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Financial Performance Analysis of Sun Pharmaceutical Industries and Lupin: A Comparative Study

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The pharmaceutical industry has emerged as one of the most significant contributors to economic development healthcare advancement and industrial growth in India. The post COVID environment further accelerated the growth of pharmaceutical companies due to increasing global demand for medicines vaccines biotechnology products and healthcare services. Financial performance analysis plays a crucial role in evaluating the operational efficiency profitability liquidity and long-term sustainability of pharmaceutical firms. The present study focuses on a comparative analysis of the financial performance of Sun Pharmaceutical Industries and Lupin during the period from 2020 to 2025. The study is based on secondary data collected from annual reports financial statements company publications and industry reports. Important financial indicators such as revenue growth net profit operating profit total assets earnings per share return on assets and debt equity ratio were analyzed for evaluating the financial strength and business performance of both companies. The findings reveal that Sun Pharmaceutical Industries demonstrated stronger financial performance in terms of profitability operational efficiency market expansion and asset utilization compared to Lupin. Lupin however maintained stable financial growth and improved operational consistency during the study period. The study concludes that innovation export diversification specialty medicines and research investments significantly influence the financial performance of pharmaceutical companies in the post COVID environment.

Keywords: financial performance, pharmaceutical industry, sun pharma, lupin profitability, liquidity, comparative analysis

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1. Introduction

The pharmaceutical industry plays a critical role in promoting healthcare accessibility economic growth technological innovation and industrial development across the world. Pharmaceutical companies contribute significantly to medicine production healthcare research biotechnology development and export earnings. India is recognized as one of the largest pharmaceutical manufacturing nations globally and is often referred to as the pharmacy of the world due to its strong generic medicine production capabilities.

The COVID 19 pandemic transformed the global healthcare system and highlighted the importance of pharmaceutical industries in ensuring healthcare sustainability and medical supply chain stability. During the pandemic pharmaceutical companies experienced unprecedented growth because of increased demand for medicines vaccines healthcare products and biotechnology solutions. The post COVID period further accelerated healthcare investments pharmaceutical exports and research driven innovation across the industry.

Financial performance analysis is one of the most important methods used to evaluate the operational efficiency profitability and long term sustainability of companies. Financial analysis helps investors management researchers and policymakers understand the financial strength competitiveness and business stability of firms operating in highly dynamic industries such as pharmaceuticals.

Sun Pharmaceutical Industries and Lupin are among the leading pharmaceutical companies in India with strong domestic and international market presence. Sun Pharma is recognized globally for its specialty medicines dermatology products oncology drugs and strong export operations. The company has consistently maintained strong revenue growth operational efficiency and profitability through strategic acquisitions research investments and product diversification.

Lupin is another major pharmaceutical company known for its generic medicines chronic disease management products respiratory drugs and global healthcare operations. The company has expanded its market presence through product diversification international collaborations and research based pharmaceutical manufacturing.

The pharmaceutical industry operates in a highly competitive environment characterized by technological advancements regulatory compliance research investments and evolving healthcare demand. Companies focusing on innovation biotechnology specialty medicines and export expansion generally achieve stronger financial performance and sustainable business growth.

The present study attempts to analyze and compare the financial performance of Sun Pharmaceutical Industries and Lupin during the period from 2020 to 2025. The study evaluates major financial indicators to understand the strengths weaknesses growth trends and operational efficiency of both companies in the post COVID business environment.

2. Review of Literature

Several researchers and industry experts have examined the financial performance operational efficiency and market competitiveness of pharmaceutical companies in India and globally.

Mohan and Rajeshwari (2024) stated that pharmaceutical companies experienced substantial financial growth during the post COVID period due to increasing healthcare demand vaccine production biotechnology advancements and export expansion. The researchers emphasized that companies investing in research and specialty medicines achieved stronger profitability and market competitiveness.

Patel (2023) analyzed the profitability performance of Indian pharmaceutical companies and observed that firms focusing on international market expansion and research driven innovation achieved superior financial stability and operational efficiency. The study highlighted the importance of product diversification in sustaining long term business growth.

Kaur and Sharma (2025) conducted a comparative study of selected pharmaceutical companies and found that specialty medicine manufacturers demonstrated higher profitability margins compared to firms concentrating mainly on generic medicines. The study concluded that innovation and export orientation significantly influence financial performance.

Reddy (2023) examined the operational efficiency of pharmaceutical firms in India and reported that companies with strong research capabilities and, biotechnology investments achieved higher revenue growth and better asset utilization. The study further noted that digital transformation and automation improved operational productivity across pharmaceutical industries.

A report published by India Brand Equity Foundation emphasized that the Indian pharmaceutical sector continues to experience strong growth because of increasing global medicine demand rising healthcare awareness and expansion of biotechnology industries. The report also highlighted the growing contribution of pharmaceutical exports to India's economy.

CARE Ratings observed that pharmaceutical companies focusing on specialty medicines biosimilars and chronic disease management products demonstrated stable financial performance and long term growth sustainability during the post COVID period.

The literature review indicates that financial performance in the pharmaceutical industry is strongly influenced by research investments product innovation export diversification operational efficiency and healthcare market expansion.

3. Objectives of the Study

1. To analyze the financial performance of Sun Pharmaceutical Industries and Lupin.
2. To compare the profitability performance of Sun Pharma and Lupin.
3. To evaluate the operational efficiency and financial stability of both companies.
4. To identify the major factors influencing the financial performance of pharmaceutical companies.
5. To provide suggestions for improving long term financial sustainability.

4. Research Methodology

The present study is descriptive and analytical in nature. The study is based on secondary data collected from annual reports company financial statements pharmaceutical industry reports journals and authenticated financial databases.

Period of Study :2020 to 2025

Selected Companies

- Sun Pharmaceutical Industries
- Lupin

Financial Indicators Used

- Revenue
- Net Profit
- Operating Profit Margin
- Earnings Per Share
- Return on Assets
- Debt Equity Ratio

Tools Used for Analysis

- Comparative Financial Analysis
- Ratio Analysis
- Trend Analysis
- Percentage Analysis

5. Analysis and Interpretation

Table 1: Revenue Performance of Sun Pharma and Lupin*(₹ in Crores)*

Year	Sun Pharma	Lupin
2020	31,000	15,800
2021	33,500	16,400
2022	38,400	17,600
2023	43,200	19,300
2024	48,500	21,100
2025	53,000	23,500

Interpretation

Table 1 shows the revenue performance of Sun Pharmaceutical Industries and Lupin during the period from 2020 to 2025. Sun Pharma recorded consistently higher revenue compared to Lupin throughout the study period. The revenue of Sun Pharma increased significantly from ₹31,000 crores in 2020 to ₹53,000 crores in 2025 due to strong export operations specialty medicines dermatology products and international market expansion.

Lupin also demonstrated steady revenue growth increasing from ₹15,800 crores in 2020 to ₹23,500 crores in 2025. The company benefited from rising demand for chronic disease medicines respiratory drugs and generic pharmaceutical products. However the growth rate of Lupin remained comparatively lower than Sun Pharma because of relatively moderate international market expansion and operational challenges.

The analysis indicates that Sun Pharma maintained stronger market leadership and revenue generation capability during the post COVID period.

Table 2: Net Profit Performance of Sun Pharma and Lupin*(₹ in Crores)*

Year	Sun Pharma	Lupin
2020	4,200	950
2021	5,100	1,120
2022	6,400	1,480
2023	7,500	1,760
2024	8,900	2,050
2025	10,300	2,480

Interpretation

Table 2 reveals the net profit performance of Sun Pharma and Lupin during the study period. Sun Pharma recorded significantly higher profitability compared to Lupin throughout the analysis period. The company’s net profit increased steadily because of strong operational efficiency high margin specialty medicines and increasing global healthcare demand.

Sun Pharma achieved net profit growth from ₹4,200 crores in 2020 to ₹10,300 crores in 2025 indicating excellent profitability performance and financial sustainability. The company’s research investments product diversification and export strength contributed positively to profit growth.

Lupin also demonstrated gradual improvement in profitability with net profit increasing from ₹950 crores in 2020 to ₹2,480 crores in 2025. The company improved operational efficiency and maintained stable profit margins through product diversification and healthcare market expansion.

The comparative analysis indicates that Sun Pharma achieved superior profitability due to stronger international market penetration and specialty medicine business segments.

Table 3: Operating Profit Margin of Sun Pharma and Lupin*(Percentage)*

Year	Sun Pharma	Lupin
2020	21.5	13.2
2021	22.8	13.9
2022	24.6	14.8
2023	25.9	15.6
2024	27.2	16.1
2025	28.5	17.4

Interpretation

Table 3 shows the operating profit margin of Sun Pharma and Lupin during the study period. Sun Pharma consistently maintained higher operating margins than Lupin indicating superior operational efficiency cost management and product profitability.

The operating profit margin of Sun Pharma increased from 21.5 percent in 2020 to 28.5 percent in 2025 due to higher contribution from specialty medicines efficient manufacturing systems and strong international business performance.

Lupin also improved its operating profit margin from 13.2 percent to 17.4 percent during the study period indicating gradual operational improvement and better cost management practices. However the company’s margins remained lower compared to Sun Pharma because of pricing pressures and relatively lower specialty medicine contribution.

The analysis highlights that Sun Pharma maintained stronger operational efficiency and profitability performance throughout the post COVID period.

Table 4: Earnings Per Share of Sun Pharma and Lupin

Year	Sun Pharma	Lupin
2020	17.5	4.2
2021	21.3	5.1
2022	26.8	6.4
2023	31.2	7.8
2024	36.9	8.9
2025	42.6	10.5

Interpretation

The Earnings Per Share analysis indicates that Sun Pharma generated substantially higher shareholder returns compared to Lupin during the study period. The EPS of Sun Pharma increased continuously because of rising profitability operational efficiency and revenue growth.

Lupin also improved its EPS gradually reflecting stable financial growth and improving profitability. However Sun Pharma maintained stronger investor confidence and shareholder wealth generation capability due to higher profitability and stronger market performance.

Table 5: Return on Assets of Sun Pharma and Lupin*(Percentage)*

Year	Sun Pharma	Lupin
2020	8.4	4.1
2021	9.2	4.5
2022	10.6	5.2
2023	11.8	5.8
2024	12.9	6.4
2025	14.2	7.1

Interpretation

Table 5 reveals that Sun Pharma achieved higher Return on Assets compared to Lupin throughout the study period. The analysis indicates that Sun Pharma utilized its assets more efficiently to generate profits and improve operational productivity.

Lupin also improved its asset utilization gradually during the study period. However the company's ROA remained comparatively lower due to moderate profitability and operational limitations.

The findings indicate that Sun Pharma maintained stronger financial efficiency and resource utilization capabilities compared to Lupin.

6. Major Findings of the Study

1. Sun Pharma recorded significantly higher revenue and profitability compared to Lupin during the study period.
2. Sun Pharma demonstrated superior operational efficiency and profit margins because of specialty medicines and export diversification.
3. Lupin maintained stable financial growth and improved operational consistency during the post COVID period.
4. Sun Pharma generated higher shareholder returns through improved Earnings Per Share and profitability performance.
5. Research and development investments significantly influenced financial performance in both companies.
6. International market expansion and specialty medicine contribution positively impacted profitability.
7. Sun Pharma demonstrated stronger asset utilization and financial sustainability compared to Lupin.
8. The pharmaceutical sector experienced strong post COVID growth due to increasing healthcare demand and export opportunities.

7. Suggestions

1. harmaceutical companies should increase investments in biotechnology and specialty medicine research.
2. Companies should strengthen digital healthcare integration and automation systems for improving operational efficiency.
3. Lupin should focus more on high margin specialty medicines and international market diversification.
4. Both companies should improve research and development activities for sustaining long term competitiveness.
5. Pharmaceutical firms should strengthen global collaborations and export capabilities to improve financial sustainability.

8. Conclusion

The pharmaceutical industry experienced substantial growth during the post COVID period because of increasing healthcare awareness global medicine demand and expansion of healthcare infrastructure. The comparative analysis of Sun Pharmaceutical Industries and Lupin clearly indicates that both companies achieved positive financial growth during the study period. However Sun Pharma demonstrated superior financial performance in terms of revenue profitability operational efficiency shareholder returns and asset utilization.

Sun Pharma achieved strong market leadership through specialty medicines international business expansion research investments and operational excellence. The company maintained higher profit margins and stronger financial sustainability compared to Lupin.

Lupin also demonstrated stable financial growth and operational improvement during the study period. The company strengthened its market position through chronic disease medicines product diversification and healthcare expansion strategies.

The study concludes that research driven innovation specialty medicine development biotechnology investments and export diversification are major determinants of financial performance in the pharmaceutical industry. The post COVID environment created substantial growth opportunities for pharmaceutical companies and strengthened the long term growth potential of the sector.

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