

RECOMMENDATIONS

1. Recommendations for the pharmaceutical companies

- i. The analysis of profitability in pharmaceutical companies reassures investors of low-risk investments and helps identify profitable opportunities. Government efforts to lower medication costs pose challenges for domestic market-dependent businesses, requiring management to focus on reducing product costs.
- ii. Firms must research factors affecting profitability, including product lifecycle, competition, economic and sales growth, and exports.
- iii. Encouraging financial institutions to offer low-cost term loans can benefit both retail and pharmaceutical sectors, ensuring a suitable capital mix for profitable operations. Implementing internal models and cost-cutting measures can help maintain high profit margins and optimize revenues.
- iv. Maintaining sufficient cash reserves, improving operational efficiency, and focusing on key financial metrics like net profit ratio and return on assets contribute to a robust financial condition.
- v. Attention to cost of goods sold and operational expenditures can further enhance profitability. Implementing waste reduction strategies, such as process optimization and demand-based production, can streamline operations and save costs.

Overall, strategic financial management and operational optimization are essential for sustained profitability in both pharmaceutical and retail sectors.

2. Recommendations for the retail companies

- i. To enhance customer relationship management, retail companies should invest in employee development programs. A well-established distribution network is crucial for customer satisfaction, requiring a deep understanding of customer needs.
- ii. Unstructured retailers should maintain marketing efforts, focusing on price and promotion strategies to attract and retain customers, especially in rural areas. Improving store ambience, offering credit facilities, and stocking popular items can enhance the customer experience.
- iii. Targeting impulse buyers and utilizing eye-catching displays are vital in retail marketing. Government support through education, access to credit

facilities, and training programs can empower unorganized retailers to improve their performance.

- iv. Direct sourcing from suppliers and cooperative organizations can increase revenue. Financial assistance and skill development programs can aid retailers in improving operations and understanding ethical business practices, ultimately benefiting both businesses and consumers.

3. Recommendations for the further study

- i. The financial performance of certain chemical and pharmaceutical companies may be compared and contrasted.
- ii. It is possible to assess how government regulations and FDI affect the pharmaceutical and retail industries' financial results.
- iii. Future research may be able to examine the effects of India's recently implemented Goods and Services Tax (GST) system on the financial performance of the pharmaceutical and retail industries.
- iv. More research is needed on the impact that mergers and acquisitions have on the financial performance of certain subsectors within the retail and pharmaceutical industries.
- v. It is feasible to do a more in-depth investigation of the influence that a company's profitability has on the performance of its stock on the market.