EXPLORING SHAREHOLDERS' VALUE CREATION IN THE INDIAN HEALTH CARE INDUSTRY

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Abstract

Shareholders' Value Creation (SVC) is a crucial concept in the corporate world, referring to the process of increasing a company's economic value to maximize shareholder wealth. Effective SVC strategies enhance investor confidence, attract and retain investors, improve financial performance, and ensure long-term sustainability. This study investigates the relationship between SVC and internal financial soundness, which is driven by economic efficiency and accumulated reserves, as well as the surplus of market capitalization over intrinsic value. Additionally, the study examines the impact of external factors such as national and international economic conditions, investor perception, and other influences. The research focuses on a sample of 51 listed Healthcare companies on the Bombay Stock Exchange (BSE). The findings reveal significant variations in SVC across the selected companies, indicating inconsistent value creation. This study aims to provide valuable insights for Healthcare companies seeking to optimize their SVC strategies and improve shareholder value.

Keywords: *Shareholder value creation (SVC), Indian Health Care Companies, intrinsic value, market capitalization*

INTRODUCTION

In the modern business landscape, shareholders' satisfaction is paramount for a joint stock company's success. Without it, investors may withdraw their support, hindering the company's ability to operate. The corporate landscape has transitioned from prioritizing profit maximization to pursuing wealth maximization. As investors diverge into income-focused and growth-oriented groups, shareholder value creation has taken center stage. This study aims to assess and analyze shareholder value creation. The Indian Health care industry, a rapidly growing market, presents an intriguing case study. Ranked third globally in volume and thirteenth in value, this industry has experienced phenomenal growth since its inception in the 1970s. India's healthcare industry has experienced remarkable growth, propelled by rising demand, innovative technologies, and policy initiatives. As the sector matures, shareholder value creation has emerged as a key performance indicator. This study explores the dynamics of shareholder value creation in Indian healthcare.
Shareholders' Value Creation: Concept and Significance:

Definition & Concept of Shareholders Value Creation:
➢ Value creation is the Primary financial performance indicator for measuring and evaluating financial performance within the group.
➢ The essence of investing is putting funds at risk with the hopes of receiving a greater amount in return. If this is accomplished, it can be said that one has created value.
➢ According to Beatric Nyiramahoro and Natalia Shooshia have defined shareholder value as the "Total economic value of an entity such as a company or a business unit is the sum of the value of its debt and its equity. This value of the business is named corporate value while the value of the equity portion is named shareholder value in the form of equation".
Shareholders' Value Creation (SVC) refers to the process of increasing the economic value of a company for its shareholders, with the ultimate goal of maximizing shareholder wealth. This concept is crucial in the corporate world, as it involves managing the organization to deliver returns on investment to its owners. Effective SVC strategies enable companies to enhance investor confidence, attract and retain investors, improve financial performance, and ensure long-term sustainability.
The primary objectives of Shareholders' Value Creation are to maximize shareholder wealth, enhance investor confidence, and improve financial performance. To achieve these goals, companies focus on revenue growth, margin expansion, asset optimization, cost reduction, and strategic acquisitions. These drivers of SVC contribute to the overall financial health and prosperity of the organization.
To measure the effectiveness of Shareholders' Value Creation, companies employ various metrics. These include Total Shareholder Return (TSR), Economic Value Added (EVA), Market Value Added (MVA), Return on

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Equity (ROE), and Price-to-Earnings (P/E) ratio. These metrics provide valuable insights into a company's financial performance and its ability to create value for shareholders.

In practice, Shareholders' Value Creation involves strategic decision-making, resource allocation, risk management, and innovation and growth initiatives. Corporate managers and financial analysts play critical roles in identifying opportunities for value creation and implementing strategies to achieve these objectives. By prioritizing Shareholders' Value Creation, companies demonstrate their commitment to delivering value to their owners and contributing to the overall health of the economy.

Understanding Shareholders' Value Creation is essential for investors, corporate managers, financial analysts, business strategists, and economists. By recognizing the significance of SVC, stakeholders can make informed decisions, optimize resource allocation, and foster a culture of value creation within organizations.

Background:

Despite its significance, shareholders' value creation remains a complex issue. Previous research has primarily focused on the banking sector, leaving a knowledge gap in understanding the Health care industry's dynamics. As the Indian Health care sector expands, accessing capital through equity shares becomes increasingly vital for maximizing wealth.

Research Gap:

The healthcare industry's unique characteristics have been overlooked in existing studies on Shareholder Value Creation (SVC), necessitating in-depth research. To address this knowledge gap, this study investigates SVC in a sample of leading Indian healthcare companies. Breaking away from traditional Economic Value Added (EVA) and Market Value Added (MVA) metrics, our research pioneers a new framework using intrinsic value and market value as distinct and complementary measures. Notably, comprehensive research on SVC in healthcare is scarce, with only a handful of studies examining this critical issue.

Objective of the Study:

1) To study the concept of shareholders' value creation.
2) To calculate shareholders value creation through different methods like Value Creation –I, Value Creation – II and Total Value Creation.
3) To examine status of selected companies in the context of Shareholders' Value Creation total and the degree of its consistency.

Hypothesis of the Study:

To maintain objectivity and avoid uncertainty in the results, null hypothesis method is used. Null hypothesis is the hypothesis of no differences. The hypothesis can be accepted or rejected only at certain probability levels. In order to achieve the objectives of the research following hypotheses are framed.

1. There is no significant difference in Shareholders "Value Creation Total" among all selected companies during the study period.

Methodology:

1. **Sample Selection:**

The data used in this study relate to those Healthcares companies listed in the Bombay Stock Exchange (BSE) for which the data are available in the ACE EQUITY database. The analysis is confined to the BSE listed Indian Healthcares companies only. This is due to the fact that BSE has the second largest number of domestic quoted companies on any stock exchange in the world after New York Stock Exchange (NYSE) and has more quoted companies than either the London or the Tokyo stock Exchange. ACE EQUITY database obtained data relating to 173 BSE listed Healthcares companies, from that population, top 51 companies based on market capitalization are selected for sample. The researcher selected all those companies which complete data is available and final sample consisted of 51 Healthcares companies as detailed in the following table:

Sr. No.	Company Name	Sr.No.	Company Name	Sr .No.	Company Name
1	Sun Healthcare Industries Ltd.	18	Panacea Biotec Ltd.	35	Themis Medicare Ltd.
2	Dr. Reddys Laboratories Ltd.	19	JB Chemicals & Healthcares Ltd.	36	IOL Chemicals & Healthcares Ltd.
3	Cipla Ltd.	20	Shilpa Medicare Ltd.	37	Hester Biosciences Ltd.
4	Lupin Ltd.	21	Indoco Remedies Ltd.	38	Lincoln Healthcares Ltd.
5	Cadila Healthcare Ltd.	22	Hikal Ltd.	39	Wintac Ltd.
6	Divis Laboratories Ltd.	23	Suven Life Sciences Ltd.	40	Gufic Biosciences Ltd.
7	Glenmark Healthcares Ltd.	24	Vivimed Labs Ltd.	41	Ambalal Sarabhai Enterprises Ltd.
8	Wockhardt Ltd.	25	Bliss GVS Pharma Ltd.	42	Jagsonpal Healthcares Ltd.

9	AurobindoPharma Ltd.	26	TTK Healthcare Ltd.	43	Celestial Biolabs Ltd.
10	Biocon Ltd.	27	MarksansPharma Ltd.	44	Coral Laboratories Ltd.
11	Torrent Healthcares Ltd.	28	Granules India Ltd.	45	Ortin Laboratories Ltd.
12	Ipca Laboratories Ltd.	29	Amrutanjan Health Care Ltd.	46	SanjivaniParanteral Ltd.
13	Novartis India Ltd.	30	Aarti Drugs Ltd.	47	Natural Capsules Ltd.
14	FDC Ltd.	31	Zenotech Laboratories Ltd.	48	Makers Laboratories Ltd.
15	Unichem Laboratories Ltd.	32	RPG Life Sciences Ltd.	49	Mangalam Drugs & Organics Ltd.
16	NatcoPharma Ltd.	33	AnuhPharma Ltd.	50	Advik Laboratories Ltd.
17	Ajanta Pharma Ltd.	34	DIL Ltd.	51	Hindustan Bio Sciences Ltd.

2. Duration of the Study:
The study is conducted on the basis of five years. I.e. From 2009-2010 to 2013-2014.

3. Collection of Data:
For the purpose of the study, secondary data is used.
For obtaining the secondary data the following sources are as follows:
(i)   Published financial reports of the company i.e. 2010-2014
(ii)   ACE EQUITY database from IIM library
(iii)   Website of selected companies and Reserve Bank of India

4. Method:
Methods used for measurement of value creation are as follows:

Formulas for Calculations:		
1)	Value Creation-I per Share	= Intrinsic Value (I.V.) – Paid up value Where, I.V. = Net worth (Net Assets) Number of Equity Shares
2)	Total Value Creation per Share	=Annual Market Capitalization of Equity Shares / Number of Equity Shares or Market Value of the share – Paid up value of the shares
3)	Value Creation-II per Share	= Total Value Creation per Share – Value Creation-I per Share or Market Value of the share –Intrinsic Value of the share
	To examine status of selected companies in the context of Shareholders' Value Creation total and the degree of its consistency	**Standard Deviation & Coefficient of Variances**

Significance of the Study:

●   This study will be helpful for reflecting the economic efficiency of the Selected Companies of Healthcare Industry.

●   Also for reflecting the managerial efficiency of the management of the Selected Companies of Healthcare Industry.

●   This will provide guidance for decision oriented information to shareholders to evaluate their investment decisions for both group of shareholders- to existing shareholders and potential shareholders.

●   This will also provide guidance for the lenders to disburse their funds in favour of borrowers.

●   This study will give depth knowledge of shareholder value creation with different perspective.

- This study will be also useful for other industry or other companies for improving their performance towards shareholders.

Limitations:

- The study is limited to selected companies of Indian Healthcare Industry.
- The study will base on Secondary Data.
- The study will limited to some techniques of shareholders value creations.

Literature Review:

- Phani and Bhattacharya (2000), made clear the concept of Economic Value Added and its recognition in corporate. They found that investors had not been more educated for their investment decision only through the Economic Value Added, it just provided additional information. He also concluded that by the performance measurement like Economic Value Added company can educate and train their employees for value creation.
- Singh (2005) , observed during the 1998- 1999 to 2002-2003 with selected 28 Indian private and public sector banks that are listed on the Bombay Stock Exchange (BSE) have been able to create (or destroy) shareholders' wealth or not. The researcher suggested that there is significant relationship between Economic Value Added and Market Value Added. This study also identified the good performer banks in terms of Economic Value Added.
- Jalaja (2010) studied value creation of old generation companies with new generation companies by comparing method with the help of Pablo Fernandez model.The result showed that a positive correlation between shareholder value creation and market capitalisation in 44 companies out of a sample of 50 companies, but the degree of correlation differs. There is strong correlation in twenty three companies, moderate level of correlation in four companies and weak correlation in seventeen companies and the correlation is negative in six companies. According this study shareholder value creation does not depend on the size(as per market capitalization) of the company.
- Shobhana and Manjula (2011), examined shareholder value creation in the sample of 46 merged companies of Indian Manufacturing Sector. For this study economic value added and market value added performance measurement tools for shareholders' value creation were calculated. The researcher did the intra firm comparison and concluded that majority of the sample companies during the selected study period had no increased value in their shareholders' wealth.
- Venugopal and Reddy (2016) , identified the trends in the value creation with the sample of 77 companies from Indian Healthcare Industry, which are listed in the BSE-SENSEX. The researcher also analyzed comparative Analysis of company wise shareholders Value Creation from 2007 to 2015. The researcher calculated shareholder Value Creation by Economic Value Added method and classified all he sample in Value Creators and Value destroyer. The researcher concluded that EVA based performance framework not only provides the financial performance, it helps the management in strategic decision making and enhancing shareholder value.

TABLE 1: Calculation of Total Value Creation

Company Name	2013-14	2012-13	2011-12	2010-11	2009-10	average (mean)
Dr. Reddys Laboratories Ltd.	2557.17	1760.92	1754.06	1633.04	1271.46	1795.33
Divis Laboratories Ltd.	1367.00	981.70	764.65	673.90	677.05	892.86
Sun Healthcare Industries Ltd.	572.36	817.36	568.51	440.81	1784.63	836.73
Cadila Healthcare Ltd.	1021.66	736.54	755.29	786.50	819.41	823.88
Lupin Ltd.	933.95	627.08	527.66	413.35	1614.48	823.30
Wockhardt Ltd.	452.09	2000.74	594.02	319.26	133.70	699.96
Novartis India Ltd.	439.44	593.79	764.73	644.78	568.20	602.19
Torrent Healthcares Ltd.	518.70	690.32	623.71	573.35	540.15	589.25
Amrutanjan Health Care Ltd.	123.50	114.05	756.75	609.85	954.12	511.65
Ajanta Pharma Ltd.	996.66	638.48	446.21	190.30	172.00	488.73
Ipca Laboratories Ltd.	842.81	524.60	333.06	299.58	267.74	453.56
DIL Ltd.	498.75	477.60	495.90	377.25	240.00	417.90
Natco Pharma Ltd.	787.00	419.05	343.75	263.45	124.10	387.47
Aurobindo Pharma Ltd.	509.93	144.89	117.89	194.89	953.65	384.25
TTK Healthcare Ltd.	513.50	394.15	380.85	393.85	236.56	383.78
Glenmark Healthcares Ltd.	564.89	462.09	306.64	282.60	265.25	376.29
Hikal Ltd.	460.45	390.45	257.60	289.40	360.50	351.68
Cipla Ltd.	381.69	377.74	302.54	319.04	335.09	343.22

Biocon Ltd.	419.05	269.60	233.05	338.95	279.35	308.00
Shilpa Medicare Ltd.	410.75	243.65	237.60	260.75	264.10	283.37
Indoco Remedies Ltd.	139.25	55.85	395.75	435.15	389.45	283.09
Vivimed Labs Ltd.	167.00	270.20	396.10	252.75	132.90	243.79
Unichem Laboratories Ltd.	227.25	170.85	130.10	187.30	434.45	229.99
Anuh Pharma Ltd.	134.00	117.50	113.95	130.40	365.65	172.30
Panacea Biotec Ltd.	93.98	123.95	80.76	181.15	219.56	139.88
Aarti Drugs Ltd.	253.40	133.25	91.85	118.00	92.15	137.73
Granules India Ltd.	245.70	84.75	71.10	82.25	83.75	113.51
Themis Medicare Ltd.	47.90	42.65	79.25	190.20	188.70	109.74
Hester Biosciences Ltd.	78.75	114.00	117.40	106.35	121.50	107.60
FDC Ltd.	124.95	91.15	77.25	100.70	79.50	94.71
JB Chemicals & Healthcares Ltd.	126.35	71.55	59.10	130.80	68.80	91.32
Coral Laboratories Ltd.	74.05	51.00	65.10	69.80	45.10	61.01
RPG Life Sciences Ltd.	52.10	54.01	55.91	67.86	65.20	59.02
Wintac Ltd.	80.55	83.20	20.70	29.50	23.87	47.56
Zenotech Laboratories Ltd.	6.50	10.75	21.35	34.95	102.95	35.30
Suven Life Sciences Ltd.	70.90	21.90	12.81	15.65	31.10	30.47
Bliss GVS Pharma Ltd.	43.50	25.70	22.20	21.60	34.90	29.58
Natural Capsules Ltd.	24.85	22.60	32.00	31.00	29.60	28.01
IOL Chemicals & Healthcares Ltd.	9.30	14.85	14.35	27.95	47.00	22.69
Lincoln Healthcares Ltd.	31.70	14.00	15.55	24.85	26.15	22.45
Sanjivani Paranteral Ltd.	5.10	4.80	21.05	28.75	39.60	19.86
Makers Laboratories Ltd.	5.80	8.25	10.75	22.00	31.00	15.56
Celestial Biolabs Ltd.	11.80	0.47	8.75	20.60	26.50	13.62
Jagsonpal Healthcares Ltd.	5.24	5.11	7.79	10.66	14.45	8.65
Ortin Laboratories Ltd.	-10.00	3.80	18.45	12.70	6.81	6.35
Marksans Pharma Ltd.	22.95	2.90	0.65	1.25	3.88	6.33
Gufic Biosciences Ltd.	4.14	5.37	4.31	4.78	5.58	4.84
Mangalam Drugs & Organics Ltd.	-5.28	-4.00	0.01	2.22	2.87	-0.84
Ambalal Sarabhai Enterprises Ltd.	-7.63	-7.45	-6.02	-3.50	0.77	-4.77
Advik Laboratories Ltd.	-6.10	-6.16	-6.80	-6.14	-6.10	-6.26
Hindustan Bio Sciences Ltd.	-9.13	-9.09	-7.98	-7.69	-6.74	-8.13

(Source: researcher's calculated data)

The above table shows the calculation of Total Value Creation of all selected fifty one companies for the five years study period.

Shareholder value creation 1 = Intrinsic Value of Equity Shares – Paid up value of equity shares.
Where;   Intrinsic Value =   Total Net Assets / Total Number of Equity Shares
         Total Net Assets = Net Worth – Fictitious Assets

The calculation of shareholder value creation 1 is connected with internal financial soundness of the company and the internal financial soundness is a result of economic efficiency of the company and accumulated reserves of the company. There is positive relationship between reserves and surplus and shareholder value creation 1.

Shareholder value creation 2 = Market Capitalization – Intrinsic value of Shares.

Shareholder value creation 2 is the surplus of market capitalization over intrinsic value of equity shares. It relates the impact of external factors like national and international economic factors, perception of investors, and others.

Total shareholder value creation = Shareholder value creation 1 + Shareholder value creation 2
ANALYSIS:

During the period of study, value creation of the companies have mix trend that is decreasing trend and increasing trend. Majority of the company shows positive value creation while a few of companies shows negative value creation, it means with negative value creation these companies have destroyed the shareholders' value creation. The intrinsic value of equity shares will be changed due to changes in reserves and surplus when number of equity share remains constant. In case of this company whenever reserve and surplus are reduced intrinsic value is also reduce and vice-a-versa. It means whenever company had lower earnings, company had utilized reserves and surpluses for internal purposes. In brief intrinsic value and shareholder value creation-I are highly influenced by changes in reserves and surpluses. To sustain shareholder value creation-I or to increasing this value company has to make attempts to increase overall

earning efficiency. Company should find out new market, should increase new product line, should increase product mix etc.

Shareholder value creation-II is the difference of total market value per share – shareholder value creation-I. The happening of shareholder value creation-II is a result of perception of existing investors and potential investors about the performance of the company.

As per the above table according to Total Value Creation Dr. Reddys Laboratories Ltd., Divis Laboratories Ltd., Sun Healthcare Industries Ltd. ,Cadila Healthcare Ltd. ,Lupin Ltd., Wockhardt Ltd. , Novartis India Ltd. ,Torrent Healthcares Ltd. & Amrutanjan Health Care Ltd. have earned the highest value for their shareholders , while Mangalam Drugs & Organics Ltd., Ambalal Sarabhai Enterprises Ltd., Advik Laboratories Ltd., Hindustan Bio Sciences Ltd. have destroyed the shareholders wealth during the study period because that total value creation is negative So they are fail to create any wealth or any gain for their shareholders.

TABLE 2: **Descriptive Statistics of All Selected Companies of Value Creation I, Value Creation II & Total Value Creation**

VALUE CREATION I		VALUE CREATION II		TOTAL VALUE CREATION	
Mean	94.92649709	Mean	177.0025	Mean	271.929
Standard Error	5.937780811	Standard Error	20.03584	Standard Error	23.88106
Median	72.78426832	Median	40.70542	Median	118
Mode	#N/A	Mode	#N/A	Mode	-6.1
Standard Deviation	94.81875577	Standard Deviation	319.9467	Standard Deviation	381.3499
Sample Variance	8990.596445	Sample Variance	102365.9	Sample Variance	145427.7
Kurtosis	3.401714075	Kurtosis	10.03984	Kurtosis	9.011381
Skewness	1.712358956	Skewness	2.832635	Skewness	2.630124
Range	554.3062163	Range	2088.07	Range	2567.169
Minimum	-15.6864425	Minimum	-69.5204	Minimum	-10
Maximum	538.6197738	Maximum	2018.549	Maximum	2557.169
Sum	24206.25676	Sum	45135.65	Sum	69341.91
Count	255	Count	255	Count	255
Largest(1)	538.6197738	Largest(1)	2018.549	Largest(1)	2557.169
Smallest(1)	-15.6864425	Smallest(1)	-69.5204	Smallest(1)	-10
Confidence Level(95.0%)	11.6935537	Confidence Level(95.0%)	39.45752	Confidence Level(95.0%)	47.0301

(Source: researcher's calculated data)
Analysis:
Table 4.3 shows descriptive statistics of Value Creation I, Value Creation II & Total Value Creation of sample companies during the study period. As shown in table 4.3 mean of Value Creation I, Value Creation II & Total Value Creation was recorded to be Rs. 94.93, Rs. 177.002 & Rs. 271.93 respectively with a standard deviation of 94.82, 319.95 & 381.35 respectively. Value Creation I, Value Creation II & Total Value Creation of sample companies during the study period ranged between -15.69 to 538.62, 69.52 to 2018.55 & -10 to 2557.17 recording a range of 554.31, 2088.07& 2567.17 respectively.

Standard Deviation and Coefficient Variation:

The Standard deviation (S.D.) measures the absolute dispersion (or variability of a distribution; the greater the amount of dispersion or variability.) the greater the standard deviation, for the greater will be the magnitude of the deviations of the values from their mean. A small standard deviation means a high degree of uniformity of the observation as well as homogeneity of a series; a large standard deviation means just the opposite.

The coefficient of variation (Cov) measures of relative variation. It is used in such problems where we want to compare the variability of two or more than two series.

The series [or group] for which coefficient of variation is greater is said to be more variable of conversely less consistent, less uniform , less stable or less homogeneous. On the other hand the series for which coefficient of variation is less is said to be less variable or more consistent more uniform, more stable or more homogeneous.

Formulas for calculations	
Standard deviation	$=\ \delta = \sqrt{\varepsilon\chi2}/N$ Where; $\chi\ =\ \ (X - \overline{X})$
Coefficient of variation	$=\ \dfrac{\delta}{X}\ \times 100$ Where; $\delta = Standard\ Deviation$

TABLE 3: For Total Value Creation Calculation of Standard Deviation, Coefficient of Variance &Their Rank:

Sr. No.	Company Name	Standard Deviation	Rank of Standard Deviation	coefficient of variation	Rank of Co efficient of variation
1	Aarti Drugs Ltd.	67.03	26	0.49	29
2	Advik Laboratories Ltd.	0.30	1	-0.05	4
3	Ajanta Pharma Ltd.	343.37	45	0.70	42
4	Ambalal Sarabhai Enterprises Ltd.	3.51	4	-0.74	2
5	Amrutanjan Health Care Ltd.	378.89	47	0.74	43
6	Anuh Pharma Ltd.	108.41	35	0.63	34
7	Aurobindo Pharma Ltd.	355.00	46	0.92	47
8	Biocon Ltd.	72.81	29	0.24	16
9	Bliss GVS Pharma Ltd.	9.42	11	0.32	21
10	Cadila Healthcare Ltd.	114.96	37	0.14	9
11	Celestial Biolabs Ltd.	10.18	12	0.75	44
12	Cipla Ltd.	35.27	23	0.10	5
13	Coral Laboratories Ltd.	12.42	15	0.20	13
14	DIL Ltd.	111.23	36	0.27	20
15	Divis Laboratories Ltd.	293.11	44	0.33	22
16	Dr. Reddys Laboratories Ltd.	470.12	48	0.26	19
17	FDC Ltd.	19.36	19	0.20	14
18	Glenmark Healthcares Ltd.	131.23	40	0.35	24
19	Granules India Ltd.	74.10	30	0.65	36
20	Gufic Biosciences Ltd.	0.63	2	0.13	8
21	Hester Biosciences Ltd.	17.06	18	0.16	11
22	Hikal Ltd.	80.84	32	0.23	15
23	Hindustan Bio Sciences Ltd.	1.01	3	-0.12	3
24	Indoco Remedies Ltd.	172.81	41	0.61	33
25	IOL Chemicals & Healthcares Ltd.	15.24	17	0.67	39
26	Ipca Laboratories Ltd.	239.44	42	0.53	31

27	Jagsonpal Healthcares Ltd.	3.96	6	0.46	28
28	JB Chemicals & Healthcares Ltd.	34.36	22	0.38	25
29	Lincoln Healthcares Ltd.	7.48	9	0.33	23
30	Lupin Ltd.	482.75	49	0.59	32
31	Makers Laboratories Ltd.	10.63	13	0.68	41
32	Mangalam Drugs & Organics Ltd.	3.66	5	-4.38	1
33	Marksans Pharma Ltd.	9.38	10	1.48	50
34	Natco Pharma Ltd.	248.64	43	0.64	35
35	Natural Capsules Ltd.	4.08	7	0.15	10
36	Novartis India Ltd.	118.27	38	0.20	12
37	Ortin Laboratories Ltd.	10.73	14	1.69	51
38	Panacea Biotec Ltd.	58.96	25	0.42	27
39	RPG Life Sciences Ltd.	7.05	8	0.12	7
40	Sanjivani Paranteral Ltd.	15.12	16	0.76	45
41	Shilpa Medicare Ltd.	72.08	28	0.25	17
42	Sun Healthcare Industries Ltd.	547.15	50	0.65	37
43	Suven Life Sciences Ltd.	23.66	20	0.78	46
44	Themis Medicare Ltd.	74.10	31	0.68	40
45	Torrent Healthcares Ltd.	69.00	27	0.12	6
46	TTK Healthcare Ltd.	98.39	33	0.26	18
47	Unichem Laboratories Ltd.	119.49	39	0.52	30
48	Vivimed Labs Ltd.	102.68	34	0.42	26
49	Wintac Ltd.	31.49	21	0.66	38
50	Wockhardt Ltd.	746.70	51	1.07	48
51	Zenotech Laboratories Ltd.	39.38	24	1.12	49

(Source: researcher's calculated data)

Analysis:

From the above analysis standard deviation of Total value creation of Advik laboratory is low that is 0.30 which implies that is total Value creation is less deviated from it mean. On the other hand standard deviation of Wockhardt Ltd is high that is 746.70 this implies that the total value creation of the company is much more deviated from its mean as compared to the other companies of the study.

While in case of other companies like Gufic Biosciences Ltd.,Hindustan Bio Sciences Ltd., Ambalal Sarabhai Enterprises Ltd., Mangalam Drugs & Organics Ltd. ,Jagsonpal Healthcares Ltd., Natural Capsules Ltd., RPG Life Sciences Ltd., Lincoln Healthcares Ltd., Marksans Pharma Ltd., Bliss GVS Pharma Ltd.,Celestial Biolabs Ltd., Makers Laboratories Ltd. and Ortin Laboratories Ltd. the Standard deviation are 0.63,1.01, 3.51, 3.66, 3.96, 4.08, 7.05, 7.48,9.38, 9.42, 10.18, 10.63, and 10.73 respectively, it shows means in these companies degree of uniformity of the observation as well as homogeneity of a series is good compare to other companies of the study.

From this analysis it can be concluded that with respect to standard deviation in total value creation Advik Laboratories Ltd. has more uniformity and thus ranks one. Wockhardt Ltd. has less stability because its standard deviation is maxi mum among all companies of the study.

Whereas with respect to coefficient of variation the COV of Mangalam Drugs & Organics Ltd. is the least that is -4.38 which indicates that it is more stable or more uniform as compared to the study and its ranks one. COV of Ortin Laboratories Ltd. is the maximum that is 1.69, indicating more variability less stability, less uniformity thus ranks last.

FINDINGS & CONCLUSION

- **Findings As per Total value creation method:**

According to Total Value Creation Dr. Reddys Laboratories Ltd., Divis Laboratories Ltd., Sun Healthcare Industries Ltd. ,Cadila Healthcare Ltd. ,Lupin Ltd., Wockhardt Ltd. , Novartis India Ltd. ,Torrent Healthcares Ltd. & Amrutanjan Health Care Ltd. have earned the highest value for their shareholders , while Mangalam Drugs & Organics Ltd., Ambalal Sarabhai Enterprises Ltd., Advik Laboratories Ltd., Hindustan Bio Sciences Ltd. have destroyed the shareholders wealth during the study period because that total value creation is negative So they are fail to create any wealth or any gain for their shareholders.

- **Findings As per standard deviation of Total value creation:**

From the analysis of standard deviation of Total value creation of Advik laboratory is low that is 0.30 which implies that is total Value creation is less deviated from it mean. On the other hand standard deviation of Wockhardt Ltd. is high that is 746.70 this implies that the total value creation of the company is much more deviated from its mean as compared to the other companies of the study.

While in case of other companies like Gufic Biosciences Ltd.,Hindustan Bio Sciences Ltd., Ambalal Sarabhai Enterprises Ltd., Mangalam Drugs & Organics Ltd. ,Jagsonpal Healthcares Ltd., Natural Capsules Ltd., RPG Life Sciences Ltd., Lincoln Healthcares Ltd., Marksans Pharma Ltd., Bliss GVS Pharma Ltd.,Celestial Biolabs Ltd., Makers Laboratories Ltd. and Ortin Laboratories Ltd. the Standard deviation are 0.63,1.01, 3.51, 3.66, 3.96, 4.08, 7.05, 7.48,9.38, 9.42, 10.18, 10.63, and 10.73 respectively, it shows means in these companies degree of uniformity of the observation as well as homogeneity of a series is good compare to other companies of the study.

From this analysis it can be concluded that with respect to standard deviation in total value creation Advik Laboratories Ltd. has more uniformity and thus ranks one. Wockhardt Ltd. has less stability because its standard deviation is maxi mum among all companies of the study.

- **Findings As per coefficient of variation of Total value creation:**

Whereas with respect to coefficient of variation the COV of Mangalam Drugs & Organics Ltd. is the least that is -4.38 which indicates that it is more stable or more uniform as compared to the study and its ranks one. COV of Ortin Laboratories Ltd. is the maximum that is 1.69, indicating more variability less stability, less uniformity thus ranks last**.**

- **Findings As Per Descriptive Statistics Of All Selected Companies Of Value Creation I, Value Creation II & Total Value Creation:**

As per Descriptive Statistic mean of Value Creation I, Value Creation II & Total Value Creation was recorded to be Rs. 94.93, Rs. 177.002 & Rs. 271.93 respectively with a standard deviation of 94.82, 319.95 & 381.35 respectively. Value Creation I, Value Creation II & Total Value Creation of sample companies during the study period ranged between -15.69 to 538.62, 69.52 to 2018.55 & -10 to 2557.17 recording a range of 554.31, 2088.07& 2567.17 respectively.

CONCLUSION

The objective of the study is to examine status of   selected companies in the context of shareholders value creation total and the degree of its consistency and in this regard the following hypothesis is developed;

"There is no significant difference in Shareholders' Value Creation Total among all selected companies during the study period.

On investigation it is noticed that the shareholders' value creations total of all selected companies are not identical and consistent. Hence this hypothesis is rejected.

This study could be extended to Companies of different group, Companies of different industries, Data of 10 years or more, with the other measurement methods, with identification of other quantitative factors, with consideration of qualitative factors.

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