

CHAPTER 3:
RESEARCH
METHODOLOGY

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3.1 INTRODUCTION

The study's proposed scope is laid out in the research methodology, and the reader is given details on the precise methods of analysis that will be employed. That includes the objectives of the research itself. Timeline, scope, data sources, etc., of the planned study can all be clarified in this way as well. The means and tools used in the investigation are also important. In brief, this part helps the researcher choose a path for his investigation.

Due to a shortage of funding, this study focused on individuals rather than the phenomenon as a whole. It will be difficult to conduct a fair and representative sampling of all banks if each researcher is accountable for their own research. Thus, the most well-known public and private banks were selected for this analysis.

3.2 SIGNIFICANCE OF THE STUDY

India is the world's largest supplier of generic pharmaceuticals, and its vaccines and generic treatments are widely regarded for their low cost. After starting from scratch and rising at a CAGR of 9.43% over the past nine years, the Indian pharmaceutical industry is now ranked third in pharmaceutical output by volume. The pharmaceutical industry in India is quite diverse, with numerous subsectors including generic pharmaceuticals, OTC medications, bulk meds, vaccines, contract research & manufacture, biosimilars, and biologics. There are 500 API producers in India, accounting for around 8% of the global API market, and India has the most pharmaceutical production facilities that are in accordance with the US Food and Drug Administration (USFDA). The Indian pharmaceutical industry currently meets more than half of the global demand for a number of vaccines, as well as forty percent of the demand for generic drugs in the United States and twenty-five percent of the total medicine supply in the United Kingdom. Over 3,000 medicinal businesses and 10,500 production facilities make up the domestic pharmaceutical industry. India's pharmaceutical industry is among the world's most prominent. There is a sizable

number of scientists and engineers in the country who could help take the business to new heights. At the moment, Indian pharmaceutical companies provide more than 80% of the antiretroviral medications used worldwide to treat AIDS (Acquired Immune Deficiency Syndrome). For good reason, India is often referred to as the "pharmacy of the world" because of the high quality and low price of its pharmaceutical products.

Since numerous new firms have entered the Indian retail market, it has become one of the most dynamic and fast-paced businesses. It generates over 10% of GDP and provides employment for roughly 8% of the population. When it comes to shopping tourism, India ranks fifth on a worldwide scale. U.N.CTAD's 2019 Business-to-Consumer (B2C) E-commerce Index placed India at position #73 globally. According to the World Bank's Doing Business 2020 report, India is the 63rd best place in the world to set up shop.

A significant portion of India's GDP comes from the country's booming pharmaceutical and retail sectors. Company executives, bankers, investors, and policymakers should all find the data useful. In addition to its obvious practical importance, this work also has scholarly merit and contributes significantly to the body of current information. The pharmaceutical and retail industries in India are not the subject of a single, comprehensive comparative research. This research helps banks and other long-term lenders better comprehend the organisational finances and consumer confidence in the companies they finance.

3.3 OBJECTIVE OF THE STUDY

1. To measure the profitability of selected pharmaceutical companies of India.
2. To measure the profitability of selected retail companies of India.
3. To compare the profitability of selected pharmaceutical and retail companies of India.
4. To compare the market value of selected pharmaceutical and retail companies of India.

3.4 SOURCES OF DATA

All of the data used in the proposed study comes from secondary resources.

In order to fill in the blanks, we scoured the annual reports of a few carefully chosen pharmaceutical and retail giants for some useful secondary data. The annual reports of retail and pharmaceutical enterprises were mined for data on their assets, liabilities, incomes, and expenses in order to conduct a profitability study. The school library, Google Books, and the internet have all contributed to the compilation of this data.

3.5 SAMPLE DESIGN

All of the data in this study came from a random selection. The ten businesses listed below were chosen because they had large enough market caps. The pharmaceutical and retail sectors in India are represented by these 10 companies.

3.6 SELECTION AND SAMPLE OF THE STUDY

The following ten pharmaceutical and retail companies are now being investigated:

SR NO.	COMPANY NAME
PHARMACEUTICAL COMPANIES	
1	Abbott India Ltd
2	Alkem Laboratories Ltd
3	Aurobindo Pharma Ltd
4	Cipla Ltd
5	Divis Laboratories Ltd
6	Dr Reddys Laboratories Ltd
7	Lupin Ltd
8	Sun Pharmaceutical Industries Ltd

SR NO.	COMPANY NAME
9	Torrent Pharmaceuticals Ltd
10	Zydus Lifesciences Ltd
RETAIL COMPANIES	
1	Aditya Birla Fashion & Retail Ltd
2	Avenue Supermarts Ltd
3	Bella Casa Fashion & Retail Ltd
4	Cantabil Retail India Ltd
5	Future Enterprises Ltd
6	Heads UP Ventures Ltd
7	Shoppers Stop Ltd
8	Trent Ltd
9	V2 Retail Ltd
10	V-Mart Retail Ltd

3.7 PERIOD OF DATA COVERAGE

Ten pharmaceutical and retail companies were chosen to have their financial accounts analysed over the past decade. In order to analyse the most recent tendencies and performances of chosen 10 pharma and retail organisations, the study looked at financial data spanning 2012-2013 to 2021-2022.

3.8 ANALYSIS OF DATA

Facts and figures gleaned from annual reports.

SPSS, a statistical package, and Microsoft Excel's built-in functions has been used to generate tables, graphs, and statistical data. The mean, the analysis of variance, and the two-tailed t test

3.9 RESEARCH HYPOTHESIS

1. “There is no significant difference in MarketCap/Net Operating Revenue for selected Pharmaceutical Companies of India.”
2. “There is no significant difference in MarketCap/Net Operating Revenue for selected Retail Companies of India.”
3. “There is no significant difference in Net Profit Margin (%) for selected Pharmaceutical Companies of India.”
4. “There is no significant difference in Net Profit Margin (%) for selected Retail Companies of India.”
5. “There is no significant difference in Net Profit/Share (Rs.) for selected Pharmaceutical Companies of India.”
6. “There is no significant difference in Net Profit/Share (Rs.) for selected Retail Companies of India.”
7. “There is no significant difference in PBDIT Margin (%) for selected Pharmaceutical Companies of India.”
8. “There is no significant difference in PBDIT Margin (%) for selected Retail Companies of India.”
9. “There is no significant difference in PBIT Margin (%) for selected Pharmaceutical Companies of India.”
10. “There is no significant difference in PBIT Margin (%) for selected Retail Companies of India.”
11. “There is no significant difference in PBT Margin (%) for selected Pharmaceutical Companies of India.”
12. “There is no significant difference in PBT Margin (%) for selected Retail Companies of India.”
13. “There is no significant difference in Return on Assets (%) for selected Pharmaceutical Companies of India.”
14. “There is no significant difference in Return on Assets (%) for selected Retail Companies of India.”

15. “There is no significant difference in Return on Capital Employed (%) for selected Pharmaceutical Companies of India.”
16. “There is no significant difference in Return on Capital Employed (%) for selected Retail Companies of India.”
17. “There is no significant difference in MarketCap/Net Operating Revenue between selected Pharmaceutical and Retail Companies of India.”
18. “There is no significant difference in Net Profit Margin (%) between selected Pharmaceutical and Retail Companies of India.”
19. “There is no significant difference in Net Profit/Share (Rs.) between selected Pharmaceutical and Retail Companies of India.”
20. “There is no significant difference in PBDIT Margin between selected Pharmaceutical and Retail Companies of India.”
21. “There is no significant difference in PBIT Margin between selected Pharmaceutical and Retail Companies of India.”
22. “There is no significant difference in PBT Margin between selected Pharmaceutical and Retail Companies of India.”
23. “There is no significant difference in Return on Assets (%) between selected Pharmaceutical and Retail Companies of India.”
24. “There is no significant difference in Return on Capital Employed (%) between selected Pharmaceutical and Retail Companies of India.”

3.10 LIMITATIONS OF THE STUDY

There are bounds to every study's validity. Indeed, the same holds true for this investigation. Challenges encountered over the course of this investigation include:

1. Only data from the 2012–13 fiscal year through the 2021–22 fiscal year was used for this analysis.
2. Only ten pharmaceutical and ten retail companies have contributed to the data.
3. The research only looks at one factor in how profitable and valuable pharmaceutical and retail enterprises are.
4. Because we employed a random sample procedure, not every possible unit in the universe was chosen.