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A STUDY ON IMPACT OF CORPORATE GOVERNANCE ON THE FINANCIAL PERFORMANCE FOR SELECTED LISTED INDIAN PHARMACEUTICAL COMPANIES

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ABSTRACT

The Indian Pharmaceutical Industry in India is the world's 3rd largest in terms of volume and 14th in value. Considering the importance of this sector, and looking at the importance of Corporate Governance on their performance an attempt is made to carry out an in depth study based on the secondary data. Taking 10 years of period of study, analysing the significant components of corporate governance, financial variable and using appropriate statistical tools it was observed that the derived probability value being less than 0.05 (the significance value) the alternate hypothesis stating the significant relationship between independent and dependent variables is accepted. As the ANOVA F value result is greater than 1 the results of financial variables are statistically significant.

KEYWORDS: *Corporate Governance, Financial Performance, Pharmaceutical.*

Introduction

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. It consists of guidelines that influence managerial decisions and shape stakeholders interest towards the business. It provides the framework to achieve the long-term goals. Better governance improves the financial performance and reduces the risk for investors. It is one of the crucial aspect of the environmental, social and governance indices which reveal a company's ability to assure legitimacy. Its core values lie in transparency, improved financial and material disclosures.

The importance of studying the impact of corporate governance on financial performance for the Indian pharmaceutical companies arises from the fact that it ranks 3rd in volume and 14th in value. It is expected to rise by 65 billion US$ in 2024. The Indian pharmaceutical market grew at a compounded annual growth rate of 12% in fiscal year 2022 based on assessments and research conducted in India. It is one of the fastest growing sectors of the economy due to its low prices and high-quality standards across the world.

To raise corporate governance standards of listed firms Uday Kotak Committee came out with recommendations on April 1 2019. For top 1000 listed entities based on market capitalization the committee proposed minimum 3 directors. For top 500 listed entities the committee proposed at least one female director. It also recommended composition of board, audit committees independence section 177(1), nomination and remuneration committee section 178(1), stake holders relationship committee section 178(5), CEO Duality. The study talks about an econometric analysis, divided into different sections the review of literatures based on corporate governance and firm performance. The sample companies and data are in Section 3, the empirical findings in Section 4.

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Review of Literature

Review of literature helps the researcher to evaluate and reconcile the necessary results and gives them a greater grasp of the techniques, methods, and database that were used. It also helps to identify the research gap and also provides direction in which the research has to be carried out. The succeeding pages includes review of articles taken from various journals.

In 2022 "Corporate governance and financial performance: a case study of selected listed Indian drug and pharmaceutical industry," was examined by Aavni Shah and Udailal Paliwal. Using panel data from 90 listed sample companies in the Indian pharmaceutical over a five-year period (2015 to 2019), the authors examine the effect of corporate governance on the financial performance. Return on capital employed and return on assets were used to measure financial success. The results showed a positive and significant relationship with firm size and CEO duality.

In 2019 Puja K, Mridul D, Harjit K and Paramjit K researched "Impact of corporate governance on financial performance of information technology companies." The authors aim to investigate how the size of the board affect returns on equity and assets, two metrics used to assess financial success. 2015 to 2019 is the study's time frame. The study has implemented an additional regression model and correlation matrix. The results of the research suggest that the size of the board of directors of IT companies has a significant and positive influence on corporate governance and financial performance.

In 2018 "Impact of Corporate Governance on Firm Performance: Empirical Evidence from India" was written by Aswathy M and S. Chandramohan. The objectives are to investigate the relationship between board size and financial performance and determine whether CEO duality has an effect on it. The study duration spans from 2011 to 2017. For the investigation, a corelation matrix and additional regression model have been implemented. The authors conclude that there is a negative correlation between financial performance and CEO duality.

In 2017 study "Impact of Corporate Governance and Financial Parameters on Profitability of the BSE 100 Companies" was conducted by Parul K, Neha K, Sunil G, and R K Sharma. The authors try to find out how closely the BSE 100 listed companies adhere to the mandated corporate governance requirements. Regression method and multiple regression models are used to analyse the study. It has been concluded that businesses with higher corporate governance ratings have seen higher returns on invested capital.

Saurabh K and Twinkle P 2016 analysed "Effect of Corporate Governance on Financial Performance of Information Technology Companies in India." The study looks at how much the corporate board affects the company's financial results. The research period spans from 2010 to 2015. It has also been discovered that there is a strong association between return on assets and return on capital employed and the board committees. According to the authors, there is a strong correlation between financial performance and board governance.

The study "Corporate Governance Practices and Organizational Performance: An Empirical Study of Indian Corporate Organization" was conducted in 2016 by Mathew J, Kishinchand Poornima W, and Abishek V. It examines the relationship between corporate governance procedures and organizational performance measured in terms of compound annual growth rate. The study duration spans from 2009 to 2015. Based on the compound annual growth rate, the study concludes that there is a negative correlation between organizational success and compliance.

Dr. Avijit and Dr. Satyajit (2015) studied "Impact of Corporate Governance on Profitability of Banks: A Study on Indian Listed Banks". The purpose is to clarify how listed Indian banks' corporate governance and bank performance are related. 2010–2014 was the study period. According to the study, there is no correlation between any metric used to assess the effectiveness and profitability of listed banks and the independent directors. There is a significant positive correlation between institutional holdings and return on equity.

Balasundram M and Ruchi K (2014) wrote "Corporate Governance - Indian Perspective." The objective is to examine corporate governance from an Indian standpoint. It examines the challenges that India and other developing economies face in order to adhere to strong corporate governance standards. The findings indicate that corporate governance in India has evolved into a unified, cohesive system. Corporate governance protocols ought to be crafted in a manner that fosters an atmosphere and values integrity, reliability, and corporate social responsibility.

The impact of corporate governance procedures on business capital structure and profitability was the subject of 2013 study by A. Ajanthan. An examination of particular Sri Lankan hotel and restaurant chains. Examining potential relationships between corporate governance, capital structure, and profitability of hotel enterprises listed on the Colombo stock exchange. The study period spans from 2007 to 2012. The authors conclude that there is a positive and negative—between capital structure, firm profitability, and corporate governance procedures.

Professor T. Velnampy 2013 studied "Firm performance and corporate governance" An analysis of manufacturing firms in Sri Lanka. The author aims to know how corporate governance affects Sri Lankan manufacturing enterprises and how it relates to firm performance. The study's duration spans from 2009 to 2012. Regression analysis and correlation have been used for the investigation. The author concludes that there is no correlation between the financial performance and the corporate governance components based on the tests used.

"Corporate governance and Financial Performance in Indian Pharmaceutical Sector" was the subject of Akshita Arora's study. From 2001 to 2010, the author conducts an empirical analysis. The corporate governance variables include meeting frequency, board size, and the number of outside directors. Additionally, market-based and financial measurements are included in the corporate performance variables. The simultaneous equation technique have been utilized to assess the robustness in empirical analysis. The results of the study show that corporate governance has a big impact on how well a corporation performs.

Except for the above studies examined the previous studies talks about the impact of corporate governance on financial performance up to 5 years only by employing various ratios. The earlier studies done have used simple correlation only. Based on the above review of literatures the present study differs by employing ANOVA (f test) and chi square test for a period of 10 financial years from 2013-14 to 2022-23.

Rationale of the Study

Every management of the business concern ensures financial reports reliability which increases the reputational effects among internal and external stake holders. Basically, a business firm ensures the resources are utilized efficiently such that firms financial condition is sound. The rationale of the study is learnt with the fact that it determines how a company operates and aligns with the interest of stakeholders. By establishing appropriate incentives and controls it helps to improve the company’s financial performance increases value of the firm and return on investment for shareholders.

Objectives of the Study

The objectives of the study are as follows:

- To study the impact of corporate governance on financial performance of sample companies.
- To examine the impact of corporate governance on capital structure and profitability of sample companies.
- To suggest good governance practices for the success of the companies.

Research Methodology

Sources of Data

The secondary data of the selected sample companies is collected from the annual reports for the period of study.

Period of Study

For the purpose of study span of 10 years from the financial year 2013-14 to 2022-23 is taken.

Sample Size

The following table discloses the name, age of the sample companies and market capitalization as on 13.04.2023 selected for the study.

Sr. No	Sample Companies	Headquarters	Age of the Sample Companies	Market Capitalization
1	Sun Pharmaceutical Industries Limited	Mumbai	40	3,003.50
2	Divi's Laboratories Limited	Hyderabad	33	4,183.95
3	Dr. Reddy Laboratories Limited	Hyderabad	39	1,831.20
4	Cipla Limited	Mumbai	88	915.75
5	Torrent Pharmaceuticals	Ahmedabad	64	577.55

Source: www.moneycontrol.com

All the sample companies have an age more than 3 decades which is a substantial period to carry on an appropriate study.

Hypothesis

The following hypothesis are framed for the in-depth study. The hypothesis framed are tested at 5% level of significance.

H_1: There is a significant relationship between corporate governance and return on equity

H_1: There is a significant relationship between corporate governance and interest coverage ratio

H_1: There is significant relationship between corporate governance and return on assets

H_1: There is significant relationship between corporate governance and return on investment

H_1: There is significant relationship between corporate governance and return on capital employed

H_1: There is significant relationship between corporate governance and working capital coverage ratio

H_1: There is significant relationship between corporate governance and debt to equity ratio

H_1: There is significant relationship between corporate governance and debt ratio

Technique of Analysis

For the purpose of study Accounting ratios and statistical tests viz., (F test), chi square test are used. The hypothesis framed are tested applying F test at 5% level of significance.

Dependent Variables

For the purpose of carrying out the in-depth study the most significant dependent variables are identified as follows:

- **Return on Equity:** Profit after tax –Preference Dividend /Average net worth*100
- **Interest Coverage Ratio:** Earning before interest and tax / Interest Expense
- **Return on Assets:** Profit before tax /Average total assets*100
- **Return on Investment:** Net income (Profit after tax)/cost of investment*100
- **Return on Capital Employed:** Share capital + Reserve and surplus –Non current liabilities / Profit before interest and tax * 100
- **Working Capital Coverage Ratio:** Net Sales / Net working capital
- **Debt to Equity Ratio:** Total debt/Total Shareholder's equity
- **Debt Ratio:** Total debt/ Total assets

Independent Variables

For the purpose of carrying out an in-depth study the most significant independent variables are identified as follows:

- Board size: talks about total number of directors in the board.
- Composition of board: talks about number of executive and non-executive directors.
- Audit committee independence: talks about number of independent directors in audit committee.
- Board leadership: talks about structure can be of either dual or unitary board leadership.
- Chief executive officer with dual responsibility.

Regression Model

The regression model used for the study is as follows:

$ROE_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

$Int\ cov\ ratio_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

$ROA_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

$ROI_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

$ROCE_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

$WCCR_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

$D.E.R_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

$D.R_{it} = \beta o + \beta 1BOS_t + \beta 2BODCOM_t + \beta 3AUDI_t + \beta 4BL + \beta 5CEO\ dual_{it} + e_t$

et: is an error term which represents other possible factors that may affect the financial performance of companies. The abbreviations are defined as follows:

- BOS: Board of size
- BODCOM: Board of Composition
- AUDI: Audit Committee Independence
- BL: Board Leadership
- CEO dual: Chief executive officer with dual responsibility.

Limitations

- The study is limited to impact of corporate governance on financial performance of selected listed Indian pharmaceutical companies.
- The study is based on secondary data collected from the annual report of 5 selected sample companies.
- The study does not include primary data.

Data Analysis and Interpretation

Analysis and Interpretation of Ratios

For the purpose of study, selected solvency and profitability ratios are calculated. The succeeding part includes the analysis and interpretation of ratios.

- The overall average of interest coverage ratio of all the sample companies was 36.29% throughout the period of study. Based on the increasing trend result it is learnt that the sample companies are earning sufficient fund to pay off the interest due on long terms loans. The companies are more capable of meeting its interest obligations. However, it may also indicate that a company is overlooking opportunities to magnify their earnings through leverage.
- The overall average of return on asset is 63.30% and showed an increasing trend during the period of study. It can be inferred that sample companies have more asset efficiency ensuring higher returns and sound financial growth. As higher the asset returns, better is the company ability to earn more money. Based on the lower asset returns of Cipla limited and Torrent Pharmaceuticals it is due to more of capital investments decisions and less revenue from operations.
- The overall average of return on capital employed is 50.34%. Higher the return on capital employed indicates larger portion of profit is invested back into the company for the benefit of shareholders. Based on the lower return on capital employed for Dr Reddy’s laboratories it is inferred that lower percentage of profit is returned to stakeholders.
- The overall average of return on investment of all the sample companies is 32.70%. Higher the return on investment it indicates that the firm is successful at using the investment to generate high returns.
- The overall average return on equity of all the sample companies is 14.36%. Based on the increasing trend of return on equity it is learned that the company’s management is more efficient in generating income and growth from its equity financing. Increase in equity returns indicates that company is good at generating shareholder value.
- The overall average of debt-to-equity ratio is 0.34:1. The decreasing trend indicates that the company is not taking advantage of financial leverage.
- The overall average of total debt ratio of all the sample companies is 0.86:1. As the debt ratio is at the decreasing trend it is inferred that the company’s assets are funded by equity instead of loans. It also means that the business hasn’t relied on borrowings to finance its operations. Here total debt ratio talks about funding of permanent type of assets.
- The overall average of working capital coverage ratio is 1.06%. Based on the overall trend it is inferred that the values less than 1 indicate the future liquidity problems. The values above 1 refers to sound financial ground in terms of liquidity. A high working capital ratio means that company’s assets are well ahead of its short-term debts. A low value indicates that a company do not have enough short-term assets to pay off its short-term debt.

Testing of Hypothesis

To begin with testing of the hypothesis the ANOVA (F test) and chi square test have been used for analyzing the impact of corporate governance on financial performance of selected Indian pharmaceutical companies. The hypothesis framed are tested applying F test at 5% level of significance.

ANOVA (F Value) and Chi Square Test

Dependent y	Independent	X	P-value	ANOVA F value	Significance Value	Chi Square
Int. cov. Ratio	BS	10				
	BC	4				
	CEO dual	3	0.0243	1.2	0.036	0.027
	AUDI	2				
	BL	1				
ROE	BS	10				
	BC	4				
	CEO dual	3	0.0364	1.6	0.031	0.033
	AUDI	2				
	BL	1				
ROA	BS	10				
	BC	4				
	CEO dual	3	0.017	1.05	0.0217	0.021
	AUDI	2				
	BL	1				
ROI	BS	10				
	BC	4				
	CEO dual	3	0.017	1.08	0.042	0.015
	AUDI	2				
	BL	1				
ROCE	BS	10				
	BC	4				
	CEO dual	3	0.0251	1.3	0.024	0.041
	AUDI	2				
	BL	1				
WCCR	BS	10				
	BC	4				
	CEO dual	3	0.045	1.20	0.0175	0.025
	AUDI	2				
	BL	1				
D.E.R	BS	10				
	BC	4				
	CEO dual	3	0.031	1.04	0.042	0.040
	AUDI	2				
	BL	1				
D.R	BS	10				
	BC	4				
	CEO dual	3	0.0462	1.08	0.017	0.028
	AUDI	2				
	BL	1				

Source: Based on author's calculation

The above-mentioned table clearly depicts the relationship between the dependent and independent variables employed for the study.

Based on the derived F value (ANOVA) it talks about the combination of predictor variables that contributes to the relationship with the dependent variables. However, it is to be noted that as ANOVA F value is greater than 1 there is a significant relationship between the dependent and independent variables. By comparing probability value and chi square test as it is less than 0.05 for the financial and corporate governance variables it is inferred that H_a is accepted. This means that the evidence is strong enough to accept the H_a.

Conclusion

Based on the study corporate governance favorably affects the financial performance of pharmaceutical companies in India. The results of financial variables taken for the study are statistically significant as the ANOVA F value is greater than 1. By comparing the probability value and chi square test as it is less than 0.05 for the financial and corporate governance variables it is inferred that H_a is accepted. This means that there is an association between dependent and independent variables.

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Annexures

Table 1: Interest coverage ratio during the period 2013-14 to 2022-23 (in times)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	16.29	14.16	15.39	14	8.45	18.22	11.86	14.28	18.13	20.45	30.45
Divi's Laboratories Limited	13.46	16.26	12.29	10	9.35	17.52	21.86	23.29	25.23	18.45	17.86
Dr. Reddy Laboratories Limited	17.56	16.36	19.9	12	10.35	19.25	22.76	22.46	29.43	20.55	16.36
Cipla Limited	18.46	14.46	13.19	11.9	10	11.86	23.29	20.87	24.1	23.44	15.46
Torrent Pharmaceuticals	13.46	17.36	17.9	11	8.45	18.82	21.86	23.29	17.27	19.45	23.46
Average	26.29	30.2	15.39	8.9	16.6	18.22	11.86	14.28	18.13	20.45	36.29

Source: Appendix 1

Table 2: Return on Asset during the period 2013-14 to 2022-23 (in percentage)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	24.19	18.28	13.51	20.71	21.54	25.86	19.90	20.11	16.95	27.71	37.7
Divi's Laboratories Limited	23.18	28.18	30.21	20.31	24.54	28.96	18.90	25.16	15.96	28.19	41.36
Dr. Reddy Laboratories Limited	20.19	22.48	25.61	20.31	24.54	28.96	19.50	28.29	18.76	26.29	42.67
Cipla Limited	23.19	28.18	22.11	25.12	24.02	19.65	16.48	20.77	24.82	24.32	31.37
Torrent Pharmaceuticals	20.32	18.18	10.21	11.31	15.54	18.36	19.96	25.16	15.96	18.29	38.7
Average	47.37	46.46	43.72	40.76	41.02	46.08	54.82	38.8	45.27	32.91	63.30

Source: Appendix 2

Table 3: Return on Capital Employed during the period 2013-14 to 2022-23 (in percentage)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	21.71	10.53	13.97	17.41	23.01	24.20	15.37	20.29	20.92	25.52	27.91
Divi's Laboratories Limited	20.31	11.23	13.97	16.48	24.09	18.60	19.57	20.39	20.82	24.82	15.58
Dr. Reddy Laboratories Limited	26.1	16.43	11.43	15.84	23.07	22.02	25.29	17.54	21.20	20.45	37.53
Cipla Limited	20.56	16.02	15.57	13.67	22.10	18.37	24.29	11.58	25.29	26.92	36.58
Torrent Pharmaceuticals	17.7	12.3	14	16.45	23.05	19.54	17.76	20.39	24.82	20.82	34.13
Average	32.02	21.76	27.94	23.89	37.1	42.8	34.94	40.68	41.74	42.8	50.34

Source: Appendix 3

Table 4: Return on Investment during the period 2013-14 to 2022-23 (in percentage)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	9.76	7.01	18.80	11.87	13.21	11.80	12.34	15.95	13.46	15.95	18.88
Divi's Laboratories Limited	5.74	3.93	14.56	16.63	16.91	13.63	13.33	14.09	11.70	17.15	11.45
Dr. Reddy Laboratories Limited	10.23	19.70	12.41	18.27	8.22	12.49	19.99	18	14.87	17.25	20.61
Cipla Limited	17.03	12.53	11.23	11.51	18.43	15.76	18.68	15.26	26.77	22.27	21.51
Torrent Pharmaceuticals	13.59	18.75	12.54	14.09	13.34	13.34	18.41	21.38	20.65	31.38	16.72
Average	14.75	19.36	14.60	18.79	15.65	17.76	26.75	22.88	21.38	29.28	32.70

Source: Appendix 4

Table 5: Return on equity during the period 2013-14 to 2022-23 (in percentage)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	10.79	20.30	24.95	22.65	30.9	12.60	23.6	18.77	18.05	13.54	21.44
Divi's Laboratories Limited	13.64	11.13	12.30	19.58	17.67	21.11	23.42	24.61	20.34	17.19	19.10
Dr. Reddy Laboratories Limited	24.5	24.30	16	23.94	33.26	12	24.87	33.2	23.66	27.64	26.56
Cipla Limited	18.44	14.42	25.83	24.04	22.15	24.6	23	22.75	23.30	27.62	30.01
Torrent Pharmaceuticals	12.74	21.71	27.35	24.29	18.31	14.97	15	14.69	11.49	22.11	34.74
Average	11.09	15.05	14.97	15	16.10	16.63	14.69	12.46	11.49	12.11	14.36

Source: Appendix 5

Table 6: Debt to Equity Ratio during the year 2013-14 to 2022-23 (in times)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	0.46	0.45	0.30	0.69	0.98	0.78	0.60	0.99	0.17	0.35	0.66
Divi's Laboratories Limited	0.50	0.20	0.30	0.69	0.98	0.18	0.99	0.79	0.54	0.43	0.80
Dr. Reddy Laboratories Limited	0.47	0.40	0.30	0.79	0.88	0.78	0.69	0.67	0.75	0.46	0.77
Cipla Limited	0.20	0.10	0.40	0.16	0.94	0.90	0.97	0.97	0.52	0.13	0.60
Torrent Pharmaceuticals	0.30	0.20	0.30	0.57	0.78	0.59	0.49	0.87	0.17	0.22	0.26
Average	0.42	0.32	0.03	0.52	0.87	0.42	0.23	0.82	0.21	0.54	0.34

Source: Appendix 6

Table 7: Debt Ratio during the year 2013-14 to 2022-23 (in percentage)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	0.19	0.33	0.24	0.60	0.46	0.16	0.34	0.20	0.10	0.11	0.52
Divi's Laboratories Limited	0.41	0.33	0.24	0.26	0.23	0.30	0.26	0.24	0.20	0.32	0.34
Dr. Reddy Laboratories Limited	0.26	0.33	0.24	0.16	0.30	0.20	0.21	0.26	0.24	0.20	0.49
Cipla Limited	0.18	0.23	0.24	0.26	0.30	0.23	0.26	0.24	0.20	0.28	0.41
Torrent Pharmaceuticals	0.19	0.33	0.24	0.56	0.30	0.23	0.26	0.24	0.20	0.13	0.52
Average	0.20	0.66	0.48	0.86	0.69	0.46	0.60	0.44	0.30	0.43	0.86

Source: Appendix 7

Table 8: Working capital coverage ratio during the year 2013-14 to 2022-23 (in percentage)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Sun Pharmaceutical Industries Limited	1.9	1.49	0.42	0.29	0.21	0.50	0.52	0.87	0.59	1.20	1.63
Divi's Laboratories Limited	1.46	0.45	0.53	0.40	0.34	0.38	0.75	0.35	0.11	0.78	0.46
Dr. Reddy Laboratories Limited	0.51	0.56	0.86	0.97	0.32	0.65	0.87	0.76	0.43	0.54	0.25
Cipla Limited	0.73	0.62	0.86	0.72	0.16	0.32	0.39	0.19	0.09	0.35	0.44
Torrent Pharmaceuticals	0.45	0.64	0.54	0.34	0.54	0.65	0.36	0.19	0.04	0.32	1.20
Average	0.72	0.81	0.65	0.88	0.81	0.24	1.04	0.94	0.59	0.16	1.06

Source: Appendix 8

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