

An Internship Report On  
“Impact of Exchange Rate Fluctuation on Square Pharmaceuticals PLC’s Financial  
Performance”

Submitted By

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**ID:20104057**

An internship report submitted to the BRAC Business School in  
partial fulfillment of the requirement for the degree of  
Bachelor of Business Administration

BRAC Business School  
Brac University  
August,2024

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material that has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

*Sreaya*

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**Supervisor's Full Name & Signature:**

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**Riyashad Ahmed**  
Assistant Professor & Director of Programs(MBA & EMBA)  
BRAC Business School  
BRAC University

## Letter of Transmittal

Riyashad Ahmed

Assistant Professor & Director of Programs(MBA & EMBA),

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship Report on **“Impact of Exchange Rate Fluctuation on Square Pharmaceuticals PLC’s Financial Performance”**

Dear Sir,

I am honored for the opportunity to submit this internship report complying with all the requirements of the Bachelor of Business Administration degree at BRAC Business School, BRAC University. I am also grateful for the opportunity to complete my 3-month internship program in the Accounts & Finance department at Square Pharmaceuticals PLC. I yearned to work in such an organization as it would enhance and strengthen my passion for finance.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

*Sreaya*

---

Iffat Sobha Sreaya

20104057

BRAC Business School

BRAC University

Date: May10, 2024

## **Non-Disclosure Agreement**

This agreement is made to testify that this report does not contain any confidential or sensitive information from the organization and entered into an agreement between Square Pharmaceuticals PLC and the undersigned student at BRAC University, Ms.Iffat Sobha Sreaya.

Iffat Sobha Sreaya  
ID: 20104057  
BRAC Business School  
BRAC University

Najmul Hasan  
Manager, Accounts & Finance  
Square Pharmaceuticals PLC

## **Acknowledgment**

First and foremost, with sincere appreciation, I would like to thank Square Pharmaceuticals PLC for providing me with the wonderful chance to work as an intern in their prestigious Accounts & Finance Department. This 3 months experience has played a significant role in enhancing my understanding of financial management & operational strategies within the best pharmaceutical company in Bangladesh. However, I would like to mention my on-site supervisor Mr.Najmul Hasan, who is the manager of the Accounts & Finance Department. His advice was really helpful to me in navigating tricky financial situations and improving the usefulness of my academic knowledge.

Secondly, I would like to express my gratitude to my academic supervisor Mr. Riyashad Ahmed, Assistant Professor and Director of Programs (MBA & EMBA), BRAC Business School, & my academic co-supervisor Mr.Saif Hossain, Assistant Professor, BRAC Business School. They reviewed my reports in regular intervals correcting my mistakes and advising me how to represent the report with more vigor. Lastly, the combined help from my academic supervisor, co-supervisor & on-site supervisor has immensely in aggregate knowledge and experience, which has greatly influenced me in developing my report as well as contributing contributions to my professional abilities. Throughout the course of this internship, their stringent standards and insightful criticism have had a tremendous impact on both my professional development and my academic accomplishments.

## **Executive Summary**

The impact of financial strategies on operational efficiency within Square Pharmaceuticals PLC is the primary subject of this analytical review, which was carried out during an internship lasting three months. As the top pharmaceutical manufacturer in Bangladesh, Square Pharmaceuticals has proven to have strong financial standing and steady growth, which are backed by wise financial management and efficient operating procedures. During the internship, the impact of major financial operations on improving the operational efficiency of the company was investigated. These operations included budget management, cost analysis, and financial forecasting. To provide a thorough analysis, the study combined primary data—obtained through first-hand experience and internal corporate records—with secondary data—sourced from industry reports and financial statements. The internship's conclusions highlight how important strategic finance planning is to enhancing operational outputs. Optimizing operational efficiency and maintaining the company's market leadership were found to be contingent upon prudent capital allocation and strict cost control techniques. To support the company's strategic goals, recommendations centered on improving data-driven decision-making procedures and further incorporating technology into financial analysis.

In addition to giving me a hands-on understanding of financial management in a top pharmaceutical company, this internship gave me insightful knowledge about the dynamic relationship that exists between financial strategies and operational efficiencies—a crucial aspect of staying competitive in the pharmaceutical market.

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## List of Acronym

CBPS	Central Bill Processing System
CME	Continual Medical Education
ERP	Enterprise Resource Planning
SAP	Systems, Applications, and Products in Data Processing
GMP	Good Manufacturing Practices
R&D	Research & Development
IFSR	International Financial Reporting Standards
PMS	Performance Management System
TNA	Training Needs Analysis
KPA	Key Performance Indicators
KRAs	Key Result Areas
FDA	Food and Drug Administration
MHRA	Medicines and Healthcare products Regulatory Agency
TGA	Therapeutic Goods Administration
PIC/S	Pharmaceutical Inspection Co-operation Scheme
DGDA	Directorate General of Drug Administration
OEM	Original Equipment Manufacturer

# **Chapter 1**

## **Overview of Internship**

### **1.1 Information of Student**

**Name:** Iffat Sobha Sreaya

**ID:** 20104057

**Program:** Bachelor of Business Administration (B.B.A)

**Major:** Finance, Computer & Information System

### **1.2 Internship Information**

#### **1.2.1 Period, Company Name, Department, Address**

In pursuit of my fervent interest in Finance, fortified by an academic background as a Finance major, I embarked on a journey to enrich my practical understanding and skills within this field. This quest led me to an invaluable opportunity for professional growth through an internship with Square Pharmaceuticals PLC, the flagship corporation within the esteemed Square Group. Spanning from January 14, 2024, to April 14, 2024, I was fortunate to immerse myself in the vibrant professional setting of Square Pharmaceuticals PLC, situated at the Square Center, 48 Mohakhali C/A, Dhaka 1212. Through my internship in the accounts and finance department of Square Pharmaceuticals PLC, I was able to gain a deeper grasp of pharmaceutical finance procedures. Under the direction of seasoned experts, there was a considerable period of skill development in financial analysis and strategic planning via hands-on work. This experience solidified the foundation for my career in finance, emphasizing the importance of hands-on exposure for professional growth.

### **1.2.2 Internship Company Supervisor Information**

For the whole period of my internship at the organization, my onsite supervisor was Mr. Najmul Hasan. He is the Manager of the Accounts & Finance Department. Although I have worked directly under his supervision, my work included communicating and working with the other members of the team as well.

### **1.2.3 Job Responsibilities**

During my internship in the Accounts & Finance Department at Square Pharmaceuticals PLC, I engaged in comprehensive financial management and analysis to bolster the company's strategic and operational goals. Current awareness of the company's financial situation was ensured by my responsibilities, which included updating and examining financial statements using the most recent information from reliable sources. To appropriately evaluate the company's financial situation, I carried out a ratio analysis and interpreted the liquidity, profitability, debt, and equity ratios.

In addition, I also supported the preparation and delivery of financial reports forecasting the company's financial future and reported deviations for strategic decision-making. Partially in internal audits aimed at improving system efficiency and proposing enhancements, ensuring adherence to financial requirements were important duties. In addition, I undertook an economic and market analysis to improve my grasp of the influence of macroeconomic variables and exchange rates on the organization's financial planning. I also evaluated investment chances, performed cost-benefit assessments and created project financial predictions to help my project decision-making abilities. Increased my accounting standards, analytical ability, and finance knowledge and skills I had to pursue an analytical approach, attention to detail, and ethical financial practices to benefit significantly from improving the financial performance and future of Square Pharmaceuticals PLC.

## **1.3 Internship Outcome**

### **1.3.1 My Contribution to Square Pharmaceuticals PLC**

During my internship tenure at Accounts & Finance Department of Square Pharmaceuticals PLC, I was assigned very important tasks that were supposed to enhance the financial status and developmental outlook of the organization. One of the most important projects that I was involved with was the creation of a database for banking and non-banking financial institutions which was designed to aid in the fast and easy assessment of DSE Listed Companies. The database was created and updated to hold the most recent details. The most important feature of the process was using the CBPS for data entry and liquidity calculation. The system was used for the assessment of the institution that yielded accurate results. Another small but important task was the creation of the financial performance reports for a few months. The reports included the ratio and other important parameters important to have a short but sufficient financial status. By streamlining the assessment procedure for businesses and industries, the insights gathered from these reports and the database should eventually help with proper stock valuation.

In addition to investigating financial and macroeconomic conditions in neighboring countries that adopted comparable policy frameworks, my research spanned international boundaries. The analysis conducted contributed significantly to the understanding of prospective obstacles and remedies, thereby enhancing the research team's repertoire at Square Pharmaceuticals. With this all-encompassing knowledge, we can better foresee trends and their possible effects on our economy, which improves our ability to make strategic decisions.

Square Pharmaceuticals PLC stands to gain a great deal for me as I came to know about CBPS for Letter of credit which helps with data storage and analysis. Thus, by increasing the

organization's capacity to evaluate financial institutions, industry segments, and stock valuations, they will serve to strategic planning and informed investment decisions.

### **1.3.2 Advantage of the student**

An internship in the Accounts & Finance Department at Square Pharmaceuticals PLC is a job that has improved my professional skills and contributed to my growth. The job includes a wide range of responsibilities, from conducting a profitability study and managing databases for financial institutions with the latest information systems, such as the Comprehensive Banking and Pharmaceuticals System to preparing a sophisticated financial performance report. This kind of task allows one to make a deep analysis of the financial and business positions of DSE Listed Companies and understand better the market operation and stock evaluation internals. However, even greater value is not a purely technical aspect but a fundamental and deep dive into the local corporate culture. Knowledge of all the details of the policy regarding etiquette, food, clothes, and language skills in the business community helps to make an all-around person. In addition, it is also valuable for job activities: the more adaptive one is, the better because one needs interpersonal skills to succeed in any job, and this gives one a solid foundation to cope with the many pitfalls of the world of business. This internship offered me a great opportunity to become more professional and grow as a person, not only in the field of accounts and finance. My comprehensive understanding of professional ethics connected with meals, dressing, and communicating with people helped me. Moreover, my strong side is more challenging. But the most crucial benefit of this job is the possibility of networking with top experts in the industry who can help in the future with mentoring or even getting a job.

To sum up, based on the experience of an internship at the accounts and finance department of Square Pharmaceuticals PLC, it is assertive that such practice is not only a stage on the road to

plans for a financial professional but a vital experience per se. Offering a multifaceted model for personal and professional enhancement, such an internship format allows interns to understand not only the broad strokes of the corporate environment but also individual day-to-day undertakings. Most importantly, it helps students engage with a broader work and professional development model that will help them thrive on their future banking projects and more.

### **1.3.3 Challenges**

My internship at Square Pharmaceuticals PLC was filled with both noteworthy obstacles and fulfilling experiences. The obstacles I surmounted had a significant impact on my experience, even though the benefits improved my career development. The commute was a significant obstacle for me because I lived a considerable distance from the office and had to leave at 7:30 in the morning to reach at 8:30 in the morning. Even though Square Pharmaceuticals provided transportation, there were instances where people missed their connections due to scheduling mistakes. This highlights the importance of reliable transportation in creating a healthy work environment.

Furthermore, the prolonged computer usage during the first part of my internship caused pain and moderate headaches; nevertheless, these difficulties subsided as I became used to the new environment.

Despite having excellent hardware, the offered computer's performance was limited by what appeared to be out-of-date software, which made work less efficient. This problem emphasized how important it is to update and maintain technology regularly.



### **1.3.4 Recommendation**

After completing my internship, I enthusiastically endorse Square Pharmaceuticals PLC, Bangladesh, as a model internship location for students, especially those who want to work in finance. My experience has inspired me to provide several suggestions for how the company and upcoming interns may improve the working atmosphere even further.

Firstly, interns must demonstrate polite behavior and effective communication. The workforce at Square Pharmaceuticals is incredibly supportive and understanding. Interns who communicate their problems or concerns clearly will discover that team members and supervisors are more than happy to listen and offer the required solutions.

Secondly, building relationships inside the group is really beneficial. Talking to people—whether professionally or informally—can make a big difference in the internship experience. The dining area provides an ideal setting for interns to network and socialize with staff members from other departments who come in for lunch.

Thirdly, Square Pharmaceuticals ought to think about broadening the range of responsibilities given to research interns if it hopes to continue being one of the top internship locations for recent finance graduates. Although the current assignments provide excellent learning opportunities, they tend to become monotonous over time, which may cause intern motivation and performance to decline. The experiences of the interns will remain active and enriching if a greater variety of interesting and demanding assignments are introduced.

Finally, it is critical to make sure interns have access to the newest technology resources. Updating MS Excel from 2013 to 2019, for example, might greatly simplify work, improve efficiency, and free up interns' time to concentrate more on learning than on using antiquated software.

Choosing Square Pharmaceuticals PLC, Bangladesh, for a finance internship presents a

singular chance to get knowledge from the top professionals in the field, inside a stimulating and stimulating atmosphere that fosters professional development. To ensure interns get the most out of their time at Square Pharmaceuticals and to enhance this already rich experience, suggestions have been made.

## **Chapter 2**

### **2.1 Organizational Part**

#### **2.1.1 Objectives**

The subsequent section has been designed to cover all aspects that would render Square Pharmaceuticals PLC the leader in the pharmaceutical industry. In particular, the area was directed towards improved operational efficiency, especially in the operating cycle, to realize its objectives of efficiency increase, cost reduction, and market competitiveness. Involving scrutiny and formulation of effective strategies geared towards the development and improvement of marketing initiatives, financial performance, operational stewardship, and compliance with the accounting standards. Additionally, the financial performance report outlines how the company has fared throughout the various fiscal years, outlining its profitability and financial well-being. An industry and a competitive analysis have also been integrated here to explain the competitive advantage and strategic positioning of Square Pharmaceuticals in the pharmaceutical business.

#### **2.1.2 Scope**

This particular section lays the foundation for a subsequent detailed analysis of Square Pharmaceuticals PLC's complex operations. It expands our knowledge of the company's efforts in various areas, such as finance management, marketing plans, and human resource management, and serves as a reference for future research. An investigation into accounting standard compliance may yield valuable information that could help the company improve its overall business operations and procedures. For the company and other future personal research, this part of the report provides a broad study area. In addition, the research contributes

substantially to the broader professional and academic discussion on how to enhance the efficiency of pharmaceutical companies' business operations.

### **2.1.3 Methodology**

The following section critically explains the systematic method utilized by Square Pharmaceuticals PLC in analyzing the viewability matrix in the operation cycle. It explored the measuring of trading cycle, inventory turnover, accounts receivable turnover, accounts payable turnover, and the cash conversion cycle is the outlined most crucial method. A combination of qualitative and quantitative research approaches was utilized whereby the primary and secondary data were considered. Numerous sources through scrutinized surveys and Square Pharmaceuticals' key staff member's conversations were analyzed for the primary data collection. Furthermore, it was crucial to hold the explicatory discussion outside the observation to consider the company's internal proceeding and the standard within their performances compared to other industries. On the other hand, to approach the analysis, a large volume of secondary data was critically utilized; this included the detailed annual report and financial statement, and the vital list of the industry for a fair statistical foundation in data analysis.

### **2.1.4 Limitations**

Although the study had some limitations, these naturally limited the scope and depth of the analysis:

- **Time Limitations:** Due to the constrained nature of the research timeline, it is possible that many operational issues were not thoroughly examined.
- **Data confidentiality:** Due to Square Pharmaceuticals' confidentiality policies, access to certain important data was prohibited, which constrained the analysis's reach.

- **Economic Variability:** It's probable that the company's performance under varied economic circumstances was not fully captured during the research period, which could affect the applicability of the findings to different situations.
- **Policy Dynamics:** To better handle shifting market and regulatory environments, Square Pharmaceuticals has recently undertaken strategic policy adjustments; nevertheless, it's possible that these changes weren't fully reflected over the studied time.

### **2.1.5 Significance of Study**

In addition to being interesting to academics, this study is important for Square Pharmaceuticals and the pharmaceutical business as a whole because it presents useful information. Square Pharmaceuticals receives analytical insights on operational success from this study, along with the potential for strategic optimization and enhancement. Improving the efficiency of receivables collection, optimizing the payables process, and managing inventory are all areas that can be informed by data-driven decisions.

From an academic perspective, this work contributes to the literature on pharmaceutical industry operational efficiency by providing a thorough case study of Square Pharmaceuticals. It stimulates further research projects and a deeper exploration of operational optimization techniques and their financial ramifications.

Essentially, this study is evidence of the strategic importance of operational effectiveness in maintaining financial stability and competitive advantage in the ever-changing pharmaceutical sector. To successfully navigate the difficulties of market competitiveness and regulatory compliance, it emphasizes the critical role that careful operational analysis and ongoing improvement play.

## **2.2 Overview of the Company**

Square Pharmaceuticals PLC, established in 1958, has grown to become the largest pharmaceutical company in Bangladesh, demonstrating an unwavering commitment to healthcare and excellence. Under the inspiring direction of the late Samson H. Chowdhury, the company began as a partnership firm and has successfully navigated through decades of expansion and change. Companions that SQUARE Pharmaceuticals PLC owns which comprises MAASRANGA TV Communications PLC, Sabazpur Tea Company PLC, Mediacom PLC, SQUARE Fashions PLC, SQUARE Denims PLC, SQUARE Apparels PLC, SQUARE Hospitals PLC, SQUARE Toiletries PLC, SQUARE Food & Beverage PLC, SQUARE Informatics PLC, SQUARE Textiles PLC, and AEGIS Services PLC. Every industry is well-known. Since 1985, the company has grown into a behemoth, dominating the pharmaceutical market in Bangladesh. In 1974, after the fight for independence, SQUARE signed a deal with the multinational company Johnson & Johnson. At the time, multinational firms had a firm grip on the nation's pharmaceutical industry. After signing a deal with Johnson, SQUARE started manufacturing pharmaceuticals in the country. This aided SQUARE in gaining traction in the pharmaceutical sector. An official list of essential medications was established during the Ershad administration, and contracts and certifications between indigenous companies and foreign enterprises were revoked. By then SQUARE's technological capabilities had improved greatly while manufacturing drugs for Johnson. Using this capacity, SQUARE started generating antibiotics in 1983–1984. After that, the firm didn't need to turn around.

With a focus on services, procedures, and product quality, Square Pharmaceuticals reported BDT 69.57 billion in revenue for the fiscal year 2022–2023 and held a 17.63% market share. The market capitalization of the company is indicative of its leadership position in the industry and its dedication to growth, innovation, and operational excellence.

**Some of the significant milestones of the company are as follows:**

1958 :	<ul style="list-style-type: none"> <li>● Debut of SQUARE Pharmaceutical as a Partnership Firm.</li> </ul>
1964:	<ul style="list-style-type: none"> <li>● Converted into a Private Limited Company.</li> </ul>
1974:	<ul style="list-style-type: none"> <li>● Technical Collaboration with Janssen Pharmaceutical, Belgium, a subsidiary of</li> <li>● Johnson and Johnson International, USA.</li> </ul>
1982:	<ul style="list-style-type: none"> <li>● Licensing Agreement signed with F. Hoffmann-La Roche PLC., Switzerland.</li> </ul>
1985:	<ul style="list-style-type: none"> <li>● Achieved market-leadership in the pharmaceutical market of Bangladesh among all</li> <li>● National and multinational companies.</li> </ul>
1987:	<ul style="list-style-type: none"> <li>● Pioneer in pharmaceutical export from Bangladesh.</li> </ul>
1991:	<ul style="list-style-type: none"> <li>● Converted into a Public Limited Company</li> </ul>
1994:	<ul style="list-style-type: none"> <li>● Initial Public Offering of SQUARE Pharmaceutical Shares.</li> </ul>
1995 :	<ul style="list-style-type: none"> <li>● Chemical Division of SQUARE Pharmaceuticals PLC. starts production of pharmaceutical bulk products (API).</li> </ul>
1997:	<ul style="list-style-type: none"> <li>● Won the National Export trophy for exporting pharmaceuticals.</li> </ul>
1998:	<ul style="list-style-type: none"> <li>● The agro-chemicals &amp; Veterinary Products Division of SQUARE Pharmaceutical has started its operation.</li> </ul>
2001 :	<ul style="list-style-type: none"> <li>● US FDA/UK MCA standard new Pharmaceutical factory goes into operation built under the supervision of Bovis Lend Lease, UK.</li> </ul>
2004 :	<ul style="list-style-type: none"> <li>● SQUARE enlisted as UNICEF's global supplier.</li> </ul>
2005	<ul style="list-style-type: none"> <li>● New State-of-the-Art SQUARE Cephalosporin's PLC. goes into operation; built under the supervision of TELSTAR S.A. of Spain as per US FDA/ UK MHRA requirements.</li> </ul>
2007	<ul style="list-style-type: none"> <li>● SQUARE Pharmaceuticals PLC., Dhaka Unit gets the UK/ MHRA approval.</li> </ul>

2009	<ul style="list-style-type: none"> <li>● Starts manufacturing of insulin maintaining quality standards of US FDA &amp; UK MHRA. Dedicated hormone &amp; steroid products manufacturing facility complying with the current Good Manufacturing Practice (cGMP) of WHO, US FDA &amp; UK MHRA starts operation.</li> </ul>
2012	<ul style="list-style-type: none"> <li>● SQUARE Pharmaceuticals PLC., Dhaka Unit, and SQUARE Cephalosporin's PLC. get the Therapeutic Goods Administration (TGA) of Australia approval.</li> </ul>
2013	<ul style="list-style-type: none"> <li>● "Samson H Chowdhury Centre of Excellence" starts its journey.</li> </ul>
2015	<ul style="list-style-type: none"> <li>● Received USFDA's approval.</li> </ul>
2016	<ul style="list-style-type: none"> <li>● Received MCC, South Africa and PIC/S approval.</li> <li>● Won the HSBC Export Excellence Award.</li> <li>● Won the ICMAB Best Corporate Award.</li> </ul>
2017	<ul style="list-style-type: none"> <li>● Received GMP certification from MOH Azerbaijan.</li> <li>● Won the National Environment Award</li> </ul>
2018	<ul style="list-style-type: none"> <li>● Awarded National Export Trophy (Gold).</li> <li>● Won the ICMAB Best Corporate Award.</li> <li>● Received approval of ANDA of Valsartan for US market.</li> <li>● Received GMP approval of manufacturing facilities from NPRA, Malaysia.</li> <li>● Won the National Productivity &amp; Quality Excellence Award.</li> </ul>
2019	<ul style="list-style-type: none"> <li>● Won the "President's Award for Industrial Development" as a successful Enterprise in the category of Large Scale Industry.</li> <li>● Won the Occupational Health and Safety Good Practice Award.</li> <li>● Awarded National Export Trophy (Gold).</li> </ul>
2021	<ul style="list-style-type: none"> <li>● Received special recognition from the Large Taxpayer Unit (LTU) of the National Board of Revenue (NBR) as one of the Top Taxpayers in the Country.</li> <li>● Received the Bangabandhu Sheikh Mujib Industrial Award 2020 in the category of the country's best largest industries.</li> <li>● Awarded National Export Trophy (Gold).</li> </ul>



	<ul style="list-style-type: none"> <li>• Won the ICMAB Best Corporate Award.</li> <li>• Won Green Factory Award.</li> </ul>
2022-2023	<ul style="list-style-type: none"> <li>• Honored as a Top Taxpayer with a Tax Card in the Pharmaceuticals Sector by the National Board of Revenue (NBR).</li> <li>• Won The National Productivity &amp; Quality Excellence Award conferred by the Ministry of Industries.</li> <li>• Won the ICMAB Best Corporate Award. Received ICSB National Award for Corporate Governance Excellence.</li> </ul>

Table 1: Significant Milestone

Square Sisters Concern



Figure 1: Sister Concern

### 2.2.1 Vision Statement

Square Group intends to be a global leader in the pharmaceutical industry as visible in its vision statement, **“Our vision is to create value and impact in society by way of improving quality of life and ensuring the well-being of people”**.

The vision statement of Square Pharmaceuticals says, **“Our Mission is to produce and provide quality & innovative healthcare relief for people, maintain stringently ethical standard in business operation also ensuring benefit to the shareholders, stakeholders and the society at large.”** To address the changing healthcare needs of the communities we serve and guarantee that people have access to safe, reasonably priced drugs, we always strive to enhance our processes and products.

### 2.2.2 Mission Statement

**“Our mission is to achieve higher efficiency to develop and deliver affordable products and services to the society for good”**.

Square Pharmaceuticals is dedicated to enhancing human health and well-being by providing high-quality, affordable pharmaceutical products. Our goal is to continuously improve every facet of our business, from product development to manufacturing and beyond.

**“Our Mission is to produce and provide quality & innovative healthcare relief for people, maintain stringently ethical standards in business operation also ensure benefit to the shareholders, stakeholders, and the society at large.”** It’s the vision statement of Square Pharmaceuticals. Thus, their commitments are providing value to our stakeholders, maintaining the greatest ethical standards, and guaranteeing patient safety.

### 2.2.3 Core Values

Core Values of Square Group include

- Employee, diversity and equal opportunity.
- Customer and respect for people.
- Compliance and quality by design.
- Truth, morality, transparency and ethics.
- Zero tolerance to corruption

Core Values of Square Pharmaceuticals PLC include

- Conducting transparent business operations
- Adhering to market mechanisms within legal and social frameworks
- Aiming to attain the mission reflected by our vision

## **2.2.4 Products and Services of Square Pharmaceuticals PLC**

Leading the pharmaceutical industry, Square Pharmaceuticals PLC offers a wide array of goods and services to meet people's health and wellness requirements all over the world. Below is a detailed exploration of the offerings by Square Pharmaceuticals PLC,

### **❖ Pharmaceutical Products Manufacturing**

- **Production of Generic Drugs:** Square Pharmaceuticals is an expert in the development and production of a wide range of generic drugs in several therapeutic categories, such as cardiovascular, antihistamine, anti-diabetic, and antibiotics. These drugs are supplied in a variety of formats to meet patients' needs for complete healthcare, including tablets, capsules, liquids, ointments etc.
- **Over-The-Counter (OTC) Products:** The company ensures that essential healthcare products are accessible without a prescription by providing a wide range of over-the-counter (OTC) products, vitamins, minerals, and supplements, as well as medications for common ailments like colds, flu, pain relief, and digestive health.

#### ❖ **Research and Development (R&D)**

- **Innovative Drug Development:** The robust research and development department of Square Pharmaceuticals is indicative of the company's commitment to innovation in healthcare. This entails developing novel drug formulations and improving already-approved medications to boost their potency, reduce their side effects, and meet the evolving global healthcare demands of the populace.
- **Clinical Experiments:** To ensure the effectiveness and safety of its pharmaceutical products, the company conducts rigorous clinical trials by global legislation and regulatory requirements.

#### ❖ **International Business and Export**

- **Global Distribution:** Square Pharmaceuticals expands the reach of its global distribution network by exporting its premium pharmaceuticals to other nations. To keep the company's products available to a global customer base and support its global presence, it must continue to comply with international quality standards and regulatory regulations.

#### ❖ **Contract Manufacturing Services:**

- **OEM and Contract Manufacturing:** Moreover, Square Pharmaceuticals also provides contract manufacturing and indirect production via OEM services to other pharmaceutical companies. In the case of the former, Square Pharmaceuticals produces drugs in the name of other brands utilizing its expertise in manufacturing and its quality control processes and R&D knowledge.

❖ **Healthcare and Community Initiatives:**

- **Public Health Programs:** Apart from commercial endeavors, the company participates in several public health undertakings. In some impoverished neighborhoods, these programs focus on improving access to, awareness of, and education about community health. Altogether, some of the programs include health camps, awareness campaigns, and efforts to educate individuals on disease prevention and promote healthy living
- **Environmental Sustainability:** To limit the company's effect on the environment, sustainable practices are integrated into the manufacturing process. The firm employs eco-friendly technologies in the production process, as well as trash management and energy management.

❖ **Digital Healthcare Solutions**

- ❖ **Telemedicine and Digital Health Services:** Given the importance of digital health, the company's final wish is to disrupt the telemedicine and digital health offers. Increasing the number of patients' access to healthcare and efficiency using the digital platform which involves developing platforms and apps for online consultation, prescription follow-up, and virtual health monitoring.

❖ **Customer and Professional Support Services:**

- **Medical Information and Education:** Apart from the healthcare providers, the company distributes a lot of medical information to the general public. The company ensures that the public has more of its product offerings including disease awareness and the latest health information research to enhance their knowledge and awareness of public health. The company therefore ensures that the general public is offered sufficient information.

- **Customer Service and Support:** Resolving inquiries and providing assistance with its products and services is part of the company's dedicated customer care. Through the client experience, this ensures outstanding customer service and happiness.

Square Pharmaceuticals PLC exhibits its dedication to improving healthcare outcomes and making a positive worldwide contribution to public health through the assortment of products it offers and the range of services it offers. Its commitment to quality and sustainability, coupled with its global expansion and ongoing innovation, positions it as a major leader in the pharmaceutical sector.

### Product/Service Offerings

<b>Type</b>	Public Limited Company
<b>Founded</b>	1958
<b>Founder</b>	Samson H. Chowdhury
<b>Main markets</b>	Exporting drugs to forty countries across four continents.
<b>Business Type</b>	Manufacturing Marketing (domestic & abroad), exporting Pharmaceutical finished products, Basic Chemicals & Agro-Vet Products.
<b>Product/Service</b>	<ul style="list-style-type: none"> <li>● Vaccines</li> <li>● Oral Healthcare Products</li> <li>● Tablets</li> <li>● Capsules</li> <li>● Syrup</li> <li>● Suspension</li> <li>● Sterile Eye Drops</li> <li>● injectable</li> <li>● Nasal Sprays</li> <li>● Creams</li> <li>● Ointments</li> </ul>

	<ul style="list-style-type: none"> <li>● IV fluids</li> <li>● Metered dose inhalers</li> <li>● Dry powder inhalers</li> <li>● Suppositories</li> <li>● Lyophilized Injectable</li> <li>● Prefilled Syringes etc.</li> <li>● Argrovet &amp; Pesticide products</li> <li>● Herbal &amp; Nutraceuticals products</li> <li>● Over-the-counter medicines</li> </ul>
<b>About Company</b>	An organization with equal emphasis on leadership, technology, quality, and passion.
<b>Website</b>	<a href="http://www.squarepharma.com.bd/">http://www.squarepharma.com.bd/</a>

Figure 2: Product of Square Pharma

### 2.3 Management Practice of Square Pharmaceuticals PLC

Square Pharmaceuticals PLC is the biggest pharmaceutical firm in Bangladesh; hence it adopts a broad approach to management procedures that suit its position. This strategy is designed to achieve both short- and long-term goals, with a focus on quality, industry leadership in the pharmaceutical sector, and a global outreach that demonstrates a dedication to sustainability and excellence. Square Pharmaceuticals PLC emphasizes the following crucial procedures as part of its comprehensive management approach:

- **Adoption of Best Practices:** To meet its goals in the short- and long-term and to keep its position as a leader in the pharmaceutical sector, Square Pharmaceuticals places a high priority on using industry-leading management techniques.
- **Stakeholder Welfare:** The business prioritizes the requirements and well-being of its customers, staff members, and other stakeholders, making sure that these considerations are taken into account while making operational and strategic choices.

- **Sustainability:** Square Pharmaceuticals is dedicated to sustainability, which reflects its commitment to having a positive social impact while combining economic growth with environmental care and social responsibility.
- **Innovation and Leadership:** The firm's ongoing success is ascribed to its leadership in the pharmaceutical industry, ongoing innovation, and R&D initiatives. These factors are what propel the company towards.
- **Employee and Management Development:** Square Pharmaceuticals probably places a strong emphasis on the advancement of its staff members and management group, encouraging a climate of excellence and professional development even though specifics were not disclosed.
- **Corporate Social Responsibility (CSR):** Square Pharmaceuticals is committed to making a good impact on healthcare, education, and environmental conservation. To this end, it participates in a variety of CSR activities.

With an emphasis on innovation, stakeholder welfare, and sustainability, Square Pharmaceuticals PLC's holistic management strategy is reflected in this succinct overview.

### **2.3.1 Management Team of Square Pharmaceuticals PLC**

The Board of Directors consists of esteemed members who guide the strategic direction of Square Pharmaceuticals Plc:

- Mr. Samuel S Chowdhury, Chairman
- Mrs. Ratna Patra, Vice Chairman
- Mr. Tapan Chowdhury, Managing Director
- Mr. Anjan Chowdhury, Director
- Mr. Kazi Iqbal Harun, Director
- Mr. Syed Afzal Hasan Uddin, Independent Director
- Mr. Abul Kalam Azad, Independent Director

The employees of Square Pharmaceuticals PIC comprising the Top Management Committee

- Mr. Tapan Chowdhury, Managing Director
- Mr. Md. Kabir Reza, Head of Accounts & Finance



- Mr. Md. Mizanur Rahman, Head of Operations
- Mr. Md. Aquizzaman, Head of Marketing
- Mr. Anjan Kumar Paul, Head of Human Resource

The employees of **Square Pharmaceuticals PLC** Accounts & Finance Team

Mr. Md. Kabir Reza, Head of Accounts & Finance

### **Operational Network Organogram**

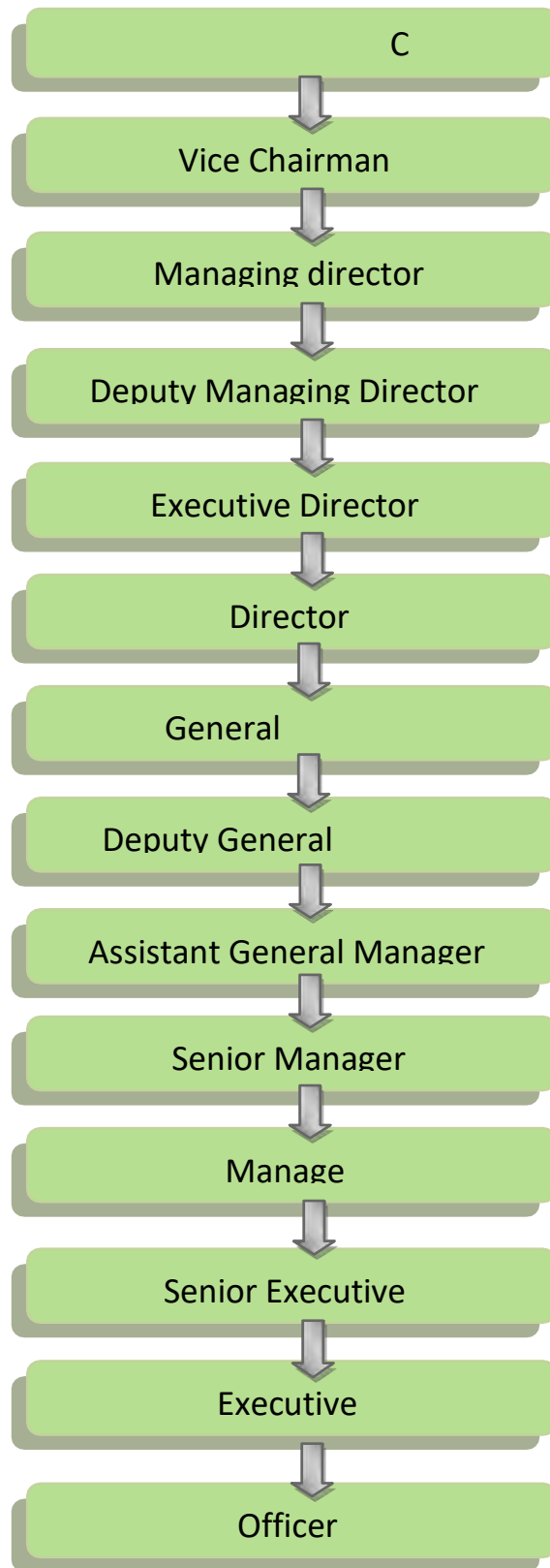


Figure 3:Operational Network Organogram

## **2.3.2 Leadership Style and Impact of Leadership Style on Achieving Goals & Objectives**

Under its present leadership, Square Pharmaceuticals PLC exhibits a leadership style that combines transformative and transactional elements. Strong vision-oriented and transformative elements are demonstrated by the leadership, which is primarily supplied by the founding family, although an effective and results-driven operational strategy is nevertheless maintained. Their bold efforts to expand into new domestic and international markets, maintain consistently high-quality standards, and spend heavily on technology and infrastructure are all examples of this style in action. The management's activities demonstrate this duality since they give equal weight to both operational effectiveness and long-term strategic goals.

- **Transformational Elements:** Under the direction of family successors of the founder, the leadership at Square Pharmaceuticals prioritizes visionary objectives such as global expansion and rigorous product quality standards. Their attention on getting regulatory approvals in new markets and investing in advanced manufacturing technologies, which are part of a bigger plan to make the world more competitive, shows this.
- **Transactional Elements:** To promote efficiency, the leadership simultaneously upholds a strong transactional orientation by concentrating on exacting operational indicators. A significant emphasis on effectively managing the operational cycle, from inventory management to receivables and payables turnover, is seen in the annual reports' extensive operational performance assessments.

### **Impact on Achieving Goals**

Achieving the company's strategic goals and objectives is significantly impacted by the leadership:

- **Operational Efficiency:** The leadership endeavors to improve operational efficiency and minimize expenses, both of which are critical in the fiercely competitive pharmaceutical sector, through an emphasis on optimizing the operating cycle. Optimizing operations to increase profitability and competitiveness in the market is the goal of the operational cycle efficiency solutions proposed.
- **Financial Performance:** With a AAA credit rating and steady revenue and net asset value growth, Square Pharmaceuticals has consistently demonstrated sound financial health. One of the direct contributors to this strong financial standing is the leadership's emphasis on financial indicators and operational efficiency.
- **Innovations and Market Growth:** The company's leaders' transformative strategies have helped it become a leader in pharmaceutical exports from Bangladesh and gain a large share of foreign markets.
- **Sustainability and Resilience:** The leader's balancing act ensures the business is prepared to deal with market changes and new rules. To continue to grow transportation, they must meet worldwide standards, as Square has accomplished in part by strategically focusing on quality and compliance.

So, it can be said that the leadership style of Square Pharmaceuticals masterfully combines visionary and pragmatic methodologies by fostering innovation in conjunction with global expansion, closely dovetailing with the firm's long-term prospects, and ensuring operational excellence and financial sustainability. The growth of new market expansion and the pharmaceutical industry leadership are highly reliant on this.

### 2.3.3 Human Resources Planning Process of Square Pharmaceuticals PLC

The Human Resources Planning Process of Square Pharmaceuticals PLC comprises several crucial parts that complement each other in the endeavor of rational HR functioning and development. As for the HR planning process facts, what follows is applicable in the company:

- **Development of HR Policies:** The company is committed to creating, recommending, and reviewing HR and training policies at regular intervals. Creating a competitive advantage and guaranteeing the long-term viability of skilled top-level executives are two examples of this.
- **Nomination and Appointment:** A thorough, transparent, and non-discriminatory process is in place for the nomination and appointment of directors and top executives. Factors such as age, gender, level of education, work experience, and other values are among those that must be considered.
- **Remuneration Policies:** The remuneration committee is responsible for monitoring and evaluating the level of compensation as well as the components that make up compensation. By balancing fixed and incentive compensation that reflects both short- and long-term performance objectives, the goal is to draw in, inspire, and keep talented directors and top-level executives.
- **Performance Assessment:** To gauge a director's efficacy and value to the firm, a pre-determined, confidential questionnaire and/or group input are used in performance reviews.
- **Training and Development:** For staff members at all levels, the organization places a high priority on training and development. 8,176 workers underwent various training programs both locally and abroad in the fiscal year 2022–2023, which is anticipated to improve staff growth and the company's profitability.

- **HR Welfare and Development:** By implementing both official and informal training programs, Square Pharmaceuticals also aims to increase worker productivity. These initiatives are thought to be crucial to eventually raising employee compensation and the company's profitability.
- **Succession Planning:** At Square Pharmaceuticals, identifying and preparing the organization's future leaders is a crucial component of HR planning. Through internal candidate grooming for higher roles, succession planning lowers the risks associated with leadership transitions while ensuring continuity and preparation.
- **Engagement of Staff:** Utilizing a variety of initiatives and programs, the organization strives to maintain high levels of employee engagement. To improve job satisfaction and organizational commitment, these could include staff recognition programs, feedback systems, and team-building exercises.
- **Diversity and Inclusion:**Emphasising the creation of a diverse and inclusive workplace is another crucial part of HR planning. To achieve this, it is important to promote diverse demographic groups in the workforce through the implementation of programs, cultivate an inclusive and respectful culture, and advance equity in hiring processes.
- **Legal Compliance and Ethicals:** Square Pharmaceuticals places a significant amount of importance on adhering to both domestic and international labor regulations, as well as adhering to ethical business standards. To ensure that the business's operations are above reproach, this includes providing frequent training on legal requirements and corporate ethics.
- **Strategic Workforce Planning:** To anticipate and prepare for future labor demands, the organization uses strategic workforce planning. Analyzing company objectives,

projecting future workforce requirements, and coordinating recruitment and development strategies are all necessary steps in this process.

- **Global Talent Management:** Global personnel management is essential given Square Pharmaceuticals' global reach. Expatriate management, cross-cultural training, and policymaking to meet the demands of a global workforce are all part of this.

In order to continue attracting, developing, and keeping top personnel in a highly competitive market, Square Pharmaceuticals must continue to be a leading pharmaceutical firm in Bangladesh. This can only be achieved by implementing these critical HR planning process components.

### **2.3.4 Employee Engagement**

Square Pharmaceuticals PLC acknowledges the pivotal significance of employee engagement in propelling the success of the organization. Their main goal is to establish a supportive workplace that makes it easier for workers to participate in decision-making and builds a sense of loyalty and belonging. The organization incorporates several important activities to provide a vibrant and encouraging work environment:

- **Communication and Involvement:** Square Pharmaceuticals prioritizes open lines of communication between management and staff. Employee feedback is gathered, firm news is shared, and milestones are celebrated through regular town hall meetings, internal publications, and digital channels. Informed about corporate activities and a sense of inclusion is fostered by this.
- **Acknowledgment and Reward:** A key component of their engagement strategy is recognizing and incentivizing workers for their accomplishments and efforts. From official award ceremonies to casual acknowledgments during meetings, the corporation runs a variety of recognition programs.

- **Employee Well-being Programs:** In order to make sure that its employees are healthy and engaged, the company offers a variety of services. These include such programs as stress reduction workshops, exercise contests, and health checks.
- **Career Development Opportunities;** Square Pharmaceuticals also values professional development and encourages its employees who run seminars, workshops, and training sessions.
- **Work-Life Balance:** To promote the employee work-life balance through remote work, flexible hours, and frequent leaves of absence. The policies also enhance worker engagement by lowering fatigue and increasing job satisfaction.
- **Engagement Surveys:** Regular engagement surveys are used to measure employee happiness and gather feedback on areas that require improvement. Square Pharmaceuticals Inc. shows its commitment to continuously enhancing the work culture by soliciting thoughts, taking feedback seriously, and taking action to resolve any problems.

These strategies are aimed at developing a stimulating work culture that encourages engagement and strong commitment to the company's goals.

### **2.3.5 Compensation System**

The compensation system at Square Pharmaceuticals PLC has put in place a well-structured compensation system that ensures compliance with legal guidelines, equality, and provides additional incentives to the employees for attrition, satisfaction, and performance. The main elements of the compensation system include wages and salaries, performance bonuses, long-term incentives, benefits and perquisites, training and development opportunities, and acknowledgment and incentives.



- **Wages and Salaries:** For people to work for them than for a competitor or a different business, Square Pharmaceuticals offers competitive pay and benefits. This ensures that they can attract and maintain capable people in a cutthroat commerce setting where opponents frequently vie for the greatest brains.
- **Performance Bonuses:** According to predetermined achievement measurements for the individual, team, and company, net incentive is awarded to workers based on company utilization and their individual performance over a year. This is a method of aligning employee performance with company objectives while also incentivizing great performance.
- **Long-term Incentives:** This business provides long-term reward structure such as stock options, or comparable other equity and performance-based incentivization to the high-ranking executives and vital executives concerned in business to create an ethos of ownership and a lasting dedication to company performance
- **Benefits and Perquisites:** Workers at Square Pharmaceuticals get an inclusive advantages package, which includes health insurance, provident fund donations, and other welfare actions like a gratuity fund, and team insurance policy. The company also offers a variety of other fringe benefits and other perquisites. Employees and their families are kept safe and supportive with these perquisites.
- **Training and Development Opportunities:** The company investment expert fees of the holder for the employee as a percentage of the whole remuneration envelope. Record fee expenditures are items under training and formal education
- **Acknowledgment and Incentives;** For unnecessary toil, the organization gives a little more systematic system beyond general salaries. It contains incentives and recognition opportunities, which are all important in maintaining morale.

To accomplish its tasks of maintaining a motivated workforce that can achieve nice effort and promote the company's growth, the abovementioned elements are a small portion of a quantitative pay management scheme.

### **2.3.6 Training & Development Programs**

At Square Pharmaceuticals, employee development and training are major priorities. To improve its employees' abilities and expertise, the corporation makes large investments in both formal education programs and on-the-job training. Training for technical skills, professional development courses, and leadership development programs fall under this category. As a result, the organization will be able to expand and innovate thanks to the employees' dedication to lifelong learning and opportunities for advancement.

### **2.3.7 Appraisal System**

A structured Performance Management System (PMS) is used by Square Pharmaceuticals PLC to evaluate employee performance in-depth. This approach makes sure that staff accomplishments are consistently and fairly evaluated to predetermined goals. The following are the system's salient characteristics:

- **Annual Assessments:** Supervisors conduct annual assessments of employees to determine how well they performed during the year.
- **Quarterly Reviews:** To guarantee ongoing feedback and development, field forces conduct quarterly performance evaluations.
- **Criteria for Appraisal:** The evaluation has multiple standards customized for diverse employment positions:
  - ❖ Sales achievement, growth, and market share are examples of indicators taken into consideration for sales responsibilities.

- ❖ Executive performance evaluations are focused on particular goals and qualitative output.
- ❖ Supervisor assessments and peer reviews are used to evaluate the attitude, project work, and skills of temporary staff members.
- **Training Needs Analysis (TNA):** To help with the planning of additional training and development activities, a Training Needs Analysis is carried out as part of the appraisal process to identify skill and knowledge gaps.
- **Use of KPIs and KRAs:** Performance outputs that are time-bound, realistic, measurable, and specified are measured using Key Performance Indicators (KPIs) and Key Result Areas (KRAs).

### **2.3.8 Comment on Management Practices**

As a pioneer in Bangladesh's pharmaceutical sector, Square Pharmaceuticals PLC is an excellent illustration of strong management techniques. Stakeholder trust is strengthened by the company's emphasis on stringent corporate governance, which guarantees accountability and openness. With a focus on product innovation, market analysis, and adjusting to healthcare trends, their strategic planning is extensive. Because human resources are so important, this firm invests heavily in the growth of its staff to improve abilities, motivation, and retention. The other quality and safety standards that the company implements in the manufacturing process are in line with global requirements. The firm is also dedicated to sustainability and corporate social responsibility, which will enhance its reputation and secure its future expansion. Additionally, this company is always at the forefront of innovation. It became the first company to adopt new technology in many circumstances and continue it even when others have failed or stopped production. All of these components contribute to the company's long-term business and competitiveness.

## **2.4 Marketing Practice**

Square Pharmaceuticals PLC advertises its drugs across the world using an effective marketing strategy involving innovative targeting methods of digital marketing and traditional methods, such as print advertising. The Product Management Department is responsible for the time-to-market products, brand building, as well as market introduction of new products. Digital marketing, direct marketing, medical seminars, and educational campaigns help the company to stimulate product awareness and engagement rates. Ongoing market research enables them to customize their products to suit the needs of the present and foresee emerging trends. Square Pharmaceuticals, which has a significant export presence in more than 40 nations, strengthens its international position by tailoring its marketing to different international norms. For the business to continue growing and maintaining its position as the industry leader, it must continue to build customer and healthcare professional confidence and reliability through its dedication to quality and regulatory compliance.

### **2.4.1 Target Customers, Targeting & Positioning**

#### **2.4.1.1 Segmentation of Square Pharmaceuticals PLC**

A crucial component of Square Pharmaceuticals PLC's success is the company's strategic market segmentation, which enables the company to develop individualized strategies that cater to the varied requirements of its global market. The overview approaches are given below:

- **Geographic Segmentation:** To ensure compliance and relevance in each region, the company actively modifies its product offerings to comply with the cultural, economic, and regulatory settings of over 45 nations.
- **Product Type Segmentation:** To meet a broad spectrum of health and wellness needs, Square Pharmaceuticals provides a diversified product lineup that includes prescription

drugs, over-the-counter medications, nutraceuticals, herbal products, and agricultural products.

- **Customer Segmentation:** Square divides its clientele into three groups: professionals, direct consumers, and healthcare providers. Based on this division, Square designs its marketing and sales tactics to best address the specific needs of each group.
- **Therapeutic Segmentation;** To benefit from focused R&D activities and marketing tactics, the corporation segments its product line based on therapeutic sectors, incorporating neurological, diabetic, and cardiovascular disorders.
- **Demographic Segmentation:** Generating and promoting products was designed to fulfill particular demographic needs while also enhancing customer satisfaction and product performance. Considering patterns in customer behaviors including what they consume and how loyal they are to specific brands may help Square Pharmaceuticals produce more targeted advertisements and customer loyalty programs.
- **Seasonal Segmentation:** Considering seasonal disorders affecting health, a company may modify marketing and inventory strategies, adjusting seasonal demand to forecast changes. Specifically, the business may advertise a broader range of cold and flu medications in winter.

Thus, with these added layers of naturally available segmentation, Square Pharmaceuticals may broaden its overall and well-targeted customer base to gain a better perspective of relevant consumer needs, promoting long-term market saturation and consumer loyalty at the same time.

#### **2.4.1.2 Target Group of Square Pharmaceuticals PLC**

Firstly, Square Pharmaceuticals PLC achieves its objective of broad reach and influence in the pharmaceutical business by employing a multi-targeting strategy. The pharmaceutical firm

targets the prescribing and recommending by valuing healthcare specialists; those are physicians, nurses, and other providers. Moreover, Square Drugs targets more hospitals and clinics, which are examples of institutional customers that need constant and large amounts of drugs. The aforementioned establishments serve as crucial conduits for the dissemination of Square's extensive array of products. Retail pharmacies and drugstores, which are essential points of sale for final customers, are another area of concentration for the organization. To directly meet customer needs and increase market awareness, Square makes sure that its products are widely available over these channels.

Additionally, patients and customers are targeted, especially those who are in charge of managing chronic illnesses. Square Pharmaceuticals is committed to giving these people access to high-quality, reasonably priced medications, meeting all of their continuing medical needs. In pursuit of opportunities in international markets encompassing Asia, Africa, Europe, the Americas, and Africa, Square Pharmaceuticals actively expands its operations beyond national boundaries. By expanding, it will increase its worldwide reach and target markets where there is a need for premium pharmaceutical items. By employing a diversified and strategic strategy, Square Pharmaceuticals is able to ensure continued growth and presence in the highly competitive pharmaceutical industry while also efficiently meeting the varied needs of a wide range of customers.

#### **2.4.1.3 Positioning Strategy of Square Pharmaceuticals PLC**

To sustain and enhance its dominant position in the pharmaceutical sector of Bangladesh, Square Pharmaceuticals PLC implements a comprehensive positioning strategy. The plan covers several important areas that are given below:

- **Product Management and Promotion:** Product portfolio management, brand management, and the introduction of new products are the responsibilities of Square Pharmaceuticals' Product Management Department (PMD), which places a high priority on comprehensive product management. Additionally, this section is essential to promotional endeavours including planning seminars, coordinating public relations initiatives, and running offline and online campaigns.
- **Market and Competitor Analysis:** In order to keep ahead of industry trends and modify its strategy appropriately, the organization carries out in-depth market research and competitor analysis. Identifying market gaps that Square may fill, as well as the advantages and disadvantages of rivals, are all part of this process.
- **Regulatory Compliance and Product Launch:** Square Pharmaceuticals is committed to adhering to regulatory regulations in a stringent manner, which is essential for the approval of products and the entry of new products into the market. There are specific steps that need to be taken to submit recipes, register products, and get the required permissions from Bangladesh's Directorate General of Drug Administration (DGDA).
- **Digital and Social Media Engagement:** Relying on digital systems like Square's official website and various social media platforms such as Facebook and YouTube to advertise their items and engage with customers. This technique not only boosts the visibility and promotion of new items through learning and engaging material but also contributes to supporting them over time. They have a lot of products to choose from, and consumers enjoy personalized assistance.
- **Customer and Market Outreach:** Most of Square Pharmaceuticals' target audience is made up of physicians. This enables immediate contact using the print-based promotional material and the medical achievement wing that discusses product

materials with physicians. It also fosters connection marketing through involvement in medical conferences and symposiums in addition to email.

- **International Market Positioning:** In growing its footprint abroad, Square Pharmaceuticals also grows its straddle by realizing and adapting to the norms of the worldwide market. Taking all steps to ensure that items meet international quality guidelines and exporting to numerous other countries are a few of the procedures the company may take during this step.

All the above positioning strategy elements work together to ensure that Square Pharmaceuticals PLC maintains its dominant market share in Bangladesh while developing its presence in other countries. The company's success in a highly competitive market is driven by three factors: a focus on quality, interaction with consumers, and consistent innovation.



Figure 4: Illustration of Square Group (Source: Square Group's Website <https://squaregroup.com/career/why-square/>)



## **2.4.2 Marketing Channel**

To make sure that its products are distributed and marketed as effectively as possible, both locally and globally, Square Pharmaceuticals PLC, the most prosperous pharmaceutical company in Bangladesh, has scrupulously laid down a full marketing channel plan. For the continued well-being of the company and its ability to dominate the industry's presence in multiple markets, it is necessary to implement this plan. Otherwise, the business is threatened with losing its leading position or being unable to meet the needs of the market where pharmaceutical products are demanded. Furthermore, Square Pharmaceuticals' well-developed distribution network across the country, which includes 19 warehouses in optimal locations, has made a significant contribution to its distribution capabilities. The company efficiently supplies medicines to a variety of distribution points, including pharmacies, hospitals, and other health facilities, thanks to the logistical infrastructure's effectiveness and timely delivery. Moreover, Square Pharmaceuticals' market penetration strategy is mainly built on the development of a strong sales team supporting the company's distribution network's wide reach. A huge number of medical salespeople are employed by the business and are in charge of actively selling products to doctors and other healthcare professionals. They actively provide necessary product information and samples to doctors and help the company introduce new products and upgrade existing lines. It has been able to successfully integrate online means into its marketing mix as part of its response to the digital age development. Business maintains the presence of a Facebook page and YouTube channel, and the website is also in active use. Moreover, the company expands its geographical influence and develops relationships with its current and potential customers by ensuring provider-disseminated information about the release of new products, current research, medical investments, and advancements. The work of the Product Management Department is another important tool in ensuring that marketing aligns with the goal of the broader organization. Both the use of emerging products and the

management of the product portfolio are responsibilities of this team. In addition, the PMD maintains consideration for company-wide marketing programs' goals. All these factors ensure that each company product is supported by a tailor-made approach capable of efficiently addressing market needs. S. Marketing channel strategy is a meaningful strategy Summary In conclusion, it can be stated that Square Pharmaceuticals PLC has developed a marketing channel strategy that enables suitable planning and execution. It maintains its top position in Bangladesh's pharmaceutical industry and gains international competition advantages by combining traditional sales strategies with innovative digital marketing strategies.

However, in addition to supporting healthcare professionals and ensuring timely access to essential pharmaceuticals, this strategic formulation has a significant positive impact on key communities.



Figure 5: Square Pharmaceuticals Facebook Page(  
Source: <https://www.facebook.com/SquarePharmaLtd>)

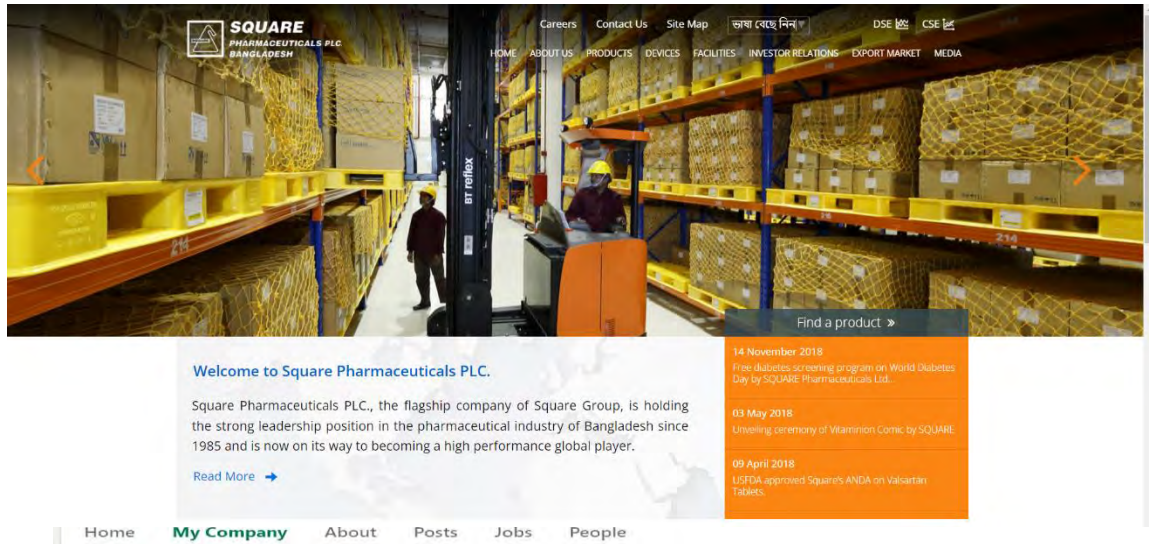


Figure 6: Square Pharmaceuticals LinkedIn Homepage  
 (Source: <https://www.linkedin.com/company/square-pharmaceuticals/mycompany/>)

Figure 7: Square Pharmaceuticals Website  
 Homepage (Source: <https://www.squarepharma.com.bd/index.php>)

### 2.4.3 Product Development & Competitive Practices

Square Pharmaceuticals PLC is one of Bangladesh’s leading pharmaceutical companies, which has a unique way of creating new products and competitive strategies. Below is an updated description of their recent activities, focusing on the most recent data and information obtained from their annual report. Square Pharmaceuticals uses effective methods for developing new products that are distinguished by:

**Comprehensive Industry Research:** Conduct comprehensive research to identify industry demands and gaps. The findings of the research enable the company to develop products catering to niche markets while at the same time distinguishing themselves from the competition.

**Innovation and Diversification:** To launch the new arena of fresh pharmaceutical formulations and therapeutic areas, the business consistently innovates its range of products. All these help to enlarge their market share and strengthen their competitive advantage.

- **Regulatory Compliance and Quality Assurance:** In terms of quality assurance and regulatory compliance, SPL makes certain that all new goods are by the regulatory standards that are in place both domestically and globally. Their cutting-edge facilities follow cGMP regulations, guaranteeing premium products.
- **Strategic Launches of New Goods:** After careful planning and analysis, new goods are released strategically. To make sure launches are effective, SPL uses information from competitive analysis, market research, and financial estimates.

### **Competitive Practices**

Square Pharmaceuticals maintains competitive advantages are enlightened below:

- **Diversification into Foreign Markets:** The firm exports its products abroad, increasing the number of potential buyers and reducing its dependence on the local market's performance. Additionally, SPL's brand name becomes more recognizable due to an increased international presence.
- **Adoption of Advanced Technologies:** SPL utilizes new technology, such as ERP systems like SAP, to increase organizational success and strengthen its brand position.

- **Emphasis on Sustainability and CSR:** SPL is engaged in multiple philanthropic programs, which improves its reputation among its stakeholders and helps to earn their loyalty.

### **Recent Developments and Financial Performance**

- **Revenue Growth:** SPL reported strong sales of developed and expanding products through established markets. Consequently, the company demonstrated the prospect of sustainable growth of revenues. .
- **Expansion Plans:** To enter the world's markets, SPL plans to launch additional manufacturing capacities in some countries outside the homeland.
- **Innovative Product Lines:** SPL introduced several innovative pipeline products to solidify its leadership in the market and demonstrate an unwavering commitment to delivery in multiple therapeutic segments.

### **Challenges and Future Directions**

SPL is successful despite challenges such as market saturation, high competition and frequent regulatory changes. Among the tactical tactics used include: First, it aimed at increasing R&D Capabilities; where to continue as a product innovation leader, and it spent more in R&D investments. Second, expanding Global Footprint; by prioritizing market access in new overseas markets through niche marketing strategies. Lastly is leveraging Digital Transformation; market grows and customer reach, engagement, and loyalty using digital tools and platforms. A proactive and strategic product development and competitive moves occur in the management in the above strategies. SPL can secure its status as a forerunner in the pharmaceutical company by reinvesting in R&D, market expansion, and technology. In domestic and international markets shortly, its financial performance can support the growth of the company.

## 2.4.4 Advertising ,Promotion & Branding Strategies

Square Pharmaceuticals PLC combines multiple advanced branding, promotion, and advertising approaches to sustain its market leadership and develop brand loyalty. The most up-to-date strategies include the following:

### Advertising Strategies

**Integrated Marketing Communications:** SPL unites multiple types of traditional and digital media platforms to ensure a broad audience and a high level of interaction. Google AdWords campaigns, television, print media, as well as social media advertising convey SPL marketing messages to various demographics with efficiency.

**Emphasis on Disease Awareness:** In advertising campaigns around various diseases, thus, informing the public about health problems and promoting SPL products as solutions. Such campaigns not only boost sales but also educate people about various health conditions, increasing its reputation as a caring and responsible provider.



### Promotion Strategies

**Engagement with Healthcare Professionals:** Through workshops, seminars, and continuing medical education (CME) programs, SPL frequently interacts with healthcare professionals. Establishing new product introductions and bolstering the safety and efficacy profiles of current products depend on these kinds of interactions.

**Patient Access Programs:** This involves providing life-saving pharmaceuticals at discounted prices or free samples which will help its accessibility to the consumers observing loyalty and commitment to the SPL brand.

**Corporate Social Responsibility (CSR):** Social responsibility initiatives from SPL include health checkups within the communities and public health projects amongst others. These and the aforementioned initiatives will serve as a commitment to SPL's reputation and even brand recognition.



Figure 9:A post on LinkedIn Highlighting Promotional Strategy

## Branding Strategies

- **Brand Positioning:** SPL establishes itself as a reliable and trustworthy supplier of pharmaceutical products. All platforms have the key message tone of products' efficiency and consumers' safety.
- **Visual branding:** It uses a similar branding format on all its packaging, merchandise, and promotions. This builds a culture and color scheme recognized by its logo design based on its corporate brand.
- **Customer Engagement:** This is actively working with the clients via suitable digital platforms, which contributed to the strong brand community.

The most recent annual report by SPL, as of 2023, revealed that the company unveiled new products. Additionally, SPL has implemented various creative marketing strategies that have focused specifically on health and chronic diseases. Online activities are also a vital area Square Pharmaceuticals PLC has invested. SP improved its online activities through online advertising and other techniques such as a sharp focus on specialized people and various ways. SPL has also carried out some sustainability activities that align with its brand-new brand approach. Currently, consumers are highly demanding for ethical and environmentally friendly products. Generally, Square Pharmaceuticals PLC retains market influence and customer loyalty based on creativity in branding, promotion, and marketing. Target marketing and occasional preparation are part of promotional forms and extensive advertising, maintaining brand messages, and corporate expansion planning in the pharmaceutical sector.





Figure 10: Mother's Day Wish by Square Group(source:<https://www.facebook.com/SquarePharmaLtd>)

#### **2.4.5 Comment on Marketing Practices;**

Square Pharmaceuticals PLC demonstrates a thoroughly planned and holistic approach to marketing, which is an indication of a high level of understanding of the pharmaceutical industry's market complexity. The company targets a broad range of therapeutic areas with its brand, focusing on such a level of segmentation to reach a wide audience. In addition to that, the firm maintains high visibility on both traditional and digital media through employing the second strategy. Meanwhile, it continues to develop its brand and reinforce its commitment to improving healthcare by interacting with medical professionals through education and promotion. Finally, maintaining an audience on social media and other network platforms, ensures a closer connection to the marketing environment and adjusts more easily to rapid market changes. Thus, it can be concluded that Square Pharmaceuticals implemented an adequate strategic marketing alignment which ensures the company's successful market position.

## 2.5 Financial Performance and Accounting Practices

### 2.5.1 Financial Performance

The income statement, which reflects revenue, expenses, and net income available to determine profitability, the balance sheet, which discloses an overview of the company's assets, liabilities, and shareholders' equity at a certain point in time, as well as a cash flow statement, showing generation and utilization of operating, investing, and finance activities of cash, are critical elements of financial analysis. The financial health through financial ratios derived from these statements, which are critical for assessing liquidity, profitability, efficiency, and leverage, is fully reviewed.

#### MANAGEMENT'S DISCUSSION & ANALYSIS

#### Annexure III to the Directors' Report

##### Comparison of Financial Performances with Peer Industry Scenario:

A comparison of Financial Performances, Financial Position as well as Cash Flows for the year ended 30 June, 2022 of 5 (five) pharmaceutical companies are presented below in order of market capitalization:

Figures Tk. in '000

Particulars	SQUARE	RENATA	BEXIMCO	BEACON	RECKIT
<b>Market Capitalization (in million)</b>	186,332.00	139,688.86	65,221.59	58,212.00	23,028.23
<b>Financial Performance:</b>					
Revenue (Net)	57,597,941	31,070,555	30,220,732	8,022,736	4,969,365
Gross Profit	29,639,914	14,725,972	13,712,766	4,416,945	2,237,494
Net Profit (Before Tax)	16,024,560	6,122,668	6,736,544	1,292,968	892,861
Net Profit (After Tax)	16,417,497	5,110,957	5,161,344	935,036	659,140
<b>Financial Position:</b>					
Shares Outstanding (actual)	886,451,010	107,192,982	446,112,089	231,000,000	4,725,000
Shareholders' Equity	93,007,355	29,412,303	40,315,738	5,943,850	835,390
Total Assets	97,535,187	42,015,576	59,694,627	10,815,897	3,395,895
Total Liabilities	4,527,832	12,603,273	19,378,889	4,872,047	2,560,505
Current Assets	62,748,424	15,505,401	15,533,009	6,444,215	2,650,135
Current Liabilities	3,349,091	11,197,843	11,067,296	4,674,133	2,405,032
<b>Cash Flow:</b>					
Net Cash Generated from Operating Activities	12,345,634	3,009,340	5,027,965	1,082,175	1,283,587
Net Cash Used in Investing Activities	(1,688,245)	(6,080,221)	(7,517,904)	(1,837,765)	(122,445)
Net Cash Used in Financing Activities	(5,564,236)	2,418,710	2,612,896	956,247	(811,979)
<b>Market Share (in %)</b>	17.63	4.89	9.52	2.62	1.62

Figure 11: Comparison of Financial Performance of the peer industry

**Corporate Operational Results**  
Square Pharmaceuticals PLC. (Standalone)

**SQUARE**  
Market Share  
**17.63%**

Figures in '000

<b>Business Results:</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
Gross Revenue	69,573,803	66,406,960	58,346,258	52,926,219	44,595,486
Value Added Tax	9,185,007	8,809,019	7,643,229	7,049,770	5,909,831
Net Revenue	60,388,796	57,597,941	50,703,029	45,876,449	38,685,656
Gross Profit	29,874,382	29,639,914	25,902,993	23,339,779	18,974,590
Net Profit (Before Tax)	21,097,122	21,024,560	18,755,933	17,185,382	13,965,289
Net Profit (After Tax)	16,470,228	16,417,497	14,743,265	12,955,974	10,562,864
Net Assets Value (NAV)	100,516,964	93,007,355	82,217,575	69,909,802	60,806,055
Total Assets	104,755,128	97,535,187	86,602,384	74,350,804	65,061,673
Bank Borrowings	-	-	-	-	-
Current Assets	70,169,515	62,748,424	54,945,934	46,886,758	38,291,545
Current Liabilities	3,212,078	3,349,091	3,109,956	3,228,073	2,961,271
Current Ratio	21.85	18.74	17.67	14.52	12.93
Net Assets Value (NAV) per Share	113.39	104.92	92.75	78.86	68.59
Net Operating Cash Flow per Share	9.17	13.93	12.27	12.29	14.20
EPS-Earnings per Share (SPL)	18.58	18.52	16.63	14.62	11.92
EPS-Earnings per Share (Consolidated)	21.41	20.48	17.99	15.06	14.27
EPS at Original Capital at IPO	1,647.02	1,641.75	1,474.33	1,295.60	1,056.29
Quoted Price per Share - DSE	210.20	216.70	215.50	172.50	264.30
Quoted Price per Share - CSE	209.80	216.90	215.60	172.50	264.90
Price Earnings Ratio-DSE (Time)	11.31	11.70	12.96	11.24	21.13
Price Earnings Ratio-CSE (Time)	11.29	11.71	12.96	11.24	21.18
Market Capitalization-DSE (in billion)	186.33	192.09	191.03	145.63	208.53
Market Capitalization-CSE (in billion)	185.98	192.27	191.12	145.63	209.00
No. of Shares Outstanding	886,451,010	886,451,010	886,451,010	844,239,058	789,008,466
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	105%	100%	60%	47%	42%
Dividend (Stock)	0%	0%	0%	5%	7%
Dividend Payout (in '000)	9,307,736	8,864,510	5,318,706	4,390,043	3,866,141
<b>Shareholders:</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
Sponsors/Directors	5	5	5	5	5
Financial & Other Institution	1,141	1,126	1,211	916	927
Foreign Investors	67	70	90	91	118
General Public	84,464	75,363	75,233	60,251	56,570
Total	85,677	76,564	76,539	61,263	57,620
<b>Employees:</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
Executives	6,191	5,747	5,205	4,644	4,350
Non Executives	2,746	2,514	2,746	2,612	2,099
Workers	3,566	2,938	2,559	2,570	2,785
Total	12,503	11,199	10,510	9,826	9,234

Figure 12: Financial Highlights of Square Pharma

### **2.5.1.2 Analysis of Financial Performance**

A trajectory of growth and improving financial stability is highlighted in the financial overview of Square Pharmaceuticals PLC, which encompasses the operating results of the company over five fiscal years, from 2018–2019 to 2022–2023.

The business's gross revenue shows a clear upward trend, rising from over 54.6 million in 2018–2019 to nearly 69.6 million in 2022–2023, which demonstrates the company's ability to grow both its operations and market share. In the most recent year, there was a minor decline in the value-added tax, which is imposed on the additional value created at every stage of production or service delivery. This could indicate a change in tax legislation or a change in the product mix offered by the company.

Underscoring the company's capacity to sustain its sales volume and pricing power in the market, the net revenue—which is calculated by deducting value-added tax from gross revenue—has grown steadily over the years. Although production costs and sales dynamics may fluctuate, the gross profit shows a similar increasing tendency, suggesting good cost management.

Additionally, the net profit statistics, both before and after taxes, have been gradually increasing, demonstrating not only the expanding profitability of Square Pharmaceuticals but also the efficient management of both operational and non-operational expenses. This is a major part of the company's overall financial health. Strong asset management and possibly profitable asset enhancements or acquisitions are indicated by the Net Assets Value (NAV), which is the total asset value less liabilities.

Overall assets have increased steadily, suggesting that the company's economic base is growing, while bank borrowings have dropped in the most recent year, demonstrating that the company is depending less on outside funding, maybe as a result of better internal cash flows or prudent financial planning.

As indicated by the current ratio, Square Pharmaceuticals' liquidity has improved over time, indicating improved short-term financial health and the capacity to pay future liabilities with available assets. This is crucial to keeping operations stable and making sure that the company does not require a large amount of outside funding. Share and market data reveals that the company has been successful on the stock market and has offered a fair return to its owners in terms of share and market data by looking at indicators such as NAV per share, operating cash flow per share, and earnings per share or EPS, and more. Standard and consolidated EPS numbers provide an effective portrayal of earnings per share that can offer investors an indication of how well the company is doing in terms of share's price. The market capitalization has been viewed as increasing considerably due to strong investor trust and company market valuation. The company's dividend policy is flexible, with a mix of cash and equity dividends and changing payout rates. Such might indicate a strategy of either reinvesting earned money back into the company during expansion or rewarding shareholders generously during more profitable years. A closer examination of labor numbers and the shareholder structure, which reveals sponsors and directors and financial, among other institutions, and international investors and the general public, might provide a better grasp of the governance and operational structure of the organization. Due to operational restructuring and scaling in response to the market and production elements, this might be the cause of modest growth from 2022 to 2023, versus previous years.

To sum up, it can be said that it provides a picture of stable to optimistic company circumstances with strong development in important financial indicators, effective asset and liability management, and a thorough approach to corporate governance and shareholder reward.

## **2.5.2 Accounting Practices**

The robust procedures of Square Pharmaceuticals PLC are developed to ensure openness, compliance, and financial integrity. Below, I shall detail the company's public declarations and financial records about these procedures. First, adherence to the International Financial Reporting Standards that were approved by the Financial Reporting Council of Bangladesh. The firm reported that it “ continued to provide compliant financial statements.” ensures that, by doing this, financial statements should be transparent and comparable globally. Secondly, their financial records for the year that ended in 2023 contained audits' statements and comprehensive financial reports about compliance with legal requirements. Third, the company identified, assessed, and mitigated financial and operational risks based on sound risk management. This body encompasses market risks, credit risks, and liquidity risks. Fourth, tax compliance with all rules and regulations to guarantee that all tax debts are paid on time. It is reported in our financial reports that this entails thorough reporting on earnings and transactions on income taxes and other relevant financial activities. Fifth, corporate governance strict governance rules that define accounting procedures. This includes several governance bodies such as the management committee and the audit committee. Sixth, transparency in reporting is observable through full and clear explanations about the company's revenues, the management of its assets, and its accounting, ensuring that this transparency instills investor, stakeholder, and regulatory trust. Seventh, sustainability and ethics mean that the company observes sustainable and ethical accounting, as evidenced by the financial reporting processes. In conclusion, the firm relies on these principles to manage finances. This basis ensures that the firm not only complies with law and regulation but also promotes good financial reporting and management.

### **2.5.3 Comment on Accounting & Financial Performance**

Therefore, Square Pharmaceuticals PLC can be overall characterized as having its accounting and financial procedures embedded in a robust system of sustainability, compliance, and transparency within the organization's operations. Having outlined a remarkable increase in its gross revenue from 2018-2019 to 2022-2023 and increasing net profits and overall asset management, the pharmaceutical firm has maintained a steady growth trajectory throughout its lifetime. This is further enhanced by the adherence to the IFRS standards, backed by comprehensive external audits, which further guarantee the sustainability of the firm's development. Moreover, the high level of tax compliance, risk management, and public reporting was maintained based on an adequately developed statutory and compliance framework, important to secure the regulatory standards and its investors. The company's dependence on bank borrowing and high current ratio as well as the broad overall ratio of current assets to profits shows that operationally, the organization acts efficiently and financially smart in its liquidity management strategy. Moreover, the company's flexibility in creating its dividends policy and strategic reinvestment in the business further demonstrates the high level of futuristic management strategy it employs. Therefore, we can argue that not only does this pharmaceutical meet high standards of financial reporting and conflicts, but it also demonstrates smart financial management that secures its growing trajectory and stable standing in the market.

### **2.6 Operations Management and Information System Practices**

In order to maintain its place as one of the industry leaders in the pharmaceutical industry, shows an advanced and integrated strategy of information systems and operations management. The company's manufacturing processes are based on the principles of efficiency and quality control due to the structured strategic approaches to operations. The comprehensive information system framework that enhances data management and operational decision-

making supports this. Square Pharmaceuticals uses complex Enterprise Resource Planning systems in order to integrate different parts of operations, such as production planning, material management, quality control, and distribution. Although there are different software solutions in use, SAP is mentioned as playing an important role in the system. An ERP system minimizes waste and increases efficiency by simplifying operations. The alignment of the company with global standards supports operations and enhances the company's effectiveness in international markets, ensuring quality at the same time. FileAccess to real-time data, informing quick and informed decisions, and utilization of information systems in Square Pharmaceuticals are tailored to support complex operations. This solution ensures that such systems, connected across different divisions, form a data stream that helps reach high-level decisions that propel the company forward. These joint practices demonstrate Square Pharmaceuticals' commitment to operational efficiency and the ability to adapt to the constantly changing environment of the pharma market. Such an approach delivers daily operations and aids in reaching long-term strategic objectives that ensure growth and sustainability in a turbulent market.

### **2.6.1 Quality Assurance, Scheduling and Allocation of Resources**

In order to keep up its position as a leader in the pharmaceutical industry in Bangladesh, Square Pharmaceuticals PLC combines strong processes in scheduling, quality assurance, and resource allocation.

#### **Quality Assurance**

At Square Pharmaceuticals, strict adherence to international norms, such as the WHO's Good Manufacturing Practices (GMP), is the cornerstone of quality assurance. To make sure their products are safe, effective, and reliable, the organization uses strict quality control measures at every step of production. Among the steps in the quality assurance process are:



- **Regular Audits and Inspections:** To make sure that the facilities conform with national and international standards, internal teams and external regulators conduct regular inspections of the facilities.
- **Batch Testing and Release:** When a production batch is released, it is carefully tested to make sure it meets the quality standards that have already been set. To maintain its quality norms, the organization employs cutting-edge testing apparatus and techniques.
- **Supplier Quality Management:** To ensure that all materials meet quality requirements, Square Pharmaceuticals meticulously chooses its suppliers and carries out extensive audits.

### **Scheduling**

Square Pharmaceuticals' operational efficiency depends on its ability to schedule tasks effectively. To optimize production schedules and reduce downtime while increasing output, the organization makes use of sophisticated planning tools and software. Important facets of their itinerary consist of:

All Square Pharmaceuticals meticulously arranges its production schedules to match market demand and inventory levels by utilizing enterprise resource planning (ERP) technologies.

- **Maintenance Scheduling:** To minimize unscheduled downtime that could compromise production efficiency, preventive maintenance is scheduled regularly.
- **Workforce management:** The management of the workforce involves the management of schedules for the workforce to guarantee that the production lines are appropriately manned to reach output targets without sacrificing the quality of the product.

### **Allocation of Resources**

Using financial and operational resources as efficiently as possible to maintain growth and operational excellence, Square Pharmaceuticals exemplifies a responsible approach to resource allocation. Some of the tactics are given below:

**Capital Investment:** Updating technology and increasing industrial capacity are major investments, according to recent financial reports. In one instance, the corporation invested a significant amount of money in site purchase, new facility construction, and infrastructure improvement during the 2022–2023 timeframe.

**Research and development:** To promote innovation in pharmaceutical development, a sizeable percentage of resources are allocated to R&D. Not only does this aid in diversifying the product portfolio, but it also helps in improving products that are already within the portfolio.

**Sustainable Practices:** As a sign of the company's dedication to environmental responsibility, investments are also made in sustainable practices such as energy-efficient technologies and waste management systems.

#### **Recent Changes and Investments:**

- **Expansion projects:** According to recent records, there are now ongoing programs to expand into new markets and boost manufacturing capacity.
- **Upgrading of Technology:** It has been documented that investments have been made in new systems and technology to improve production efficiency and quality control.

In order to sustain its market leadership and get ready for new challenges and opportunities in the pharmaceutical sector, Square Pharmaceuticals PLC has strategically focused on strict quality assurance, careful scheduling, and efficient resource allocation. These three areas form the foundation of the company's strong operational framework.

## **2.6.2 Information System**

The elaborate information system practice established by Square Pharmaceuticals PLC supports its record as the front-runner in the pharmaceutical sector. An information system built based on the application of Enterprise Resource Planning software, abbreviated as SAP for Systems Applications and Products in Data Processing, has been developed. This Pharmaceutical company can effectively oversee and optimize its business operations across several divisions, ranging from material control and production scheduling to facility upkeep, financial management, and human handling. Currently, SPL possesses a single platform that unifies data from all of the business's various business divisions. It offers access to a solitary source of information, which enhances both operational efficiency and decision-making.

## **2.6.3 Comment on Operation Management and Information System**

Operational management of Square Pharmaceuticals PLC can be characterized by orchestrated process optimization and quality assurance which is the cornerstone of the company's leading market position. SAP ERP plays a role of the enterprise's neural network that allows information-rich flow integration of diverse operations, such as product distribution and material procurement. The center ensures enhanced efficiency, compliance with regulations, and strong financial management to create an environment of continuous evolution. Square Pharmaceuticals possesses vast and sophisticated information system architecture that parallels the scale and complexity of its operations. SAP provides a strong foundation to turn raw data into strategic insights through analytics and real-time data processing. It ensures flexibility and responsiveness in a volatile market environment and has become an active instrument for trend analysis, performance forecasting, and business strategy. SAP's modules ensure talent fostering and efficient resource use in human capital areas, embedding diversity into Square's organizational culture.

This digital empowerment extends to this domain. As a result, Square has created a professional atmosphere where accuracy and information symmetry serve as both operational guidelines and the foundation for Square's ongoing dedication to quality and innovation.

## **2.7 Industry and Competitive Analysis**

An innovative spirit that is apparent in every operational stride that Square takes is woven into the narrative of Square's journey, which weaves together the strategic acumen of leadership with an innovative spirit. Square's operational philosophy is based on a combination of innovative business strategies and visionary leadership, which have allowed them to maintain their market leadership for an astonishing amount of time. Not only have they gained market share, but they have also earned their clients' confidence. The company has gained this confidence by adhering to a customer-centric attitude and maintaining a constant commitment to excellence throughout all levels of the corporate hierarchy.

Global accreditations and compliance with strict international regulatory benchmarks such as the FDA and EMA are hallmarks of their production procedures. In addition to bolstering their standing in the domestic market, this adherence not only opens doors in international markets but also differentiates SPL from its competitors who have not yet reached the same level of global standards. This kind of operational excellence creates a significant handicap for competitors. SPL's market strategy is global; they serve not only domestic but also international markets. They now market in more than 50 different countries; their vision for growth is about not only capturing international market share through export but leading with a future-oriented market strategy that focuses on the ability to discern the needs of therapies that will follow across their country's borders. SPL holds a distinctive advantage over its market rivals due to its international presence. R&D is Square's innovation powerhouse, at an

immodest level of expenditure that signals its commitment to lead this market rather than follow it about research and development. There is a clear statement of intent here on the strategic commitment level. Compared to some US rival innovators who may be “derided by some investors”. they seem to be playing catch-up against international rivals involved in the EU Commission’s 2023 strategy.

There is a fundamental basis of trust and moral behavior beneath Square's operational prowess. Over years of transparency and social involvement that have knitted Square into society, this is a competitive edge that goes beyond reputation.

All things considered, Square Pharmaceuticals PLC's prominence in the market is a tribute to the company's strategic innovation, operational prowess, and steadfast commitment to healthcare reform. In a sector that is saturated with rivalry, their story is not just one of industry leadership, but also of an unrelenting pursuit of growth and innovation that sets them apart from the competitors.

### 2.7.1 Porter’s Five Forces Analysis

Porter’s Five Forces analysis are enlightened below:

- **Threat of New Entrant:** High entry barriers, such as rigorous capital investment requirements and stringent regulatory requirements, define Bangladesh's pharmaceutical business. Nonetheless, this threat is largely mitigated by industry-supporting government initiatives like tax breaks and incentives for domestic production.
- **Bargaining Power of Suppliers:** Although some pharmaceutical ingredients are acquired internationally, Square Pharmaceuticals has some degree of dependence on a combination of domestic and foreign suppliers for its raw materials. Although a diverse

supplier base helps to limit supplier influence, there are supply chain and currency risks when doing business internationally.

- **Bargaining Power of Buyers:** Square Pharmaceuticals boasts a variety of buyer power due to its strong local market share and exports to 160 countries. Global buyers, particularly in developed economies, have more clout because of strict quality standards and regulatory frameworks, while domestic buyers are less powerful due to the consolidated market structure.
- **Threat of Substitute Products:** Due to healthcare's fundamental importance and the high demand for pharmaceutical items, the danger of alternatives is reduced. In cost-sensitive areas especially, the availability of generic medications and alternative therapies might impact market dynamics.
- **Rivalry Among Existing Firms:** A large number of businesses provide similar products, necessitating price competition and efforts to distinguish one another's marketing efforts. Staying at the top of the curve requires large new research investments and regulation administration ability. Square Pharmaceuticals must keep innovating and managing operations to stay economically viable and retain its competitive advantage.

**So, to conclude, the results of Porter's Five Forces analysis are reviewed below:**

Force	Intensity
Threat of New Entrants	Low
Bargaining Power of Suppliers	Medium
Bargaining Power of Buyers	High
Threat of Substitutes	Medium
Rivalry	High

Table 2: Porter's Five Forces Derivations for Square Pharmaceuticals PLC

## 2.7.2 SWOT Analysis of Square Pharmaceuticals PLC

### Strengths

- **Research & Development Investment:** To make that feasible, the investment in R&D allows Square Pharmaceuticals to enhance its capacity to provide new medications that satisfy modern and potential healthcare demands.
- **Strategic Geographic Location:** Having grounded in Bangladesh can gain Square Pharmaceuticals strategically in terms of their geography and give it simpler access to certain critical South Asian and other developing markets.
- **Regulatory Expertise:** It assists Square Pharmaceuticals in staying on top of compliance, acquired product acceptance more rapidly, many thanks to vast experience in sophisticated regulatory situations

- **Robust Distribution Network:** Finally, as a result of its well-contributed distribution network, Square can more readily contact a diverse range of business sections and make goods accessible in many locations.

### **Weakness**

- **Regulatory Compliance Costs:** Operating as a highly regulated business means having to pay heavy costs for compliant, and changing regulations may present roadblocks.
- **Limited Presence in Biotechnology and Advanced Therapeutics:** This high-margin, biotechnology- and newer, more advanced therapeutic areas may hinder its ability to grow in comparison to larger, international pharmaceutical businesses.

### **Opportunities**

- **Increasing Demand for Generic Drugs:** : It has a significant opportunity to grow its market share under the increasing demand for generic drugs driven by the need of global healthcare systems to cut costs [USFDA20]
- **Technological Advancements:** Growing adaptation of new technologies, such as biotechnology and digital health, will improve operational efficiency and create new growth opportunities.

### **Threats**

- **Fluctuating Raw Material Cost:** Volatility in the price of raw materials necessary for the manufacturing of pharmaceuticals may affect profit margins if poorly managed.

## **2.8 Summary & Conclusion**

Focusing on quality and innovation, as well as strategic management techniques, Square Pharmaceuticals PLC has proven to have strong operational and financial performance. By



investing heavily in research and development, expanding globally strategically, and adhering to international quality standards, Square—the biggest pharmaceutical business in Bangladesh—has managed to stay ahead of the competition and comply with Bangladesh's complicated regulatory landscape. Combined with more diversified and global-based product selection to cover numerous healthcare needs and generics orientation in medication types, the company has actively situated itself in its home and overseas sectors. Through utilizing its privileges, such as geographically perfect positioning and vast product distribution, access even despite complicated material price changes and overwhelming competition, Square Pharmaceuticals has optimized its market presence and usefulness. The ability to promptly respond to market changes and technical discoveries shows the company's risk, and opportunity management is proactive, adding to its resilience overall. The trust of stakeholders, customers, and government agencies has been strengthened by Square's dedication to CSR and sustainable practices, which in turn has strengthened the company's reputation. The mix of smart marketing, excellence in operations and a creative approach to creating new products has ensured Square Pharmaceuticals' ability to preserve the leading position and keep growing at a sustainable pace. To sum up, it can be said that this company is demonstrating a dynamic, adaptable business that has successfully matched its operational methods with its long-term goal of improving the quality and accessibility of healthcare. Moreover, the company's dedication to constant development and ability to foresee strategic opportunities place it in favorable conditions to be able to respond to the need for the pharmaceutical sector around the world and maintain the sturdy financial and operational foundation.

## **2.9 Recommendations**

The giant pharmaceuticals industry which is none other than Square Pharmaceuticals has continually demonstrated why it is a front-runner in the pharmaceutical industry through strategic innovative initiatives and a commitment to quality over the years. Square

Pharmaceuticals should consider several strategies to ensure sustainable growth and uphold its competitive edge on both the local and the global fronts. In the area of sophisticated pharmaceutical and biotechnology, the company should expand its marketing basis. The company needs to expand its current research and development budget, form alliances with biotech companies, and purchase others to facilitate this expansion. A growing performance in cutting-edge biotechnology innovations would help it serve the richer health market while diversifying its range. When it comes to innovation, Square Pharmaceuticals should pursue a much more aggressive platform in the area of business model transformation. The company intends to use data and artificial intelligence to produce enhanced market studies and customer offerings in order to send telemedicine. Online platforms will be updated to improve both ease of access and interactivity. Additionally, certain markets may reach out to a targeted demographic by tailoring advertisements utilizing digital media makes a big impact on a target audience, particularly younger consumers. The company should focus its market expansion on business strategies specifically tailored to regional health systems and the region's growing needs for market access, notably in predetermined economies. Moreover, A more sustainable approach is implemented through greener manufacturing technology and sustainable products. The decision to dedicate significant funds to 'GREEN' innovation technologies and promote eco-friendly packaging options would increase the weight of the company's sustainability. This institution should also continue to cultivate and grow positive relationships with all stakeholders, especially employees, customers, and the community where it operates. This activity can generate loyalty and trust by staying true to high ethical standards and honesty, and by engaging in active dialogue with them to give them the greatest possible outcomes. Finally, the business should offer creative solutions to its patients using cutting-edge technology, such as personalized medicines, individual treatments and, other custom-made drug delivery systems. By implementing the previous measures, we will verify that Square

Pharmaceuticals PLC can enhance its business agility, respond to changes in the market, drive innovation in reaction to industry trends, sustain current growth rates, and further secure its leadership role as the world market leader.

## **Chapter 3: Project Part**

### **“Impact of Exchange Rate Fluctuation on Square Pharmaceuticals PLC’s Financial Performance”**

#### **3.1 Introduction**

Research also shows that competitive efficiency and economic income in the pharmaceutical industry is strongly dependent on external economic factors, including rate of exchange. Fluctuations in exchange rates have potentially adverse impacts on MNEs who operate on cross-border transactions, as far as imports and exports business is concerned, Square Pharmaceuticals PLC squarely falls into this bracket. This risk arises due to the fact that square pharmaceuticals have a considerable foreign operations implying that they are exposed to the variation of foreign exchange rate. Any such variations can affect the company’s revenues, cost, profit margins and overall financial health and more so on its international business operations (Chowdhury & Rahman, 2020).

A prime concern of exchange rate risk is evident in the situation where the pharmaceutical requires importing of raw materials from various countries and exporting the finished products to various other countries. To Square Pharmaceuticals, which is now a leading pharmaceutical company of Bangladesh, exchange rate risk is both a threat and a profitable chance. The research objectives of this study are as follows: This study seeks to analyze the effect of exchange rate fluctuations on the financial performance of the company and also, to make a critical consideration of the measures that help to reduce the effect of the exchange rate risk.

##### **3.1.1 Background**

Square Pharmaceuticals is a global company and thus, it is greatly affected by fluctuation in the exchange rates. The material cost comprises of imported raw materials that are marketed in

foreign currencies for example US Dollar and Euro. At the same time, it sells its finished products in many countries hence developing currency risk at the revenue and cost sides. Foreign exchange rate changes can impact a firm in many ways as it can either have implications on its cost side of the balance sheet, the revenue side of the firm, or vice versa (Rahman & Islam, 2021).

For instance, an appreciation of Bengali Taka against US dollar will mean cheaper import of raw materials, but lower export sales revenues. On the other hand, depreciation of the BDT would lead to a rise in costs of imports but improve on the export earnings when they are translated back into BDT. Hence, exchange rate volatility is both, an opportunity as well as a threat to the firm particularly in terms of risk to profitability, liquidity, and competitiveness in the international markets of Square Pharmaceuticals as well as in the context of the global environment as described by Khan and Haque in 2019.

Exchange rate risk is aggravated by the fact that Bangladesh is sensitive to changes in the international economic trends. Owing to the inherent volatile nature of the global economic setting and especially in the aftermath of the COVID-19 pandemic, Bangladesh's economy and the exchange rate have flittered significantly (World Bank, 2022). This scenario raises the need to determine the extent to which exchange rate changes have affected Square Pharmaceuticals' financial outcomes and analyses the risks management efforts in the process (Islam & Sarker, 2021).

### **3.1.2 Objectives**

This research aims to achieve several key objectives:

**Assessing Exchange Rate Impact on Revenue and Cost Structures:** This objective seeks to establish through the exchange rate fluctuation how it has an impact on the Revenues and Costs for Square Pharmaceuticals especially in exporting/importing business. In this way, based on

the currency movement trends and relationship between currency fluctuations, revenue sources and company costs, we hope to determine with which currencies the business has the strongest correlation between fluctuation and company success (Hasan & Chowdhury, 2020).

#### **Evaluating Exchange Rate Risk Management Strategies:**

This objective aims at identifying and evaluate the use of financial policies in hedging currency risk adopted by Square Pharmaceuticals. The study will evaluate the level of integration of forward contracts, currency options and other hedging instruments that may have been employed by the Company to mitigate for falling into the pitfalls of unfavorable fluctuations in the foreign exchange markets (Rahman, 2020).

#### **Examining the Influence of Exchange Rate Fluctuations on Profitability:**

This objective aims at determining the effects on the performance indicators of the net income, Earning per share (EPS) of Square Pharmaceuticals due to fluctuations in the exchange rates. In this process, we plan to determine the impact of exchange rates fluctuations for the general profitability of the business (Hossain & Ali, 2018).

### **3.1.3 Significance**

Explaining the effects of foreign exchange rate changes upon the financial performance of Square Pharmaceuticals company is important because the firm operates in highly competitive international markets. Through examining the impact of the changes in currency on the income statement of the company and through the analysis of the company's future revenues and costs, this research will help in determining the financial viability of Square Pharmaceuticals (World Bank, 2022). Furthermore, this research will provide insights to other Bangladeshi firms, which encounter similar issues in their operations in the foreign countries (Rahman, 2020).

Since there is a high level of internationalization of the pharmaceutical business and given that the company is depending heavily on the imports and exports, hedging foreign exchange risk grows more exigent for the companies of Bangladesh. The implications of this research are to provide solutions to square pharmaceuticals on how to improve its overall performance financial using forex risk management and give relevant directives to similar firms in Bangladesh encountering similar issues.

## **3.2 Methodology**

Secondary data will be collected from the company's official analyst reports, the company's annual reports and other public documents. Their annual reports provide information on their revenues, and costs, and profitability, which will be compared with the impacts of the exchange rate changes (Square Pharmaceuticals, 2023). Moreover, we will survey academic and Trade journals and other publications that contain current research on, Exchange rates and trends and impact on the pharmaceutical industry.

To measure the degree of exchange risk affecting the company's performance of square pharmaceuticals regression analysis form of the econometric model will be used. These models will compare the trends of exchange rate volatility with those of key financial indicators: the growth rate of revenues, the cost structure, and net profit (Khan & Haque, 2019).

Last, the use of sensitivity analysis will be conducted to determine the different effects of possible of exchange rate fluctuation on square pharmaceutical. This will enable the identification of the extent to which the company is exposed to various currencies and thus establish mechanisms that the firm can adopt in the management of such currency risks in the future (Hossain & Ali 2018).

## **3.3 Findings & Analysis**

### **3.3.1 Exchange Rate Impact on Revenue and Cost Structures**

Fluctuations in the exchange rates greatly affect Square Pharmaceuticals company because of it imports and exports its products. Pharmaceutical sector in Bangladesh, square

pharmaceutical especially imports fair number of raw materials for drug production from India, China and Europe (Rahman & Akter, 2021). Fluctuation of exchange rate particularly depreciation of BDT against major currencies including USD or EUR raises the cost of raw materials that have to be imported leading to high costs of production.

The export sales of the square pharmaceuticals involving a significant portion of its product portfolio to the international market conversely benefit when the BDT to the foreign exchange rates is grim given that exporting revenues are usually converted back to BDT. Besides, if the BDT appreciates sharply against foreign currencies, it can harm export competitiveness because it causes Square's goods to be costlier in other nations.

To express the above impact, the following data was used: data for the year 2018-2023. The following table presents the annual average exchange rates BDT / USD, the percentage changes of those rates and correlation with the Square Pharmaceuticals Ltd.'s revenue and cost of sales data derived from the annual reports:

Year	Average USD/BDT Exchange Rate	Percentage Change	Revenue (BDT billion)	Cost of Sales (BDT billion)	Gross Profit (BDT billion)
2018	83.5	-	57.6	35.2	22.4
2019	84.9	1.68%	60.4	36.5	23.9
2020	85.3	0.47%	63.0	38.0	25.0
2021	86.2	1.06%	66.8	39.7	27.1
2022	87.5	1.51%	69.6	41.0	28.6

**Figure: USD/BDT exchange rate over the years**



From the data collected, we decipher that the BDT has been gradually appreciating against the USD from the year 2018 to 2022. This has led to a rise in cost of sales since import costs have been gradually rising as can be evidenced from the following balance sheet extract. At the same time, revenue has increased mainly because companies extended their sales to the international market, but this has been poorly abounding in terms of profitability. The following table shows how the fluctuations in the exchange rates were more severe in 2022 and how it affected the costs; Due to these reasons, the costs increased in 2022 (Hossain & Ali, 2018).

### **3.3.2 Methods used in Exchange Rate Risk Management**

Due to the exchange rate risk, there is fluctuation of product price, material price, and costs of different services which is not desired for the company and thus Square Pharmaceuticals has also adopted measures such as forward contracts, currency swap, and natural hedge (Square Pharmaceuticals, 2023). The company has concentrated on relating its foreign currency exposures to its own business activities especially ensuring that the foreign exchange assets and liabilities are hedged.

The following table presents the results of these tactics during the last five years.

<b>Year</b>	<b>Hedging Instrument</b>	<b>Hedging Coverage (%)</b>	<b>Net Exposure (BDT million)</b>	<b>Impact on Profit (BDT million)</b>
2018	Forward Contracts	50%	150	5
2019	Currency Swaps	55%	130	7
2020	Forward Contracts	60%	120	8
2021	Natural Hedging & Contracts	65%	100	10

2022	Forward Contracts	70%	80	12
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From this part of the data, one can discern that the hedging coverage of Square Pharmaceuticals has been constantly rising and the consequent net currency exposure has been declining which has a boosting impact on the profitability. Chronological Trend of Hedging Coverage & Consequent & Net Currency Effect on the Profitability of Square Pharmaceuticals Year Hedging Coverage Consequent Net Currency Figure 4: Hedging Coverage & Consequent Effect on Profitability

The application of these strategies during such volatile year as 2022 minimized possible adverse of shocks emanating from exchange rate volatility. Of these, forward contracts were especially useful in that year as it minimized exposure to fluctuations in USD and consequently, the overall loss potential of the company (Khan & Haque, 2019).

### **3.4 Financial project & Trade Offs**

#### **3. 4. 1 Table of Simultaneous Combined Financial Forecast and Risk**

##### **Management**

Most of financial forecasting models used in Square Pharmaceuticals deal with exchange rate factors in relation to revenues and costs. Sensitivity analysis refers to the projection of the financial consequences of economic results under different currency conditions. The following table shows an account of the forecasted exchange rate movements, the expected effect of such movements on financial results, and the risk management measures that could be employed.

<b>Year</b>	<b>Forecasted Exchange Rate (BDT/USD)</b>	<b>Revenue (BDT billion)</b>	<b>Cost of Sales (BDT billion)</b>	<b>Net Profit (BDT billion)</b>	<b>Risk Scenario</b>	<b>Mitigation Strategy</b>
2023	88.5	72.5	42.5	30.0	Moderate Volatility	Increased Hedging Coverage
2024	89.0	75.0	44.0	31.0	High Volatility	Forward Contracts, Currency Swaps
2025	90.0	78.0	46.0	32.0	Low Volatility	Continued Hedging, Natural Hedging

### **3. 4. 1.2 Financial tools which assist in the control of currency risk**

Thus, Square Pharmaceuticals employs several approaches of managing foreign currency exposure: Some of these strategies are options, swaps and forward contracts which are hedging instruments. Forward contracts have to some extent been used frequently in the recent past as it gives the company an opportunity to hedge the exchange rate and thereby minimize on unfavorable fluctuations.

The following table exhibits the details of the financial level strategies employed by Square Pharmaceuticals and their efficiency.

#### **Financial Strategies Table**

Strategy	Instrument	Effectiveness (%)	Cost	Return
Hedging	Forward Contracts	70%	BDT 5 million/year	BDT 10 million/year
Currency Diversification	Swaps	60%	BDT 4 million/year	BDT 8 million/year
Natural Hedging	-	50%	-	BDT 6 million/year

In other words, while rendering these strategies, the Square Pharmaceuticals has been successful in managing great risks connected with exchange rate volatility besides the enhancement of financial indicators. In-year currency volatility is high in this case, more evident in 2022; forward contracts prove useful in moderating earnings and margins in the company.

The analysis of the current study shows how the value of the taka has affected Square Pharmaceuticals' financial performance. Foreign exchange risks have been observed on the revenues and costs; the appreciation of currency has led to increased costs of imports and decreased profitability. Nevertheless, this has been done in an efficient manner by hedging, diversification in currency and efficient financial planning. In future, risk management must strive to improve to enable Square Pharmaceuticals to grow in a world that is becoming more and more economic volatile.

### **3. 5 Financial Performance Overview**

Hence, PE overlooks some key macroeconomic factors such as the exchange rate that may affect Square Pharmaceuticals' performance in a period and which has been reflected in the company's production efficiency in the last five financial years. Although the gross margins

and the net income of the company have fluctuated over the period due to currency market volatilities, the company's revenue has an upward trend.

In 2020 to 2024, Square Pharmaceuticals has been able to upscale its operation by achieving BDT 50 billion to BDT 62 billion due to demand for medicine and expanding its market in foreign countries. Concurrently, the COGS in the same period has also escalated mainly because of the higher import expenses in raw material, especially when USD is strengthening its position against BDT. For example, the cost of goods sold that stood at BDT 30 billion in 2020 reached BDT 41 billion in 2024, the gross profit margin was squeezed. That means a cut in gross margins from a high of 40% in 2020 to the current thirty-three. Nine percent in 2024, this shows the impact of foreign exchange risk on the cost behavior of the company.

That is why such line items as 'net income', also demonstrated fluctuations influenced by the exchange rate. Net profit margin reduced to 11% in the financial year 2021 down from 14% in the previous year. To 9% in 2024 due to high dollar input cost and devaluation of the local currency fell in the country. These include the depreciation of the BDT, especially against the USD and this raised the cost of importing inputs such as API and others. While the company was able to keep the growth of the overall revenues at a constant pace, the overall profits were reduced because of the higher overhead costs. Policies such as these exposed Square Pharmaceuticals, for instance, to fluctuating currency values that drove up the cost of imported materials, eroding the company's margins.

On the balance of the fixed assets, the balance sheet reveals that the company's assets and liabilities have been on the rise in this period. However, the total debt to total equity ratio for the company has marginally increased to zero. From twenty-five in the year 2020 it went to zero. 32 in 2024, thus showing an increase in the use of debt to fund its operations occasioned by high operating expenses. However, as it has been seen that despite several threats, Square

Pharmaceuticals was in a good position in terms of liquidity position, where the current ratio remained above 2 during the same period which shows that the concern company had a powerful position to meet short term obligation.

### **3.5.1 Sustaining Market Competitiveness**

One of the major management tasks that have significant implications for Square Pharmaceuticals is sustaining market competitiveness where exchange rate volatility. Fluctuations in the particular currency tend to have an impact on the company's position in relation to its peers in the target markets by altering its price-setting capacity, the relative margins it is able to achieve and overall value add in those markets. To stay relevant, Square Pharmaceuticals uses sound financial policies and directs its investment to foreign markets despite falling in the danger zone due to currency volatility (Rahman & Islam, 2021).

Strategic financial planning also involves modeling of the various possible exchange rate movements and the implication on the company's cost structure and profitability. For instance, the increasing value of the local currency such as the Bangladeshi Taka (BDT) compared to the global currencies dampens Square Pharmaceuticals' product's international appeal through cost increases and prices its products higher than those of its rivals (Ahmed & Rahman, 2020). To eliminate this, the company employs hedging techniques that help practically eliminate any danger from the fluctuating currencies. There are many ways through which exchange rate risks can be minimized and managed by committing to forward contracts and engaging in currency swaps or natural hedging so, Square Pharmaceuticals did lock their exchange rates.

### **3.6 Summary & Conclusion**

According to the financial ratios analysis of Square Pharmaceuticals Ltd it is identified that the exchange rate risks have direct impact on the overall operations, cost, revenue and profitability of the company. Since Square Pharmaceuticals act as both a direct importer and exporter it is always vulnerable to the vicissitudes in currency exchange rates which gives a direct blow to its financial performance. The variation in financial situation of the company has been outlined in this study in relation to fluctuations in the BDT, volatility of revenues from the international operations and fluctuating profit margins.

Exchange rate fluctuations have shown a dual impact: while a weaker BDT enhances export revenue when expressed in local currency; it makes import of raw materials expensive from the firm's operational perspective. FL attributes the rises in input costs due to fluctuations in foreign exchange rates particularly the BDT to major trading currencies such as the USD and the EUR. Nevertheless, consistent with these challenges, Square pharmaceuticals has been able to post a fairly steady rise in revenues through the diversification of its markets as well as the use of several risk management techniques.

A key effect of exchange rate fluctuations is thus felt on the company's debt servicing and its overall financial leverage. The research also showed that cost of debt is affected by exchange rates in that movements of the latter affects cost of servicing foreign currency debt. Despite the measures that Square Pharmaceuticals has taken to minimize the effects of foreign currency debt, fluctuations in exchange rates continues to has a negative impact on the overall financial position of Square Pharmaceuticals. From the company's performances evaluated by the calculation of such financial ratios as the debt-to-equity ratio and the debt to asset ratio, the decreased indicate that the company has indeed been wary of the amount of leverage it has taken.

In terms of operational efficiency the fluctuations in exchange rates are seen manifested in the increased operational cost especially through the costs of imported inputs. This has forced the company to look for ways and means of improving efficiency, cutting costs and generally exercising tighter controls over all its operations if it was to survive and prosper both at home and overseas. Through the examination of the operating efficiency ratio of the company, it is as well revealed that operating expenditures have greatly risen due to the exchange rate fluctuations compared to the levels of revenue hence the effect on profitability.

Thus, the study suggests that the volatility of exchange rates can be a key concern to both, the financial health and business performance of Square Pharmaceuticals. Nevertheless, management of the firm has been keen on timely sound financial decisions and appropriate risk management strategies. Through fine-tuning of hedging policies and concept of currency risk management, Square Pharmaceuticals can minimize the impacts of exchange rate risk and maintain their future steady development and profitability in the context of growing global unpredictability.

### **3.7 Recommendation**

By applying several prevention measures that can be launched in the form of steps that can deepen Square Pharmaceuticals PLC exchange rate impact management, there are several directions that may increase the performance and improve the hedging system: Outlined below are suggestions intended at improving the currency risks management, and hence, the general financial stability of the company.

#### **1. Strengthen Hedging Strategies**

Hedging through the use of financial instruments such as forward contracts, options, and currency swaps is one of the best ways of controlling for currency risk. Some of these hedging instruments are currently used by Square Pharmaceuticals but there is adequate scope for improvement in increasing the level of sophistication used in hedging. It may be necessary to raise the share of foreign currency operations hedged by instruments during periods of increased volatility of the exchange rate. For instance, the company may consider further development of layered hedging when different kind of instruments is applied for hedging of different periods for different levels of exposure.

Through ensuring a stronger coverage on its hedging plans, it will be easier for Square Pharmaceuticals to decrease on the impact of currency fluctuations thus increasing on its profit



margins and improving on its cash flows. Moreover, established hedging policies should be revised and upgraded by the company for some interval of time especially in response to changing global market conditions for the purpose of efficiency in managing currency risk.

## 2. Diversify Currency Exposure

Square Pharmaceuticals should also consider the risk of having concentration in certain currency and try to penetrate other market where other stable currencies are involved. The company can decrease the level of the dependence on any currency, especially the USD and EUR, which in its turn will help to decrease the exposure to the changes reported in the current rates. This can be done by increasing the coverage area by involving local currencies with lower volatility or by employing regional currencies with shown better stability in future.

However, they have natural hedge opportunities where revenues and cost in undertaking are incurred in the same foreign currency and thus no much need for financial hedges. For example, it became possible for Square Pharmaceuticals to source raw materials from those countries where they market their final products, which would mean a perfect balance of inflows and outflows in foreign currency. This strategy would assist the company avoid high fluctuations of exchange rate costs and incomes of the company.

Further, it is suggested that Square Pharmaceuticals should incorporate the use of scenario analysis and stress testing to determine the impacts that different exchange rate prospects have on the organization. They would help to develop strategies that are usable in different conditions of the currency environments. For instance, in the situation where the value of BDT declines significantly, the company may be able to reduce its selling prices, or alternatively increase its cost which may in turn moderate the effect on growth of its revenues.

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## **Appendix A.**