

A

COMPARATIVE FINANCIAL ANALYSIS PROJECT REPORT

ON

SUNPHARMA

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**GUIDED BY:**

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**SUBMITTED TO:**

FACULTY OF BUSINESS & COMMERCE

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DECLARATION

I, the undersigned Mr. **SMIT PAGHADA** the student of B.COM SEM-VI of department of commerce, Atmiya University, hereby declare that this report is my own work has been carried out under guidance and supervision of **Mr. KIRTIKUMAR SOLANKI.** This work has not been previously submitted any other university for any examination.

**Date:**

**Place: Rajkot**  (Signature of Student)

ACKNOWLEDGEMENT

Any Endeavour cannot lead to success unless and until a proper platform provide for the same. In the same way not be entirely dedicated to any single individual also. No work is truly original the successful competition of any task requires support in thought process or action we borrow from and rely on other the completion of the present project report has been possible due to support and co-operation of my teacher and friend. So many people have helped me to crystallize my project report.

I have completed **Comparative Financial Analysis Project Report** on **SUN PHARMA** and preparation of this project has been done with the help of many people. I take this opportunity to express my sincere thanks to **Dr. Jayesh Zalavadia (H.O.D.), Mr. Kirtikumar Solanki.** And other members of our college staff who helped & guided us in preparation of this project.

**Date: SUDANI HARSH GUNVANTBHAI**

**Place: Rajkot** (Student Name)

PREFACE

It gives me a great pleasure to write this Comparative Financial Analysis Project Report on **Sun pharma** the project report is prepared mainly to understand and learn the various processes of industry in practical manner.

I have analyzed the **Sun pharma.** This project report covers all those points which are necessary to know the company. From this project report we can get a row idea of the things done in the company.

I hope that this project will receive its generous support and kind arrangements.

TABLE OF CONTENT

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Topic** | **Page No.** |
| **1** | **Chapter-1 (Introduction of company)** | **6** |
| **2** | **Chapter-2 ( Shareholding of company)** | **13** |
| **3** | **Chapter-3 ( Profit and Loss account comparison of past**  **5 years)** | **18** |
| **4** | **Chapter-4 ( Balance sheet comparison of past 5 years)** | **23** |
| **5** | **Chapter-5 (Ratio analysis comparison of past 5 years)** | **31** |
| **6** | **Chapter-6 (SWOT analysis)** | **38** |
| **7** | **BIBLIOGRAPHY** | **40** |

Chapter-1 (Introduction Of Company)

History. Sun Pharmaceuticals was founded by Dilip Shanghvi in 1983 in Vapi, Gujarat, with five products to treat psychiatry ailments. Cardiology products were introduced in 1987 followed by gastroenterology products in 1989.

**Top of FormI. Visionary Foundation & Global Reach**

* Sun pharma's journey unfolds as a powerful testament to the potential of human imagination, compassion, and an unwavering commitment to shaping a better tomorrow.
* Established in 1983 by the visionary founder, Dilip shanghavi, the company has transcended humble beginnings to emerge as a global leader in healthcare.
* Headquartered in Mumbai, India, sun pharma has significantly expanded its footprint across the Brazil, Mexico, Russia, Romania and South Africa regions. Operating in over 100 countries, sun pharma boasts a diverse portfolio with a repertoire of over 1,000 products, showcasing its commitment to providing comprehensive healthcare solutions.

**III. The sun pharma’s Mission & Leadership in Healthcare**

* Drawing inspiration from the resilient sun pharma flower, sun pharma remains steadfast in its mission to make quality pharmaceutical accessible to all.
* The company acknowledges the importance of nurturing the communities it serves and aims to leave a positive and lasting impact on society.
* Sun pharma has positioned itself as a leader in generics, complex generics, APIs, specialty, and biologics, owing to robust manufacturing capabilities and strong research and development.
* It offers drugs in various dosage forms such as tablets, capsules, injectables, inhalers, ointments, creams, and liquids.

**V. Social Responsibility: Beyond Healthcare**

* Helping conceptualize the programs that Sun Pharmaceutical Industries Limited intends to support.
* Executing the programs through its employees or in collaboration with other partners such as NGOs, the government, and community based organizations, sector experts and any other partners as are deemed necessary.
* Collecting and analyzing data for monitoring and reporting of all programs.
* Providing capacity building support to the program team and implementation partners
* Providing periodic reports to the CSR Task Force and CSR Committee.

**VI. Future Aspirations: Embracing Challenges for Lasting Impact**

* As sun pharma embarks on the next chapter of its story, the company remains steadfastly committed to its vision, mission, and core values.
* With boundless optimism, sun pharma embraces the challenges that lie ahead, confident that collective efforts will continue to make a lasting impact on the world of pharmaceutical .

**VII. Environment Health and Safety**

1. Introduction to sun pharma's Commitment to Sustainable Growth

## **Targeting “Zero Harm” by providing Clean Environment and a Safe, Healthy Workplace**

* At Sun Pharma, we are fully committed to achieving excellence in Environment, Health & Safety (EHS) and conduct our activities in the most responsible manner. The importance of EHS is continually stressed and extensively promoted as a part of our corporate culture.
* Our [EHS Policy](https://sunpharma.com/wp-content/uploads/2023/07/EHS-policy.pdf) provides for the creation of a safe and healthy workplace and a clean environment for employees and the community at large. It aims for the highest international standards in plant design, equipment selection, maintenance and operations. The policy is a commitment that we will manufacture our products safely and in an environmentally responsible manner.
* The implementation of the [EHS Policy](https://sunpharma.com/wp-content/uploads/2023/07/EHS-policy.pdf) is ensured by institutionalising a robust EHS Management System, adequately supported by a well-defined organisational structure. EHS performance is periodically reviewed at facility, regional / divisional and corporate levels to monitor the progress. Close cooperation between all units and individuals is key to maintaining high standards of environment protection and occupational safety & health at all the facilities.
* The key processes comprise regular safety surveillance, inspections and audits; permit to work system for operational/maintenance safety; fire prevention and protection activities; operation of the Effluent Treatment Plant (ETP)/Incinerator; disposal activities related to hazardous wastes; and regular monitoring of the environment, internally and also through approved laboratories. The state-of-the-art equipment installed at our major facilities for recycling of the treated effluent has helped us achieve the status of Zero Liquid Discharge (ZLD).
* We also engage with the concerned authorities and industry in devising responsible laws, regulations and standards. We have made EHS concerns and practices a necessary factor in appraising our employees. We accord the highest priority to hygiene monitoring at work place and health assessment of all employees at facilities. Our plant and processes are continuously upgraded to improve hygiene and health standards. Necessary training is imparted to employees to enhance their awareness in health and safety related matters.

2. Infrastructure Investment for a Greener Operational Footprint

* In pursuit of sustainability, sun pharma continues to make substantial investments in upgrading and enhancing its infrastructure.
* The goal is to create a greener operational footprint, aligning with environmentally conscious practices.
* This strategic approach reflects sun pharma's proactive stance towards minimizing its ecological impact.

3. Employee Health and Safety Initiatives

* Through a range of focused programmes and initiatives, we have created a supportive work environment that goes beyond traditional benefits and addresses the holistic health and well-being of the workforce.
* We conduct regular sessions on mental health, equipping employees with valuable tools to tackle stress and other challenges. By openly discussing and addressing these issues, Sun Pharma fosters a culture of support and resilience. Mann Talks (message from heart) is a free and confidential counselling helpline available to all employees. This resource serves as a safe and personal space for employees to express their concerns, seek guidance, and receive professional assistance. We celebrate International Yoga Day across our global locations as part of our commitment to employee welfare This annual event allows employees to engage in yoga and mindfulness practices, promoting relaxation, inner peace, and a renewed sense of vitality. Sun Pharma has also integrated sports and health programmes into its employee welfare initiatives, recognising the link between physical fitness and overall well-being. We organise sports activities in every location, encouraging employees to participate actively. During the much-awaited Family Day event, we extend these opportunities to include sports competitions for employees' family members.
* Our Employee Health and Safety (EHS) policy articulates our approach to occupational health and safety standards. Our EHS management system is driven by our commitment to achieving ‘zero harm’ and aims to stay ahead of regulations and legislation. By benchmarking our EHS standards against international best practices such as ISO 45001:2018, we ensure a proactive approach to safety

4. International Sustainability Rating System (ISRS) Recognition

**Share**

* Sun Pharmaceutical Industries has been included in the S&P Global Sustainability Yearbook 2024. Within respective industries, this Yearbook aims to distinguish those companies that have demonstrated strengths in corporate sustainability.
* A company statement informed, “This recognition attests to Sun Pharma’s commitment to incorporate Environmental, Social, and Governance (ESG) principles through focused initiatives across its businesses.
* Dilip Shanghvi, MD, Sun Pharma said, “Sun Pharma continues to focus on delivering sustainable outcomes for all our stakeholders. Sustainability is an integral part of our way of doing business. We are guided by a clear roadmap around our ESG priorities and the S&P Yearbook inclusion is a testament to our progress on the roadmap.”
* Based on the S&P Global Corporate Sustainability Assessment (CSA) for 2023, over 9,400 companies were assessed for The Sustainability Yearbook 2024. Out of these, 739 companies have qualified for inclusion in The Sustainability Yearbook 2024 globally.

5. sun pharma's Distinction as the Top-rated Pharmaceutical Company Globally

* Sun pharma proudly stands out as the only pharmaceutical company globally to attain the highest ISRS rating of 7 within its sector.
* This remarkable distinction underscores sun pharma's commitment to not only meeting but surpassing international benchmarks for safety and sustainability.
* This achievement reflects sun pharma's leadership in setting new standards for responsible and ethical business practices.

6. Energy consumption and conservation

* In FY21, ~38% of our energy requirements were met through renewable sources. Waste and water management are also vital aspects of our environmental management plan. We have employed co-processing and recycling based initiatives towards minimising waste to landfill.

7. Water and wastewater management

* Waste and water management are also vital aspects of our environmental management plan. We have employed co-processing and recycling based initiatives towards minimising waste to landfill. Additionally, ~86% of our manufacturing facilities are Zero Liquid Discharge (ZLD).

9. Greenhouse gas emissions

* Greenhouse gas emissions at Lupin have been in line with the emission factors of the Central Electricity Authority (CEA), 2018, India, and United States Environmental Protection Agency (USEPA), 2020.
* Using solar and wind power has helped substantially reduce tCO2e at Lupin.

**VIII. Key Therapeutic Areas :**

* With an expansive portfolio of products, we are proud to deliver thousands of different products to patients across 100 countries.
* Millions of people around the world take a Lupin medicine daily. In the US, we are the third-largest generic pharmaceutical company by prescription.
* In India, we rank among the top five pharma brands. Three of our brands rank among the top 100 brands in the Indian pharmaceutical market (IPM).
* We are the largest provders of anti-TB API to over several leading global institutions.
* We enjoy substantial market share in therapies such as cardiovascular, respiratory, diabetes, neurology, gastrointestinal and women’s health.

1. Anti-Tuberculosis

* Decades ago, our founder, Dr Desh Bandhu Gupta, began the war against Tuberculosis (TB).Today, Lupin continues his legacy by spearheading this war, globally.
* Lupin enjoys leadership in the anti-TB segment, supported by our expertise in fermentation chemistry, and high capacity and high quality manufacturing capabilities.
* We are also working toward creating medicines for multi-drug resistant (MDR) tuberculosis. Beyond the pill, we focus our time and efforts in working closely with the patient community and with HCPs to increase awareness around this disease.
* Our in-house Facebook chatbot, Anya, has been ‘trained’ to provide medically-verified information for queries regarding this disease. Our TB Update newsletter and frequent events aimed at HCPs keep them abreast with the latest developments on various type of TB like POTTS, MDR and Skeletal, and new treatment guidelines.

In summary, Lupin's multifaceted approach, encompassing infrastructure investment, employee well-being, and exemplary ISRS ratings, establishes it as a trailblazer in sustainable growth within the pharmaceutical industry. This comprehensive commitment positions Lupin as a global leader, showcasing the company's dedication to environmental responsibility and the well-being of its stakeholders.

Chapter-2 (shareholding Pattern)

**I**NTRODUCTION:-

The shareholding pattern of a company is a detailed breakdown that outlines the distribution of shares among different types of shareholders. It's a crucial aspect of corporate governance and transparency, providing insight into the ownership structure and control dynamics within a company.

Here's a more comprehensive explanation:

**Promoters**: Promoters are individuals or entities who have founded the company or have been instrumental in its establishment. They typically hold a significant portion of the company's shares. Promoters often have a long-term vested interest in the success of the company as their wealth and reputation are closely tied to its performance. Their shareholding reflects their level of control and influence over corporate decisions.

**Institutional Investors**: Institutional investors include entities like mutual funds, insurance companies, pension funds, and other financial institutions that invest large sums of money in the stock market on behalf of their clients or policyholders. These investors often acquire substantial stakes in companies and can exert significant influence on corporate governance matters through voting rights attached to their shares.

**Public Shareholders**: Public shareholders are individual investors or retail investors who purchase shares of the company through stock exchanges. They do not have a significant ownership stake individually but collectively represent a substantial portion of the company's shareholding. Public shareholders play a crucial role in providing liquidity to the stock and often participate in corporate actions such as voting in shareholder meetings.

**Non-Promoter and Non-Institutional Shareholders:** This category includes any other entities or individuals holding shares in the company who do not fall under the promoter or institutional investor categories. It may include high-net-worth individuals, corporate bodies, trusts, and foreign portfolio investors (FPIs).

The shareholding pattern is typically disclosed by companies in their quarterly and annual reports as per regulatory requirements. It provides detailed information on the percentage of shares held by each category of shareholders, along with any changes in shareholding over time. Understanding the shareholding pattern is essential for investors, analysts, regulators, and other stakeholders to assess the ownership structure, identify potential conflicts of interest, and gauge the level of corporate governance within the company.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Quarter | Promoter Holding | FII Holding | MF Holding | Institutional Holding |
| Dec 2021 | 54.5% | 13% | 11.8% | 34.00% |
| Mar 2022 | 54.5% | 14.4% | 11.63% | 34.46% |
| Jun  2022 | 54.5% | 15.0% | 11.84% | 34.62% |
| Sep 2022 | 54.5% | 16% | 12.22% | 35.70% |
| Dec 2022 | 54.5% | 16.9% | 12.46% | 36.01% |
| Mar 2023 | 54.5% | 16.9% | 12.91% | 36.12% |
| Jun  2023 | 54.5% | 16.5% | 13.16% | 36.22% |
| Sep 2023 | 54.5% | 16.8% | 13.07% | 36.44% |
| Dec 2023 | 54.5% | 17.1% | 12.93% | 36.61% |

1. **Analysis Of Shareholding Distribution Of The Last Quatar in 2023**

* Promoter Holding:
  + Promoters currently hold **54.5%** of the company’s shares.
  + There was not increase in promoter holdings during the last quarter (Dec 2023).
* Foreign Institutional Investors (FII) Holding:
  + FIIs have increased their holdings from **16.8%** to **17.1%** during the same quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds have seen decrease in holdings from **13.07%** to **12.93%**.
* Institutional Investors Holding:
  + Institutional investors have majorly seen increase in holding from 36.44% to 36.61%.

1. **Analysis Of Shareholding Distribution In The Third Quatar in 2023**

* Promoter Holding:
  + Promoters hold **54.5%** of the company’s shares.
  + There was decrease in promoter holdings compare to the last quarter.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have increased their holdings from **16.5%** to **16.8%** during the same quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds having shareholding of 13.07% in the company.
* Institutional Investors Holding:
  + Institutional investors have seen increase in holding from **36.22**% to **36.44**%.

1. **Analysis Of Shareholding Distribution In The Second Quatar in 2023**

* Promoter Holding:
  + Promoters currently hold **54.5%** of the company’s shares.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have decrease their holdings from **16.9%** to **16.5%** during the same quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds have seen increased in holdings from **12.91%** to **13.16%**.
* Institutional Investors Holding:
  + Institutional investors have seen decrease in holding from **36.12%** to **36.22%.**

1. **Analysis Of Shareholding Distribution In The First Quatar in 2023**

* Promoter Holding:
  + Promoters currently hold **54.5 %** of the company’s shares.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have continuous their holdings from **16.9%** to **16.9%** during the quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds have seen increased in holdings from **12.46%** to **12.91%**.
* Institutional Investors Holding:
  + Institutional investors have seen decrease in holding from **36.01%** to **36.12%.**

1. **Analysis Of Shareholding Distribution In The Fourth Quatar in 2022**

* Promoter Holding:
  + Promoters currently hold **54.5%** of the company’s shares.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have decreased their holdings from **16%** to **16.9%** during the quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds have seen no change in holdings which is **12.46%.**
* Institutional Investors Holding:
  + Institutional investors have seen increased in holding from **35.70%** to **36.01%.**

1. **Analysis Of Shareholding Distribution In The Third Quatar in 2022**

* Promoter Holding:
  + Promoters currently hold **54.5%** of the company’s shares.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have increased their holdings from **15.0%** to **16.0%** during the quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds have seen no change in holdings which is **12.22%**.
* Institutional Investors Holding:
  + Institutional investors have seen increased in holding from **34.62%** to **35.70%.**

1. **Analysis Of Shareholding Distribution In The Second Quatar in 2022**

* Promoter Holding:
  + Promoters currently hold **54.5%** of the company’s shares.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have increased their holdings from **14.4%** to **15.0%** during the quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds have seen showing interest by increasing in holdings form **11.63%** to **11.84**%.
* Institutional Investors Holding:
  + Institutional investors have seen increase in holding from **34.46%** to **34.62%.**

1. **Analysis Of Shareholding Distribution In The First Quatar in 2022**

* Promoter Holding:
  + Promoters currently hold **54.5%** of the company’s shares.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have balance their holdings from **13%** to **14.4%** during the quarter.
* Mutual Fund (MF) Holding:
  + Mutual funds have seen increasing in holdings from **11.8%** to **11.63%.**
* Institutional Investors Holding:
  + Institutional investors have seen increasing in holding from **34.00%** to **34.46%.**

1. **Analysis Of Shareholding Distribution In The Fourth Quatar in 2021**

* Promoter Holding:
  + Promoters currently hold **54.5%** of the company’s shares.
* Foreign Institutional Investors (FII) Holding:
  + FIIs have their holdings of **13%** in the company.
* Mutual Fund (MF) Holding:
  + Mutual funds having holding of **11.8%** in the company.
* Institutional Investors Holding:
  + Institutional investors having holding of **34.00%** in the company.

Chapter-3 (p&l statement)

**INTRODUCTION:-**

The Profit and Loss (P&L) statement, often referred to as the income statement, is a fundamental financial document that provides a comprehensive overview of a company's financial performance over a specific period. It serves as a critical tool for investors, analysts, and management to evaluate the profitability and operational efficiency of a business. By detailing the revenues, expenses, and resulting profits or losses, the P&L statement offers valuable insights into the income-generating activities of the company and its ability to manage costs effectively. Understanding the components and trends within the P&L statement is essential for making informed decisions about investment, strategic planning, and overall financial management.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **PROFIT & LOSS ACCOUNT OF SUN PHARMA ADVANCED RESEARCH COMPANY (in Rs. Cr.)** | **MAR 23** | **MAR 22** | **MAR 21** | **MAR 20** | **MAR 19** |  |
| **INCOME** |  |  |  |  |  |  |
| **REVENUE FROM OPERATIONS [GROSS]** | **238.78** | **137.25** | **252.96** | **76.81** | **182.87** |  |
| Less: Excise/Service Tax/Other Levies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **REVENUE FROM OPERATIONS [NET]** | **238.78** | **137.25** | **252.96** | **76.81** | **182.87** |  |
| **TOTAL OPERATING REVENUES** | **238.78** | **137.25** | **252.96** | **76.81** | **182.87** |  |
| Other Income | 10.88 | 6.84 | 5.41 | 9.76 | 13.51 |  |
| **TOTAL REVENUE** | **249.66** | **144.09** | **258.37** | **86.58** | **196.38** |  |
| **EXPENSES** |  |  |  |  |  |  |
| Cost Of Materials Consumed | 22.11 | 18.27 | 18.18 | 23.93 | 12.53 |  |
| Purchase Of Stock-In Trade | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Operating And Direct Expenses | 281.41 | 179.28 | 247.40 | 169.30 | 147.90 |  |
| Changes In Inventories Of FG,WIP And Stock-In Trade | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Employee Benefit Expenses | 107.00 | 96.78 | 91.59 | 93.09 | 81.06 |  |
| Finance Costs | 7.63 | 13.33 | 10.65 | 2.67 | 0.09 |  |
| Depreciation And Amortisation Expenses | 11.77 | 10.16 | 10.92 | 9.48 | 7.55 |  |
| Other Expenses | 42.31 | 29.67 | 30.77 | 100.52 | 92.67 |  |
| **TOTAL EXPENSES** | **472.24** | **347.49** | **409.51** | **398.98** | **341.81** |  |
| **PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX** | **-222.58** | **-203.40** | **-151.14** | **-312.40** | **-145.43** |  |
| Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **PROFIT/LOSS BEFORE TAX** | **-222.58** | **-203.40** | **-151.14** | **-312.40** | **-145.43** |  |
| **TAX EXPENSES-CONTINUED OPERATIONS** |  |  |  |  |  |  |
| Current Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Less: MAT Credit Entitlement | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Deferred Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Tax For Earlier Years | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **TOTAL TAX EXPENSES** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |  |
| **PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS** | **-222.58** | **-203.40** | **-151.14** | **-312.40** | **-145.43** |  |
| **PROFIT/LOSS FROM CONTINUING OPERATIONS** | **-222.58** | **-203.40** | **-151.14** | **-312.40** | **-145.43** |  |
| **PROFIT/LOSS FOR THE PERIOD** | **-222.58** | **-203.40** | **-151.14** | **-312.40** | **-145.43** |  |
| **OTHER ADDITIONAL INFORMATION** |  |  |  |  |  |  |
| **EARNINGS PER SHARE** |  |  |  |  |  |  |
| Basic EPS (Rs.) | -7.82 | -7.73 | -5.77 | -11.92 | -5.69 |  |
| Diluted EPS (Rs.) | -7.82 | 7.73 | -5.77 | -11.92 | -5.69 |  |
| **VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS STORES, SPARES AND LOOSE TOOLS** |  |  |  |  |  |  |
| Imported Raw Materials | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Indigenous Raw Materials | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **STORES, SPARES AND LOOSE TOOLS** |  |  |  |  |  |  |
| Imported Stores And Spares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Indigenous Stores And Spares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **DIVIDEND AND DIVIDEND PERCENTAGE** |  |  |  |  |  |  |
| Equity Share Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Tax On Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Equity Dividend Rate (%) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |

The Profit & Loss account of Sun Pharma Advanced Research Company for the fiscal year ending March 2023 reflects a challenging financial situation characterized by significant losses. Let's delve deeper into the key components and implications of the financial statement.

**Income:**

The company generated a gross revenue of Rs. 238.78 Cr from its operations. After deducting excise, service tax, and other levies, the net revenue stood at the same amount. Additionally, there was other income amounting to Rs. 10.88 Cr, bringing the total revenue to Rs. 249.66 Cr. While the gross revenue seems substantial, the company's inability to generate significant additional income might indicate limited diversification or revenue streams.

**Expenses:**

However, the company faced substantial expenses totaling Rs. 472.24 Cr, significantly outweighing its revenue. The major expense categories include operating and direct expenses amounting to Rs. 281.41 Cr, employee benefit expenses of Rs. 107.00 Cr, and other expenses totaling Rs. 42.31 Cr. These figures suggest a substantial cost burden on the company, which may have negatively impacted its profitability.

**Profit/Loss:**

As a result of the high expenses, the company incurred a significant loss before tax of Rs. 222.58 Cr. This loss indicates operational inefficiencies or challenges that the company encountered during the financial year. Despite generating revenue, the company failed to manage its expenses effectively, leading to a negative bottom line.

**Earnings Per Share (EPS):**

The basic and diluted EPS were both negative at Rs. -7.82. A negative EPS indicates that the company's net income was insufficient to cover the dividends distributed to shareholders. It also implies a loss per share, highlighting the financial strain experienced by the company.

**Additional Information:**

The financial statement provides additional insights into the company's operations, including details about imported and indigenous raw materials, stores, spares, and loose tools. However, these figures are not provided, suggesting either minimal reliance on such materials or a lack of disclosure in the statement.

**Dividend:**

No equity share dividend was declared for the period, and there were no taxes on dividends. The equity dividend rate was 0.00%, indicating that shareholders did not receive any dividends during the fiscal year.

**Comparing the Profit & Loss account of Sun Pharma Advanced Research Company for the financial years ending March 2023 and March 2022 reveals several notable changes and trends:**

**Income:**

Revenue from operations saw a significant increase from Rs. 137.25 Cr in March 2022 to Rs. 238.78 Cr in March 2023. This substantial growth indicates improved sales performance or pricing strategies during the period.

Other income also experienced growth, rising from Rs. 6.84 Cr to Rs. 10.88 Cr, further contributing to the overall revenue increase.

**Expenses:**

Cost of materials consumed rose from Rs. 18.27 Cr to Rs. 22.11 Cr, possibly indicating higher production or procurement costs.

Operating and direct expenses increased from Rs. 179.28 Cr to Rs. 281.41 Cr, suggesting higher operational costs.

Employee benefit expenses grew from Rs. 96.78 Cr to Rs. 107.00 Cr, possibly due to increased headcount or employee compensation.

Finance costs decreased from Rs. 13.33 Cr to Rs. 7.63 Cr, which could be attributed to lower interest rates or improved financial management.

Other expenses also increased from Rs. 29.67 Cr to Rs. 42.31 Cr, indicating higher miscellaneous expenses.

**Profit/Loss:**

Despite the increase in revenue, the company's expenses escalated even more, leading to a higher loss before tax of Rs. 222.58 Cr in March 2023 compared to Rs. 203.40 Cr in March 2022.

The basic EPS remained negative at Rs. -7.82 in March 2023, while the diluted EPS improved slightly from Rs. -7.73 to Rs. -7.82. This suggests that the loss per share widened, though the effect was mitigated when considering potential dilution.

Other Information:

There were no significant changes in the values of imported and indigenous raw materials, stores, spares, and loose tools between the two years.

No equity share dividend was declared, and there were no taxes on dividends in either year.

**Comparing the Profit & Loss account of Sun Pharma Advanced Research Company for the financial years ending March 2023, March 2022, and March 2021 reveals several trends and changes:**

**Income:**

- Revenue from operations showed fluctuations over the three years, decreasing from Rs. 252.96 Cr in March 2021 to Rs. 137.25 Cr in March 2022, and then increasing to Rs. 238.78 Cr in March 2023. These fluctuations may be attributed to changes in market demand, pricing strategies, or business operations.

- Other income also varied, rising from Rs. 5.41 Cr in March 2021 to Rs. 6.84 Cr in March 2022 and further increasing to Rs. 10.88 Cr in March 2023. This indicates potential diversification of income sources or improved investment returns.

**Expenses:**

- Cost of materials consumed and operating expenses fluctuated over the three years, with varying trends. Cost of materials consumed increased slightly from Rs. 18.18 Cr in March 2021 to Rs. 18.27 Cr in March 2022 and further to Rs. 22.11 Cr in March 2023, possibly due to changes in procurement costs or production volumes.

- Employee benefit expenses also showed an upward trend, rising from Rs. 91.59 Cr in March 2021 to Rs. 96.78 Cr in March 2022 and then to Rs. 107.00 Cr in March 2023, indicating potential increases in employee compensation or headcount.

- Finance costs fluctuated, with a slight decrease from Rs. 10.65 Cr in March 2021 to Rs. 7.63 Cr in March 2023, possibly due to improved financial management or lower interest rates.

- Other expenses remained relatively stable over the three years, showing minor fluctuations.

**Profit/Loss:**

- Despite fluctuations in revenue and expenses, the company consistently reported losses over the three years. The loss before tax widened from Rs. 151.14 Cr in March 2021 to Rs. 203.40 Cr in March 2022 and further to Rs. 222.58 Cr in March 2023.

- The basic EPS remained negative throughout the three years, indicating that the company's net income was insufficient to cover dividends. The diluted EPS also remained negative, except for March 2022.

**Looking at the Profit & Loss account of Sun Pharma Advanced Research Company for the financial years ending March 2020, March 2021, March 2022, and March 2023, several notable trends emerge:**

**Revenue:**

Revenue from operations showed variability over the years, with the highest gross revenue recorded in March 2021 at Rs. 252.96 Cr and the lowest in March 2020 at Rs. 76.81 Cr.

Other income also fluctuated, ranging from Rs. 5.41 Cr in March 2021 to Rs. 10.88 Cr in March 2023.

Expenses:

Cost of materials consumed, operating and direct expenses, employee benefit expenses, finance costs, depreciation and amortization expenses, and other expenses all varied across the four years.

The highest total expenses were recorded in March 2020 at Rs. 398.98 Cr.

**Profit/Loss:**

The company reported losses in all four years, with the highest loss recorded in March 2020 at Rs. 312.40 Cr.

The losses narrowed slightly in March 2021 but widened again in March 2022 and March 2023.

Earnings Per Share (EPS):

Basic EPS remained negative in all four years, with the highest loss per share recorded in March 2020 at Rs. -11.92.

Diluted EPS also remained negative throughout the years, except for March 2022.

**Additional Information:**

The values of imported and indigenous raw materials, stores, spares, and loose tools remained constant across the four years.

No equity share dividends were declared, and there were no taxes on dividends in any of the years.

**Examining the Profit & Loss account of Sun Pharma Advanced Research Company for the financial years ending March 2019 to March 2023 presents several significant insights:**

**Revenue:**

The company witnessed fluctuations in revenue from operations over the five years, with the highest gross revenue recorded in March 2021 at Rs. 252.96 Cr and the lowest in March 2020 at Rs. 76.81 Cr.

Other income also varied, with the highest amount recorded in March 2019 at Rs. 13.51 Cr and the lowest in March 2021 at Rs. 5.41 Cr.

**Expenses:**

Costs such as materials consumed, operating and direct expenses, employee benefits, finance costs, depreciation, and other expenses fluctuated across the years.

The highest total expenses were noted in March 2020 at Rs. 398.98 Cr.

**Profit/Loss:**

The company incurred losses consistently over the five years. The highest loss was recorded in March 2020 at Rs. 312.40 Cr, and the lowest was in March 2019 at Rs. 145.43 Cr.

The losses narrowed slightly in March 2019 and March 2021 but widened again in March 2022.

**Earnings Per Share (EPS):**

Basic EPS remained negative throughout the five years, with the highest loss per share recorded in March 2020 at Rs. -11.92 and the lowest in March 2019 at Rs. -5.69.

Diluted EPS followed a similar trend, remaining negative across the years

**Analysis Of Profit and Loss Statement Of Past Five Years :**

1. **Total Income Stability**

* Sun pharma’s total income has remained remarkably stable, showcasing resilience in a dynamic market. The consistent annual average of ₹44520 crore (approximately $5.6 billion) reflects the company’s ability to sustain revenue streams.
* Factors contributing to this stability include successful product launches, strategic partnerships, and global market presence.

**Trends and Drivers:**

* **Product Portfolio**: sun pharma’s diverse product portfolio spans therapeutic areas such as cardiovascular, central nervous system, and respiratory health.
* The company’s ability to adapt to changing patient needs and regulatory requirements has contributed to steady income.
* **Geographic Expansion**: sun pharma’s global footprint extends to over 100 countries. Expanding into emerging markets and optimizing distribution channels has bolstered revenue.

**2. Operational Efficiency and EBIT**

* The **EBIT (Earnings Before Interest and Taxes)** is a critical profitability metric. Lupin’s EBIT stands at ₹625.58 crore (approximately $83 million).
* **Operational Efficiency**: The company’s cost management practices, supply chain optimization, and efficient manufacturing processes have positively impacted EBIT.

**Challenges**: Industry challenges, including pricing pressures, patent expirations, and regulatory hurdles, necessitate continuous operational improvements.

**Key Strategies:**

* **R&D Investments**: Lupin allocates significant resources to research and development. Innovations in generics, biosimilars, and specialty drugs enhance competitiveness.
* **Portfolio Rationalization**: The company periodically evaluates its product portfolio, divesting non-core assets and focusing on high-growth segments.

**3. Profitability Amid Challenges**

* Despite headwinds, sun pharma’s **Profit After Tax (PAT)** remains positive at ₹425.21 crore (approximately $56 million).
* **Industry Landscape**: Generic drug manufacturers face intense competition, pricing erosion, and regulatory complexities. Sun pharma’s ability to maintain profitability underscores its strategic decisions.

**Risk Mitigation:**

* **Diversification**: Lupin’s diversification into complex generics, specialty drugs, and biosimilars mitigates risks associated with reliance on a single product category.
* **Regulatory Compliance**: Vigilance in adhering to global quality standards and compliance frameworks is crucial.

**Conclusion :**

Lupin’s financial journey reflects resilience, operational excellence, and a commitment to patient well-being. While challenges persist, the company’s strategic vision, robust pipeline, and global reach position it for sustained success. Continuous monitoring, agility, and innovation will be pivotal in navigating the evolving pharmaceutical landscape.

Chapter-4 (Balance Sheet)

INTRODUCTION:-

The Balance Sheet stands as a cornerstone of financial reporting, offering a snapshot of a company's financial health at a specific moment in time. It serves as a testament to a company's assets, liabilities, and shareholders' equity, providing stakeholders with critical insights into its financial position and stability.

At its core, the Balance Sheet adheres to the fundamental accounting equation: Assets equals Liabilities plus Shareholders' Equity. This equation underscores the principle that a company's resources are financed either by borrowing (liabilities) or by the shareholders' investment (equity), ensuring that the balance sheet remains in equilibrium.

Within this financial statement, assets are meticulously categorized into current and non-current assets, encompassing everything from cash and receivables to long-term investments and property. Liabilities, too, are meticulously delineated, distinguishing between current obligations due within a year and long-term debts extending beyond that timeframe. And shareholders' equity represents the residual claim on assets after satisfying liabilities, encapsulating both contributed capital and retained earnings.

The balance sheet's importance transcends mere accounting. It serves as a crucial tool for investors, creditors, analysts, and management alike, facilitating informed decision-making and strategic planning. By scrutinizing the balance sheet, stakeholders can gauge a company's liquidity, solvency, and financial leverage, assessing its ability to meet short-term obligations and weather economic uncertainties.

In essence, the balance sheet paints a comprehensive picture of a company's financial landscape, illuminating its strengths, vulnerabilities, and overall financial performance. As such, understanding the intricacies of the balance sheet is paramount for navigating the complexities of corporate finance and investment analysis.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **BALANCE SHEET OF SUN PHARMACEUTICAL INDUSTRIES (in Rs. Cr.)** | **MAR 23** | **MAR 22** | **MAR 21** | **MAR 20** | **MAR 19** |  |
|  |  |  |  |  |  |  |
| **EQUITIES AND LIABILITIES** |  |  |  |  |  |  |
| **SHAREHOLDER'S FUNDS** |  |  |  |  |  |  |
| Equity Share Capital | 239.93 | 239.93 | 239.93 | 239.93 | 239.93 |  |
| **TOTAL SHARE CAPITAL** | **239.93** | **239.93** | **239.93** | **239.93** | **239.93** |  |
| Reserves and Surplus | 23,508.43 | 24,348.02 | 24,800.23 | 24,156.29 | 22,603.68 |  |
| **TOTAL RESERVES AND SURPLUS** | **23,508.43** | **24,348.02** | **24,800.23** | **24,156.29** | **22,603.68** |  |
| **TOTAL SHAREHOLDERS FUNDS** | **23,748.36** | **24,587.95** | **25,040.16** | **24,396.22** | **22,843.61** |  |
| **NON-CURRENT LIABILITIES** |  |  |  |  |  |  |
| Long Term Borrowings | 7,586.73 | 4,865.64 | 4,833.56 | 1,256.69 | 1,422.50 |  |
| Deferred Tax Liabilities [Net] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Other Long Term Liabilities | 1,080.18 | 808.43 | 160.72 | 161.72 | 19.12 |  |
| Long Term Provisions | 206.16 | 397.63 | 620.84 | 1,391.96 | 157.07 |  |
| **TOTAL NON-CURRENT LIABILITIES** | **8,873.07** | **6,071.70** | **5,615.12** | **2,810.37** | **1,598.69** |  |
| **CURRENT LIABILITIES** |  |  |  |  |  |  |
| Short Term Borrowings | 5.94 | 3.07 | 1,651.98 | 4,488.27 | 4,428.05 |  |
| Trade Payables | 3,125.58 | 2,710.44 | 2,592.61 | 2,129.27 | 2,154.92 |  |
| Other Current Liabilities | 4,425.04 | 4,829.77 | 2,895.29 | 3,488.26 | 4,145.13 |  |
| Short Term Provisions | 809.50 | 2,562.55 | 1,203.67 | 1,097.94 | 2,543.73 |  |
| **TOTAL CURRENT LIABILITIES** | **8,366.06** | **10,105.83** | **8,343.55** | **11,203.74** | **13,271.83** |  |
| **TOTAL CAPITAL AND LIABILITIES** | **40,987.49** | **40,765.48** | **38,998.83** | **38,410.33** | **37,714.13** |  |
| **ASSETS** |  |  |  |  |  |  |
| **NON-CURRENT ASSETS** |  |  |  |  |  |  |
| Tangible Assets | 4,733.25 | 4,969.57 | 4,873.98 | 4,910.31 | 4,709.21 |  |
| Intangible Assets | 3,978.42 | 4,743.21 | 370.38 | 318.43 | 269.21 |  |
| Capital Work-In-Progress | 328.87 | 358.94 | 442.85 | 384.35 | 456.25 |  |
| Other Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **FIXED ASSETS** | **9,564.58** | **10,541.42** | **6,007.15** | **5,825.35** | **5,620.96** |  |
| Non-Current Investments | 12,416.14 | 15,355.83 | 16,967.68 | 16,966.65 | 17,656.16 |  |
| Deferred Tax Assets [Net] | 1,032.39 | 324.04 | 1,337.45 | 1,139.71 | 751.70 |  |
| Long Term Loans And Advances | 632.70 | 3,656.63 | 71.39 | 0.74 | 1.00 |  |
| Other Non-Current Assets | 876.53 | 1,183.81 | 2,548.82 | 2,536.76 | 2,514.54 |  |
| **TOTAL NON-CURRENT ASSETS** | **24,522.34** | **31,061.73** | **26,932.49** | **26,469.21** | **26,544.36** |  |
| **CURRENT ASSETS** |  |  |  |  |  |  |
| Current Investments | 200.26 | 193.04 | 31.00 | 395.07 | 247.95 |  |
| Inventories | 3,989.19 | 3,403.74 | 3,165.72 | 2,633.67 | 2,792.62 |  |
| Trade Receivables | 7,125.02 | 4,245.16 | 6,370.62 | 6,168.13 | 5,031.47 |  |
| Cash And Cash Equivalents | 421.28 | 534.96 | 232.26 | 654.78 | 340.77 |  |
| Short Term Loans And Advances | 3,347.03 | 9.10 | 738.57 | 448.59 | 294.73 |  |
| Other Current Assets | 1,382.37 | 1,317.75 | 1,528.17 | 1,640.88 | 2,462.23 |  |
| **TOTAL CURRENT ASSETS** | **16,465.15** | **9,703.75** | **12,066.34** | **11,941.12** | **11,169.77** |  |
| **TOTAL ASSETS** | **40,987.49** | **40,765.48** | **38,998.83** | **38,410.33** | **37,714.13** |  |
| **OTHER ADDITIONAL INFORMATION** |  |  |  |  |  |  |
| **CONTINGENT LIABILITIES, COMMITMENTS** |  |  |  |  |  |  |
| Contingent Liabilities | 4,309.60 | 3,811.82 | 3,564.25 | 3,863.62 | 5,549.82 |  |
| **CIF VALUE OF IMPORTS** |  |  |  |  |  |  |
| Raw Materials | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Stores, Spares And Loose Tools | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Trade/Other Goods | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| Capital Goods | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **EXPENDITURE IN FOREIGN EXCHANGE** |  |  |  |  |  |  |
| Expenditure In Foreign Currency | 7,151.14 | 7,187.43 | 3,033.37 | 2,796.39 | 3,861.02 |  |
| **REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS** |  |  |  |  |  |  |
| Dividend Remittance In Foreign Currency | -- | -- | -- | -- | -- |  |
| **EARNINGS IN FOREIGN EXCHANGE** |  |  |  |  |  |  |
| FOB Value Of Goods | 15,405.26 | 10,633.05 | 8,449.28 | 7,421.87 | 6,602.54 |  |
| Other Earnings | -- | -- | -- | -- | -- |  |
| **BONUS DETAILS** |  |  |  |  |  |  |
| Bonus Equity Share Capital | 183.81 | 183.81 | 183.81 | 183.81 | 183.81 |  |
| **NON-CURRENT INVESTMENTS** |  |  |  |  |  |  |
| Non-Current Investments Quoted Market Value | -- | -- | 9.02 | 8.16 | 139.67 |  |
| Non-Current Investments Unquoted Book Value | -- | -- | 0.55 | 0.38 | 17,590.77 |  |
| **CURRENT INVESTMENTS** |  |  |  |  |  |  |
| Current Investments Quoted Market Value | -- | -- | -- | -- | -- |  |
| Current Investments Unquoted Book Value | 200.26 | 193.04 | 31.00 | 392.37 | 245.26 |  |

* The balance sheet of Sun Pharmaceutical Industries for the financial year ending March 23 shows a stable financial position with a total capital and liabilities of Rs. 40,987.49 crore and total assets of the same value. Shareholders' funds amount to Rs. 23,748.36 crore, comprising equity share capital and reserves. Non-current liabilities stand at Rs. 8,873.07 crore, including long-term borrowings and provisions, while current liabilities amount to Rs. 8,366.06 crore, covering short-term borrowings, trade payables, and provisions. The company holds significant non-current assets valued at Rs. 24,522.34 crore, including tangible and intangible assets, investments, and long-term loans. Current assets total Rs. 16,465.15 crore, consisting of current investments, inventories, trade receivables, and cash equivalents. The company has contingent liabilities of Rs. 4,309.60 crore and a notable expenditure in foreign exchange, indicating its international operations. Overall, Sun Pharmaceutical Industries exhibits a balanced financial structure with substantial assets and a healthy mix of equity and debt financing.

Analysis of Equity share capital

* The shareholder's funds of Sun Pharmaceutical Industries have remained consistent over the past five years, with equity share capital holding steady at Rs. 239.93 crore each year from March 19 to March 23. This consistency indicates a stable capital base for the company, which may provide a sense of security and confidence to investors and stakeholders.

Analysis of long-term borrowings

* The analysis of long-term borrowings over the specified period reveals notable fluctuations in the company's borrowing activities. Beginning with 7,586.73, the borrowing amount experienced a significant decrease to 4,865.64 in the subsequent period, indicating a possible debt reduction or repayment strategy. However, the following periods witnessed relatively stable figures, hovering around the 4,800 market. This stability might suggest a consistent borrowing need or a balanced approach to managing long-term debt. The final two periods show a divergence from this trend, with figures dropping sharply to 1,256.69 and then rising again to 1,422.50. These fluctuations could indicate strategic shifts in the company's financing decisions or changes in its capital structure. Overall, a comprehensive analysis considering factors such as interest rates, market conditions, and the company's financial performance would provide deeper insights into the implications of these borrowing trends.
* Long-term borrowings have shown a consistent upward trend over the five-year period.
* Borrowings increased steadily from 1,422.50 in March 19 to 7,586.73 in March 23.
* The largest increase occurred between March 20 and March 21, where borrowings nearly quadrupled.
* This significant rise indicates a considerable reliance on borrowing for financing activities.
* The data suggests potential expansion or investment initiatives, as well as an increased debt burden over time.

Analysis of current liabilities

**Short Term Borrowings:-**

* Short-term borrowings have displayed a fluctuating pattern over the five-year period.
* The amount started at 4,428.05 in March 19, then slightly decreased to 4,488.27 in March 20.
* However, there was a sharp increase to 1,651.98 in March 21, indicating a significant borrowing event or strategy change.
* Subsequently, short-term borrowings decreased to 3.07 in March 22, marking a substantial reduction.
* By March 23, the borrowing amount further decreased to 5.94, signifying a continued downward trend in short-term borrowing.
* Overall, the data suggests varying liquidity needs or management strategies, with periods of both increase and decrease in short-term borrowing.

**Trade payables:-**

* Trade payables have generally increased over the five-year period.
* Starting at 2,154.92 in March 19, there's a consistent upward trend, reaching 3,125.58 by March 23.
* The increase suggests a growing reliance on trade credit as a source of financing for the company's operations.
* This rise could indicate either an expansion in business activities or an extension of payment terms with suppliers.
* The data reflects the company's ability to manage its short-term obligations and its relationship with suppliers over time.

**Other Current Liabilities:-**

* The amount started at 4,145.13 in March 19, increased to 3,488.26 in March 20, and then rose significantly to 2,895.29 in March 21.
* However, there was a notable increase to 4,829.77 in March 22, indicating a significant shift in liabilities.
* By March 23, the liability amount decreased to 4,425.04, reflecting a stabilization or adjustment phase.
* Overall, the data suggests varying short-term financial obligations, potentially influenced by changes in business activities, regulatory requirements, or management strategies.

**Short Term Provisions:-**

* Short-term provisions have shown fluctuations over the five-year period.
* Starting at 2,543.73 in March 19, there was a significant decrease to 1,097.94 in March 20.
* However, there was a notable increase to 1,203.67 in March 21, indicating a potential change in provisioning practices or obligations.
* Subsequently, there was a substantial jump to 2,562.55 in March 22, suggesting a significant increase in short-term provisions.
* By March 23, the provision amount decreased to 809.50, signifying a notable reduction in provisions.
* The data indicates dynamic changes in the company's provisions, which could be influenced by factors such as changes in accounting standards, risk assessments, or business operations.

Analysis of investment

**Non-Current Investments:-**

The quoted market value of non-current investments shows a substantial increase from 8.16 in March 20 to 139.67 in March 19.

Similarly, the unquoted book value of non-current investments increased significantly from 0.38 in March 20 to 17,590.77 in March 19.

However, data is not available for the quoted market value and unquoted book value for the years March 21 and March 22.

**Current Investments:-**

The unquoted book value of current investments fluctuated over the period, ranging from 193.04 in March 22 to 392.37 in March 20.

Data for the quoted market value of current investments is not available for any of the years.

Overall, the data suggests substantial fluctuations in the book values of both non-current and current investments, with significant increases observed in the unquoted book values of non-current investments. The absence of data for certain years may indicate either a lack of relevant investments during those periods or a lack of disclosure.

Analysis of net profit margin ratio

**NP ratio = Net profit / Sales \* 100**

**2018-19** = Rs.145.43 cr./182.87\*100

=7.92%

**2019-20** = Rs. (312.40) cr./76.81\*100

=25.62%,

**2020-21** = Rs. (151.14) cr./252.96\*100

=16.71%

**2021-22** = Rs. (203.40) cr./137.25\*100

= (0.64%)

**2022-23** = Rs. (222.58) cr./238.78\*10

=8.12%

* March 19: The net profit margin was 7.92%.
* March 20: The net profit margin increased substantially to 25.62%, indicating a significant improvement in profitability.
* March 21: There was a slight decrease in the net profit margin to 16.71%, but it remained at a relatively high level compared to the previous year.
* March 22: The net profit margin turned negative (-0.64%), suggesting that the company experienced a loss during this period.
* March 23: The net profit margin rebounded to 8.12%, indicating a return to profitability, although at a lower level compared to March 20 and 21.
* Overall, the data shows fluctuations in the net profit margin over the specified dates, with significant variations in profitability from one year to another. The negative net profit margin in March 22 indicates a challenging period for the company, which was followed by a recovery in profitability in March 23.

Analysis of Quick ratio

**Quick Ratio = (Current Assets - Inventories) / Current Liabilities**

2018-19 = (11169.23 – 2792.62) / 13271.83

= 0.63

2019-20 = (11941.12– 2633.67) / 11203.74

= 0.83

2020-21 = (12066.34 – 3165.72) / 8343.55

= 1.07

2021-2022 = (9703.75 – 3403.74) / 10105.83

= 0.62

2022-2023 = (16465.15 – 3989.19) / 8366.06

= 1.49

* March 19: The quick ratio was 0.63.
* March 20: The quick ratio increased to 0.83, indicating a better ability to cover short-term liabilities with liquid assets compared to the previous year.
* March 21: The quick ratio further improved to 1.07, suggesting a strengthened liquidity position.
* March 22: There was a significant decrease in the quick ratio to 0.62, indicating potential challenges in liquidity management or changes in asset composition.
* March 23: The quick ratio rebounded to 1.49, signaling a substantial improvement in liquidity compared to the previous year and indicating a healthier financial position.

Working capital turnover ratio

Working capital turnover ratio = Net sales / Net working capital

**2018-19** = Rs.14318.05/7723.71

=3.69

**2019-20** = Rs.15374.76/6188.01

=4.76

**2020-21** = Rs.15162.96/5550.28

=4.04

**2021-22** = Rs.16405.48/4181.24

=1.40

**2022-23** = Rs. 16641.66/7959.54

=1.40

* March 19: The inventory turnover ratio was 3.69.
* March 20: The ratio increased to 4.76, indicating that inventory was being sold and replaced more frequently during this period compared to the previous year.
* March 21: There was a significant decrease in the inventory turnover ratio to 4.04, but it remained relatively high, suggesting efficient management of inventory.
* March 22: The inventory turnover ratio remained constant at 1.40, potentially indicating a stabilization or change in inventory management practices.
* March 23: The inventory turnover ratio remained unchanged at 1.40 compared to the previous year.
* Overall, the data shows fluctuations in the inventory turnover ratio over the specified dates, with variations in the efficiency of inventory management observed from year to year. The high turnover ratios in March 20 and 21 suggest effective inventory management practices, while the decrease in subsequent years may indicate changes in business conditions or strategies.

**Asset turnover ratio = Sales / Asset**

**2018-19 =** Rs.14318.05/27949.37

=0.512:1

**2019-20 =**Rs. 15374.76/24983.85

=0.616:1

**2020-21 =** Rs. 15162.96/23610.44

=0.641:1

**2021-22 =** Rs. 16405.48/21821.22

=0.752:1

**2022-23 =** Rs. 16641.66/22955.93

=0.724:1

**Analysis:**

Asset turnover ratio of sun pharma has fluctuated over the years. It increased from 2018-19 to 2021-22, indicating a potential increase in efficiency in asset utilization during those years. However, it decreased notably from 2022-23 but is not majorly decrease, suggesting an improvement in asset utilization efficiency.

swot Analysis

Sun Pharma Industries is one of the leading brands in the pharma and healthcare sector. Sun Pharma Industries SWOT analysis evaluates the brand by its strengths & weaknesses which are the internal factors along with opportunities & threats which are the external factors. Let us start the SWOT Analysis of Sun Pharma Industries:

Quick Glance:

* [**Strengths**](https://www.mbaskool.com/brandguide/pharmaceuticals-and-healthcare/3321-sun-pharma-industries.html#strengths)
* [**Weaknesses**](https://www.mbaskool.com/brandguide/pharmaceuticals-and-healthcare/3321-sun-pharma-industries.html#weaknesses)
* [**Opportunities**](https://www.mbaskool.com/brandguide/pharmaceuticals-and-healthcare/3321-sun-pharma-industries.html#opportunities)
* [**Threats**](https://www.mbaskool.com/brandguide/pharmaceuticals-and-healthcare/3321-sun-pharma-industries.html#threats)

## **Sun Pharma Industries Strengths:-**

1. Strong growth in emerging market business
2. Introduction of Pantoprazole & Eloxatin in US market has very limited competition
3. They have strong marketing & sales force of over 12,000 employees
4. They have successfully acquired Taro pharma which has further consolidated their position in Indian markets
5. Strong brand presence in India and US markets

## **sun Pharma Industries Weaknesses:-**

1. Stiff competition from many Indian and other global brands means limited market share growth
2. Limited presence in emerging markets and European countries

## **Sun Pharma Industries Opportunities:-**

1. They can leverage their acquisitions to further increase the growth
2. They can increase their presence in contract manufacturing
3. Increasing healthcare awareness in India

## **Sun Pharma Industries Threats:-**

1. There is growing competition in generics market
2. Stringent patent regulations
3. High price sensitivity of consumers

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