Appendix B: Cover Page

<FUNDAMENTAL AND TECHNICAL ANALYSIS OF CADILA HEALTHCARE LTD >

Dissertation Submitted to

The IIHMR University, Jaipur

for the partial fulfillment for the award of the degree

of Master of Business Administration (MBA)

in

Hospital and Health Management/Pharmaceutical Management/Development Management

by

<shristy priya>

Under the Supervision and Guidance of

<Monika chaudhary>

2023 **Appendix C: Title Page**

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2023

Appendix D: Declaration by Student

DECLARATION BY STUDENT

I hereby declare that this dissertation titled **FUNDAMENTAL AND TECHNICAL ANALYSIS OF CADILA HEALTHCARE LTD** is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from the published or unpublished work of others has been duly acknowledged in the text.

(shristy priya)
Name of Student
Date

Appendix E: Completion Certification

CERTIFICATE

This is to certify that (Name of Student) in partial fulfillment of the requirements for the award of the degree of MBA (Hospital and Health Management)/MBA (Pharmaceutical Management)/MBA (Development Management) from the IIHMR University, Jaipur has successfully completed her/his internship at (name of the organization) during February 20-May 19, 2023.

Place:	Preceptor/Head of the Organization
Date:	Name of the organization

Appendix F: Certificate from Faculty Guide and School Dean

CERTIFICATE

This is to certify that dissertation titled **FUNDAMENTAL AND TECHNICAL ANALYSIS OF CADILA HEALTHCARE LTD**...........is a record of the research work undertaken by (shristy priya) in partial fulfillment of the requirements for the award of the degree of MBA (**Hospital and Health Management**)/MBA (Pharmaceutical Management)/MBA (Development Management) from the IIHMR University, Jaipur under my guidance and supervision and his/her approach to the research study has been sincere, scientific, and analytical.

Faculty Guide
IIHMR University, Jaipur
Date

School Dean
IIHMR University, Jaipur
Date

Abstract

The pharmaceutical industry is a burgeoning, fiercely competitive one Cadila Healthcare is a pharmaceutical company in India whose headquarters are located at Ahmedabad, Gujarat. With a revenue of Rs.54.7 billion, the company has been not only reported as India's fourth biggest pharmaceutical company but also plays a key role in manufacturing generic drugs financial indicators, including ratios, candlestick charts, and Ansoff matrices, have been used to assess Cadila Healthcare Ltd.'s performance within the healthcare industry to assess competitiveness and compare other companies. Key stakeholders including investors, end customers, and the business itself benefit from such an investigation. This study focuses on Cadila Healthcare Ltd., one of the key players in the Indian pharmaceutical business. The goal is to assess them using financial ratios to find out stocks for long-term investment and stocks giving short-term returns so that you may comprehend various business strategies through your financials and make a better financial judgement. The financial reports of the company are used for analysis journals and analyst articles. ratio analysis was conducted to look at variables like liquidity. profitability, market value, asset management, and solvency. Despite being a smaller corporation in terms of market capitalization, the analysis revealed that it performed well on most measures. healthcare cadila However, a closer examination of the technique reveals that it can be a better investment with a lower stock value that yields large returns in the long run due to the higher rewards relative to the risk and potential chances.

Keywords used: Ratio analysis for pharmaceutical companies. Financial statement analysis, Cadila Healthcare Ltd

Acknowledgement

The internship opportunity at PRAEDICO GLOBAL RESEARCH PVT LTD was a brilliant chance for learning and professional development for me and I consider myself to be extremely privileged to intern at such a prestigious and reputed organization. I am also grateful for having a chance to meet so many qualified and highly motivated people and professionals who led me through this internship period.

I would like to thank my mentor and team leader for teaching me all the basics of my tasks and patiently showing me every elaborate detail and guiding me throughout my internship period and providing me with this opportunity and mentoring me throughout this period. Her constant guidance and support have been one of the most valuable learnings for me here. I would also like to thank all the team members of praedico global research pvt ltd

I would also extend my heartfelt gratitude to Monika Chaudhary (Associate professor) for helping me with the doubts I had and patiently showing me the path. I would thank her for the support she has given me during the synopsis and the report writing. Lastly, I would also like to express my deepest gratitude to my family for enabling me to experience this work opportunity and my college. IIHMR University, Jaipur for providing me with support. I shall strive to use these gained skills in the best possible way and will continue to work upon their improvement, to attain my desired career objectives**.**

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Abbreviations

- National Stock Exchange (NSE)
- open, high, low, and close (OHLC

1Introduction

With inflation rising, investing, and trading is not just exclusive to the wealthy, but has become a popular financial tool for individuals as an additional source of income to support the cost of living. This study's objective is to combine financial and technical analysis techniques to obtain a comprehensive understanding of cadila healthcare limited for a period of five years to understand whether investors should buy, hold, or sell assets such as stocks and commodities and how can combination of financial and technical analysis methods be used to gain insights into the company's strengths, weaknesses, and potential growth opportunities which will enable them to make investment decisions The only source of value for the technical analysis approach is the price and volume data produced by the market it is based price forecasts that are only extrapolations of past price trends. A company's economic and financial reports, which include all qualitative and quantitative information, are examined using fundamental analysis including balance sheets and profit and loss accounts to determine a company's value. The **aim of the study** is an analysis of key financial and technical indicators, as well as a horizontal analysis, the study identifies trends and patterns in corporate performance, provides insight into areas of potential growth and improvement, and assesses performance, position, and liquidity. For accurate results single ratio is not reliable so for optimum results several ratios are calculated together and compared with the previous year.

1.1. Fundamental analysis - Fundamental Analysis is used to make long-term investments. It is a method for figuring out the intrinsic value of a stock. It includes financial information, environmental variables, occurrences, and market trends.

1.2. Financial ratio analysis of a company's financial accounts is another method for identifying changes in its financial situation. One ratio is not adequate to determine the financial health of the organization. Several ratios must be looked at together and compared to ratios from the prior year or even with businesses in the same industry.

1.3 BUILDING BLOCK OF FINANCIAL RATIO ANALYSIS

1. Liquidity
2. Profitability

3. Solvency
4. Market value

1.4 Swot **examination may be a apparatus** that can **help** you in **deciding** what your **trade** does well right now and creating a winning **methodology** for **end**

1.5 Technical analysis is assessing the stock market using charts, patterns, and financial metrics.

1.6 Tools used for technical analysis.

1.5.1 Candlestick chart- Candlestick charts provide visual representations of a stock's price fluctuations. It helps you determine the connection between the opening, closing, high and low prices of a particular stock.

1.7 trend analysis - **a long-term** inclination **reflected in how a corporation's** monetary comes about alter **over time; how related accounts** rise **as status changes; and how a** already built up design **of** development starts**,** regularly steadily**, to** alter

1.8 Objective

- To evaluate the financial performance by analyzing key financial ratios over a period of five years by horizontal analysis, liquidity ratio, profitability ratio, solvency ratio
- To understand the factors driving the company's performance by economic and industry analysis and company analysis
- To analyze the stock market trends using technical analysis methods by candle sticks chart patterns, also ABC patterns, and predict the market trends and then provide insight to invest money in the market.

Chapter 2: Review of Literature

Table 2.1 Review of literature

Title	Author (year)	Key findings
"Getting Started in FUNDAMENTAL ANALYSIS"	Michael C. Thomsett (2006)	It simplifies fundamental analysis and describes it in simple words which are easy to understand and

		use it to control risks and make wise decisions. Here, the information is kept straightforward and given with examples, checklists, key points, and definitions that make sense in the context.
A STUDY ON FUNDAMENTAL ANALYSIS: EVIDENCE FROM SELECTED INDIAN IT STOCKS	Varsha Sharma & Sanjay Biyani (2019)	Talks about the foundation of fundamental analysis is an intrinsic value at any given moment. Analyze the securities market and the overall economy first. The second step is to analyze the specific industry to which the company being studied belongs.
A study on Fundamental and technical analysis	Suresh A.S(2013)	It provides detailed knowledge about the concept of fundamental and technical analysis. According to his study, the investor needs to do to do both fundamental and technical analysis for deciding the suitable stock

An analysis of technical trading strategies	Kadida Ramadhani Shagilla Mashaushi(2020)	It extends the body of research on the effectiveness of technical analysis in the direction of the 'risk premium perspective' as a justification for excessive trading rule returns. First, we frequently rely on the theoretical refutations of the efficient market hypothesis, which promotes the possibility of inefficient markets. The relationship between the risk associated with trading rule techniques and the ensuing excess returns is then examined.
Relevance Of Technical Analysis as A Predictive Tool: An Empirical Study from Indian Stock Market	Shabana gul pacific university journal of social sciences (2021)	This study's objective is to conduct a technical analysis of the chosen companies' stock and help investors make judgements about their investments on the Indian stock market. This study is analytical in nature and only relies on secondary information that was gathered from the

		websites of periodicals and the National Stock Exchange (NSE). Keywords: Buy and Hold Strategy, Retracement, Relative Strength Index, Moving Averages, Trading Volume, Stock Market
“A Study on Technical Analysis Using Candlestick Pattern of Selected Large Cap Stocks Listed in National Stock Exchange (NSE), India with Reference to Steel Sector”	P. Venkatesh Krishna Sudheer2Senthilmurugan Paramasivan3 2021	The study's goal is to perform a technical analysis on a few stocks in the steel industry and determine whether to purchase or sell them by applying various techniques. The study relies solely on secondary sources, including the historical information found on the website. Techniques like Candlestick Charts, Simple Moving Average, ROC, and RSI are utilized for analysis in order to determine whether the stock is technically strong.

A Study on Technical Analysis of Select Banking Stock	Dr. G. Vincent, Naveen (2018)	The sort of investment one chooses relies on their level of risk tolerance or other investment plan. All things considered, investing in stocks is a riskier but more lucrative aggressive method. This essay attempts to utilize technical analysis on a few specific equities in the banking sector

Chapter 3: Methodology

- Study design-this study is based on the behavior of the market trends of the cadila healthcare ltd, this requires an in-depth study of the historical data. And hence, secondary data on their financial performance has been used for this research project.It is cross-sectional descriptive study methodology that was adopted.
- Data collection- secondary data was collected using a systematic approach. It was done by using the search string "ratio analysis for a pharmaceutical company, financial analysis + cadila.

  Financial statements of Zydus life sciences ltd, articles, journals, research papers, business reports, BSE INDIA, other websites, and sources were used.
- Sample design-one of the top Indian pharmaceutical companies was selected by simple random sampling.
- Duration of the study- 20th February ,2023-20th May 20, 2023
- STUDY POPULATION
- Inclusion criteria: leading pharma company
- Exclusion criteria: foreign pharma company

RESEARCH PROCEDURE-we will start by reviewing various **components** related to stock **costs**, **counting**.

- Execution of the by and large industry the company takes part in.
- Household political environment
- Important exchange agreement and outside legislative issue
- To understand all these elements, we need to do industry analysis, economic analysis, and company analysis.

1.1. Industry analysis: Analysis done to determine the opportunities and threats that exist for firms within a competitive environment.

1.2. economy analysis: Economic analysis shows the growth prospects of the entire economy, in this context we are referring to the Indian economy.

1.3. company analysis: Before buying a company's stock, investors should analyze the company's fundamentals as part of a fundamental analysis plan.

2 The building block of the financial ratio is used here for initial screening.

2.1 [7]“Liquidity refers to the ease with which an asset, or security, can be converted into ready cash without affecting its market price”.

1. Current ratio-With its total current assets, which include cash, accounts receivable, and inventories, a company's ability to pay down its current liabilities—those due within a year—is measured by its current ratio. The higher the ratio, the better the company's liquidity position
2. Quick [7]“ratio-The quick ratio excludes inventory from current assets since it evaluates a company's capacity to pay short-term obligations with its most liquid assets. Additionally, it is called the acid-test ratio.”

2.2 Leverage ratios are another name for solvency ratios. A corporation is thought to be more in danger of being unable to meet its debt obligations and more likely to make late payments if it has a low solvency ratio.

1. [8]“Debt to equity ratio- One of the most popular debt solvency measures is debt to equity. The D/E ratio is another way to display it. Divide the total liabilities of a corporation by the equity held by shareholders to determine the debt-to-equity ratio. The balance sheet of the company's financial statements is where these values are found. It is a crucial statistic that is employed to assess the financial leverage of a corporation. This ratio aids in determining if shareholder equity” can pay off all debts if company conditions become challenging.
2. [7]“Debt ratio- it is a financial ratio that is used in measuring a company’s financial

leverage. It is calculated by taking the total liabilities and dividing it by the total capital. If the debt ratio is higher, it represents the company is riskier.”

3. **Proprietary Ratio or Equity Ratio-**The term [6]"equity ratio" also refers to proprietary ratios. It provides a connection between the owner's funds and the capital's net assets.
4. [7]“Interest coverage ratio-The interest coverage ratio is used to determine whether the company can pay interest on the outstanding debt obligations.”

2.3 [7]“Profitability ratio -The numerous components of the balance sheet and profit and loss account of the firm are taken into consideration, and profitability ratios help determine and evaluate the company's ability to create money against the expenses it incurs.”

1 [9]“Gross profit-The cost of products sold, also known as direct expenses, is subtracted from the sales income to determine the gross profit. Raw materials and labor costs incurred during production are the main components of the cost of goods sold. The next step is to compute the gross profit margin, which is then expressed as a percentage by dividing the gross profit by the” sales revenue.

Gross Profit [7]“Margin = (Revenue – Cost of Goods Sold) / Revenue*100%”

2 Net profit margin ratio – [7]“After subtracting all direct and indirect costs from sales revenue, or PAT (Profit After Tax), the net profit is determined. After that, the net profit is divided by sales revenue to determine the net profit margin, which is then represented as a percentage.”

Net Profit Margin = PAT / Revenue * 100%

3 [9]“EBITDA margin ratio -it is determined by combining net profit or profit after taxes with interest, tax, depreciation, and amortization expenses. The EBITDA margin is then determined by taking the EBITDA and dividing it by the sales revenue.

i. EBITDA = PAT + Interest + Taxes + Depreciation and Amortization”

ii. EBITDA Margin = EBITDA / Revenue * 100%

2.4 Market Value Ratio-Market value ratios are used to evaluate the current share price of a publicly-held company's stock

1. [8]“The price/earnings ratio is calculated as the current market price of a share, divided by the reported earnings per share. The resulting multiple is used to evaluate whether the shares are over-priced or underpriced in comparison to the same ratio results for competing companies.”

2. [7]“The price-to-book (P/B) ratio measures the market valuation of a company relative to its book value.”

2.5 PESTEL ANALYSIS-The macro-environmental (outside promoting environment) variables that influence a firm, organization, or industry are analyzed and followed by marketers utilizing the PESTEL system or apparatus. It looks at the outside environment's Political, Financial, Social, Innovative, Natural, and Lawful angles. The dangers and shortcomings utilized in a SWOT investigation are found through a PESTEL ponder.

Political aspects include government leadership, change, and policies related to foreign trade, as well as internal political challenges and trends, tax policy, and movements in regulation and deregulation.

Current and future economic growth, inflation, interest rates, job growth and unemployment, labor costs, the influence of globalization, consumer and company disposable income, and possible changes in the economic environment are all economic factors.

Among the social variables are demographics (age, gender, and ethnicity), living standards, population growth rate, employment trends, sociocultural changes, and ethnic and religious developments. Consumer attitudes, opinions, and purchasing behaviors.

New methods of creating things and providing services, new methods of distributing those goods and providing those services, and new methods of connecting with target markets are all impacted by technological considerations.

Due to the rising cost of raw resources, pollution reduction goals, corporate social responsibility initiatives, and carbon footprint targets, environmental issues are crucial.

2.6 ANSOFF MATRIX - Ansoff, a lattice may be a device for defining key plans that will guarantee the development and development of both markets and items.

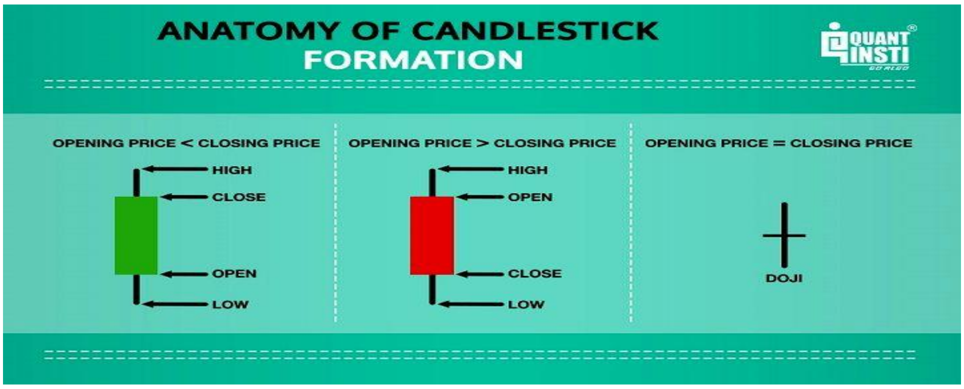
2.7 Showcase infiltration, item, and advertise improvement, and broadening are the three network quadrants that each recognize a particular product-market approach. The least secure methodology is expansion, whereas the slightest unsafe procedure is showcasing infiltration. Companies can utilize these strategies by intertwining current and future item thoughts.

2.8 Candlestick pattern-Candlestick charts are a technical tool that condenses data from multiple time periods into a single price band. This makes them more useful than traditional open, high, low, and close (OHLC) bars or simple lines that connect points of nearby rates. Candlesticks create patterns that can predict price direction after they end. The correct color coding adds depth to this colorful tech tool. it has three basic features:

- The body, which speaks to the open-to-close run the body of the candle speaks to the opening and closing cost of the exchanging done amid the period.

- The wick, or shadow, demonstrates the intra-day tall.
- The color, which uncovers the heading of showcase development- a green (or white) body demonstrates a cost increment, whereas a ruddy (or dark) body appears a cost diminish.
- Candlesticks have various sizes, shapes, and colours as it is based on prices. Since the prices keep varying as a result the size and shape of the candlesticks also vary due to the nature of their anatomy.

Figure 3.1(candlestick anatomy)

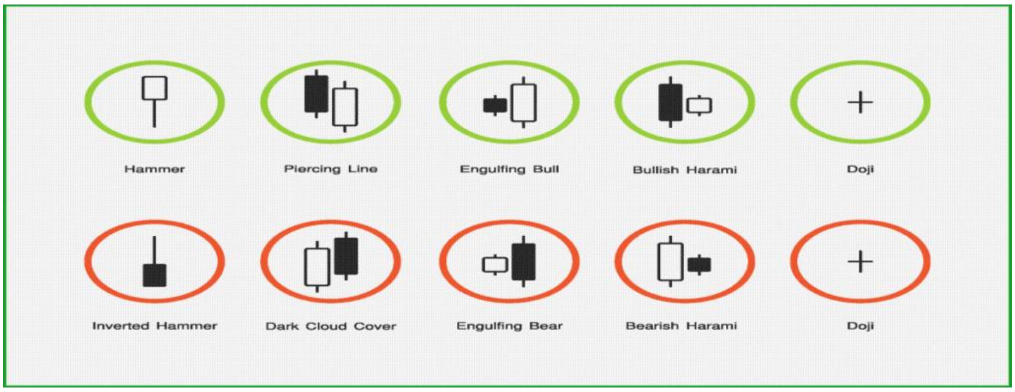


3. Different types of candlestick patterns are as follows.
1. Bullish engulfing-This is a two-candlestick pattern where the first candle is a short red candle covered by a large green candle. This indicates a bullish movement that will push the price higher despite the previous day's lower opening.
2. Bearish engulfing-An uptrend comes to an end when a bearish engulfing pattern forms. A succeeding long red candle surrounds the smaller green body of the initial candle. It denotes a price peak or slowdown and is an indication of a coming market decline. The trend is more likely to be substantial the lower the second candle descends.
3. Hammer-This is a candle with a short body and a long lower core. It is usually at the bottom of a downtrend. This shows that despite the selling pressure, a strong buying frenzy pushed prices up. If the frame is green, it indicates a stronger bull market than the red frame.
4. Morning star-This is a three-candlestick pattern with one short body candle between one long red candle and one long green candle. Usually, there is no overlap between short and long candles. This is a sign of reduced selling pressure and the start of a bull market.
5. Evening star -This is a three-candlestick pattern with a short body candlestick positioned between a long red candlestick and a long green candlestick. There is usually no overlap between short and long candlesticks. This is a sign of an uptrend reversal. This becomes

even more important when the third candlestick exceeds the gain of the first candlestick.

6. White soldiers -This is a three-candlestick pattern with three candles with little green hearts. These candles open and close higher than the previous day. After a low, this is a strong sign of an upcoming bull trend.
7. Three black crows -Three consecutive red candles with short wicks make up this three-candle motif. These candles had a lower opening and closure than the day before. This is a strong sign of an impending bear market after an upward trend.
8. Inverted hammer -This is a candle with a short body and a long upper heart. It is also usually at the bottom of a downtrend. This indicates buying pressure followed by selling pressure. It also indicates that buyers will soon rule.
9. Shooting star This is a candle with a short body and a long upper heart. It is also usually located at the top of an uptrend. Typically, the market opens higher than the previous day and rallies slightly before collapsing like a star. This indicates that selling pressure is taking hold in the market.
10. Doji-The candlestick looks like a cross or plus sign when a market's opening and close are nearly the same price point. Traders should watch out for a short to nonexistent body and wicks of variable lengths. The shape of this doji represents a struggle between buyers and sellers where neither party gains anything in the end. A doji is a neutral indication on its own, but reversal patterns like the bullish morning star and bearish evening star can contain it.
11. [9]"Bullish harami -A bullish harami is a basic candlestick chart pattern indicating that a bearish trend in an asset or market may be reversing."
12. Bearish harami -the bearish harami, serves to predict upcoming reversals in the trending direction of prices, candlestick chart analysis offers a wide range of patterns to predict future trends

Figure 3.2 (A few diagrammatic representations of candlestick pattern)



4. **RATIOS USED for analysis**.

I. Profit Before Interest and Tax Margin (%)-Profit Before Tax = Revenue – Expenses (Exclusive of the Tax Expense)

II. [7]"Gross Profit Margin (%) Gross Profit Margin = (Revenue – Cost of Goods Sold) / Revenue x 100

III. Net Profit Margin (%) Net Profit Margin" =[8]"Net Profit ⁄ Total Revenue x 100"

IV. Adjusted Net Profit Margin (%) =adjusted net profit /revenue

V. [7]"Return On Capital Employed (%) = Return on Capital Employed (ROCE)" = NOPAT ÷ Capital Employed

VI. Return On Net Worth (%) = Annual Net worth [8]"of the company/shareholders

VII. Return on Total Assets Formula = Operating Profit (EBIT) /Average Total Assets"

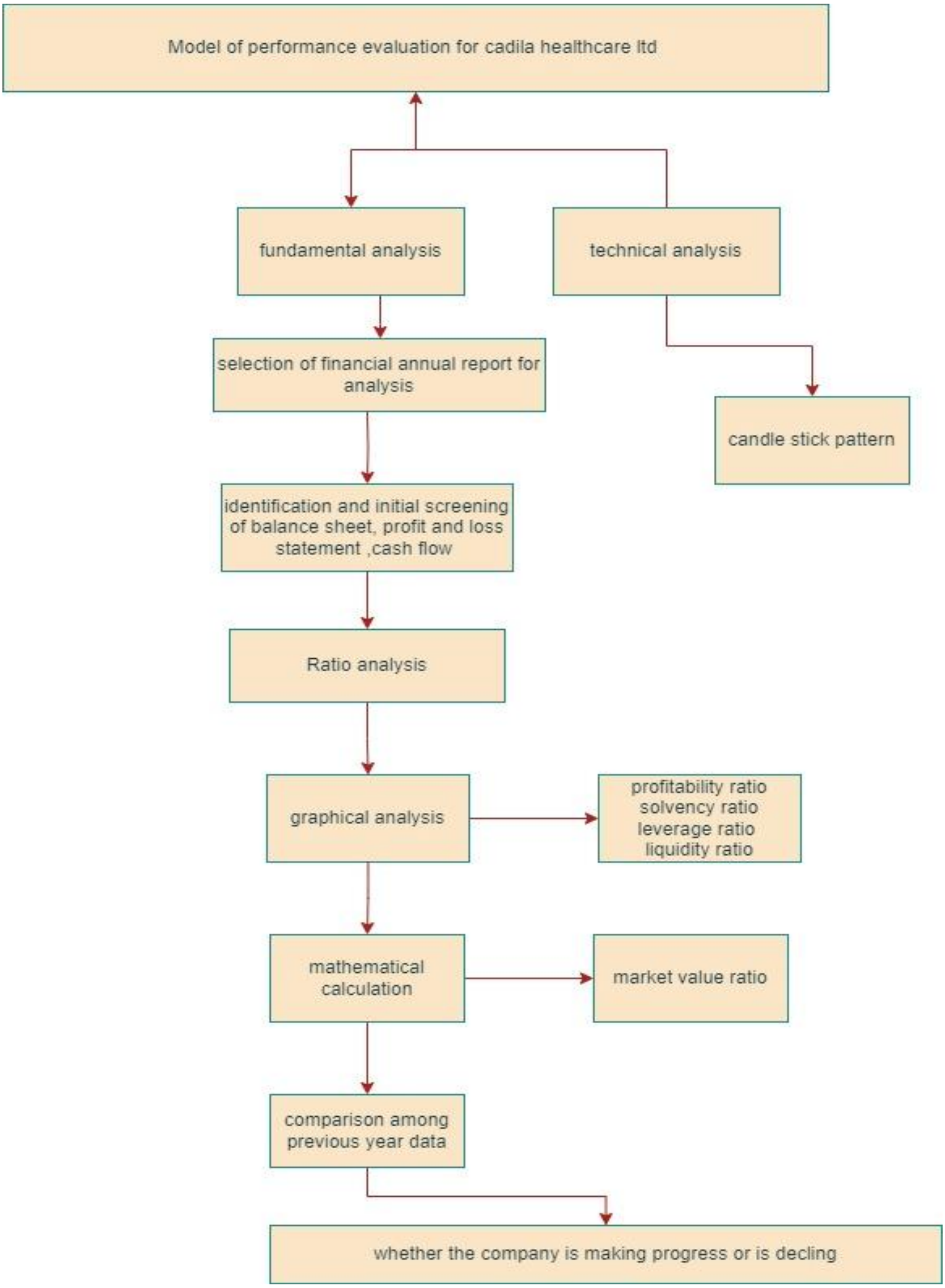
VIII. [7]"Current Ratio=Current liabilities/Current assets

IX. Quick Ratio=Current Liabilities/Quick Assets"

X. Debt/Equity=Total Shareholders' Equity/Total Liabilities

5. Model for financial performance evaluation

Figure 3.3(Model for financial performance evaluation)



4 RESULTS AND DISCUSSION

BALANCE SHEET OF CADILA HEALTHCARE LTD

Table 4.1(balance sheet consolidated)

Balance sheet	As at March 31, 2022	As at	As at2	As at3	As at4
		March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
ASSETS:					
Non-Current Assets:					
Property, Plant and Equipment	57,616	**55,500**	54,522	**51,059**	38,188
Capital work-in-progress	6,610	**7,832**	7,415	**8,372**	15,272
Goodwill	53,646	**53,465**	53,915	**52,890**	13,853
Other Intangible Assets	11,272	**12,363**	13,868	**17,688**	12,785
Investments in Joint Ventures	3,743	**3,570**	3,516	**3,484**	3,605
Financial Assets:					
Investments	5,605	**2,742**	2,006	**952**	1,104
Other Financial Assets	2,446	**2,518**	2,860	**2,239**	1,529
Deferred Tax Assets [Net]	10,958	**10,744**	8,529	**9,703**	9,246
Other Non-	2,506	**2,044**	1,575	**2,398**	2,034

Current Assets					
Assets for Current Tax [Net]	938	**909**	1,506	**1,065**	740
	1,55,340	**1,51,687**	1,49,712	**1,49,850**	98,356
Current Assets:					
Inventories	37,194	**32,362**	27,890	**26,880**	23,853
Financial Assets:					
Investments	23,532	**1,989**	2,128	**2,299**	2,748
Trade Receivables	33,403	**31,273**	36,632	**39,508**	32,063
Cash and Cash Equivalents	6,578	**6,652**	8,453	**4,207**	5,367
Bank Balances other than Cash and Cash Equivalents	4,491	**2,231**	1,196	**2,286**	7,782
Loans	-	**-**	-	**100**	-
Other Current Financial Assets	6,664	**2,344**	2,306	**1,212**	3,448
Other Current Assets	9,090	**10,309**	8,549	**8,489**	6,744
	1,20,952	**87,160**	87,154	**84,981**	82,005
Total	1,662	**2,38,847**	2,36,866	**-**	292
	2,77,954			**2,34,831**	1,80,653

From the balance sheet we can see that current asset has increased from year 2018 to 2022. A company should be able to satisfy its short-term obligations if it has many more current assets than liabilities.

Profit and loss	Year ended	Year ended2	Year ended3	Year ended4	Year ended5
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
INCOME:				**1,31,656**	1,19,544
Revenue from Operation	1,52,652	**1,51,022**	1,42,531	**2,011**	1,132
Other Income	2,247	**372**	1,139	**1,33,667**	1,20,676
Total Income	1,54,899	**1,51,394**	1,43,670		
EXPENSES :				**26,741**	25,233
Cost of Materials Cons	40,429	**38,882**	34,596	**21,520**	19,141
Purchases ofT Stock-in-	18,646	**14,711**	15,542	**-1,097**	-3,154
Changes in Inventories	-3,623	**-1,492**	-938	**-**	495
Employee Benefits Exp	24,341	**24,902**	23,958	**21,241**	18,545
Finance Costs	1,270	**1,635**	3,418	**1,935**	911
Depreciation and Amo	7,130	**7,248**	6,965	**5,986**	5,388
Other Expenses	39,452	**40,609**	41,539	**33,520**	30,809
Total Expenses	1,27,645	**1,26,495**	1,25,080	**1,09,846**	97,368
Profit before Exception	27,254	**24,899**	18,590	**23,821**	23,308
Less: Exceptional items	-1,127	**2,051**	3,636		
Profit before Tax	28,381	**22,848**	14,954	**6,073**	6,436
Less: Tax Expense:				**-770**	-792
Current Tax	4,415	**4,655**	2,377	**5,303**	5,644
Deferred Tax	702	**-3,183**	821	**18,518**	17,664
	5,117	**1,472**	3,198	**469**	628

table 4.2 (profit and loss statement)

Profit for the year	23,726	**21,850**	12,044	-	-

In the profit and loss statement, we can see that the profit for the year has increased significantly in 2022, which is a positive indicator for a person to invest. Profit and loss statement talks about the performance of the company.

Figure 4.1 Performance of the competitors of cadila healthcare ltd

The Best performer through this figure is sun pharmaceutical and the stocks of zydus is undervalued and cheap which can rise in the future.

Stock	Stock Compare	Current Price Rs	PE TTM Price to Earnings	Market Capitalization in Cr	Dividend yield 1yr %	Net Profit Qtr Cr	Net Profit Annual YoY Growth %	Operating Revenues Qtr Cr	Revenue Growth Qtr YoY %	Price to Book Value
Zydus Lifesciences L..		507.2	26.19	51,338.99	0.49%	296.6	-56.31%	5,010.6	29.68%	2.61
Sun Pharmaceutical I.. Market Leader		931.45	53.06	223,486.06	1.13%	2,166.01	12.70%	11,240.97	13.97%	4.38
Divi's Laboratories .. Market Runner Up		3388.3	49.33	89,948.73	0.89%	320.97	-38.41%	1,950.77	-22.54%	7.05
Cipla Ltd.		930.2	26.84	75,081.75	0.54%	521.51	12.56%	5,739.3	9.11%	3.17
Dr. Reddy's Laborato..		4461.35	16.48	74,293.92	0.67%	960.1	106.52%	6,315.2	15.35%	3.19
Torrent Pharmaceutic..		1687.95	68.75	57,127.89	1.51%	283	-37.92%	2,491	18.17%	9.6

Cash flow	Year ended March 31, 2022	Year ended March 31, 2021	Year ended	Year ended2	Year ended3
			March 31, 2020	March 31, 2019	March 31, 2018
A CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit before tax and share of profit of joint ventures	28,381	22,848	14,954		
Adjustments for:	23,942			23,821	23,308
Depreciation and Amortisation expense	52,323	7,248	6,965	-	-188
Exceptional items - Premium paid to the holders of Non Convertible Debentures		1,320	-	23,821	23,120
[NCDs] upon purchase of the NCDs	7,361				
Increase/ [Decrease] in other liabilities	-1,203	1,409	-2,315	15,091	349
Total	1,947	1,868	2,638	6,378	-13,839

Cash generated from operations	-3,515	36,380	32,336	36,842	15,524
Direct taxes paid [Net of refunds]	27,787	-3,450	-3,025	-6,754	-6,023
Foreign Currency Monetary items Translation Difference Account written off	-6,746	-	4	78	-90
Net cash from operating activities	21,041	32,930	29,315	-1,343	-218
B CASH FLOWS FROM INVESTING ACTIVITIES:				28,823	9,193

Proceeds from non-current borrowings	7,464	-	- 7,855	-1,704	-2,646

Repayment of non current borrowings	-14,208	-25,683	4,366	5,874	565
Current borrowings [Net - taken. /(repayment)]	2,907	-6,424	- 3,243	-795	-1,049
Lease liabilities [Net]	-13	-61	-	-3,583	-
Interest paid	-1,111	-1,840	- 7,147	-731	-10
Premium paid on purchase of the NCDs	-	-1,320	- 1,403	18,846	515
Dividends paid	-3,722	-15	- 15,282	-9,718	-29
Net cash used in financing activities	-8,683	-25,477	3,910	15,897	15,926
Net increase in cash and cash equivalents	23,902	216	7,788	2,613	-
Cash and cash equivalents at the end of the year	34,601	10,872			

Table 4.3 (cash flow statement)

Net cash flow from operation is negative so we can say that the organization is not profit-making and is short of cash as the income is less than expenses, net cash flow from financing activities are in negative which state that there is a lack of funds,

Net cash used in investing activities has increased this clearly shows that the company is investing in future operations. cash flow from operation in the year 2018 is in negative which is not good for the company and in the year 2022 it is positive as it is the revenue from the main business it should be positive CASH FLOW FROM INVESTING IS IN NEGATIVE HENCE IT IS GOOD AS THER IS MORE OUTFLOW

FVTPL gain/ profit [net] on sale of investments which are considered as part of cash and	-5,134	89	256	890	-
cash equivalents	751			464	116
Interest received	582	503	325	530	494
Dividend received	8	5	5	6	6
Net cash used in investing activities	11,544	-7,225	-10,123	-57,387	-9,737
C CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issuance of share capital by a subsidiary to noncontrolling interest	-	9,866	-	19,785	3,655

RATIO analysis

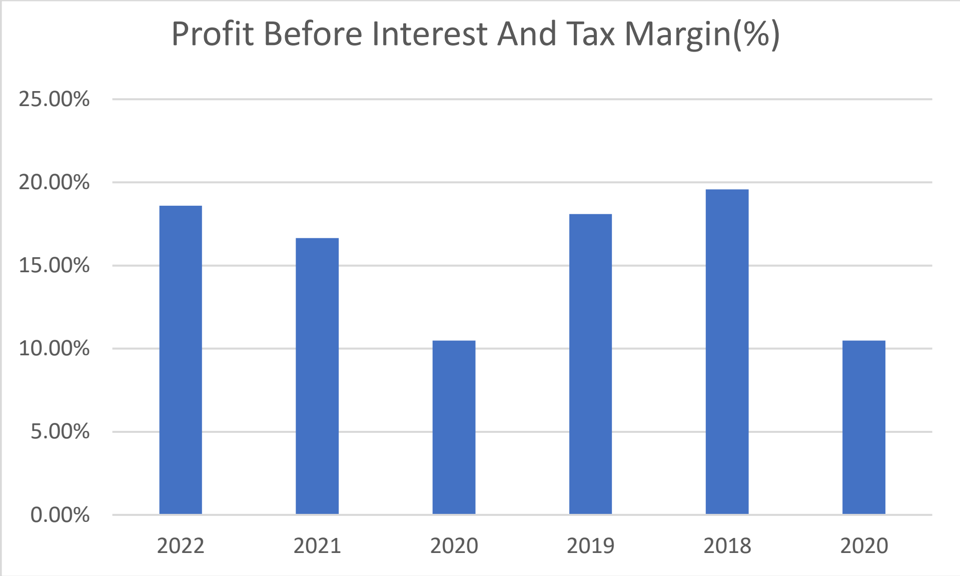
Table 4.4 (ratio analysis)

Ratios	2022	2021	2020	2019	2018
Profit Before Interest And Tax Margin (%)	18.59%	16.65%	10.49%	18.09%	19.57%

Net profit margin (%)	29.95%	14.84%	8.24%	14.06%	14.67%
Adjusted Net Profit Margin (%	29.95%	14.84%	8.24%	14.06%	14.67%
Return On Capital Employed (%)	11.8%	14.27%	14.07%	16.85%	11.63%
Return On Net Worth (%)	6.47%	11.58%	12.54%	17.33%	14.08%
Return on Assets Excluding Revaluations	16.14%	8.93%	4.96%	7.87%	9.82%
Return on asset	26.39%	16.42%	11.33%	17.80%	20.30%
Debt Equity Ratio	0.2	0.4	0.7	0.7	0.6
Current ratio	1.6	1.1	1.1	1.2	1.4
Quick ratio	1.1	0.7	0.7	0.8	1

GRAPHICAL REPRESENTATION

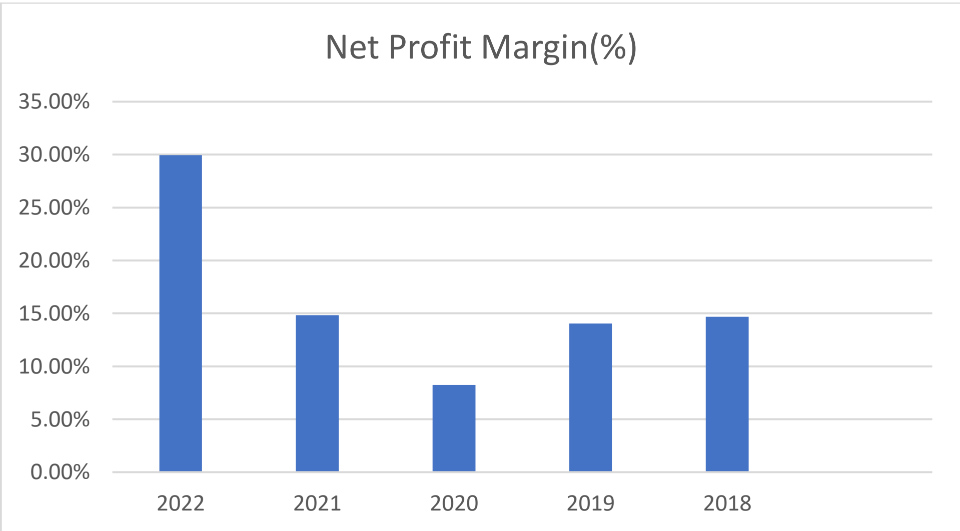
Figure 4.2 (profit before tax and interest%)



Profit before tax is used to calculate how much tax a business owes.

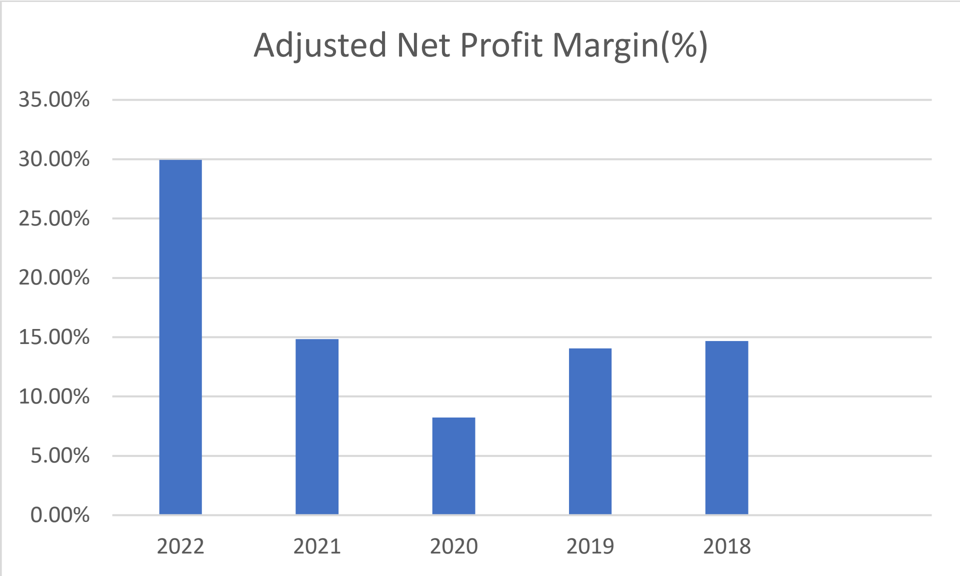
Profit before tax can also be a measure of profitability that allows for greater comparability among companies that pay different amounts of taxes we can see. By this graph, we can see that the company's profit without considering taxes has gradually declined from 2018 to 2020 and there is an increase in profit in 2021 which further increased in 2022.

Figure 4.3 (net profit margin%)



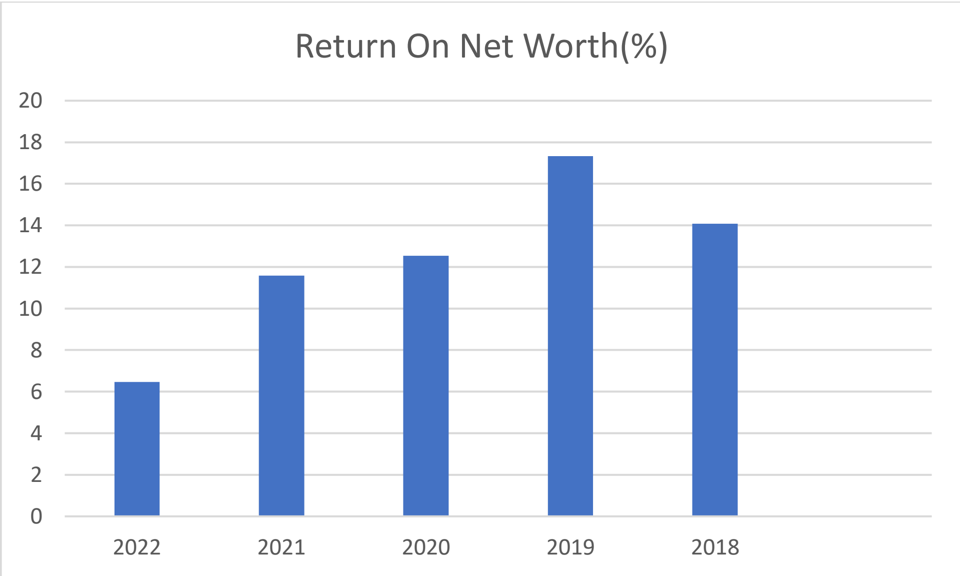
We can see from 2020 there is a gradual increase and in 2022 an increase of 15% was seen which states that the company can control the cost and provide services at a price that is significantly more than its original price we can see from 2018 to 2020 there was a decline in net profit margin as expenses were more and inefficient management were in practice.

Figure 4.4 (adjusted net profit margin%)



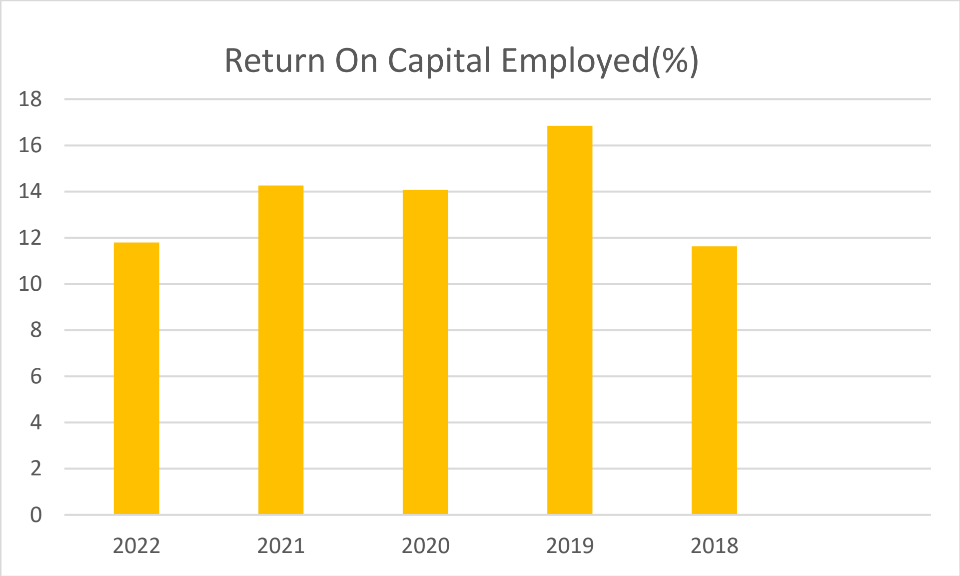
It is the true profit which we can see has comparatively increased by 15% from 2018 to 30% in 2022.

Figure 4.5 (return on net worth%)



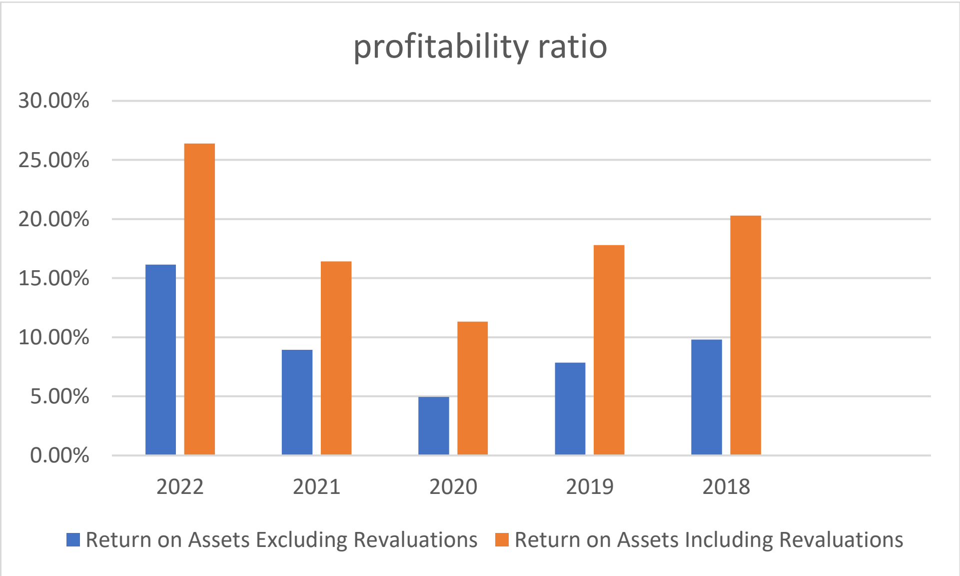
The company is making a poor decision and their equity management efficiency is not good at all as a result return on net worth has declined significantly from 2019.

figure 4.6 (return on capital employed)



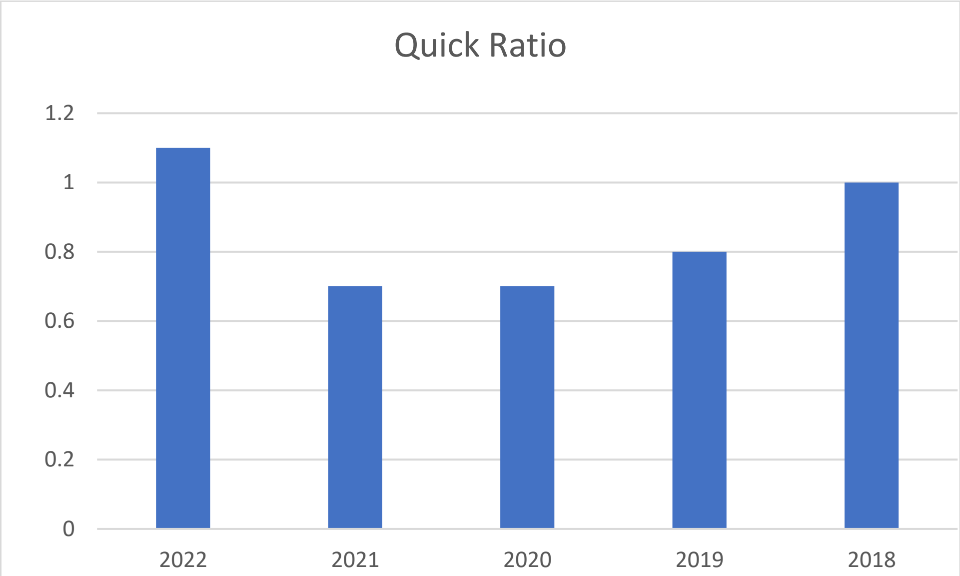
We can see that there is a significant decline which indicates the company is making less profit from its investments and its total assets are decreasing.

Figure 4.7(profitability ratio)



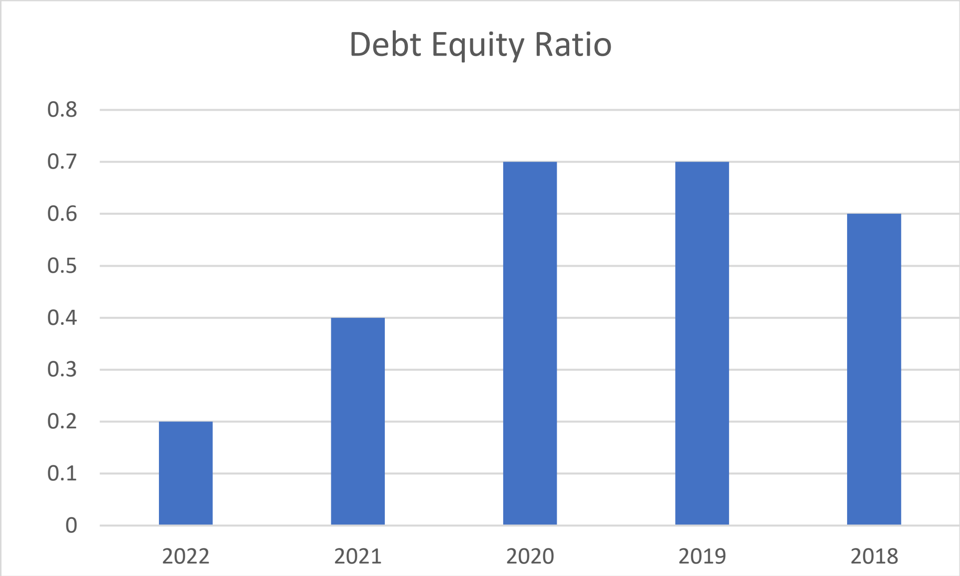
[7]"The higher the ratio, the better it is for the company because it shows that the business is highly capable of generating profits regularly" and we can see that it has increased from 2020 and continued to increase till 2022.

Figure 4.8 (quick ratio)



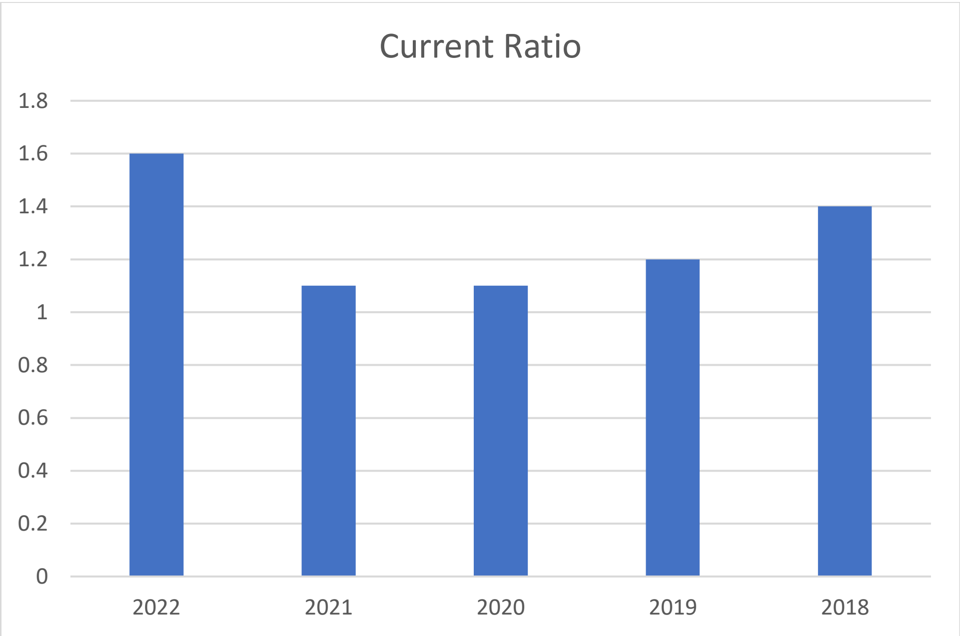
[7]"A quick ratio of 1 or above indicates that the company has sufficient liquid assets to satisfy its short-term obligations" as we can see though it declined till 2021 but it increased in 2022.

Figure 4.9(debt to equity ratio)



We can see by the year 2022 the debt-to-equity ratio which states that the company is utilizing its assets and borrowing less money from the market which is a good sign.

Figure 4.10 (current ratio)



As we can see the current ratio of the company has always been greater than 1, which clarifies that the company has enough short-term assets on hand to liquidate to cover all short-term liabilities if necessary.

a report identifying the candlesticks of different pharmaceuticals.

companies

figure 4.11(candlestick chart of cadila healthcare ltd)

- **Doji f**orm when the open and close of a candlestick are equal, or very close to equal. Considered a neutral formation suggesting indecision between buyers and sellers–bullish or bearish bias depends on previous price swing or trends.

- [9]"Completed doji may help to either confirm or negate, a potential significant high or low has occurred. It May act as a leading indicator suggesting a short-term price swing/trend reversal may be in progress. Doji may also help confirm, or strengthen, other reversal indicators especially when found at support or resistance, after a long trend or wide-ranging candlestick.

- But when used in conjunction with other forms of analysis, doji can help confirm significant high/lows, which in turn helps a trader determine whether a short-term trend is likely to reverse or continue. In other words, a single doji is just a small piece of the puzzle in helping a trader determine a higher probability point at which to either enter and/or exit a position."

- [7]"This candlestick pattern is formed when the bearish forces come into action and make the prices fall for three consecutive days. Traders should take a short position after this bearish candlestick pattern is formed. The **Three Crows pattern** signal weakness in an ongoing uptrend and the potential reversal to the downtrend".

- [9]"A **shooting star** occurs after an advance and indicates the price could start falling.
- The formation is bearish because the price tried to rise significantly during the day, but then the sellers took over and pushed the price back down toward the open.
- Traders typically wait to see what the next candle (period) does following a shooting star. If the price declines during the next period, they may sell.
- The **bullish engulfing** candlestick pattern encourages traders to hold a long position. In other words, traders must buy the security and hold it in their portfolio until they can sell it at a higher price to make financial gains. Note that traders can make maximum financial gains if they buy the security at its lowest intraday price on the candle's second day."

Figure 4.12 (candlestick chart of Cipla)

INVERTED HAMMER[7] "appears on a chart when there is pressure from buyers to push an asset's price up. It often appears at the bottom of a downtrend, signaling a potential bullish reversal An inverted hammer tells traders that buyers are putting pressure on the market. It warns that there could be a price reversal following a bearish trend. It's important to remember that the inverted hammer candlestick shouldn't be viewed in isolation – always confirm any possible signals with additional formations or technical indicators"

BEARISH ENGULFING: [7]"Since bearish engulfing candles can indicate the beginning of a prolonged downtrend, it is helpful to consider an initial take profit level while remaining open to further downward movement. Adjust stops accordingly or consider using a trailing stop. "

BULLISH HARAMI Potential for high reward trade as the pattern occurs at the beginning of a bullish trend indicator used for spotting reversals in a bear trend. It is generally indicated by a small increase in price (signified by a white candle) that can be contained within the given equity's downward price movement (signified by black candles) from the past couple of days.

Figure 4.13 (candlestick chart of sun pharma)

EVENING STAR –[11] "allows traders to enter at attractive levels at the very start of a possible trend reversal. , traders can look to enter at the opening of the very next candle. More conservative traders could delay their entry and wait to see if price action moves lower."

3 BLACK CROW-[8] "Three black crows are a bearish candlestick pattern used to predict the reversal of a current uptrend. Traders use it alongside other technical indicators such

as the relative strength index (RSI). The size of the three black crows candles and the shadow can be used to judge whether the reversal is at risk of a retracement."

BULLISH ENGULFING-[7] "The **bullish engulfing** candlestick pattern encourages traders to hold a long position. In other words, traders must buy the security and hold it in their portfolio until they can sell it at a higher price to make financial gains. Note that traders can make maximum financial gains if they buy the security at its lowest intraday price on the candle's second day."

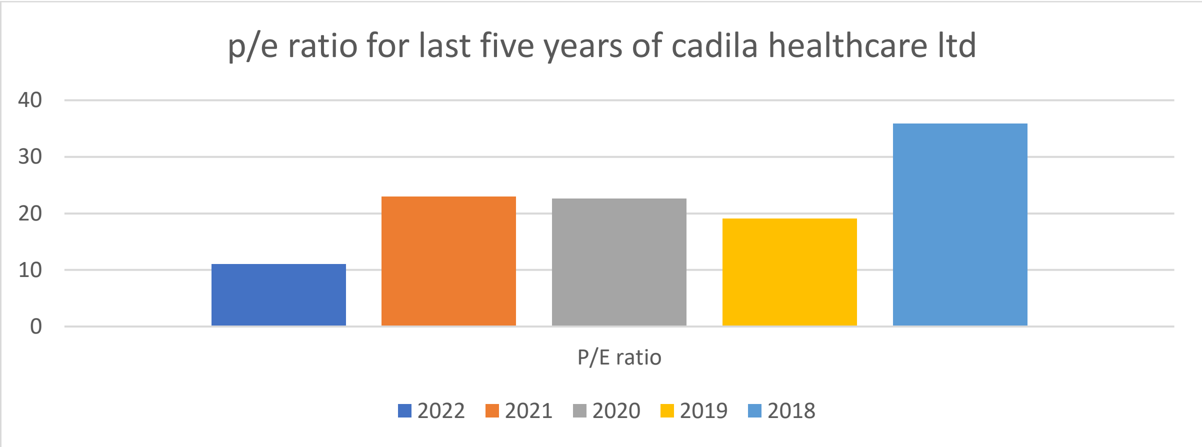
BEARISH ENGULFING:" Since bearish engulfing candles can indicate the beginning of a prolonged downtrend, it is helpful to consider an initial take profit level while remaining open to further downward movement. Adjust stops accordingly or consider using a trailing stop."

Figure 4.14 (SWOT)

Table 4.5 (P/E ratio)

P/E ratio	2022	2021	2020	2019	2018
share price in Rs	483	478	260	344.2	382
EPS	43.83	20.84	11.49	18.06	10.66
P/E	11.01985	22.93666	22.62837	19.05869	35.8349

Figure 4.15 (P/E ratio)

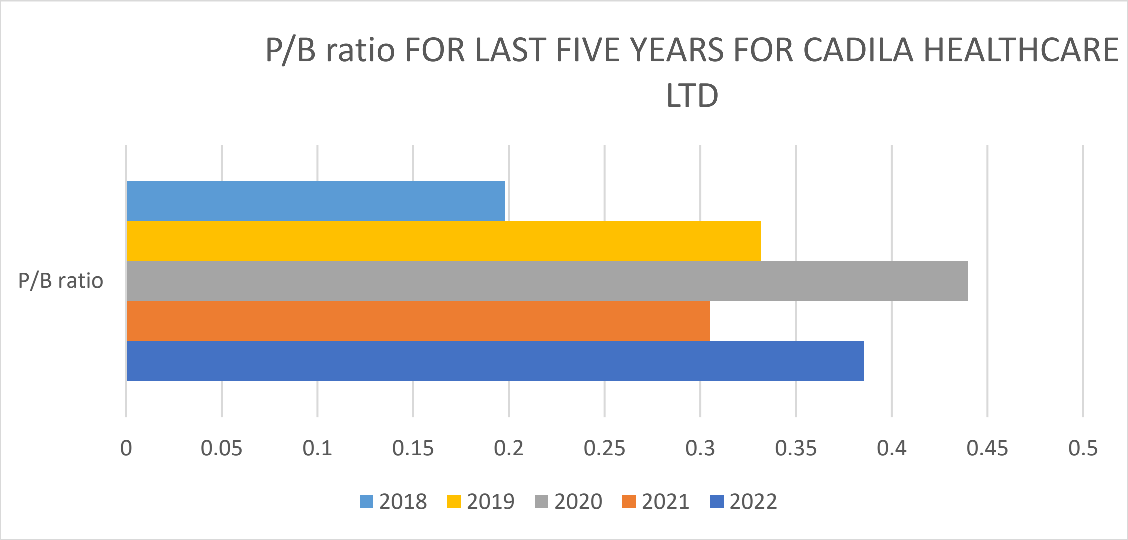


As we can see the P/E ratio is declining from 2018 to 2022 and s low P/E ratio is better as we are paying less for every rupee of earning that we receive. A low PE ratio means that a stock is cheap, and its price may rise in the future. Investing in **stocks with low P/E** can give you good returns as they are undervalued. However, do not make investment decisions solely based on the P/E ratio.

Table 4.6 (P/B ratio)

P/B ratio	2022	2021	2020	2019	2018
share price in Rs	483	478	260	344.2	382
book value	186.07	145.8	114.36	114.05	75.64
P/B ratio	0.385238	0.305021	0.439846	0.331348	0.19801

Figure 4.16 (P/B ratio)



It is calculated by dividing the current market price per share by the book value per share. **A low PB ratio suggests that a company's stock is undervalued.**

Pestel analysis of cadila healthcare ltd

Political-Governance System – The show administration framework in India has served its reason for a long time and I do not think much will alter within the handle indeed although.

it may toss up pioneers that can lead to dissimilar policymaking from the verifiable standard. Cadila Healthcare must keep a close eye on the industry-wide government priorities to predict trends.

- Taxation policies – Over the last two decades Cadila Healthcare has benefitted from lower tax collection arrangements all through the western half of the globe. It has brought about in tall benefits and expanded investing on inquire about and advancement. The expanding disparity in India can lead to changes in taxation-policies. Besides, nearby governments are too looking into Biotechnology & Drugs particular tax collection arrangements to contain the carbon impression of the Healthcare segment.

- ***Economic***-Government mediation within the Healthcare segment and specific Biotechnology & Medicate industry can affect the fortunes of Cadila Healthcare in India.

- The effectiveness of money related markets in India – Cadila Healthcare's can get to dynamic budgetary markets and easy availability of liquidity within the value showcase of India to extend assist all inclusive.

- Financial Execution of India – I accept the financial execution of India before long 510 a long time will stay steady given.

- government use, steady request since of expendable salary, and expanding speculation into unused businesses.

Social-Migration – The broader demeanor towards relocation is negative in India. This may affect Cadila Healthcare capacity to bring universal leaders and supervisors to oversee operations within the nation.

Media outlets play a basic part in impacting open opinion, in India. Both conventional media and social media are quickly developing in India. Cadila Healthcare can use this slant to superiorly showcase and position its items.

Get to basic administrations – By and expansive over the final decade and half the more extensive populace in getting get to fundamental administrations in India. This has been a result of expanded venture in open administrations. As healthcare around the world has rapidly improved, we now face the issue of an aging population. This means that the average person is now older than ever before.

Technological-- Advancements and dispersal of portable innovation have changed client desires within the Healthcare division. Cadila Healthcare must not as it were meet and oversee these desires but moreover must improve to remain ahead of the competition. - Bringing down fetched of generation

The most recent innovation is quick bringing down production and adjusting costs within the Healthcare division. Cadila Healthcare must rebuild its supply chain to bring in more adaptability to meet both client needs and fetched structures.

- Inquire about and advancement speculation at both a macro level and smaller scale level in India. In case there's an environment of imaginative disturbance and both government and private players are investing assets in creating modern arrangements.

Environmental-Renewable technology is also another interesting area for Cadila Healthcare. It can leverage the trends in this sector. India is providing subsidies to invest in the renewable sector.

- Extreme weather is also adding to the cost of operations of Cadila Healthcare as it has to invest in making its supply chain more flexible.

- Regular scrutiny by environmental agencies is also adding to the cost of operations of Cadila Healthcare.

- Recycling is fast emerging as a norm rather than a good thing to do in India's economy. Cadila

Healthcare has to make plans to adhere to regulations and expectations in the Healthcare sector.

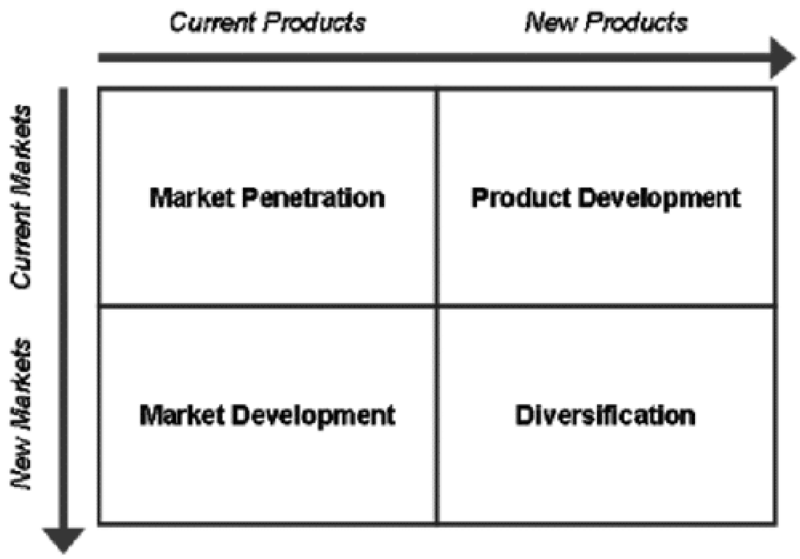
Legal-Environment Laws and Guides –The level of natural laws in India and what Cadila Healthcare should do to meet those laws and controls.

- Information security laws – Over the final decade information security has developed as a basic portion of not as it were security issues but too mental property rights. Cadila Healthcare must consider whether India features a vigorous instrument to secure against information breaches or not.

- Time takes for trade cases in court

– a few nations, indeed, although take after international norms but the time for determination regularly runs in a long time. Cadila Healthcare needs to carefully consider the normal time of particular cases some time recently entering a universal showcase

Figure 4.17 (Ansoff matrix)



- Market penetration (growing sales of an existing product in existing markets).
- Market development (launching an existing product in a new market).
- Product development (introducing an existing product into a new market).

MARKET PENETRATION

- Expanded generation capacity would moreover lead to more proficiency and viability – particularly in controlling overhead costs.

- Controlled overhead costs would lead to competitive estimating and would be offered to buyers within the same advertisement.
- It can moreover increase its venture in marketing and publicizing exercises to extend advertise infiltration.
- Lower operational costs will lead to less costs being passed on to the shoppers and will make the items advertised more alluring and reasonable.

MARKET DEVELOPMENT

The Investigate and advancement ought to center on distinguishing and understanding distinctive showcase societies, patterns, and buyer behaviors - and how they contrast in buyer behavior designs in existing markets.

- The company can recognize modern item employments and highlights and target unused shopper fragments for the existing items.
- This will permit the company to tap into modern markets and modern advertising patterns inside the same showcase to assist with development and development. Item improvement Adjustments to existing items.
- It can present adjustments and advancements in existing items to offer buyers unused and upgraded offerings.
- This will lead to expanded deals and utilization of the item.
- Lock in Key associations that permit to have get to unused item improvements and forms with constrained monetary speculation- and in this way constrained chance included.

Vertical diversification

- Vertical broadening implies searching for development and commerce improvement by presenting unused items beneath existing item lines.
- This implies that the unused item improvements and dispatches would be comparable to and categorized beneath existing item bunches and categories.

5.2. horizontal diversification

- Level enhancement to present and lock in with unused item advancements and dispatches that are not related with the existing items.

- It is that as it may be useful to present unused item dispatches and improvements for items that share comparable financial situations with the going by items.

Chapter 5: Discussion

Cadila Healthcare Ltd. has made significant contributions to the healthcare industry and invests 7–8% of its sales in innovations. It not only launched NEVA HIV, the first whole blood fast HIV diagnosis kit in the world but also the first IMMUVAC, an original Immunomodulator. India, the USA, and Brazil are where the company's manufacturing and research facilities are located. With a 4.2% market share, the firm is India's fourth-largest pharmaceutical firm. Due to decreased marketing and promotional costs and higher gross margins, the company's growth in 2019–20 was 11.9%, which is the highest growth rate in the Indian pharmaceutical market by 9.8%. Like this, adding biosimilars for emerging countries (such as Latin America, MENA markets, and the Middle East and North Africa) would be beneficial and are anticipated to promote growth in the future. Following the recent restructuring, the Indian formulations market is probably going to stabilize. In FY22, both wellness, and India formulations are anticipated to exhibit consistent growth. Growth was shown in the treatment of diabetes, pain, and gynecology. On closer observation it was seen that the company did manage to cut down on its operating expenses but the slip in revenue was faster than the increase. This also suggests the company's investment growth to derive sales. Despite this, the company's launch of the Covid-19 vaccine, a promising portfolio and an efficient supply chain network depict a future promise of being a good investment.

the limitation of the study was as follows

- Based on anticipated growth rates, the fundamental stock analysis uses historical financial data to forecast future earnings. The veracity of this historical information has occasionally been questioned. Therefore, before depending on past data, sufficient verification is necessary.
- When calculating the fair value of a company, you often must make **assumptions** about variable factors.
- The usual limitation that the trader faces in Technical Analysis is the mixed signals that they receive from different technical indicators. One indicator will suggest buying,

whereas the other indicator may suggest selling.

- When so much accuracy is sought using Technical Analysis, the level of accuracy isn't always 100%.

RECOMMENDATION

1. Outstanding returns have been found to be generated by investors who invested money methodically, in the proper shares, and patiently held onto their investments. Therefore, it is wise to exercise patience and pursue a disciplined investing strategy in addition to preserving a big-picture perspective over the long run.
2. you should be aware of the company's line of business before investing in stocks.
3. Before buying stocks, you should always conduct thorough research. But it's not often done. Investors typically identify companies or industries based on their names. However, this is not the proper technique to invest money in the stock market.
4. Check your excess funds to see whether you have any you can afford to lose if you wish to take a chance in a market this volatile. In the current situation, it's not a given that you'll lose money. In the upcoming months, your investments may also provide significant profits.

5. None of us, however, can be completely certain. You'll have to take a chance because of this. There's no need to mention that you should only invest money that you have extra to spare.

Chapter 7: Conclusion

By doing all the analysis we can see that we need to be careful while investing and cannot invest in a company because everyone is doing so only if we have surplus amount, and we are ready to take risk then we can think of investing. Market leader is sun pharma followed by Cipla but if we want to go for long-term investing then cadila healthcare can be a good option as it is an undervalued stock and its has shown a good progress in the past few years.

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