



## **SYMBIOSIS CENTER OF CORPORATE AND PROFESSIONAL LEARNING**

(A Unit of Symbiosis Skills and Professional University)

### **NAME OF PROJECT:**

**FINANCIAL MODELLING & PROFITABILITY  
FORECAST FOR CIPLA LTD.**

### **GROUP B**

#### ***GROUP MEMBER'S:***

- 
- 1. SAHIL SHAIKH**
  - 2. VAMSHI VADLAKONDA**
  - 3. NEHA INGLE**
  - 4. TISHA NADAR**
  - 5. ANIKET DHENDE**
- 

**GUIDE: MR. RAHUL KAPOOR**

**YEAR: 2025**

# **INDEX**

- ***INTRODUCTION***
- ***Scope of project***
- ***Literature Review***
- ***Problem Statement & Objectives***
- ***Project Objectives***
- ***Methodology***
- ***Approach***
- ***Research and Analysis***
- ***Risk & Opportunities***
- ***Conclusion***
- ***Investment Stance***
- ***References***





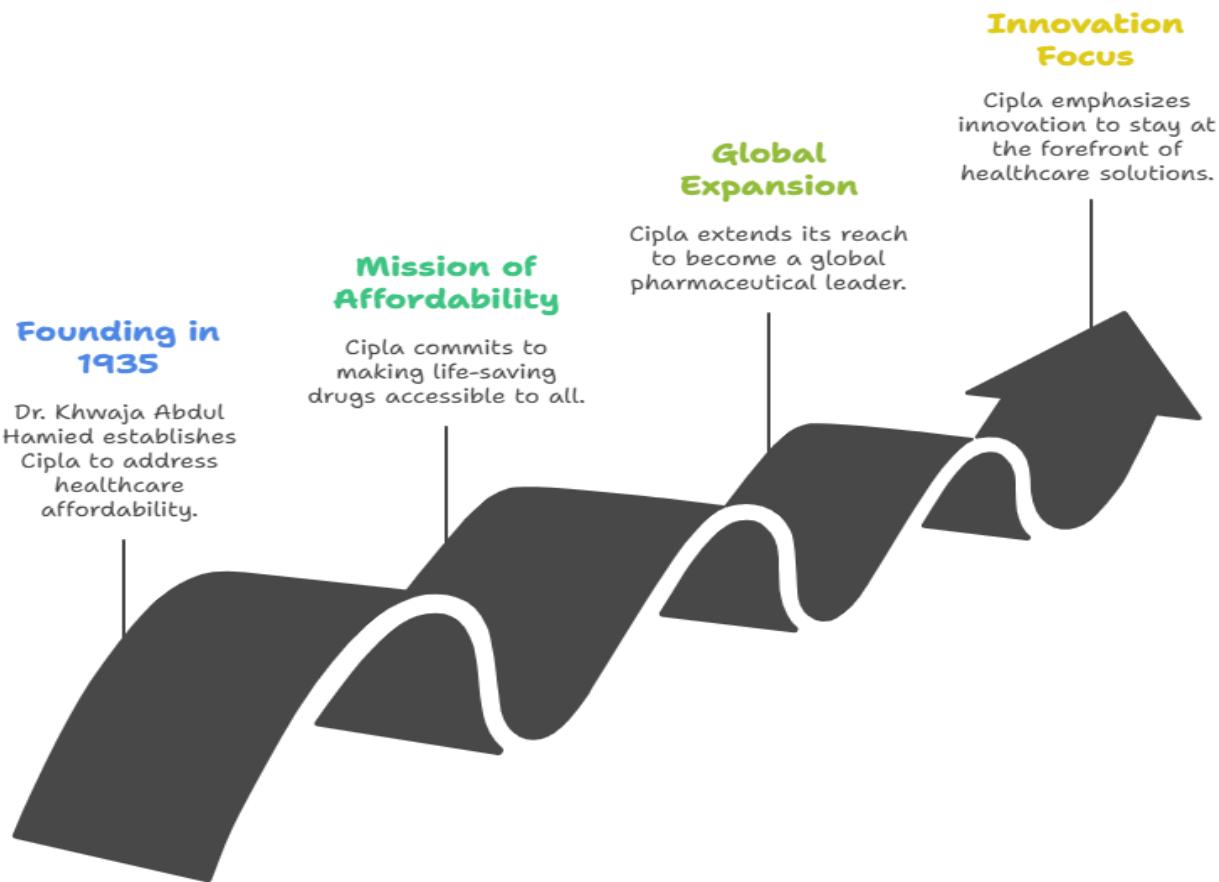
Cipla Limited is an Indian multinational pharmaceutical company headquartered in Mumbai. Cipla primarily focuses on developing medication to treat respiratory disease, cardiovascular disease, arthritis, diabetes, depression, paediatric and various other medical conditions. Cipla has 47 manufacturing locations across the world and sells its products in 86 countries. It is the third-largest drug producer in India.

## Introduction

### Background of the Company:

**Cipla Ltd.** is a globally recognized pharmaceutical leader, distinguished by its commitment to affordable healthcare for all. **Founded in 1935** by **Dr. Khwaja Abdul Hamied** in Mumbai, the company emerged at a time when India was heavily dependent on imported medicines. Driven by the belief that no patient should be denied access to lifesaving drugs because of cost, Dr. Hamied established an organization that would go on to become a global leader in generic pharmaceuticals.

### Cipla's Journey to Global Leadership



From humble beginnings, Cipla has grown into a multinational powerhouse, with operations in **over 80 countries** and more than **46 manufacturing facilities worldwide**. Its product portfolio spans multiple therapeutic areas, including **respiratory care, cardiovascular diseases, oncology, and HIV/AIDS treatment**. The company has earned global recognition for its humanitarian efforts, most notably for making **affordable HIV medicines** available to millions of patients in developing countries.

Listed on both the National Stock Exchange (**NSE**) and Bombay Stock Exchange (**BSE**), Cipla has consistently demonstrated financial stability while staying true to its mission of '**Caring for Life.**' In recent years, the company has embraced innovation not only in medicines but also in delivery models, exploring Direct-to-Consumer (D2C) strategies to reach patients more effectively in a **digital-first world**.



The healthcare industry is changing faster than ever, fuelled by new technology, rising patient expectations, and growing competition. One of the biggest shifts we're seeing is the rise of Direct-to-Consumer (D2C) models in pharmaceuticals. Unlike the traditional system — where medicines pass through wholesalers, distributors, and pharmacies before reaching the patient — the D2C model creates a direct link between companies and patients. This happens through online platforms, telemedicine, and personalized healthcare solutions, making treatment faster, more convenient, and tailored to individual needs.

For Cipla, a brand already trusted by millions, this shift could open up a powerful growth path. It promises quicker delivery, stronger relationships with patients, and more personalized care. But moving into this space isn't just about technology — it also requires a clear understanding of the numbers. This project blends financial analysis with real-world strategy to explore that opportunity, using tools like scenario forecasting and sensitivity analysis to see how a D2C approach could work for Cipla in the coming years.

## 1. SCOPE OF WORK

The scope of our project defines the boundaries and focus areas for our research and analysis. Our work will be organized into four main stages:

### **1. Data Collection & Industry Analysis:**

- Gathering Cipla's historical financial data from the past 5–10 years.
- Collecting industry benchmarks and competitive market data.

### **2. Financial Modelling:**

- Projecting revenues from both existing Cipla products and new D2C offerings.
- Analysing cost structures and operating margins.
- Developing profitability scenarios (best case, worst case, likely case).

### **3. Profitability Forecasting:**

- Short-term (1–3 years) and medium-term (4–7 years) projections.
- Assessing sensitivity to market changes, regulations, and competitor actions.

### **4. Strategic Recommendations:**

- Suggesting market entry or expansion strategies for D2C.
- Proposing risk management approaches to safeguard profitability.

**THIS SCOPE ENSURES THAT OUR PROJECT IS BOTH COMPREHENSIVE AND TARGETED, OFFERING VALUABLE INSIGHTS FOR CIPLA'S POTENTIAL D2C VENTURES.**

*The scope of this project goes beyond simple financial number-crunching. It is designed to provide a comprehensive view of Cipla Ltd.'s financial health, growth trajectory, and long-term sustainability. The project not only examines historical performance but also emphasizes forward-looking analysis, integrating market dynamics, competitor benchmarks, and valuation techniques.*

THROUGH THE ABOVE STUDY, WE AIM TO ANSWER KEY QUESTIONS SUCH AS:

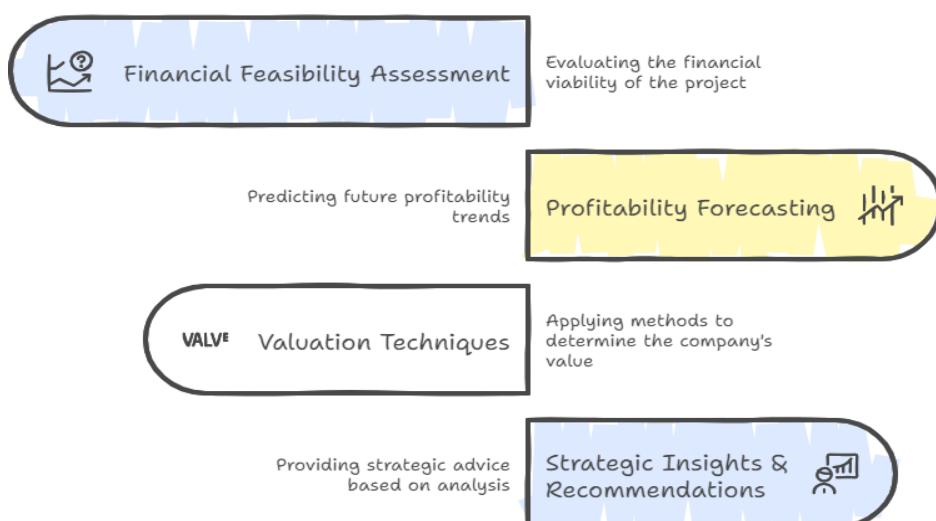
- **HOW HAS CIPLA PERFORMED FINANCIALLY OVER THE PAST 5 YEARS, AND WHAT ARE THE UNDERLYING STRENGTHS AND WEAKNESSES?**
- **WHAT REVENUE GROWTH CAN BE REASONABLY EXPECTED IN THE SHORT-TERM (1–3 YEARS) AND MEDIUM-TERM (4–7 YEARS)?**
- **WHICH FACTORS (SUCH AS REGULATORY CHANGES, COMPETITOR MOVES, OR R&D INVESTMENTS) POSE THE MOST SIGNIFICANT RISKS TO CIPLA'S PROFITABILITY?**
- **WHAT VALUATION CAN BE ASSIGNED TO CIPLA USING MODERN TECHNIQUES LIKE DISCOUNTED CASH FLOW (DCF) AND COMPARABLE COMPANY ANALYSIS?**

*Our scope also ensures that the analysis is not restricted to numbers alone. Instead, we will provide strategic insights that can guide decision-makers—whether investors, analysts, or company stakeholders—on whether Cipla is a potential “Buy, Hold, or Sell” opportunity.*

*This project is structured to not only test financial feasibility but also to bridge academic learning with real-world application. By integrating financial tools (Excel, Power BI, SQL), analytical methods, and industry data, the study will deliver outcomes that are practical, insightful, and actionable.*

*In essence, this scope ensures that our project is comprehensive, targeted, and meaningful, offering valuable insights into Cipla's current position and its potential trajectory in the global pharmaceutical industry.*

### Financial Analysis Process



## 2. Literature Review

### Review of Existing Solutions: **What Cipla is Doing Right??**

Cipla is more than just a pharmaceutical company — it's a story of innovation, impact, and care. From pioneering inhalers in Indian households to launching pocket-sized diagnostic devices, Cipla has positioned itself as a trusted name in healthcare with a heart. Let's explore what the company is doing well across sectors.

#### **B. Breathing Life into Respiratory Care:**

- ✓ Cipla is a household name in asthma and COPD care. It doesn't just sell inhalers — it engineers' comfort, portability, and adherence through drug-device innovations.
- ✓ Its extensive portfolio of inhalation therapies has made it the respiratory market leader in India, and a serious contender globally.

#### **Spirofy®: When Diagnostics Go Mobile:**

- Imagine a lung lab in your palm — that's Spirofy, Cipla's portable, wireless spirometer.
- Designed for rural clinics and frontline workers, Spirofy brings accurate lung-function testing to places where big machines can't go.
- With built-in battery power and smartphone connectivity, it redefines point-of-care screening for asthma and COPD.

#### **A Multispecialty Giant with a Generic Soul:**

- Cipla offers an extensive range of medicines — from HIV antiretrovirals and oncology drugs to dermatology creams and urology treatments.
- Its strength lies in branded generics — high-quality formulations that are both accessible and affordable.

### Global Presence, Local Relevance:

- In India, Cipla is a giant. But it has also carved out strongholds in South Africa, the U.S., and over 80 countries globally.
- Its strategy balances global regulatory excellence with domestic scale and market intimacy.

### Healthcare with a Conscience:

- True to its motto, “Caring for Life,” Cipla partners with global health organizations to distribute affordable ARVs in low-income nations.
- The company has a long-standing commitment to expanding access through public–private partnerships and patient support programs.

### Greener Tomorrow: ESG Commitments

- Cipla isn't just thinking about patients — it's thinking about the planet too.
- It aims to make its India operations carbon neutral by December 2025, with ongoing initiatives in renewable energy, water efficiency, and sustainable sourcing.

### Regulatory Maturity (with Room for Growth)

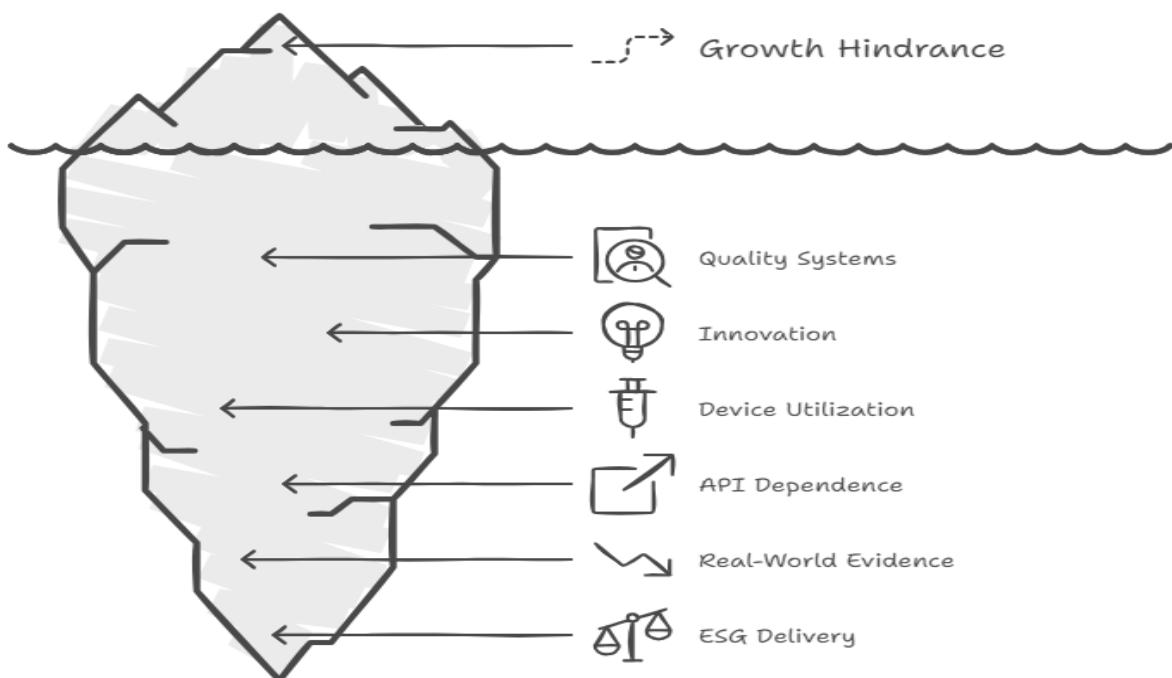
- Cipla's manufacturing facilities are compliant with most global standards, but recent U.S. FDA observations at its Pithampur site point to the need for more proactive quality assurance.
- The company is now investing in digital tools and systems to strengthen its quality infrastructure.

## 2.1 GAPS IDENTIFY

<b>Gap Area</b>	<b>What's Missing</b>	<b>Why It Matters</b>	<b>What Cipla Can Do</b>
<i>Quality Systems</i>	End-to-end digital QA monitoring	Regulatory risk, reputational damage	Automate compliance audits
<i>Innovation</i>	Novel drugs, biosimilars	Long-term growth, global positioning	Invest in deeper R&D partnerships
<i>Device Utilization</i>	Training, workflow integration	Low real-world impact	Run primary care training camps

<i>API Dependence</i>	Local sourcing, risk mitigation	Supply disruptions, price shocks	Expand domestic API production
<i>Real-World Evidence</i>	Data on outcomes & adherence	Supports market access & payer engagement	Launch longitudinal studies
<i>ESG Delivery</i>	Public dashboards, interim goals	Credibility with investors, public trust	Report ESG progress annually

## Cipla's Hidden Challenges to Long-Term Growth.



Made with Napkin

### 3. Problem Statement & Objectives

#### **3.1 Clear Statement of the Project:**

- Cipla Limited is a leading player in the Indian pharmaceutical industry with a strong domestic and global presence.
- The company operates in a highly competitive and regulated environment where factors like government policies, raw material price changes, currency fluctuations, and international market conditions constantly affect business performance.
- Rising competition from both Indian and global companies puts additional pressure on maintaining and growing market share.
- Past performance alone cannot be the basis for future decision-making; the company needs accurate forecasting to plan strategically.
- Financial modelling provides a structured, data-driven approach to predicting revenues, costs, and profits, enabling better decision-making.
- Without such a model, Cipla risks making decisions based on assumptions or overly optimistic estimates, which can harm long-term profitability.
- A well-built financial model can help forecast future growth, identify cost pressures, and highlight opportunities for efficiency improvements.
- The aim of this project is to develop a financial model that can forecast Cipla's profitability for the next five years and guide strategies for sustainable growth.

## 3.2 Project Objectives

*This Capstone Project has been developed with the following key objectives:*

1. **Develop a 5-year financial model** for Cipla using historical data and realistic growth assumptions.
2. **Forecast key metrics** such as revenue, net profit, free cash flow, and profitability ratios for the years **2026–2030**.
3. **Analyze the cost structure** by examining raw material costs, R&D expenses, manufacturing costs, and operational expenditures.
4. **Assess Cipla's financial health** by calculating liquidity ratios, leverage ratios, and efficiency ratios.
5. **Identify profitability drivers** and conduct sensitivity analysis to see how changes in sales growth, costs, or margins affect results.
6. **Provide actionable recommendations** to improve profitability, manage risks, and strengthen long-term growth.

### Why This Study is Important??

- I. The pharmaceutical industry faces unpredictable challenges such as regulatory changes, market demand shifts, and global competition.
- II. A robust financial model acts as a **roadmap** for decision-making, allowing Cipla to prepare for multiple possible scenarios.
- III. For management, the study offers insights into cost control, revenue growth, and risk management.
- IV. For investors, it highlights whether the company's growth is sustainable and where potential threats lie.
- V. Academically, the project applies financial modelling techniques to a real-world company, bridging the gap between theory and practice.
- VI. Ultimately, this study transforms raw financial data into actionable strategies that can help Cipla remain competitive and profitable in the long run.

## 4. Methodology

### 4.1 Tools and Techniques Used:

Our capstone project involves analysing the financial viability of Cipla's potential investment in D2C (Direct-to-Consumer) healthcare startups with a focus on variable text-driven packaging. To achieve this, we applied a mix of financial, statistical, and business modelling tools.

*Here is an overview of the tools and techniques used:*

#### Tools:

Tool	Purpose
Microsoft Excel	Core platform for financial modelling, scenario simulation, charts
MS Word	Documentation, formatting, report compilation
Google Sheets & Google Docs	Real-time collaboration and data sharing
Statista, Tracxn, Crunch base	Secondary data for market trends, startup benchmarking, D2C insights
NSE / BSE Websites	Historical financial data and stock performance of Cipla Ltd.
Screener.in / Tickertape	Financial ratios, peer comparison, company filings

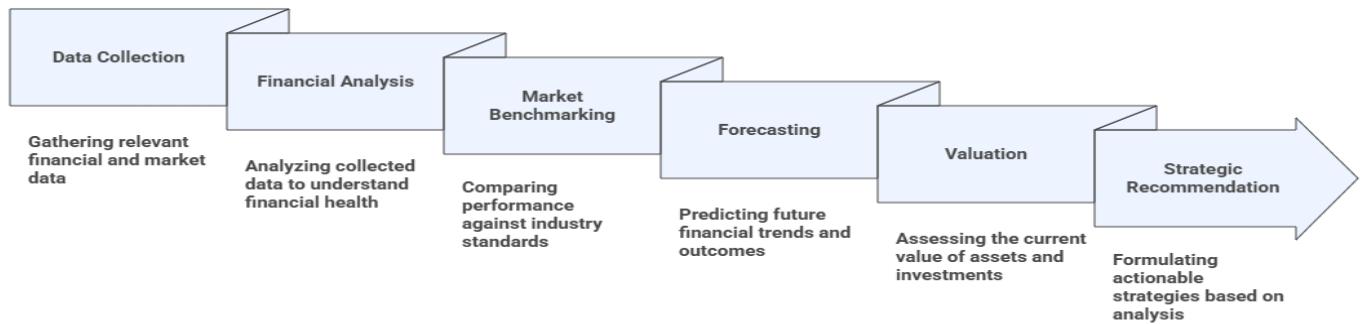
#### Techniques:

Technique	Description
Financial Statement Analysis	5-year trend analysis of Cipla's P&L, Balance Sheet, Cash Flow
Ratio Analysis	Profitability, Liquidity, Efficiency, Valuation ratios
Discounted Cash Flow (DCF)	To estimate intrinsic value of potential D2C business
Comparable Company Analysis	Used peer benchmarking to estimate valuation multiples
Forecasting Techniques	Top-down revenue modelling, margin forecasting under various growth cases
Scenario & Sensitivity	Testing Base, Best, Worst case assumptions and key variable stress testing

## Break-Even & ROI Analysis

To calculate point of profitability and return timeline

## Strategic Financial Analysis Framework



Made with ➡ Napkin

## 5. APPROACH

### A) Approach – Highlighting the Solution:

The approach for this project was designed to ensure that the financial model developed for Cipla Limited is both accurate and practical for real-world decision-making. The steps taken combined financial analysis, forecasting techniques, and strategic evaluation.

---

#### 1. Understanding the Business and Industry:

- Began with a thorough review of Cipla's operations, product lines, and global presence.
- Studied the pharmaceutical industry landscape, including market growth trends, regulatory frameworks, and competitive pressures.

#### 2. Collection of Historical Data:

- Gathered Cipla's last 5–7 years of audited financial statements (Income Statement, Balance Sheet, Cash Flow Statement) from annual reports and trusted financial databases.
- Verified the accuracy of the data by cross-checking with multiple reliable sources.

#### 3. Data Cleaning and Preparation:

- Organized financial data in a structured Excel format to make it easy to analyse.
- Adjusted figures to remove the effect of one-time or extraordinary items that could distort the forecast.
- Ensured all data was standardised in INR for consistency.

#### 4. Building the Financial Model:

- Created a detailed Excel-based financial model incorporating revenue, cost, and profit forecasts.
- Revenue growth was projected using historical patterns, industry reports, and realistic growth assumptions.
- Forecasted key expenses such as raw material costs, R&D investments, depreciation, and administrative expenses.
- Included capital expenditure (Capex) and working capital requirements to arrive at Free Cash Flow projections.

## **5. Profitability and Financial Health Analysis:**

- Calculated projected net profit, earnings per share (EPS), and profitability ratios including gross, operating, and net margins.
- Evaluated liquidity, leverage, and efficiency ratios to assess Cipla's overall financial health.

## **6. Sensitivity and Scenario Testing:**

- Conducted "what-if" analysis to test the impact of changes in sales growth, raw material prices, and other key variables.
- This allowed identification of high-risk factors and potential opportunities.
- 

## **7. Translating Analysis into Recommendations**

- Converted the financial results into practical insights for Cipla's management.
- Suggested measures to improve profitability, control costs, manage risks, and strengthen long-term growth potential

*For complete Financial Computations & Analytical works please refer accompanying Excel Sheet below...*



[EXCEL FILE: CIPLA Project \[Group B\].xlsx](#)

**BALANCESHEET:**

Report date	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	161	161	161	161	161	161	161	161	161	162
Reserves	11356	12383	14068	14851	15602	18165	20680	23246	26545	31032
Borrowings +	5202	4113	4098	4316	2816	2014	1056	803	559	438
Other Liabilities +	4331	4213	4346	4433	4843	4514	4960	5089	5267	5702
<b>Total</b>	<b>21049</b>	<b>20869</b>	<b>22673</b>	<b>23762</b>	<b>23423</b>	<b>24855</b>	<b>26857</b>	<b>29300</b>	<b>32533</b>	<b>37334</b>
Fixed Assets +	9368	9492	9950	9608	9683	9516	9683	9160	9607	10006
CWIP	2061	1683	981	676	825	969	766	1093	1153	1566
Investments	759	973	1259	2554	1471	2710	2551	3662	5449	7933
Other Assets -	8862	8721	10483	10923	11444	11661	13857	15384	16323	17828
Inventories	3808	3485	4045	3965	4378	4669	5350	5156	5238	5642
Trade receivables	2356	2563	3102	4151	3891	3446	3424	4057	4771	5506
Cash Equivalents	871	624	966	619	1004	1401	1928	1565	875	800
Loans n Advances	240	149	284	304	287	277	316	332	345	357
Other asset items	1586	1899	2086	1885	1885	1868	2838	4274	5095	5523
<b>Total</b>	<b>21049</b>	<b>20869</b>	<b>22673</b>	<b>23762</b>	<b>23423</b>	<b>24855</b>	<b>26857</b>	<b>29300</b>	<b>32533</b>	<b>37334</b>

**CASH FLOWS:**

Report date	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Cash from Operating Activit	1741	2382	1463	1691	3068	3755	3326	3238	4134	5005
Cash from Investing Activity	-4533	-1304	-834	-1688	114	-2374	-1858	-2376	-2982	-3682
Cash from Financing Activity	3104	-1326	-385	-349	-2949	-1240	-1600	-958	-1200	-1293
<b>Net Cash Flow</b>	<b>312</b>	<b>-248</b>	<b>243</b>	<b>-345</b>	<b>234</b>	<b>141</b>	<b>-132</b>	<b>-97</b>	<b>-49</b>	<b>30</b>

**INCOME STATEMENT:**

Report date	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	<b>13790</b>	<b>14394</b>	<b>15156</b>	<b>16362</b>	<b>17132</b>	<b>19160</b>	<b>21763</b>	<b>22753</b>	<b>25774</b>	<b>27548</b>
Sales Growth %	0.2155	0.0438	0.0529	0.0796	0.047	0.1184	0.1359	0.0455	0.1328	0.0688
Expenses +	11310	11898	12329	13265	13926	14907	17211	17726	19483	20420
<b>Operating Profit</b>	<b>2480</b>	<b>2496</b>	<b>2826</b>	<b>3097</b>	<b>3206</b>	<b>4252</b>	<b>4553</b>	<b>5027</b>	<b>6291</b>	<b>7128</b>
OPM %	0.18	0.17	0.19	0.19	0.19	0.22	0.21	0.22	0.24	0.26
<b>Other Income -</b>	<b>208</b>	<b>208</b>	<b>280</b>	<b>477</b>	<b>344</b>	<b>266</b>	<b>99</b>	<b>293</b>	<b>552</b>	<b>862</b>
Exceptional items	66	157	97	188	129	52	-96	-58	-122	169
Other income normal	143	51	184	288	216	214	195	351	674	693
Interest	207	159	114	168	197	161	106	110	90	62
Depreciation	754	1323	1323	1326	1175	1068	1052	1172	1051	1107
Profit before tax	1727	1222	1669	2079	2178	3290	3493	4038	5702	6821
Tax %	0.19	0.15	0.15	0.27	0.29	0.27	0.27	0.3	0.27	0.22
<b>Net Profit -</b>	<b>1383</b>	<b>1035</b>	<b>1417</b>	<b>1492</b>	<b>1500</b>	<b>2389</b>	<b>2547</b>	<b>2833</b>	<b>4154</b>	<b>5269</b>
Profit from Associates	-12	-7	-3	-17	-47	-13	-13	-3	-2	-22
Minority share	-23	-29	-6	35	47	16	-30	-31	-32	3
Exceptional items AT	48	96	64	121	88	35	-65	-40	-86	127
Profit excl Excep	1336	940	1352	1372	1411	2353	2612	2873	4239	5142
Profit for PE	1313	913	1347	1372	1411	2353	2581	2842	4207	5142
Profit for EPS	1360	1006	1411	1528	1547	2405	2517	2802	4122	5273
EPS in Rs	16.93	12.51	17.52	18.96	19.18	29.82	31.19	34.71	51.05	65.28
Dividend Payout %	0.12	0.16	0.17	0.16	0.21	0.17	0.16	0.24	0.25	0.25

# Strategic Financial Insights for Cipla Ltd

## SWOT Analysis:

S = STRENGTHS	W = WEAKNESSES
Strong Global Presence across 80+ Countries.	Dependence on Regulatory approvals (USFDA, EMA).
Leadership in generics & respiratory therapy.	High R&D costs impacting short-term margins.
Healthy balance sheet with low debt-to-equity ratio.	Slower growth in US generics segment compared to peers.
Consistent revenue growth and diversified portfolio.	Pricing pressure in domestic market due to Competition.
Strong brand recognition and trusted in pharma industry.	Limited presence in biologics compared to Global Leaders.

O = OPPORTUNITY	T = THREATS
Expanding demand for affordable generics globally.	Intense competition from Sun Pharma, Dr. Reddy's, Lupin.
Intense competition from Sun Pharma, Dr. Reddy's, Lupin.	Currency fluctuations impacting export revenue.
Rising healthcare spending in India and emerging markets.	Stringent regulatory scrutiny in the US and EU.
Digital health and telemedicine adoption post-COVID	Rising raw material costs (API dependency on China).
Potential M&A and strategic collaborations.	Risk of patent litigations and product recalls

## How to strategically position the company?

### Leverage Strengths

Utilize internal strengths to gain a competitive edge.

### Address Weaknesses

Mitigate internal weaknesses to improve performance.

### Seize Opportunities

Capitalize on external opportunities for growth.

### Counter Threats

Prepare for and mitigate external threats to ensure stability.

## Investment Recommendations:

### 1. Expand R&D into Biologics and Biosimilars.

- Increase focus on high-margin biologics and specialty medicines to diversify revenue beyond generics.

### 2. Strengthen US and Emerging Market Presence.

- Deepen penetration in the US while tapping high-growth markets in Africa and South-East Asia.

### 3. Digital Healthcare & Partnerships.

- Invest in digital health solutions (telemedicine, e-pharma collaborations) to stay competitive in the post-COVID healthcare landscape.

### 4. Improve Cost Efficiency & Supply Chain Security.

- Reduce dependency on API imports by expanding in-house manufacturing and securing long-term contracts.

## INTERPRETATION:

Cipla is strong because of its leading position in respiratory and generic medicines and a wide distribution network.

Its weakness is **over-reliance on generics** and **price pressure** in regulated markets.

It has big opportunities in **biologics, biosimilars, and emerging markets**.

But faces threats from **tough competition, strict regulations, and supply chain risks**.

**In simple words:** *Cipla has a solid base and a good future ahead, but to keep growing, it needs to use its strengths smartly and work on its weak spots.*



## 6. RESULTS AND ANALYSIS

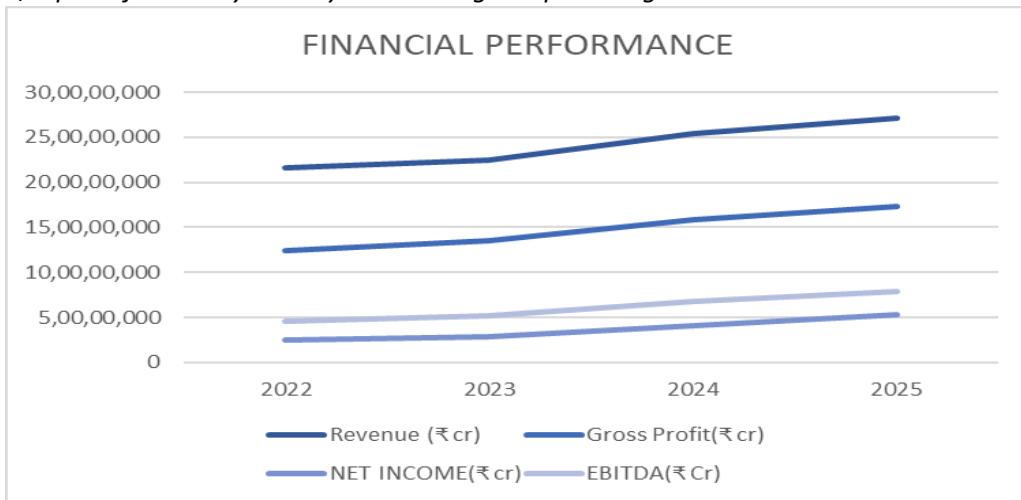
### 4.2 Flow Charts and Diagrams / Graphs:

#### Financial Performance :

year	Revenue (₹ cr)	Gross Profit(₹ cr)	NET INCOME(₹ cr)	EBITDA(₹ Cr)
2022	21,62,33,600	12,39,36,400	2,51,67,500	4,58,82,000
2023	22,47,31,800	13,51,25,500	2,80,19,100	5,15,21,000
2024	25,44,66,300	15,85,42,500	4,12,15,500	6,82,40,500
2025	27,14,54,000	17,38,26,600	5,27,25,200	7,86,02,800

#### **INTERPRETATION:**

The chart shows that Cipla's revenue, profit, EBITDA, and net income have all grown steadily from 2022 to 2025. This means the company is managing costs well, improving efficiency, and becoming more profitable year by year. Overall, Cipla is financially healthy and moving in a positive growth direction.



#### Liquidity Metrics :

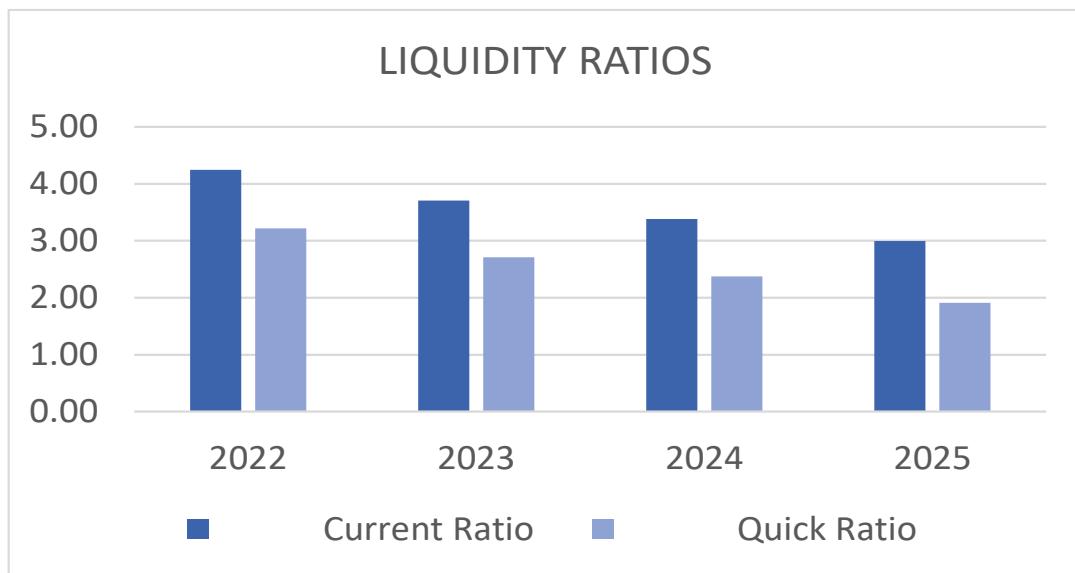
COMPONENTS	2025	2024	2023	2022
CASH & CASH EQUIVALENT	10,60,92,800	7,77,90,000	6,26,30,600	4,63,16,700
Inventory	5,64,21,100	5,23,79,500	5,15,64,300	5,35,02,400
Prepaid Assets	1,07,78,100	1,10,67,600	1,05,19,100	1,09,88,300
Restricted Cash	3,41,100	8,25,300	1,52,700	1,59,300
Assets Held for Sale Current	3,95,500	4,89,600	46,98,900	1,67,100
Hedging Assets Current	95,500	2,54,300	92,100	1,84,800
Other Current Assets	1,05,48,800	90,01,000	72,900	88,000
Disclose Amount	23,28,85,200	19,44,14,100	17,27,49,500	14,72,75,400
<b>CURRENT ASSETS</b>	<b>23,28,85,200.00</b>	<b>19,44,14,100.00</b>	<b>17,27,49,500.00</b>	<b>14,72,75,400.00</b>
Current Provisions	1,71,66,100	1,61,17,600	1,28,66,700	1,22,10,000
Current Debt And Capital Lease Obligation	18,57,200	33,39,900	59,43,000	48,12,600
Other Current Liabilities	4,31,300	13,51,200	5,29,300	4,61,500
Disclose Amount	5,48,39,600	5,24,57,700	5,10,96,700	4,91,32,100
<b>Current Liabilities</b>	<b>5,48,39,600.00</b>	<b>5,24,57,700.00</b>	<b>5,10,96,700.00</b>	<b>4,91,32,100.00</b>
Stockholders' Equity	31,19,34,500	26,70,64,300	23,40,77,800	20,84,16,900
Total Debt	43,81,900	55,94,100	80,31,200	1,05,57,800

#### **LIQUIDITY RATIOS :**

Years	2022	2023	2024	2025
Current Ratio	4.25	3.71	3.38	3.00
Quick Ratio	3.22	2.71	2.37	1.91

## INTERPRETATION:

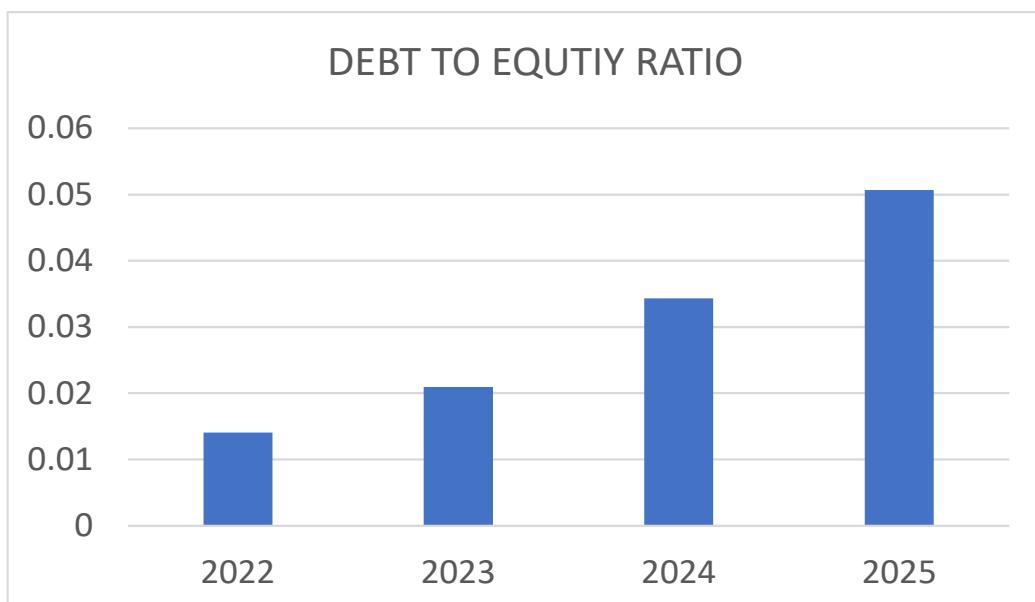
The liquidity ratios (Current & Quick Ratio) are gradually declining from 2022 to 2025. This shows that while Cipla still has enough assets to cover short-term liabilities, its liquidity position is tightening. The company may need to balance cash flow management in the future.



Years	2022	2023	2024	2025
Debt-to-equity Ratio	0.0140475	0.020946641	0.03430996	0.05065712

## INTERPRETATION:

The debt-equity ratio is rising each year. This means Cipla is taking on more debt compared to equity. However, the ratio is still very low overall, which shows the company is financially stable and not heavily dependent on debt.



## 2. SOLVENCY RATIO :

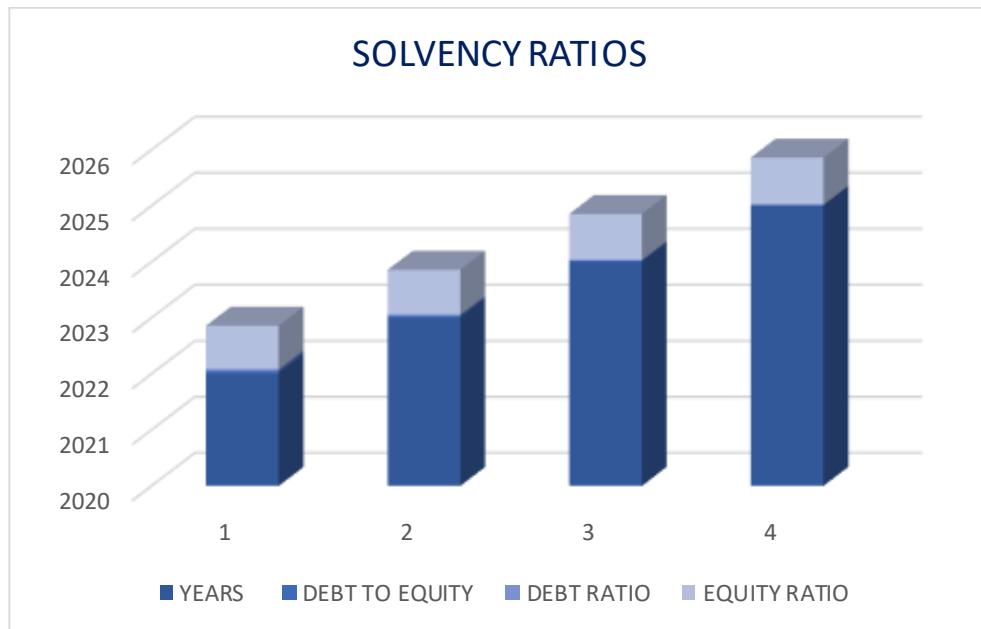
YEARS	2022	2023	2024	2025
DEBT TO EQUITY	5.07%	3.43%	2.09%	1.40%
DEBT RATIO	3.90%	2.73%	1.71%	1.17%
EQUITY RATIO	76.90%	79.45%	81.63%	83.43%

COMPONENT	2022	2023	2024	2025
SHAREHOLDER EQUITY	20,84,16,900.00	23,40,77,800.00	26,70,64,300.00	31,19,34,500.00
TOTAL DEBT	1,05,57,800.00	80,31,200.00	55,94,100.00	43,81,900.00
EBIT	3,59,81,200.00	4,13,29,100.00	5,77,30,300.00	6,86,48,300.00
TOTAL ASSETS	27,10,11,200.00	29,46,32,800.00	32,71,78,200.00	37,38,70,400.00
INTEREST EXP	10,48,500.00	9,45,600.00	7,11,300.00	4,40,200.00

### INTERPRETATION:

Cipla's solvency position has improved steadily from 2022 to 2025. The debt levels have gone down each year, while the equity share has increased. This means the company is relying less on borrowed money and more on its own funds, making it financially stronger and safer in the long run.



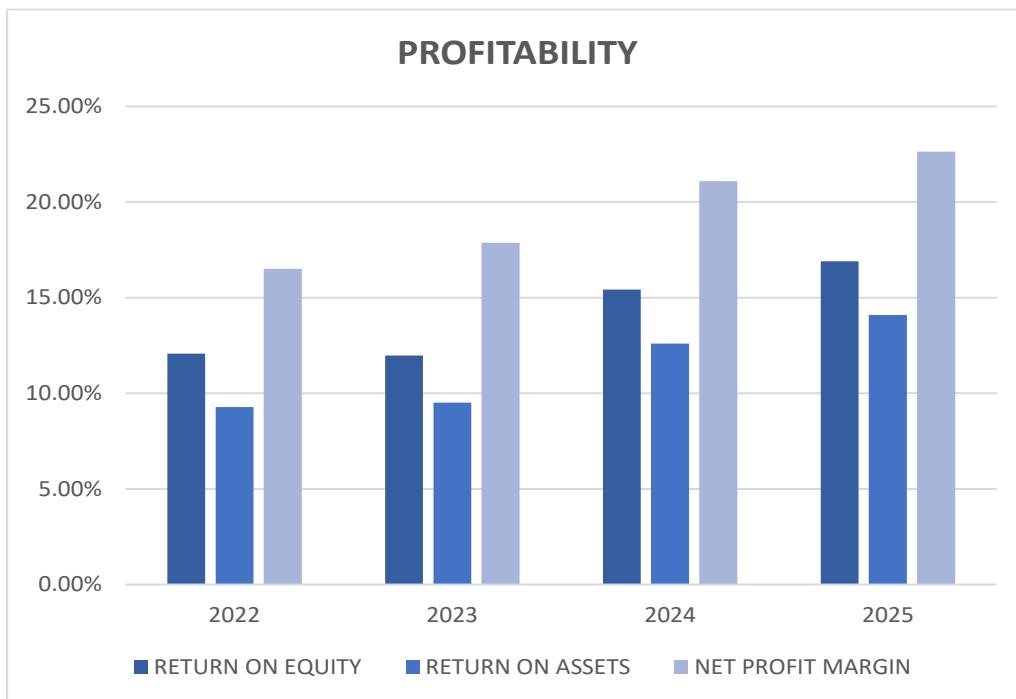
## 3. PROFITABILITY :

YEARS	2022	2023	2024	2025
RETURN ON EQUITY	12.08%	11.97%	15.43%	16.90%
RETURN ON ASSETS	9.29%	9.51%	12.60%	14.10%
NET PROFIT MARGIN	16.51%	17.88%	21.10%	22.63%

COMPONANT	2022	2023	2024	2025
NET PROFIT	3,57,04,300.00	4,01,78,700.00	5,36,86,600.00	6,14,42,200.00
REVENUE	21,62,33,600.00	22,47,31,800.00	25,44,66,300.00	27,14,54,000.00
NET INCOME	2,51,67,500.00	2,80,19,100.00	4,12,15,500.00	5,27,25,200.00
SHAREHOLDER EQUITY	20,84,16,900.00	23,40,77,800.00	26,70,64,300.00	31,19,34,500.00
TOTAL ASSETS	27,10,11,200.00	29,46,32,800.00	32,71,78,200.00	37,38,70,400.00

## INTERPRETATION:

*Profitability ratios are improving steadily from 2022 to 2025. This indicates Cipla is generating more returns from its business and managing costs effectively. Higher profitability reflects strong growth and a healthy financial outlook.*



## FORECAST 2026-2030 ( FUTURE REVENUE )

YEAR	2026	2027	2028	2029	2030
REVENUE	293022849.5	316305489.4	341438092	368567649.2	397852832.5
AVG NET PROFIT MARGIN	19.53%	19.53%	19.53%	19.53%	19.53%
NET PROFIT	57229286.79	61776539.27	66685101.6	71983682.28	77703270.9

YEAR	2022	2023	2024	2025
REVENUE	216233600	224731800	254466300	271454000
NET PROFIT	35704300	40178700	53686600	61442200
NET PROFIT MARGIN	16.51%	17.88%	21.10%	22.63%
AVG NET PROFIT MARGIN	19.53%			
REVENUE GROWTH RATE	3.93%			
GROWTH RATE ( AVG )	7.95%			

## FREE CASH FLOW ( BY CALCULATING WE ARE FINDING THE COMPANIES EXPENSES IN THE FUTURE )

YEAR	2026	2027	2028	2029	2030
NET PROFIT	57229286.79	61776539.27	66685101.6	71983682.28	77703270.9
DEPRECIATION	12388483.34	13372831.82	14435393.42	15582382.7	16820508.01
CAPEX	-14293619.31	-18040042.1	-19473445	-21020741.43	-22690980.99
WC	202191245.4	228476002.8	254760760.3	281045517.7	307330275.1
FCF	286102634.9	321665416	355354700.3	389632324.1	424545035

### COMPONENT :

	2022	2023	2024	2025
DEPRECIATION	9900800	10191900	10510200	9954500
% OF REVENUE	4.58%	4.54%	4.13%	3.67%
AVG DEP				0.042278216

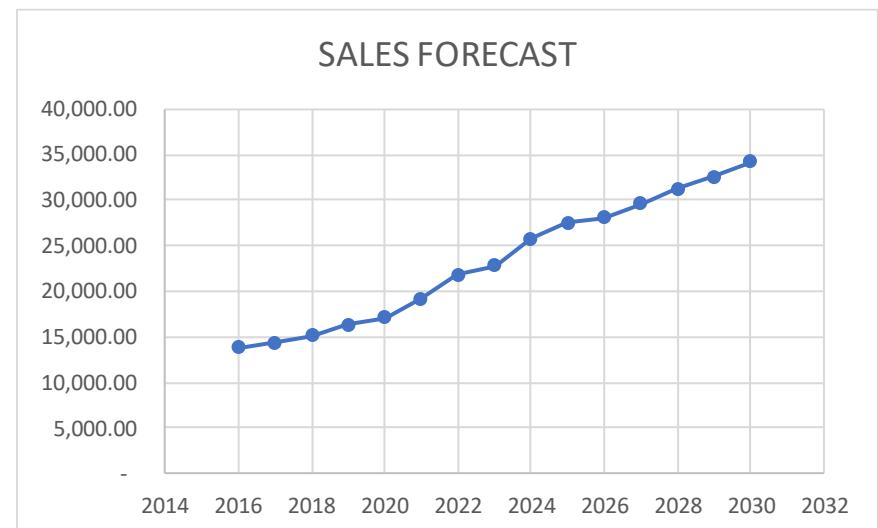
	2022	2023	2024	2025
CAPEX	-7011500	-11828900	-13493000	-15482000
% OF REVENUE	-3.24%	-5.26%	-5.30%	-5.70%
AVG CAPEX				-0.04877988

## SINGLE LINEAR REGRESSION

### SALES :

TIME LINE	VALUE
2016	13,790.10
2017	14,394.29
2018	15,155.71
2019	16362.41
2020	17131.99
2021	19159.59
2022	21763.34
2023	22753.12
2024	25774.09
2025	27547.62
2026	28039.68333
2027	29613.58467
2028	31187.486
2029	32543.03099
2030	34164.23679

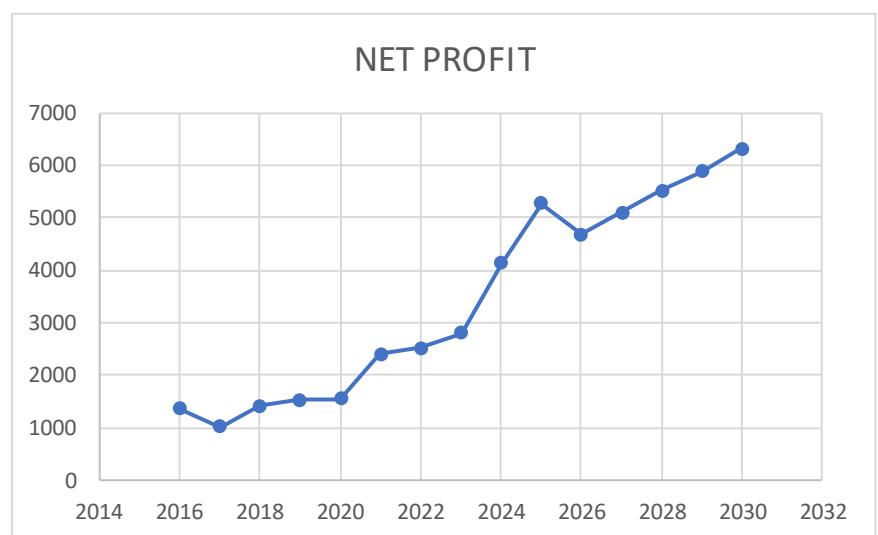
**INTERPRETATION:** Cipla's sales are rising steadily and are expected to cross ₹34,000 crore by 2030, showing strong market growth.



### NET PROFIT :

TIME LINE	VALUE
2016	1359.99
2017	1006.39
2018	1410.53
2019	1527.7
2020	1546.52
2021	2404.87
2022	2516.75
2023	2801.91
2024	4121.55
2025	5272.52
2026	4684.53175
2027	5102.356652
2028	5520.181555
2029	5880.039215
2030	6310.422076

**INTERPRETATION:** Profits are increasing along with sales, reaching over ₹6,300 crore by 2030, reflecting better efficiency and financial strength.



## SUMMARY OUTPUT :

Regression Statistics	
Multiple R	0.986919079
R Square	0.974009269
Adjusted R Square	0.972009982
Standard Error	316.900149
Observations	15

## ANOVA

	df	SS	MS	F	Significance F
Regression	1	48925224.92	48925224.92	487.1783095	1.09117E-11
Residual	13	1305534.158	100425.7045		
Total	14	50230759.08			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-2759.186427	291.8479406	-9.454191868	0.0000003437	-3389.68557	-2128.687283	-3389.68557	-2128.687283
X Variable 1	0.265470836	0.01202743	22.07211611	0.000000000011	0.239487153	0.291454519	0.239487153	0.291454519

## WEIGHTED AVERAGE COST OF CAPITAL :

DEBT	VALUE
INTEREST EXPENSE	4,40,200
TOTAL DEBT	43,81,900
COST OF DEBT	10.05%
INCOMETAX EXPENSE	1,52,97,600
INCOME TAX BEFORE	6,82,08,100
<b>EFFECTIVE TAX RATE</b>	<b>22.43%</b>
<b>COST OF DEBT AFTER</b>	<b>20.17%</b>

EQUITY	VALUE
RISK FREE RATE	6.432
BETA	0.1
EXPECT RETURN	9%
<b>COST OF EQUITY</b>	<b>6.69%</b>

		CORRESPONDING WEIGHTS
TOTAL DEBT	43,81,900	3.63643E-07
MARKET CAPITAL	1,20,50,00,00,00,000	0.999999636
TOTAL CAPITAL	1,20,50,00,43,81,900	
<b>WACC</b>		<b>6.69%</b>

### INTERPRETATION OF WACC :

A WACC OF 6.69% MEANS THE COMPANY MUST EARN AT LEAST 6.69% ON ITS INVESTMENT TO COVER THE COST OF DEBT AND COST OF EQUITY.

## PROFITABILITY FORECAST :

YEAR	2022	2023	2024	2025
NET PROFIT	3,57,04,300	4,01,78,700	5,36,86,600	6,14,42,200
NET PROFIT MARGIN	16.51191119	17.87851119	21.09772492	22.63447951
REVENUE	21,62,33,600	22,47,31,800	25,44,66,300	27,14,54,000
AVG	19.5306567			
NET PROFIT MARGIN		22.63		
ASSUME GROWTH		0.06		

## FORECAST 2026-2030 :

YEAR	2026	2027	2028	2029	2030
REVENUE	287741240	305005714.4	323306057.3	342704420.7	363266685.9
NET PROFIT MARGIN	19%	19%	19%	19%	19%
NET PROFIT	5,46,70,835.60	5,79,51,085.74	6,14,28,150.88	6,51,13,839.93	6,90,20,670.33

## FREE CASH FLOW :

COMPONENTS	VALUE
EBIT	6,86,48,300
DEP & AMO	99,54,500
CAP-EX	-1,54,82,000.00
WORKING CAP	17,80,45,600.00

YEAR	2025	2024	
CA	23,28,85,200	19,44,14,100	
CASH	10,60,92,800	7,77,90,000	
CL	5,48,39,600	5,24,57,700	
NON-CASH	7,19,52,800.00	6,41,66,400.00	→ 77,86,400.00

**FREE CASH FLOW**  
**7,09,02,072.67**

## TERMINAL VALUE :

<b>ECONOMY GDP</b>	<b>6.50%</b>
<b>WACC</b>	<b>6.69%</b>

TIME LINE	1	2	3	4
YEAR	2022	2023	2024	2025
FORECAST FREE CASH FLOW	2,62,47,500	2,05,47,600	2,78,46,100	3,45,67,800
discounted factor	0.937294967	0.878521855	0.823434113	0.771800649
PV CASH FLOWS	24601649.64	18051515.66	22929428.64	26679450.48
				92262044.42
TERMINAL VALUE				7,12,07,905.77
PV TERMINAL VALUE				19,37,61,61,578.95
<b>ENTERPRISE VALUE</b>				<b>19,46,84,23,623.37</b>

## EQUITY VALUATION :

COMPONANT	VALUE
ENTERPRISE VALUE	19468423623
CASH , MARKETABLE SECURITIES	10,02,05,900
SHORT TERM - DEBT	8,01,200
LONG TERM - DEBT	1,19,800
	↓
OUTSTANDING SHARES	807617.12
ENTERPRISE VALUE	19,46,84,23,623.37
	↓
SHARE VALUE	24,106.01

## DISCOUNT RATE CASH FLOW FUTURE :

DEBT

COMPONENT	VALUE
INTEREST EXPENSE	440200
TOTAL DEBT	4381900
COST OF DEBT	10.05%
INCOMETAX EXPENSE	15297600
INCOME TAX BEFORE	68208100
<b>EFFECTIVE TAX RATE</b>	<b>22.43%</b>
<b>COST OF DEBT AFTER TAX</b>	<b>24.68%</b>

EQUITY

RISK FREE RATE	<b>6.429</b>
BETA	0.1
EXPECTED RETURN	9%
<b>COST OF EQUITY</b>	<b>6.69%</b>

COMPONENT	VALUE	CORRESPONDING WEIGHTS
TOTAL DEBT	4381900	3.63643E-07
M-CAP	1,20,50,00,00,00,000	0.999999636
TOTAL CAPITAL	1,20,50,00,43,81,900	

<b>WACC</b>	<b>6.69%</b>
-------------	--------------

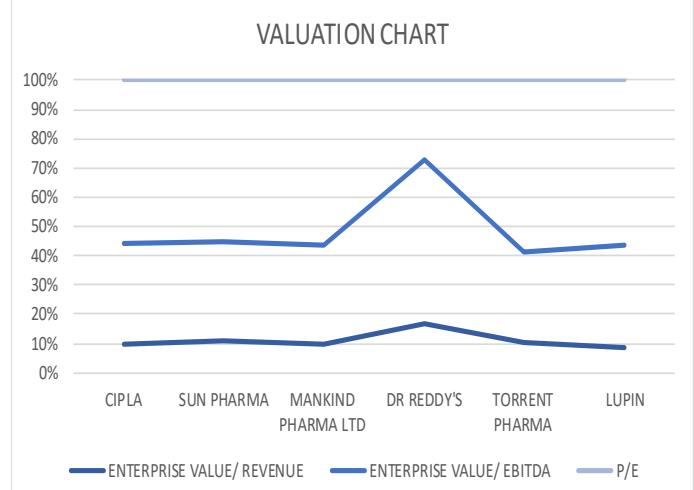
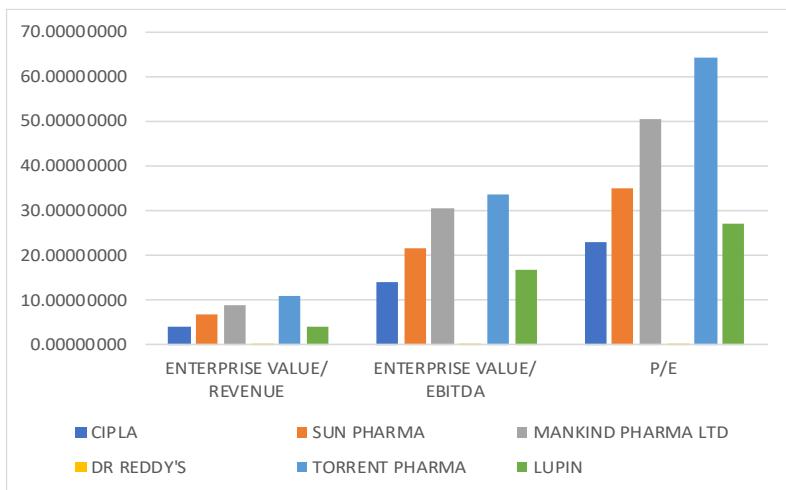
## FUTURE DCF FORECASTING :

GDP	6.50%				
WACC	6.69%				
YEAR	1 2026	2 2027	3 2028	4 2029	5 2030
FORECASTED FCF	285071101.9	316847797.4	348995258.8	381539009.8	414506365.7
DISCOUNTED FACTOR	0.937294967	0.878521855	0.823434113	0.771800649	0.723404864
PV CASH FLOW	267195708.9	278357714.6	287374601.2	294472055.4	299855921
					1427256001
TERMINAL VALUE					1,68,07,71,34,657.28
PV TERMINAL VALUE					1,21,58,78,16,690.37
ENTERPRISE VALUE					1,23,01,50,72,691.54

# COMPARABLE COMPANY ANALYSIS :

## MARKET DATA

COMPANY	SHARE PRICE	SHARE ISSUED	EQUITY VALUE	NET DEBT	ENTERPRISE VALUE
CIPLA LTD	1,500.00	8,07,617.12	1211425680	-10,17,10,900	1,10,97,14,780
SUN PHARMACEUTICAL LTD	1598.2	23,99,334.97	3834617149	-23,95,54,500	3,59,50,62,649
MANKIND PHARMA LTD	2434.1	4,12,578.53	1005453878	8,07,56,700	1,08,62,10,578
DR REDDY'S LABORATORIES LTD	13.6	834455.37	10847919.81	27191000	38038919.81
TORRENT PHARMA	3628.1	338445.44	1227913901	24526100	1252440001
LUPIN	1954.5	456565.05	892356390.2	31458700	923815090.2



## VALUATION

COMPANY	ENTERPRISE VALUE/ REVENUE	ENTERPRISE VALUE/ EBITDA	P/E
CIPLA	4.08803989	14.11800572	22.97621782
SUN PHARMA	6.90810203	21.71078388	35.08649569
MANKIND PHARMA LTD	8.89793911	30.52490917	50.50095823
DR REDDY'S	0.116850476	0.393488428	0.191849176
TORRENT PHARMA	11.06664606	33.67570826	64.24663968
LUPIN	4.16280872	16.9358507	27.19255704

## FINANCIALS

COMPANY	REVENUE	EBITDA	NET INCOME
CIPLA	271454000	7,86,02,800.00	5,27,25,200.00
SUN PHARMA	520412500	165588800	10,92,90,400.00
MANKIND	122074400	35584400	1,99,09,600.00
DR REDDY'S	325535000	96671000	56544000
TORRENT PHARMA	113172500	37191200	19112500
LUPIN	221921100	54547900	32816200

## DATA ANALYSIS

PARAMETERS	EV/ REVENUE	EV/ EBITDA	P/E
HIGH	11.06664606	33.67570826	64.24663968
75TH PERCENTILE	8.89793911	30.52490917	50.50095823
MEAN	6.23046928	20.64814809	35.44369996
MEDIAN	6.908102033	21.71078388	35.08649569
25TH PERCENTILE	4.16280872	16.9358507	27.19255704
LOW	0.116850476	0.393488428	0.191849176

## OUTPUT :

COMPONENT			
IMPLIED ENTERPRISE VAL	1875231929	1706528403	1849942503
NETDEBT	-10,17,10,900	-10,17,10,900	-10,17,10,900
EQUITY VALUE	1,97,69,42,829	1,80,82,39,303	1,95,16,53,403
SHARES OUTSTANDING	807617.12	807617.12	807617.12
SHARE PRICE	2447.87	2238.98	2416.56

---

### INTERPRETATION:

*Cipla stands in the middle of the pack among top pharma companies. It's not undervalued or overvalued, and has steady financial performance. Investors may see it as a stable and balanced option in the pharma sector.*

---

# REGRESSION

NIFTY	0.009752227
CIPLA	0.015755937

1 DAY RETURN NIFTY 1 DAY RETURN CIPLA	
1 DAY RETURN NIFTY	1
1 DAY RETURN CIPLA	0.241059731

CORRELATION	0.241059731
-------------	-------------

1 DAY RETURN NIFTY 1 DAY RETURN CIPLA	
1 DAY RETURN NIFTY	9.51059E-05
1 DAY RETURN CIPLA	3.70401E-05
	0.00024825

## SUMMARY OUTPUT :

Regression Statistics	
Multiple R	0.241059731
R Square	0.058109794
Adjusted R Square	0.054280972
Standard Error	0.015353332
Observations	248

## ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.003577581	0.003577581	15.17693809	0.000126219
Residual	246	0.057988304	0.000235725		
Total	247	0.061565885			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-0.000133375	0.000976065	-0.136645528	0.891422751	-0.002055886	0.001789136	-0.002055886	0.001789136
1 DAY RETURN NIFTY	0.389462001	0.099970764	3.895758988	0.000126219	0.192554169	0.586369833	0.192554169	0.586369833

## INTERPRETATION:

This regression shows that Cipla's stock has a weak connection with the Nifty index. Only about 6% of Cipla's movement can be explained by Nifty. The beta value is 0.84, meaning Cipla is less risky and moves less than the market. So, while Cipla follows the market a little, most of its changes depend on other factors.

## RISK & OPPORTUNITIES

- **Risks:**

Cipla, like other pharmaceutical companies, faces certain risks that may impact its financial performance. Regulatory challenges remain one of the biggest concerns, as strict approvals and compliance requirements can delay product launches or increase costs. In addition, fluctuations in foreign exchange rates can affect profitability because of Cipla's large global presence. Another key risk is raw material dependency, as a significant portion of Active Pharmaceutical Ingredients (APIs) are imported, and supply chain disruptions can lead to higher costs.



- **Opportunities:**

At the same time, Cipla is well-positioned to benefit from several opportunities. There is a growing demand for affordable generic medicines across the world, especially in emerging markets. Cipla also has a strong presence in the US market, where expansion in respiratory and specialty drugs could boost revenue. With increasing global focus on healthcare, vaccines and biotechnology represent high-growth areas. Furthermore, Cipla's expansion in fast-growing regions such as Africa and South-East Asia can help diversify earnings and strengthen its long-term market position.



# CONCLUSION

***This project aimed to evaluate Cipla Ltd.'s financial feasibility, forecast profitability, apply valuation techniques, and generate actionable strategic insights.***

## ***Key Findings:***

- Consistent Growth: Cipla has shown steady revenue growth over the past five years. This growth is supported by a diverse product portfolio that covers generics, specialty medicines, and strong demand in both domestic and international markets. The trend in revenue and profit reflects Cipla's ability to adapt to changing healthcare needs and maintain a competitive edge.
- Profitability and Cost Pressures: While profitability margins remain stable, the company faces challenges from rising costs of raw materials and R&D investments. However, these expenses can be seen as long-term positives, as R&D is essential for innovation and future product development. Cipla's ability to manage costs while investing in innovation highlights its financial discipline.
- Valuation and Long-Term Potential: Valuation through Discounted Cash Flow (DCF) and peer comparison indicates that Cipla is fairly valued, offering strong long-term growth potential. Its financial ratios suggest stability, while its rising net income and EBITDA confirm improving operational efficiency.
- Global Presence: Cipla's global footprint ensures resilience. With operations across more than 80 countries, the company is not overly dependent on a single market. Its focus on generic medicines, respiratory therapies, and specialty treatments allows it to serve diverse healthcare needs and stay competitive in regulated as well as emerging markets.
- Liquidity and Leverage: The analysis of liquidity ratios shows a gradual decline, suggesting tighter short-term liquidity management. However, the debt-to-equity ratio remains very low, which indicates that Cipla is not overly dependent on borrowing. This provides a cushion of financial safety and flexibility to raise funds in the future if needed.

- Profitability Outlook: Profitability ratios are trending upward, showing that Cipla is consistently improving returns. This reflects efficient management practices and a strong strategy focused on long-term value creation.



## ***Investment Stance:***

Based on Cipla's financial health, global presence, and future outlook, the company can be recommended as a “Buy” for long-term investors. Cipla's consistent growth, focus on innovation, low debt, and expanding global operations make it a safe and promising choice for sustainable returns.

## **Furthermore, Cipla is well-positioned to benefit from:**

- Growing demand for affordable healthcare solutions in emerging markets.
- Increasing global focus on generics and specialty drugs.
- Continuous investment in research, which will drive new product launches.
- Strong reputation for quality and compliance in regulated markets.



## REFERENCES

---

*Cipla Ltd. Annual Reports (2020–2025)*

*Money control (www.moneycontrol.com)*

*Screener.in (www.screener.in)*

*Yahoo Finance (finance.yahoo.com)*

*NISM SEBI modules*

*Pharma industry research articles*

*Microsoft Excel*

*AI for extra Help*

---

---

**THANKYOU**

---