

## THE STUDY ON FUNDAMENTAL ANALYSIS THROUGH ANALYZING THE FINANCIAL PERFORMANCE OF SELECTED PHARMACEUTICAL AND HEALTHCARE COMPANIES

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### **Abstract**

*In this article, Investment analysis is important for purpose of risk management & maximize income. The stock market investment evaluation has two basic aspects, notably technological analysis & fundamental analysis. This article focuses on a fundamental analysis of the pharmaceutical industries NSE, that also involves chosen firms listed for the five-year period from 2011-2015. The fundamental analysis includes three components, like economic, industry & corporation analysis. The economic analysis comprises of economic factors that affect the defense sector, such as GDP, inflation, interest rate, foreign reserves, exports & agricultural output throughout the review. Study of the sector involves annual industrial growth rate, employment, income and foreign market position, respectively. Various efficiency indicators including EPS, DPS, Net Income Margin, Debt to Equity Ratio respectively. are utilized for business valuation. Market research reveals that the Indian pharmaceutical company has a fast growth rate & business study has shown to Lupin & Torrent Pharma are economically feasible also in review.*

**KEYWORDS-** *Fundamental analysis, Indian Pharmaceutical Industry, GDP, Economic*

### **1. INTRODUCTION**

Pharmaceuticals company in India is the third highest in tenure of production in the country. As shown by the Department of Pharmaceuticals, the Ministry of Chemicals & Fertilizers, the overall turnover of India's pharmaceutical industry among 2008 & September 2009 were US\$ 21.04 billion. Although the local sector were worth \$12.26 billion. In the United States, the corporation owns a \$14 billion portion of the total market. As indicated to trademark India Equity charity, Indian pharmaceutical marketplace is probable to develop at Compound annual growth rate (CAGR) of 14-17% by the middle

of 2012-16 India is presently the global top five pharmaceutical increasing markets. Exports of pharmaceutical product from India have amplified from US\$ 6.23 billion each in 2006-07 to US\$ 8.7 billion each year. As seen by PWC in 2010, India has entered the highest 10 pharmaceutical firms in the country by 2020 with sales of US\$ 50 billion. Administration increased rapidly the development of medicines produced by Indian organisations in the mid-1960s and through the Patents Act in 1970. Even so, in the 1990s, the former prime minister P.V. liberalized the economy. Narasimha Rao & Minister of Finance Dr. Manmohan Singh encouraged the company in becoming currently. This obvious

application eliminated the technical licenses for nutritional & pharmaceutical products, and while it maintained the operational licenses, they were reduced to a duration lasting between five and seven years.

Fundamental analysis is a instrument that is utilized to assess the importance of protection by concentrating on the fundamental considerations that affect the actual business of an enterprise. A financial expert may allow use of a basic analysis of the company or the economy as entire. The essential objective of a fundamental review is to present the idea of an economy, industry & friends that a speculator can oppose and protect, by the purpose of making sense of what kind of position to get by that security later on.

## 2. LITERATURE REVIEW

Pulak Mishra, et al . ( 2010) observed that, For the purposes of legislative reform in the 1990s, there had been three small provisions to the patent act & three substantial modifications to the Indian Patent Act. Specifically, in 1999, 2002 & 2005, the present paper seeks to examine the impact of MA on the financial performance of Indian pharmaceutical organizations. It has been found also that productivity of an industry relies concretely on its level, its sale activities, its duties & import forces, though in comparison to its share of the overall market and its demand in commodities. Nonetheless, MA will not have a significant effect on the competitiveness of companies in the long term, possibly due to the subsequent Xinefficiency & nntroduction of new businesses into the sector. In fact, the procurement of in-house R&D and remote invention will not have a

significant effect on the competitiveness of companies.

S. Christina Sheela et al . ( 2012) This analysis is basically intended to gage the financial success of the pharmaceutical sector by the top three organisations such as Cipla, Dr. Reddy's Laboratories and Ranbaxy for the duration 2003-2012. In order to accomplish our objectives in this article, we have calculated the ratios of ROE, ROA implementing the DuPont measures, which have been shown with the point of the tables to display the transition periodically. DuPont anaysis (ROI and ROE) is a big decision-making mechanism for running financial results. That is an indicator of the firm's level in procurement. DuPont Model that relies on the analysis of ROE and ROI. Equity returns are split down into three components: NP Spread, Gross Asset Turnover and Equity Multiplier. Return on Investment consists of Turnover Income and Operating Earnings. Investment revenue consists of Funds Turnover (Operating Income X Gross Properties) and Benefit Margin (EBIT X Operating Profits). It follows from the inquiry once it has been noticed that Cipla Pharmaceutical Financial production is extremely delayed by Dr. Reddy 's Laboratories and ultimately by Ranbaxy Pharmaceutical. At their point, the three organisations are notable. In addition, ROE and ROI are the most important component of the company 's productivity. It allows operational and participating decisions to be made in the same manner as spending and tax decisions.

Sudesh Kumar et al . ( 2013) Explored that the last two years of the Indian economy, ongoing work on the organization's funding activities has been organized, in particular to see how organizations are

spending their income. Investments and what kind of funding they used to pay. Practically speaking, money bosses are seen to use a number of variations of duty and resources to fulfill the various financial needs of the company in every situation, expense and incentive, both for the long-term good of the enterprise. The goal of this review is therefore to analyze the capital structures of the different entities for the period 2007-2011 and to break down the consequence of improvements in the capital construction on their investment architecture above time. This analysis also aims to evaluate the intra-organisations with a view to assessing the importance of the equity mix requirement for the period 2007-2011. Also, to understand the funding decisions, this paper provides a thorough analysis of the financial records of the four most supposed pharmaceutical corporation, namely Dabur India Ltd, Cipla, Aurobindo Pharma Ltd, Cadila Health Care Ltd, for the multi-year duration 2007-2011, for example.

Kapil Kumar et al . ( 2013) centers across the global pharmaceutical industry are experiencing rapid change. There has been a dramatic step into emerging economies when Western markets have slowed down. Global Pharma multinationals are taking advantage of emerging growth engines, such as the Indian residential sector, to take advantage of growing opportunities. The colossal capacity of the Indian pharmaceutical industry is inconceivable for global pharmaceutical organizations to overlook, given that India will be one of the world's top ten commercials by 2020. The absolute largest pharmaceutical organizations on the planet have been in the Indian market since the 1970s, and 5 out of the top 10 residential pharmaceutical companies are now out of the market, with a consolidated share of 22 –

23 per cent. India 's local pharmaceutical market has recorded a CAGR of 13.5 per cent in recent years. (5) With considerable expertise in the assembling of generics and immunizations, Indian organizations have also begun significant research and development ( R&D) activities. The Indian economy is developing strongly and medical services are expanding to address the problems of the developing population with a changing disease profile. Enhanced security participation, solid demand growth, an improvement in the Indian population 's income and steady policy spending in the medicinal sector have further accelerated the production of industry, with the ultimate aim of being a competitor of global pharmaceutical organizations in some main regions and a possible accomplice in others.

M. Sekar et. Al . ( 2014) has dissected that the Annual Management Analysis is a means to assess the activity and financial efficiency of the firm's secretarial & monetary report. The willingness of an company to break down its economic status is important for increasing its significant business place. After a thorough review into the financial reports , the company may realize the ability to enhance the efficiency of the agency, entity or association. Interpreting annual statements and auditing them by company managers helps them to look forward to meet the potential. Through the latter point, the writer has tried to analyze the financial condition. The performance of Indian pharmaceutical organizations has been chosen to see how the Board of Accounts assumes urgent development work. In this article, we called the Financial Review of selected Indian Pharmaceutical Companies analyzed by applying the synopsis insights of ANOVA and Mean results.

Frederick Nsiah et al . ( 2015) This paper explores the competitiveness, sustainability and solvency and the probability of failure of the pharmaceutical organizations listed on the Ghana Stock Exchange. The results from the exercise ratios showed the willingness of Aryton 's executives to use the benefit of companies on a regular basis is diminishing as of late, although Starwin 's output is increasing given the reality that Aryton Drug Ltd is typically more competitive than Starwin Ltd. The liquidity ratio measure shows that Aryton Drug Ltd still manages its liquidity and is in an outstanding condition to satisfy its long-term obligation, as compared to Starwin Ltd, which has highly limited capital to fund its immediate obligation and is less dissolvable. Starwin's is gradually outfitted, which has provided the organization with higher suspense prices. In fact, the audit noticed from the DuPont study that operational income-to-income and revenue-to-added to asset ratios have an adverse effect on ROE. A check of financial adequacy and stability with Altan's Z-score showed that Aryton was not financially troubled, but Starwin was in financial distress and expected to be bankrupt sooner rather than later, placing the speculators at real risk. Starwin Ltd would then accept a acquisition offer or a partnership for the reorganization of the group.

Neha Duggalet al . ( 2015) presented this article Mergers & Acquisitions (M&A) are perceived to be a major instrument for organizational reorganization & value generation in the current situation. It empowers corporate to enlarge their horizons, reduce business risks, explore novel markets & land regions along these lines, broadening the benefits and increasing them through the upper hand. The current research paper focuses on the effect of fusion on the operating

& economic results of Indian pharmaceutical organizations inspecting assorted monetary ratios of the example of BSE-related organizations from the period 2000-2006. A combined example of t-test is carried out with the final objective of the examination. The findings indicated to certain impact (t+1 year window) of mergers on the productivity of the buying companies, except that effect did not extend throughout the post-fusion era (t+3, t+5 years) as far as the productivity factors chosen were concerned. The results of the inquiry reflect on the beneficial impact of the merger announcement on short-term business and financial output (+1 years).

Mohmad Mushtaq Khan et al . ( 2016) fined that the Indian Pharmaceutical Market (IPM) is one of the fastest-growing pharmaceutical industries , especially divided by about 24,000 players out of which 330 are based. Approximately 250 big units and 8000 small-scale units are at the core of India's pharmaceutical industry. The industry is dominated by conspicuous generics, since we can see from the top ten companies that more than 3/4 of the business is paid for, i.e. 70 to 80 per cent of the market. As far as the prestige and rank of the IPM is concerned, it ranks among India's science-based enterprises; which has third prevalent in phrase of amount & 13th biggest in phrase of cost on the world pharmaceutical industry. The Indian pharmaceutical market is expected to expand at 23.9 per cent CAGR to hit US\$ 55 billion by 2020. Indian pharmaceutical companies earn large quantities of revenue from fares other than the household market, some of which are focused around the generics industry in the US, Europe, and semi-controlled markets; and some of which are focused around custom assembly Pionier companies.

### 3. OBJECTIVES

1. To identify the economic factors influencing the stock sector.
2. To evaluating the growth of the pharmaceutical industry.
3. To analyze the performance of chosen pharmaceutical corporation.

### 4. HYPOTHESIS OF THE STUDY

H01: There will not be significant growth of Pharmaceutical Industry

H02: There will not be significant to performance of selected companies from Pharmaceutical Industry.

### 5. RESEARCH METHODOLOGY

Research approach is commonly refers as structured course of action taken in a scheme or research statement. Methodology provides a good impression of the correct classification & service of the various objects of the research in order to accomplish a weak manifestation of the objectives.

#### 5.1. Research design

The design of the research ensures that the ultimate approach that you select is to incorporate the various elements of the sample into the basic. Analytical work was introduced by the researcher for this investigation.

#### 5.2. Analytical research

Analytical explore compact to work covering important knowledge review, fact evaluation & details relevant to the study being performed. The details utilized in the study of selected firms over a span of

five years from 2011 - 2015 have been obtained from the financial statement released by the firms.

#### 5.3. Sample selection criteria

The collection requirements for industries are relevant. This analysis found that the pharmaceutical industries catalog in the NSE had been chosen to satisfy the following requirements. High in market capitalisation, high in revenue, high in net profit, large in gross assets, low in debt

### 6. DATA COLLECTION

#### 6.1. Secondary data

Secondary data are collected to analyzed & easily accessible from another source. The secondary data require for the analysis were obtained from magazine, papers, publication & numerous websites. Financial statements are aggregate data obtained from a number of databases, such as [www.karvyonline.com](http://www.karvyonline.com) & [twitter](https://twitter.com). The Power of Money.com

### 7. TOOLS UTILIZED FOR ANALYSIS

#### 7.1. Descriptive statistic

Descriptive statistics were utilized to explain the data collection in a review. Which have simple descriptions of the data & steps gathered. Along with the columns, form the foundation of almost each quantitative study of the results. These tables provide the date of estimation, including the Compound Annual Growth Rate (CAGR), skewness & Kurtosis for assumptions.

#### 7.1. Ratio analysis:

The ratios are determined using the actual details contained on the company's financial report in issue. The raw details shall contain the financial reports and

the balance sheet of the listed firms. The measurement of the actual ratio is studied after the estimation of the ratios. The equations to be determined for the review of financial results are as follows:

EPS, DPS, Return on working investments, Net income margin, ROE, Debt to equity ratio, Asset turnover ratio.

## 7.2. Economic analysis:

Economic analysis is a method in which the beneficial & unfavorable aspects of the economy are evaluated by means of economic indicators. Economic metrics are important instruments for recognizing the precise state of the economy. Table 1 displays the economic metrics of our nation that are important for depositor to create judgments regarding their venture. The country's GDP is the primary statistical proxy for global patterns. The fastest increase in the gross national product performance is one of the most desirable indicators for the equity market. The peak GDP average was 8.3 per cent in 2010-11 & after some downturn in the Indian economy, which is down to 5.1 per cent. The GDP Rate for the last three years (2012-2015) has been on an upward trajectory, suggesting that the Indian economy is going in the right direction. The main economic factor is inflation, which has to be that in order to stimulate the economy. The table below displays the inflation rate from 2010 to 2015 which has progressed towards a falling pattern which reached a CAGR of -10.05 per cent.

**Table 1**

YEAR	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	Compound Annual growth rate (CAGR) (%)
GDP Growth (%) #	8.9	6.7	5.1	6.9	7.3	-3.89
Inflation Rate (%) #	9	9	10.4	8.3	5.3	-10.05
Interest Rate (%) (Avg) #	9	9.25	9	9.25	8.75	-0.56
Stock market (%) #	10.9	-10.5	8.2	18.9	24.9	17.97
Exchange Rate (Rs/\$) #	44.53	50.88	54.28	60.02	62.29	6.94
Foreign Reserves (\$ Mn) #	30048	29873.9	30042.6	29809.2	32508.1	1.59
Foreign Investments (FI,FDI&FPI) (\$ in Mn) #	42127	39231	46711	26386	73561	11.79
Exports (USD in Bn) #	251	306	300	314	311	4.38
Agriculture Production (%) #	121	125.2	124.2	129.6	124	0.49

**Source:** # Computed data

The lowest inflation rate significantly reduces investment spending. Some of more gains from low inflation, typically if price rises is less & companies are more confident & optimistic about spending, this can contribute to investment & encourage high rates of profitable growth in the prospect. Table 1 illustrates the steady interest rate among 8.75 & 9.25 per cent for the years 2010-2015. By lowering interest rates, that could help to lessen spending on commerce growth, that also contributes to long-term economic performance.

Exports play a significant role in the economy of the nation and raise the degree of economic development, jobs and balance of payments. Export instability can have a positive and negative impact on economic growth. The growth in export earnings adds benefits to the economy. Indian exports are growing at CAGR of 4.38 per cent & augment in the exchange rate could also boost revenues via exports, that also influence the CAGR of 6.94 per cent.



India is primarily an farming region, accounting for regarding 16 per cent of total GDP & 10 per cent of overall exports. The share of Indian export deal is focused on agricultural manufactured goods including jute, rice, tobacco, coffee, spices & sugar. It provide to increase foreign exchange & also overall share of agriculture in the country's GDP has decreased with the growth of other sectors. Even, agriculture continues to play a prevailing position in the generally Indian profitable state, & Table 1 reveals that agricultural output is increasing at the lowest composite GDP of 0.49%.

The stability of such country's market could be calculated by the performance of the stockmarket. Table 1 reveals the CAGR on foreign investment outflows to 11.59 per cent, suggesting trust on the Indian stock market. Higher foreign investment inflows in 2014-2015 contributed to around USD 73561 per million, although international reserves have rose to 1.59 per cent of Compound's yearly growth rate.

### 8. INDUSTRY ANALYSIS

Indian pharmaceutical marketplace share raised by 12.79 per cent from 2005 - 2015 at CAGR & pharmaceutical exported from India grew by 21 per cent at CAGR above the past decades. India's outlay of output is slightly lesser than that of the US & approximately half that of Europe, offering India a comparative advantage over others. Indian vaccinations are being distributed to 150 nations. India accounts for 40-70 per cent of WHO requests. India being certified with nearly 1,105 credential of appropriateness for European Pharmacopoeia (CEP) monographs, more than 950 permissions for the Medicinal Products Administration (TGA) & 584

locations authorised by the US Food & Drug Association. The Indian Government is dedicated to developing effective healthcare & distribution systems.

India bank account for 36.9% (3,411) of the 9,296 Drug Master Files (DMFs) folder also by United States, the highest outside the United States (as at 31 December 2013). The manufacturing and pharmacy industries received a combined FDI inflow of US\$ 13.32 billion among April 2000 & September 2015, according to data published via Department of Industrial Policy & Promotion ( DIPP).

**Table 3** Growth of Pharmaceutical Industry

Year	Sales in (%) (Approx) #	Revenue (USD in Bn) (Approx) #	Market share (%) (Approx) #
2010-2011	11	12.7	6.8
2011-2012	13	13.7	8.4
2012-2013	14	14.7	9.5
2013-2014	16	15.3	10.3
2014-2015	19	15.8	11.1
CAGR (%)	11.55	4.46	10.30

**Source:** # Computed data

Table-3 offers information on pricing, revenue production & market distribution, and indicates a cumulative annual sales growth trend of 11.55 per cent. The table shows the highest sales accomplished in 2014-2015 & sales growth steadily increased from 11% - 19%. Indian pharmaceutical commerce income also tends to increase at CAGR of 4.46 per cent. Table-3 displays the largest production of sales generated in 2015. The marketshare has grows since yearly to yearly, displaying a CAGR of 10.30 per cent.

**Table 4** Government & Healthcares expenditure in Pharmaceutical companies, India

Year	Government (USD in Bn) (Approx) #	Healthcare(USD in Bn) (Approx) #
2010-2011	20	65
2011-2012	23	72
2012-2013	26	77
2013-2014	31	88
2014-2015	37	101
CAGR (%)	13.09	9.21

**Source:** # Computed data

Table 4 displays the overall expenditure by the policy and health insurance firms on a year-by-year basis. State & healthcare expenditures was rising at 13.09 & 9.21 per cent , respectively. State & health care investment were five years strong in 2014-2015. Such investments on a year-by-year basis indicate that the sector is rising ultimately.

**Table 5** Percentage of comparative cost of production

Country	US (Base rate)	EUROPE	INDIA
Percentage (%)	100	85	40

**Source:** Indian Brand Equity Foundation (IBEF) as on Aug'2013

Table 5 details the comparative production costs of the Indian pharmaceutical production particularly in comparison to the US & Europe. The marginal cost of output is greater than 60 & 45 per cent , etc, for the USA & Europe.

## 9. COMPANY ANALYSIS

Company research is an essential part of every firm's sector. Which is essential to recognize the financial region helps companies increase their earnings & decrease investment risk.

## 10. EARNINGS PER SHARE (EPS):

A part of the income of the company assigned to rising remaining share of the business concerned.

Earnings per share act as an measure of the profitability of a corporation.

**Table 6**

Company	Lupin	Glenmark pharma	Cadila healthcare	Cipla	Torrent pharma
2010-2011	18.15	7.85	29.81	11.96	34.38
2011-2012	18.01	9.81	32.11	14	36.79
2012-2013	28.16	14.26	24.35	18.77	64.58
2013-2014	51.84	16	44.13	17.29	45.05
2014-2015	53.34	37.14	62.08	14.71	36.83
CAGR (%)	24.06	36.46	15.8	4.23	1.39
Skewness	0.5	0.5	0.7	0.08	1.03
Kurtosis	1.49	1.5	2.18	1.68	2.7

Table 6 presents EPS for 2011-2015. From the Glenmark Pharma table, the maximum compound yearly growth rate of EPS is 36.46 per cent. Lupin was the second maximum growth rate at 24.06 per cent & the other industries Cadila Healthcare, Cipla & Torrent Pharma stand for one-by-one growth rate. Thus, with respect to skewness & kurtosis, that Lupin suggests, Earning per share (EPS) is more optimistic than others.

## 11. DIVIDEND PER SHARE (DPS):

The number of quantity reported for each normal share given. DPS is the cumulative dividend payout for the whole term (including intermediate dividends) separated by the amount of outstanding securities released.

**Table 7**

Company	Lupin	Glenmark pharma	Cadila healthcare	Cipla	Torrent pharma
2010-2011	3	0.4	6.25	2.8	8
2011-2012	3.2	2	7.5	2	8.5
2012-2013	4	2	7.5	2	23
2013-2014	6	2	9	2	10
2014-2015	7.5	2	12	2	11.25
CAGR (%)	20.11	37.97	13.94	-6.51	7.06
Skewness	0.46	-1.34	0.75	1.34	1.2
Kurtosis	1.64	3.25	2.4	3.25	3.03

**Source:** Companies annual statement



Table 7 depicts the DPS for the years 2011-2015, that also shows that the Glen brand Pharma also has maximum CAGR of 37.97 per cent. Lupin was the second largest growth rate at 20.11 per cent & other firms Cipla, Torrent Pharma & Cadila Healthcare account for one-by-one growth rate. except with regard to kurtosis & skewness, that implies that Lupin is more optimistic than others by DPS.

## 12. RETURN ON CAPITAL EMPLOYED RATIO

This is a valuable metric for calculating the overall profitability of firms, get into consideration the amounts of capital utilized.

**Table 8**

Company	Lupin	Glen mark pharma	Cadila healthcare	Cipla	Torrent pharma
2010-2011	23.53	15.43	28.56	16.49	26.95
2011-2012	22.41	14.22	21.34	19.44	28.01
2012-2013	31.81	17.6	17.36	20.92	32.62
2013-2014	38.18	14.06	18.4	17.97	31.58
2014-2015	36.64	13.22	23.13	14.58	22.32
CAGR (%)	9.26	-3.04	-4.13	-2.43	-3.7
Skewness	-0.12	0.71	0.55	-0.11	-0.36
Kurtosis	1.28	2.3	2.12	1.71	1.93

Source: Companies annual statement

Table 8 displays the return on capital worked for the period 2011-2015, and signify that Lupin is largest CAGR of 9.26%. additional firms Glenmark Pharma, Cipla, Torrent Pharma & Cadila Healthcare have a negative growth trend. excluding with respect to kurtosis & skewness, it means that Lupin has a more favorable return on resources employed than the others.

## 13. NET PROFIT MARGIN

Net profit margin is the amount of income left except that expenses were removed from revenues. The calculation shows the sum of income that a company will generate from its overall revenue.

**Table 9**

Company	Lupin	Glenmark pharma	Cadila healthcare	Cipla	Torrent pharma
2010-2011	14.82	15.36	15.35	15.64	12.29
2011-2012	12.24	11.44	12.36	16.29	10.53
2012-2013	13.63	12.42	10.27	18.17	13.47
2013-2014	16.27	9.08	11.12	13.74	15.86
2014-2015	18.81	7.16	13.29	10.4	16.13
CAGR (%)	4.88	-14.16	-2.84	-7.84	5.59
Skewness	0.34	0.09	0.35	-0.48	-0.16
Kurtosis	1.97	1.88	1.95	2.15	1.26

Source: Companies annual statement

Table 9 illustrates NP margin for the years 2011-2015, that also reveals that Torrent Pharma also has maximum compound yearly growth rate of 5.59 per cent. Lupin was the second uppermost growth rate at 4.88 per cent & further corporation Cipla, Glenmark Pharma & Cadila Healthcare demonstrate a negative growth rate. Except with regard to kurtosis & skewness, as indicated by Torrent Pharma & Lupin, the net profit margin was most positive than the others.

## 14. RETURN ON EQUITY RATIO:

The net income return also as proportion of shareholder equity. ROE tests Profitability of a business by demonstrating how often value it produces from shareholders.

**Table 10**

Company	Lupin	Glenmark pharma	Cadila healthcare	Cipla	Torrent pharma
2010-2011	29.49	20.64	37.42	15.38	29.15
2011-2012	23.79	20.74	27.51	16	25.63
2012-2013	28.52	23.81	23.69	18.55	33.09
2013-2014	30.26	18.87	25.18	14.56	39.94
2014-2015	30.41	15.89	29.92	11.33	34.19
CAGR (%)	0.62	-5.1	-4.37	-5.93	3.24
Skewness	-1.11	-0.14	0.76	-0.24	0.14
Kurtosis	2.87	2.19	2.39	2.33	1.99

Source: Companies annual statement

Tables 10 displays the Equity Performance for the periods 2011-2015, and specify that Torrent Pharma has the fastest compound yearly growth rate of

3.24%. Lupin corporation was the second uppermost growth rate at 0.62 per cent & other industries Cipla, Glenmark Pharma & Cadila Healthcare implies negative growth rate. Even with respect to skewness & kurtosis, as Torrent Pharma suggests, Return on Equity is more optimistic than some.

## 15. DEBT EQUITY RATIO

Debt Equity Ratio (D / E) is the financial ratio represents the comparative share of the equity & debt of the shareholders utilized to finance the assets of the company.

**Table 11**

Company	Lupin	Glenmark pharma	Cadila healthcare	Cipla	Torrent pharma
2010-2011	0.33	1.66	0.47	0.08	0.38
2011-2012	0.37	1.23	0.78	-	0.39
2012-2013	0.19	0.83	0.91	0.11	0.41
2013-2014	0.08	1.1	0.66	0.12	0.5
2014-2015	0.05	0.97	0.55	0.16	1.01
CAGR (%)	-31.44	-10.19	3.19	14.87	21.59
Skewness	0.09	0.66	0.18	0.22	1.24
Kurtosis	1.32	2.34	1.68	1.95	3.08

**Source:** Companies annual statement

Table 11 displays the debt-equity ratio for the years 2011-2015, that reveals theLupin also has smallest compound yearly growth rate of-31.44%. The second-lowest growth rate for Glenmark Pharma is-10.19% & other firms Cipla, Torrent Pharma & Cadila Healthcare exhibit strong growth levels. In order to improve performance, the growth rate should be dramatically decreased. But with respect to kurtosis & skewness, it means that Lupin has a more favorable debt-equity ratio than others.

## 16. INVENTORY TURNOVER RATIO

The inventory turnover ratio is a crucial metric for determining how effective executive is in handling & producing business product revenues.

Table 12 illustrates the Inventory turnover ratio for the years 2011-2015, that shows that Glenmark Pharma has the greatest CAGR of 7.42%. Lupin was second maximum growth rate at 1.04 per cent & Torrent Pharma is the sixth at 0.09%, while other Cipla & Cadila healthcare firms are displaying a negative growth trend. Thus, with regard to kurtosis & skewness, that also implies that Glenmark Pharma has a far more positive turnover ratio than others

## 17. FINDINGS

### 17.1. Economic Analysis

GDP & inflation levels have seen to be favorable for the country over the year (2010-2015). The Indian stockmarket accounted for 17,97 per cent of CAGR over the era 2010-2015. Global inflows, like FDI, FII as well as FPI, indicate the 11,79 % of CAGR as during years 2010-2015. Indian exports rose at a pace of 4.38 per cent of CAGR & agricultural output is seen to have risen by 0.49% CAGR over the years 2010-2015.

### 17.2. Industry Analysis

Sales details for the pharmaceutical sector amounts to 11.55% of CAGR. Industry sales statistics show to 4.46% of CAGR & Indian marketshare constitute 10.30% of CAGR.

### 17.3. Company Analysis

PS & DPS reveal to Lupin has the most optimistic growth rate of 24.06% & 20.11% of CAGR. The return on capital invested reveals to Lupin was the maximum growth rate of 7.26% of CAGR. The NP margin ratio indicates to Torrent Pharma & Lupin have the more optimistic growth trend than other firms. Return on the ER demonstrates which Torrent Pharma has 3.24% of CAGR. The debt-to - equity

ratio indicates that Lupin has the most beneficial impact on its financial wellbeing. Inventory turnover ratio demonstrates to Glenmark Pharma has a positive effect on its inventory management.

## 18. SUGGESTIONS & RECOMMENDATIONS

- The government should create a nation's agricultural output that could mitigate inflation to support the local Gross item, that could also boost economic growth.
- Indian pharmaceutical firms has strong sale growth & global market share & profit growth furthermore shows that a great deal of progress & pharmaceutical sector, given that it remains to be produced by the company, will minimize the cost of output through the new developments to raise revenue.
- As a financial analyst who would learn about the economic situation, business dynamics, sector policies and RBI regulation, & etc, and will therefore concentrate about all internal & external facets of the company before investing.

## 19. CONCLUSION

In this article the fundamental Analysis is a valuable investment resource by dissecting the macro-economic aspects, the condition of the market and the financial position of the enterprise, etc. The study showed that the GDP, employment, interest rates, foreign exchange levels, international markets, international inflows, exports & agricultural output had a good rate of growth during the analysis era. The industry list reveals which Indian pharmaceutical trade was high rate of development & that retailing & net benefits moreover show an expanding pattern, and the organization investigation exposed which is financial performance to financial ratios shows which

Lupin & Torrent Pharma were financially acceptable point in the review stage. During Fundamental analysis, the speculator may identify potential elements to guarantee investment opportunities and anticipate a reasonable return. However, a fundamental inquiry will not direct financial investment specialists on the grounds of the acquisition and selling of a particular property. The finance experts will then only determine whether the investment is value or not. The theory of witticism of the fundamental inquiry is raising the chance & maximize the return on investment.

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