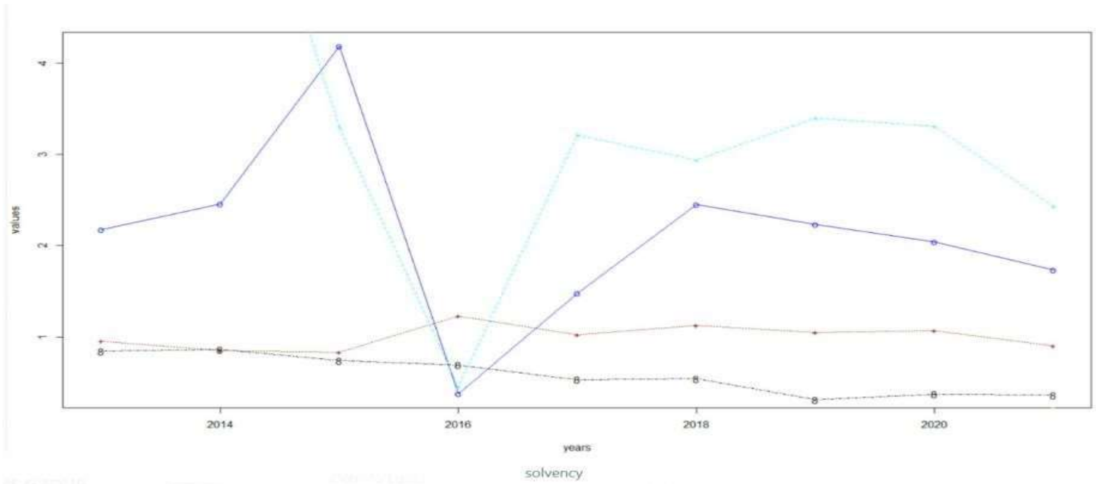
From above graph yellow line is between 15-20% we conclude that, In pharmaceuticals sector out of all 6 companies DR. REDDY’S is good in return on equity ratio. It indicates that the company is good in measuring its financial performance using net income and shareholder equity compared all other 5 companies. The other companies like TORRENT PHARMACEUTICALS, GLENMARK are above the ideal return on equity line and the companies like BIOCON, CIPLA SUN PHARMACEUTICALS are below the ideal line which needs to be improved.



SOLVENCY RATIOS:

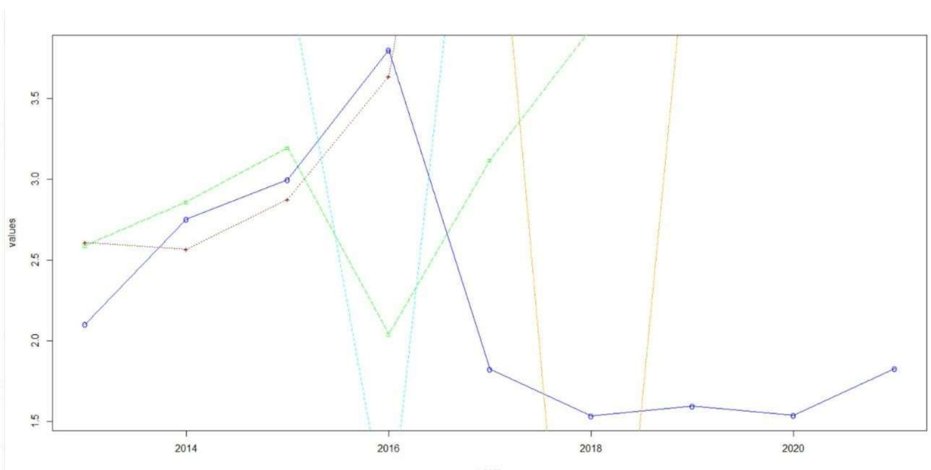
SOLVENCY:

By observing graph green line is almost around 0.5 which is the good sign for the solvency. It means CIPLA has sufficient cash flow to meet the long term liabilities amongst other companies.



PROPRIOTARY RATIO:

By observing graph dark red line is high but dropped down in the year 2016 and raised back and orange line is also high and dropped down in the year 2018 and again reached its height. It means BIOCON LIMITED and SUN PHARMACEUTICALS have strong business positions and hence provide relief to the creditors.



CONCLUSION:

On concluding BIOCON company is leading with the following ratios Current, Quick, Propriotery ratio. TORRENT PHARMACEUTICALS is leading with inventory turnover, asset turnover, profit margin as mentioned in the intrepretations above. Therefore these companies are growing fast and surviving in a competative environment.