

Internship Report

On

"Financial Analysis of Square Pharmaceuticals PLC's Expansion into Nutraceuticals and Dietary Supplements Market: A Strategic Initiative for Growth"

By

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ID: 20104099

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

BRAC Business School

BRAC University

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Declaration

The following declarations are made:

- I have submitted an internship report as part of my degree program at BRAC University, which is my one-of-a-kind work.
- This report contains no material that has been submitted or accepted in order to pursue a different degree or diploma at a university or other institution.
- This report contains no previously published or authored content by a third party unless properly attributed with complete and exact referencing.
- I've acknowledged all important sources of assistance.

Students full name & Signature:

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Assistant Professor

Letter of Transmittal

20th April, 2024

Sayla Sowat Siddique

Assistant Professor

BRAC Business School

BRAC University

Subject: Submission of internship report on “Financial Analysis of Square Pharmaceuticals PLC's Expansion into Nutraceuticals and Dietary Supplements Market: A Strategic Initiative for Growth”

Madam,

I submit to you the report on “Financial Analysis of Square Pharmaceuticals PLC's Expansion into Nutraceuticals and Dietary Supplements Market: A Strategic Initiative for Growth” which I have prepared as one of the requirements for the degree Bachelor of Business Administration. I have tried my best to put in all my knowledge that was gathered through the whole period of my graduation in order to complete this report. Moreover, as the whole period of internship and report completion was a learning experience for me, I tried to implement those knowledges in my report too. The report might fail to notice some important condition as I am still discovering the new corporate experience. I sincerely hope that you would disregard some of my mistakes considering my limitation.

Finally, I want to thank everyone for their encouragement, support, and guidance. This report would not have been done in time without any of their inspirations.

Yours sincerely,

Md. Mashrur Al Naim

Id- 20104099

BRAC Business School

BRAC University

Non-Disclosure agreement

This agreement is made and entered into by and between Square Pharmaceuticals PLC and the undersigned student at BRAC University named Md. Mashrur Al Naim for the responsibility to prevention of information disclosure of the firm's classified data.

Md. Mashrur Al Naim

Student ID: 20104099

Brac Business School

Brac University

Acknowledgement

I have undertaken this report as a part of my recruitment for a bachelor's degree in BUS490 at BRAC University. I would like to give thanks to everyone who made this report successful and express my gratitude towards them. Firstly, I am thankful to my academic supervisor Sayla Sowat Siddiqui Madam for guiding me. She gave me clear instructions, and as a result, I was able to finish this entire paper without any complications. Secondly, I am thankful to my parents that they have supported mentally and financially through this journey. I would also like to give special thanks to my organizational supervisor Najmul Hasan Sir and senior colleague Md. Wahidul Islam whom I had to interact with continuously for the sake of my internship report during my stay there. My conversation with them helped me with the analysis of my report, and for the company's betterment as well. Thank you.

Sincerely Yours,

Md. Mashrur Al Naim

ID: 20104099

Executive Summary

The pharmaceutical sector is seeing a paradigm shift toward preventative healthcare and wellness goods, creating new opportunities for growth and diversification. In response to changing customer tastes and market realities, Square Pharmaceuticals PLC, a major leader in the pharmaceutical industry, has launched a strategic initiative to enter the nutraceuticals and dietary supplements market. This research will present a complete financial analysis of Square Pharmaceuticals PLC's entry into this developing market segment, with the goal of assessing the feasibility, consequences, as well as the potential influence on the company's growth trajectory.

Revenue predictions show a strong potential for revenue development, driven by rising consumer demand for health and wellness products. Cost research shows sustainable manufacturing costs and competitive pricing strategies. Later, it contributes to higher profit margins. Profitability ratios like NPV and IRR show positive returns on investment, showing the project's financial viability.

Furthermore, liquidity and solvency ratios show that the company is able to mitigate its short-term obligations while also being financially stable during the whole growing process. Although, potential issues like regulatory compliance, market competition, and supply chain interruptions are analyzed by risk assessment, their strong market position, established infrastructure, and brand reputation significantly reduce these risks.

Overall, the financial analysis gives us the conclusion that Square Pharmaceuticals PLC's entry into the nutraceuticals and dietary supplements sector represents a very appealing opportunity for growth and wealth creation. The project coincides with changing customer tastes and market trends, putting the company on track for long-term success in Bangladesh's dynamic Vitamins & Minerals industry.

Keywords:

Square Pharmaceuticals PLC, Nutraceuticals, Dietary supplements, Bangladesh, Financial analysis, Revenue projections, Cost analysis, Profitability metrics, Net present value (NPV), Internal rate of return (IRR), Liquidity ratios, Solvency ratios, Market competition, Regulatory compliance, Supply chain disruptions, Growth opportunities, Consumer demand, Market trends, Value creation, Industry landscape

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Chapter 1: Overview of Internship

1.1 Student's Information:

Name: Md. Mashrur Al Naim

ID: 20104099

Focus (major & minor): Finance & Accounting.

From: Brac Business School, Brac University.

1.2 Internship Information:

Company Name: Square Pharmaceuticals PLC.

Department/ Division: Accounts & Finance

Period: 22/01/2024 to 21/04/2024

Address: Square Centre, 48, Mohakhali C.A.

Details of Employment:

In fulfilment of my academic obligations and graduation prerequisites, I was obligated to complete a three-month internship. I consider myself fortunate to have had the opportunity to complete an internship at Square Pharmaceuticals PLC. Upon my arrival, I discovered myself at the Company's headquarters, which is conveniently located at the Square Centre at Mohakhali. Throughout my employment there, I contributed to the Tax and VAT Team, Bank Reconciliation Team and Import and Export Team.

Supervisors Information:

Name: Najmul Hasan

Designation: Manager at Accounts & Finance

Email: najmul.hasan@squaregroup.com

Job Description:

In my internship, I worked as a full-time employee, from 8.30 am to 5.30 pm. I used to go to work at 8.20 am and leave by 5.30 pm. The duties I had to do through my internship was:

- Checking LC payment status daily.
- Recording VAT amounts for VAT Reconciliation through Excel.
- Helping with bank reconciliation team by identifying missing elements from bank and company's ledger and finding their source.
- Writing any kind of new information and findings in the diary provided by the company.

1.3 Internship Outcomes:

Contribution to the company:

During my internship at Square Pharmaceuticals, I always strived to contribute positively to the organization's objectives and maintain a high standard of work quality. While I may not have had extensive opportunities to directly impact the company's overall performance, I made my best effort to fulfill my responsibilities diligently and minimize errors in the tasks I was given. I ensured that the work I produced benefited the organization and contributed to its success. Throughout my internship, I always exhibited my dedication to carefully following directions and completing duties to the best of my ability. Despite my limited contributions, I tackled my responsibilities with dedication and professionalism, eager to help the organization achieve its goals in any way I possibly could.

Benefits to the Intern:

During my three-month internship at Square Pharmaceuticals PLC, I got essential corporate experience and experienced the professionalism of the company's executives firsthand. Coming from an undergraduate program from where I gained only theoretical knowledge through numerous classes, this internship actually gave me the perfect opportunity to close the gap between theory and practice. As a result, I learned how to adapt theoretical principles that I learned in my academic studies to real-world circumstances in a corporate environment. This short but experiential learning enriched my undergraduate studies by deepening my understanding of business operations and management concepts. Overall, the internship at Square Pharmaceuticals PLC helped me to further extend my perspective and prepare me for future opportunities in the business sector.

Problems Faced during the Internship:

Despite the overall positive working environment at Square Pharmaceuticals PLC, I also faced a number of hurdles during my internship. One notable challenge for me was the absence of a predetermined desk given to interns on the Accounts and Finance floor, where I was assigned. Just like the other interns, I frequently found myself waiting for an official to leave their desk before I could begin work. Unfortunately, when in some occasions officials did not leave their desks, I couldn't do any work, causing delays and a backlog of responsibilities. This situation made it difficult to handle my works efficiently, which later lead to emotions of dissatisfaction and inefficiency. While the experience provided me with valuable insights into the pharmaceutical industry, the lack of a dedicated workspace hindered my productivity and overall experience during the three month internship period.

1.4 Recommendations:

Based on my internship experience at Square Pharmaceuticals PLC, I suggest reconsidering the desk allocation for interns. The current practice of not assigning pre-determined desks leads to delays and inefficiencies. Having dedicated workspaces for interns would streamline workflow and improve productivity. I recommend implementing a system where each intern is allocated an individual desk to enhance efficiency and the overall internship experience.

Chapter 2: Organization Information

2.1 Introduction

SQUARE today symbolizes a name – a state of mind. But its journey to the growth and prosperity has been no bed of roses. From the inception in 1958, it has today burgeoned into one of the top line conglomerates in Bangladesh. Square Pharmaceuticals PLC., the flagship company, is holding the strong leadership position in the pharmaceutical industry of Bangladesh since 1985 and is now on its way to becoming a high-performance global player.

SQUARE Pharmaceuticals PLC. is the largest pharmaceutical company in Bangladesh and it has been continuously in the 1st position among all national and multinational companies since 1985. It was established in 1958, converted into a public limited company in 1991 and listed with stock exchanges in 1995. The turnover of Square Pharma was BDT 50.87 billion (USBDT 609.18 million) with about 16.95% market share having a growth rate of about 10.85% (July 2018– June 2019).

2.2 Overview of Square Pharmaceuticals PLC

SQUARE Pharma, established in 1958, has grown from humble beginnings to become the leading pharmaceutical company in Bangladesh. Started as a Partnership Firm, it transitioned to a Private Limited Company in 1964 and later to a Public Limited Company in 1991. Since 1985, SQUARE Pharma has held the top position in the industry. It entered the global market in 1987, pioneering pharmaceutical exports from Bangladesh. Emphasizing quality and good governance, the company achieved a turnover of BDT 69.57 billion (USBDT 695.26 million) in 2022-2023, with a market capitalization of BDT 186.33 billion (US BDT1.86 billion). With approximately 12,503 employees worldwide, SQUARE Pharma continues to lead the pharmaceutical sector, boasting a market share of 17.63% and a growth rate of 4.77%.

Performance
Key Highlights
 2022-2023
 Standalone

Revenue **4.77%** 
 2022-23: BDT 69.57 Billion
 2021-22: BDT 66.41 Billion

Domestic Revenue **4.50%** 
 2022-23: BDT 67.62 Billion
 2021-22: BDT 64.71 Billion

Export Revenue **15.06%** 
 2022-23: BDT 1.96 Billion
 2021-22: BDT 1.70 Billion

Profit (After Tax) **0.32%** 
 2022-23: BDT 16.47 Billion
 2021-22: BDT 16.42 Billion

Dividend Payout **5.00%** 
 2022-23: BDT 9.31 Billion
 2021-22: BDT 8.86 Billion

EPS Earning Per Share **0.32%** 
 2022-23: BDT 18.58
 2021-22: BDT 18.52

NAV Net Asset Value **8.07%** 
 2022-23: BDT 100.52 Billion
 2021-22: BDT 93.01 Billion

NOCF Net Operating Cash Flow **34.14%** 
 2022-23: BDT 8.13 Billion
 2021-22: BDT 12.35 Billion

Vision

They view business as a means to the material and social wellbeing of the investors, employees and the society at large, leading to accretion of wealth through financial and moral gains as a part of the process of the human civilization.

Mission

Their mission is to produce and provide quality & innovative healthcare relief for people, maintain stringently ethical standard in business operation and also ensuring benefit to the shareholder, Stakeholders and the society at large.

Objectives

Their objectives are to conduct transparent business operation based on market mechanism within the legal & social framework with aims to attain the mission reflected by their vision.

Corporate Focus

Their vision, their mission and their objectives are to emphasize on the quality of product process and services leading to growth of the company imbued with good governance practices.

2.3 Management Practices

Management practices refer to how managers improve the efficiency of their work systems. Common management techniques include empowering staff, training them, creating quality improvement plans, using new technologies, and making strategic decisions.

How Square Pharmaceuticals PLC Empowers their Staff

Square Pharma Ltd assesses and handles employee empowerment requirements. Empowerment involves improving performance through training, assigning new skills and responsibilities, modernizing work processes, and other strategies. Employee development and training improve performance, build job-related abilities, and assist employees adapt to workplace changes. Square Pharma supports their staff by providing ongoing in-house and international training on work-related topics. The in-house training department consists of

specialists from various departments who manage training, either in-person or by inviting trainers to Square Pharma to instruct a group on a certain topic. HRD maintains the "Training Need Assessment" form to assess training requirements.

How Square Pharma's Management make their Decisions

Square Pharmaceuticals PLC's process of decision-making mainly relies on group discussion. Management calls for a meeting and then the board takes a decision based on the results of that meeting. The highest level of authority, the Board of Directors, is responsible for general supervision, operations monitoring and controlling the affairs of the Company through appropriate processes of decentralization and accountability through the chain of command. The company pays special attention to establishing and defining productivity and compensation programs for employees and workers, paying them fair wages as an incentive based on the quality and quantity of performance.

How Square Pharma makes Plan for Improving Quality (Work system)

They provide continual in-house and worldwide training on work-related concepts, hire specialists from outside, and integrate cutting-edge technology into administrative and operational areas.

They also follow international guidelines from regulatory agencies such as WHO (World Health Organization), UK MHRA (Medicines and Drugs Regulatory Authority), USFDA (Food and Drug Administration), Health Care Products), etc. And they also undergo regular regulatory audits to maintain the valid quality certificates.

How Square Pharma Motivates their Employee

Motivation refers to a salesperson's or employee's desire to exert effort on job-related tasks. Square Pharma believes that unmotivated salesmen do not add value to their firm. Employees

Employees at Square Pharmaceuticals are motivated in various ways. Square Pharma awards its salespeople based on their progress on their individual given targets. Each salesman has a quota to meet. Square Pharma offers a 2% incentive to salespeople who fulfill their quota early. The salesperson who sells the most products three years in a row will be promoted. Square Pharma offers a percentage as a commission on subsequent product sales. Square Pharmaceuticals Limited is a firm that values quality. The organization will recognize and reward employees who outperform their peers.

How Square Pharma uses Technology to Monitor the Company's Performance

Square Pharma uses SAP, a popular ERP platform, to manage its whole operation. Square Pharma manages administrative and operational processes using SAP's concern module. SAP is very cost-effective for Square Pharmaceuticals because it reduces administrative expenses while increasing efficiency, productivity, and resource allocation.

2.4 Marketing Practices

Marketing methods encompass the characteristics, pricing, distribution, and promotion of

products or services. To achieve successful marketing, Square Pharma coordinates all of these initiatives.

Marketing Objectives of Square Pharma

Square Pharma first decides what it wants to achieve with its specific product offering. Square Pharma carefully selected its target market, positioning, and marketing mix, including pricing, to simplify marketing efforts. Square Pharma's stated purpose allows for easier pricing determination. The marketing aims of Square Pharma are as follows:

Goals include survival, maximum profit and income, sales growth, market share, and product quality leadership.

How Square Pharma makes their Marketing Plan

Square Pharma's marketing strategy adapts to market conditions and product potential. Square Pharma uses the 4P, 4C, and 4D marketing theories to construct a comprehensive marketing strategy.

- The 4P marketing hypothesis aims to improve the "marketing mix" of Square Pharma. Square Pharma uses this method to launch new products or services and meet specific client needs. Square Pharma uses the 4P approach to define market alternatives based on pricing, product, promotion, and place.
- Customer, cost, convenience, and communication are the four Cs of the 4C marketing theory. Square Pharma can benefit from utilizing the 4Cs approach to view their products through the eyes of their customers.
- 4D marketing theory encompasses decision-making, design, delivery, and determination. Practitioners of these models are involved in place branding.

What Square Pharma Usually does for Marketing their Product and Service

The 4p, 4c, and 4d marketing theories are very important. Square Pharma's promotional materials include product brochures, exhibition cards, handbooks, giveaways, and sponsorships for domestic and foreign conferences. Product literature, display cards, notebooks, and gifts are Quarterly plans that are developed and implemented accordingly.

Square Pharma offers monthly product-specific continuing medical education (CME). Square Pharma's promotional tool, eSquare (online script), is published and maintained by physicians at the MSD department. Product promotion through mobile SMS as well as distribution of product literature or display cards were also used during the COVID lockdown.

How Square Pharma Introduces their Product in the Market

Square Pharmaceuticals is currently the market leader in pharmaceuticals. Recently, several prominent pharmaceutical companies have been thrust into competition with Square. GSK has become one of the most important international pharmaceutical companies in Bangladesh.

They released a product identical to Halobet. However, this medicine takes a long time to treat such a problem. Additionally, this product is expensive for the general public. Square Pharma launched Halobet to compete with GSK. Square Pharma developed this drug with the motto "Similar but not the same". Square Pharma's drug is more cost-effective, heals wounds faster and has fewer side effects than GSK's DERMOVATE.

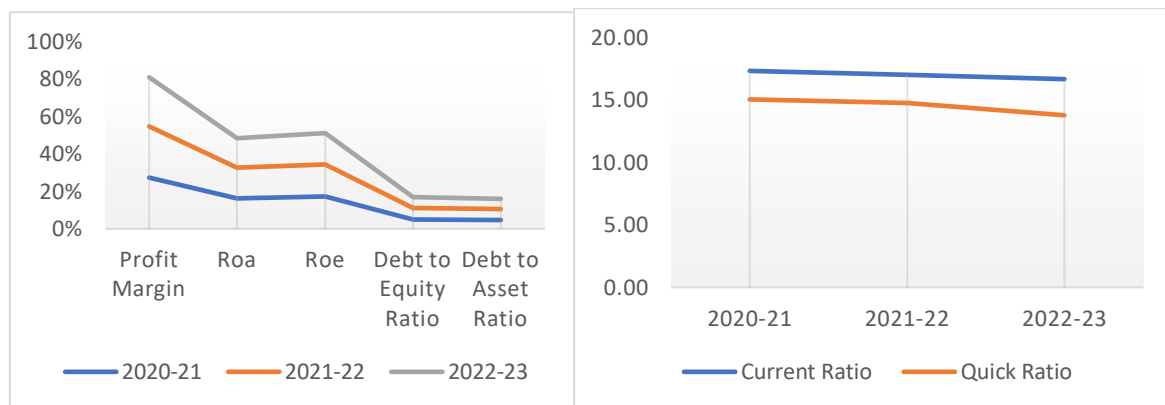
Square Pharma Creates a Distinct Brand Identity

Square Pharma trains employees to successfully communicate the company's achievements and brand values. Square Pharma establishes a distinct brand identity with name, logo, colors and images, helping current and potential customers identify the brand. Square Pharma follows these procedures before launching a marketing campaign.

2.5 Financial Performance and Accounting Practices

Square Pharma's accounting data is managed and monitored using SAP software. Square Pharma uses in-house software (CBPS) for financial transactions, linked to SAP for centralized data collection. SAP manages and stores all financial transactions, including domestic and export sales (daily to yearly), purchases, bill payments, employee salaries, factory maintenance, and other financial issues. Internal and external audits based on SAP data.

Financial Performance



The financial performance indicators of Square Pharmaceuticals PLC for the fiscal years 2020-21, 2021-22, and 2022-23 reflect a stable profitability and efficient asset management. The profit margin has remained consistent around 27% over the period of three years, which is indicating effective cost management as well as pricing strategies. Return on assets (ROA) and return on equity (ROE) has also maintained a stability at 16% and 17%, respectively, which is again, demonstrating the company's ability to generate profits from its assets and equity investments.

Regarding leverage, the debt-to-equity ratio and debt-to-asset ratio has remained low for the past three years, averaging around 6%, again signifying a conservative approach to financing operations and investments.

In terms of liquidity, both the current ratio and quick ratio have remained comfortably above 1, that indicates the company's ability to meet short-term obligations. However, there was also a slight decline in these ratios over the period of three years, that suggests a potential need for closer monitoring of liquidity management just to ensure the continued financial health and stability.

2.6 Operations Management

Operations management involves optimizing business operations for maximum efficiency within a company. The process of converting materials and labor into goods and services maximizes profits for the organization. Square Pharma's operations management focuses on optimizing the company's production and operations.

The Keys of Production Success of Square Pharma

- World Health Organization and GMP manufacturing facility
- Advanced technology deployment
- High quality RM source
- Experienced staff
- Professional supervision at home and abroad.

How Square Pharma Designs their Product

New products are developed based on internationally licensed disease models and compounds. Square Pharma uses IMS data from domestic and foreign markets to support its data. Square Pharma has a complex product design process that includes many steps. The first step in drug development is to identify the active drug ingredient. After defining the API, the product formulation is determined. Excipients are chemical compounds added to the formulation to stabilize and enhance the effectiveness of the API. The production process is designed in stages. The route of product delivery is generally oral, with tablets and encapsulated forms being the most common options. The product can then be approved for sale.

Supply chain department of Square Pharma

Square Pharma's supply chain department purchases raw materials, machinery, and equipment, as well as office supplies, meals, and automobiles for staff and management. The supply chain section handles all purchasing. The supply chain department manages the company's external suppliers. The supply chain department receives requisitions from all departments that require supplies, with clearance from the department head. The supply chain department compares bids from multiple suppliers to select the best option for acquiring the items. The supply chain section deals with both local and overseas suppliers. The supply chain section handles all procurement for Square Pharma. There are sub-departments for materials such as raw materials, machinery, analytical tools, and packaging materials.

Square Pharma's supply chain section manages regular buying based on marketing forecasts and factory needs.

2.7 Industry and competitive analysis

Background of the pharmaceutical industry in Bangladesh

The pharmaceutical industry is one of Bangladesh's most important and advanced sectors. Before its independence, Bangladesh lacked an established pharmaceutical industry. After years of independence, the government failed to increase fiscal resources for improving the health sector. During that period, many people lacked access to life-saving drugs. The pharmaceutical business had significant growth in the 1980s. Over the last two decades, the pharmaceutical business has expanded rapidly.

Multinational corporations controlled the pharmaceutical business immediately following the liberation struggle. The National Drug Policy (NDP) had a key role in establishing Bangladesh's pharmaceutical industry between 1982 and 2005.

Current Scenario of Pharmaceutical Industry in Bangladesh

Bangladesh's pharmaceutical market is expected to exceed BDT6 billion by 2025, representing a stunning 114% rise over 2019 levels (Chakma, 2020). This growth is being driven by a variety of variables, including rising life expectancy, rising per capita income, changing illness profiles, and an expanding population. Local pharmaceutical businesses are likely to play a key role in this expansion, with more than 90% of the market, as they continue to spend in R&D and expand their manufacturing facilities. Furthermore, government initiatives, such as the construction of an Active Pharmaceuticals Ingredient Industrial Park, aim to reduce reliance on imports while also supporting the industry's growth. The pharmaceutical sector has also demonstrated resilience in the face of the COVID-19 epidemic, with consistent demand for medications driving export growth. Overall, the sector's strong performance and good market conditions establish Bangladesh as a major player in the global pharmaceutical landscape (Chakma, 2020).

Local top Pharmaceuticals Company in Bangladesh

- Square Pharmaceuticals PLC.
- Incepta Pharmaceuticals Ltd.
- Beximco Pharmaceuticals Ltd.
- Opsonin Pharma Limited
- Renata Limited
- SK+F Pharmaceuticals Limited
- ACI Pharmaceuticals
- ACME Laboratories Ltd.
- Aristopharma Ltd.
- Drug International Limited

Top Multinational Pharmaceuticals Company in Bangladesh

- Sanofi
- GlaxoSmithKline
- AstraZeneca
- Novo Nordisk
- Sun pharmaceutical (Bangladesh) Ltd.

Pharmaceutical Product Types in Bangladesh

- ALLOPATHIC
- Homeopathic
- Unani
- Ayurvedic
- Herbal

Market share of the pharmaceuticals company in Bangladesh

The pharmaceutical industry in Bangladesh is characterized by a highly concentrated market, with the top 20 companies generating approximately 85% of the revenue (Pharmaceutical Industry, n.d.). Among these companies, Square Pharmaceuticals holds the largest market share, accounting for 19% of the total revenue. Following closely behind are Incepta and Beximco, with market shares of 9.5% and 9% respectively. Other significant players include Oponin, Renata, and Eskayef, each contributing to the market with shares ranging from 4.7% to 5%. The dominance of local manufacturers is evident, as they collectively hold around 90% of the market share, while multinational companies occupy the remaining 10%. This concentration underscores the competitive landscape of the pharmaceutical sector in Bangladesh, with key players vying for market dominance and positioning themselves for future growth opportunities (Pharmaceutical Industry, n.d.).

The Pharmaceutical Industry's Competitive analysis by Porter's Five Forces

Porter's Five Forces model helps businesses gain a competitive advantage by studying why different industries have different levels of profit.

- I. New Entrants Pose Minimal Threat: Entry into the pharmaceutical industry requires significant investment and regulatory approval, creating significant barriers to entry. New entrants face challenges due to limited distribution channels and customer loyalty to established brand drugs. As a result, the danger posed by new entrants to the field has been significantly reduced.
- II. High risk of substitute products: Consumers who buy drugs at the store frequently change brands. There are several alternative products for the same drug. When customers cannot find a particular brand, they will immediately switch to another brand. Therefore, the danger level of substitute products is very high.
- III. Buyers have little bargaining power: The government tightly regulates retail prices for life-saving drugs. Pharmaceutical manufacturers price other drugs at their discretion. Patients often buy medicine as prescribed by their doctor. As a result,

people have little choice but to resort to alternative treatments. As a result, bargaining power is significantly reduced.

- IV. High bargaining power of suppliers: Currently, 99.5% of pharmaceutical raw materials are imported from China and India into Bangladesh, which shows the strong bargaining power of suppliers. Bangladesh can import active pharmaceutical ingredients from European sources. Buying raw resources from Europe will result in higher costs for Bangladesh. Supplier concentration and high switching costs create significant bargaining power. API Park's business in Munshi Ganj will soon reduce the bargaining power of suppliers.
- V. The competition among current competitors is fierce: Top 20 pharmaceutical companies dominate the Bangladesh market. Each company sells the same drug under multiple brand names. Companies are constantly competing for market share.

SWOT Analysis

SWOT analysis helps companies establish their strategic plans by comparing internal strengths and weaknesses to external opportunities and threats. Internal aspects, such as staff and intellectual property, are under the company's control and subject to change. External variables such as consumer trends and competition are beyond a company's control.

How square pharma gets help by SWOT analysis

Square Pharma uses SWOT analysis to identify strengths and opportunities in its products and services, including unique selling features and trends to capitalize on. Square Pharma conducts SWOT analysis to identify industry competitors and understand their business strategies. Square Pharma inquires about their product and learns about rates, special discounts, challenges to avoid, variables that affect sales, potential market threats, and competitors' unique traits. Square Pharma analyzes its strengths, weaknesses, and threats.

Strengths

1. Tk. 60.30 million USD was invested in upgrading laboratory facilities to adapt to new processes and advances in the industry.
2. Improve operational efficiency at the Pabna and Kaliakoir manufacturing plants through technological innovation, research and training.
3. Square Pharma's strong market position stems from its high standards of product quality and effective marketing strategy.
4. Square Pharma's sales force, capabilities, training and sales skills are superior to competitors such as Beximco Pharmaceuticals Ltd (BPL) and Incepta Pharmaceuticals Ltd. The company has extensive experience in advanced chemistry, high-tech manufacturing facility design and regulatory compliance, as well as well-developed chemical, research and development and manufacturing infrastructure.
5. Square Pharma enjoys a positive reputation among doctors and patients thanks to its consistent top positions. Square Pharma regularly receives positive market feedback for its new products.
6. Square Pharma established a strong distribution network with an experienced sales team.

7. Square Pharma invests less in innovation, manufacturing and cGMP (current good manufacturing practices) than other pharmaceutical companies. This is due to the availability of qualified scientists, technicians and management experts at affordable costs.
8. Square Pharma complies with all business standards and laws for the benefit of shareholders, stakeholders and the public.
9. Square Pharma will be the first Bangladeshi manufacturing company to establish a manufacturing facility in Kenya in December 2021. (Habib, 2021)

Weaknesses

1. Square Pharma's recruitment and selection process is very thorough. The decision-making process is bureaucratic. Decisions made at higher levels can take a long time.
2. Square does not have advanced technology in the production department.
3. Square Pharma's operations are less coordinated, both domestically and internationally.
4. Square Pharma does not have enough resources and capacity to compete with multinational companies in drug development and research on a global scale.

Opportunities

1. Square Pharma sees marketing partnerships with multinational companies as potential opportunities for domestic and international markets.
2. Huge export potential. Square Pharma currently exports to 42 countries.
3. Square Pharma benefits from huge government support. Square Pharma can easily raise funds through various means.
4. SQUARE's global growth potential stems from its reputation for producing high-quality items at affordable prices. Square Pharma currently has a market share of 19%. (Pharmaceutical Industry, n.d.)
5. Square Pharma acquires new chemical companies through licensing agreements with large companies and new drug distribution methods.
6. Square Pharma's clinical trials have revealed new approaches to treating, preventing, diagnosing and understanding human disease.

Threats

1. Incepta Pharmaceuticals Ltd. manufactures new products and develops new solutions to meet the medical needs of Bangladesh. Incepta Pharmaceuticals and Popular Pharmaceuticals are currently developing multiple human vaccines.
2. Square Pharma has 859 products on the market, while Beximco Pharmaceuticals LTD. There are more than 500 but less than 859. Beximco provides customers with specialized high-tech products.
3. Beximco won the 2020 CPhI Pharma Award for "Innovation in COVID-19 Response" after surpassing Square Pharma in its Covid-19 prevention efforts. Beximco signed a COVID-19 vaccination agreement with the Serum Institute of India and invested in SII, the world's largest vaccine manufacturer, to provide Dhaka with rapid access to COVID-19 vaccines.

2.8 Summary

Square Pharmaceuticals PLC is a popular company in Bangladesh that strives for success. Square Pharmaceuticals PLC's success can be attributed to its great HR policies. They offer an excellent working environment for their staff. Employees at Square Pharmaceuticals are recognized and respected. Square Pharmaceuticals PLC's personnel strive to outperform their competitors. Square Pharmaceuticals PLC relies heavily on its reputable Human Resources department.

2.9 Recommendation

Square Pharmaceuticals PLC is the leading pharmaceutical company in Bangladesh and its main challenge is to maintain its position. To maintain its position, Square Pharmaceuticals must modernize and implement new technologies in manufacturing, quality control, distribution and patient management.

Chapter 3: Project Information

3.1 Introduction:

Background:

An Internship Program gives the students a closer look to the real-life situations and thereby helps to move forward a career with some prior experience. It is also a part of our education. In our university, we get to learn theoretical knowledge but it is only through an intern we get to collect practical knowledge. One of the main objectives of the BBA program is to create skilled professionals for various sectors. The internship program is designed to meet the needs of each student who want to develop their career as executives in the field of different business areas as well as teaching and research positions in different institutions. BRAC University offered us that opportunity to do intern. For the participation of this internship program, the author of the study is placed in “Square Pharmaceuticals PLC”. The topic of this paper is "Financial Analysis of Square Pharmaceuticals PLC's Expansion into Nutraceuticals and Dietary Supplements Market: A Strategic Initiative for Growth". My internship is at the corporate head office, Square Pharmaceuticals PLC, Dhaka. During my internship, I going to prepare this report under the supervision of Sayla Sowat Siddiqui, Assistant Professor, BRAC University.

Objectives:

- To develop accurate revenue projections for Square Pharmaceuticals PLC's new product line of nutraceuticals and dietary supplements.
- To conduct a comprehensive cost analysis to determine the investment requirements.
- To evaluate the potential profitability of Square Pharmaceuticals PLC's expansion into the nutraceuticals and dietary supplements market.

- To calculate the expected return on investment for Square Pharmaceuticals PLC's venture into the nutraceuticals and dietary supplements market.
- To conduct sensitivity analysis to assess the impact of key variables and assumptions.
- To evaluate the financial risks associated with Square Pharmaceuticals PLC's expansion into the nutraceuticals and dietary supplements.

Significance:

This research is extremely valuable in clarifying Square Pharmaceuticals PLC's strategic orientation and possible growth trajectory against the backdrop of Bangladesh's developing Vitamins & Minerals industry. The Vitamins & Minerals market in Bangladesh has grown steadily in recent years, owing to client preferences for better lifestyles and increased awareness of the advantages of vitamins and minerals. This growth is consistent with Square Pharmaceuticals' strategy objective to diversify into the nutraceuticals and dietary supplements industry, leveraging changing consumer tastes and meeting increased demand for health-enhancing products. Furthermore, local unique circumstances, such as Bangladesh's large and health-conscious population, combined with underlying macroeconomic factors such as a growing middle class and rising disposable incomes, have created a favorable market environment for Square Pharmaceuticals' expansion into this segment. As the market evolves, the findings of this financial analysis will not only help Square Pharmaceuticals make decisions, but will also contribute to a better knowledge of the dynamics that drive the Vitamins & Minerals market in Bangladesh.

3.2 Methodology:

For preparing this paper, I used both Secondary and Primary data.

❖ Collection of Primary Data:

- Experience queries from the executives while doing my internship at The Square Pharmaceuticals PLC.
- Collecting data by overviewing the organization.
- Interviewing staffs.

❖ Collection of Secondary Data:

- Annual Reports.
- Brochures, Manuals and Publication of the Organization.
- Internet and websites.

3.3 Assumptions:

- The operating life of the project has been assumed 5 years.
- It will be operated on 350 days a year.
- Throughout the predicted years of operation, the prices of raw materials and finished goods have remained constant. Any increases in raw material prices are expected to be compensated by increases in completed goods prices.

- Assumed 50% accounts payable and 10% accounts receivable annually. There have been no assumptions made on the bad debts account, whereas it has been anticipated that all payables will be cleared within the next year.

3.4 Sales Forecast:

Square Pharmaceuticals has projected its sales for the next five years, anticipating a steady growth rate. They are launching this project with 15 new products. The company expects a 30% compounded annual growth rate, reflecting both consumer demand for its products as well as Square's strong market position. Sales are also expected to gain from higher production in the third and fifth years, which will be made possible by investments in new equipment. This strategy approach sets Square Pharmaceuticals up for long-term revenue growth, with an expected total revenue of Tk. 516,895,200.00 in 2024-25 and growing to Tk. 1,834,461,064.80 in 2028-29. The complete sales forecast is shown in Annexure 2.

3.5 Cost of the Project

The entire cost of the project is BDT 998,285,000, which includes numerous components required for its completion. This full number includes the acquisition of Property, Plant, and Equipment (PPE) and any other kind of costs, which are specified in Annexure. These assets are the actual foundation of the project's infrastructure, and it enables a smooth operation and productivity. Additionally, the cost also includes any charges connected to the purchase of raw materials, which are detailed in Annexure 6.2. These materials are required for manufacturing processes which then later enables the manufacture of high-quality goods. Furthermore, the cost of operations, which is specified in Annexure 6.3, is also included in the total project budget. These operating costs include the expenses that incurred during the project's existence, such as labor, utilities, maintenance, and overhead. Together, all of the factors mentioned above contribute to the project's overall financial outlay, which assures us about a successful execution and long-term operation.

Cost of Project	
Property Plant and Equipment	(767,500,000.00)
Raw Materials	(145,715,000.00)
Cost of Operation	(85,070,000.00)
Total	(998,285,000.00)

3.6 Means of Finance:

The project is going to be wholly funded through equity, with an initial investment of BDT 1,000,000,000. This deliberate decision to rely only on equity financing demonstrates that the company is dedicated to ensure the financial stability and autonomy throughout the project's lifespan. By choosing equity financing, Square can avoid debt-related expenses like interest payments and repayment requirements on the project, which then lowers the financial risk and

increases flexibility. Furthermore, funding the project with equity also ensures that ownership remains with the company and its shareholders, which allows Square to have influence over decision-making processes as well as future operations. With a significant initial investment, the initiative is well thought to achieve its goals while remaining financially stable at the same time. This allows Square to establish the framework for long-term success and expansion.

3.7 Depreciation and Book Value:

Here, depreciation is estimated applying the reducing balance method, which is what Square actually uses. It includes adding a predefined rate to the asset's remaining net book value at each time period.

Particulars	Rate of Depreciation
Land	0.00%
Building	10.00%
Plant and Machinery	15.00%
Lab Equipment	10.00%
Furniture	10.00%
Office Equipment	10.00%
Computer	20.00%
Electro-Mechanical Equipment	15.00%

Throughout the project's lifespan, depreciation has been charged at rates relevant to each asset class in Square's book. The accumulated depreciation over the project's lifecycle is BDT 355,598,948.75, representing the progressive decrease in asset value over time. This statistic indicates the total depreciation for all assets used in the project. As a result of this depreciation, the net book value of the assets is BDT 888,901,051.25, which represents the residual value after accounting for accumulated depreciation. Using the Declining balance method, the project appropriately reflects the decreasing value of its assets over time, ensuring that financial statements accurately depict the assets' true worth and the project's financial state as a whole.

3.8 Manufacturing Overhead

Here are the manufacturing costs predicted to occur in the deemed project:

Manufacturing Overhead					
	2024-25	2025-26	2026-27	2027-28	2028-29
Salaries and Wages for Factory Personnel	10,000,000.00	10,500,000.00	11,000,000.00	11,500,000.00	12,000,000.00
Repairs & Maintenance	1,000,000.00	1,000,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Other	8,000,000.00	8,500,000.00	8,500,000.00	9,000,000.00	9,500,000.00
Sub-Total	19,000,000.0	20,000,000.0	21,000,000.0	22,000,000.0	23,000,000.0

3.9 Costs of Goods Sold

Below is the predicted costs of goods sold during the period of the project:

Cost of Goods Sold					
	2024-25	2025-26	2026-27	2027-28	2028-29
Raw Materials Used	190,000,000.00	247,000,000.00	346,000,000.00	450,000,000.00	680,000,000.00
Packing Materials Used	90,000,000.00	108,000,000.00	130,000,000.00	160,000,000.00	290,000,000.00
Manufacturing Overhead	19,000,000.00	20,000,000.00	21,000,000.00	22,000,000.00	23,000,000.00
Add: Opening Work-in-Progress	0.00	5,000,000.00	12,000,000.00	8,000,000.00	13,000,000.00
Less: Ending Work-in-Progress	(5,000,000.00)	(12,000,000.00)	(8,000,000.00)	(13,000,000.00)	(23,000,000.00)
Add: Opening Finished Goods	0.00	5,000,000.00	8,000,000.00	10,000,000.00	15,000,000.00
Less: Ending Finished Goods	(5,000,000.00)	(8,000,000.00)	(10,000,000.00)	(15,000,000.00)	(10,000,000.00)
	289,000,000.00	365,000,000.00	499,000,000.00	622,000,000.00	988,000,000.00

3.10 Administrative Expenses

Administrative expenses are expenses incurred for administrative tasks. Depreciation of office equipment and vehicles is treated as administrative expenses. As illustrated in Annexure 6.4, administrative expenses include rent and repairs. Salaries for workers and staff are administrative expenses. The assumption for administrative expenses is shown below.

Administrative Expenses					
	2024-25	2025-26	2026-27	2027-28	2028-29
Salaries and Wages	5,500,000.00	5,775,000.00	6,050,000.00	6,325,000.00	6,600,000.00
Repairs & Maintenance	2,200,000.00	2,310,000.00	2,420,000.00	2,530,000.00	2,640,000.00
Traveling and Conveyance	1,800,000.00	1,890,000.00	1,980,000.00	2,070,000.00	2,160,000.00
Office Rent	500,000.00	525,000.00	550,000.00	575,000.00	600,000.00
Depreciation Expense	67,800,000.00	59,420,000.00	74,496,500.00	65,325,375.00	88,557,073.75
Electrical Installation and fee	70,000.00	70,000.00	95,000.00	95,000.00	115,000.00
Sub-Total	77,870,000.00	69,990,000.00	85,591,500.00	76,920,375.00	100,672,073.75

3.11 Selling and Distribution Expenses

The expenses predicted to occur for the sole purposes of selling and distributing the products of the project is shown below:

Selling and Distribution Expense					
	2024-25	2025-26	2026-27	2027-28	2028-29
Salaries and Wages	15,000,000.00	16,205,357.14	18,750,000.00	19,955,357.14	22,500,000.00
Marketing and Sales Promotional Expenses	13,000,000.00	14,044,642.86	16,250,000.00	17,294,642.86	19,500,000.00
Field Staff Salaries, Allowances, TA & DA	21,000,000.00	22,687,500.00	26,250,000.00	27,937,500.00	31,500,000.00
Sample Expenses	7,000,000.00	7,562,500.00	8,750,000.00	9,312,500.00	10,500,000.00
Sub-Total	56,000,000.00	60,500,000.00	70,000,000.00	74,500,000.00	84,000,000.00

3.12 Working Capital

Working capital represents a company's operational liquidity. Net working capital is a derivative of working capital. Net working capital equals current assets less current liabilities. Square Pharmaceuticals PLC considers raw materials, work in process, finished goods, and accounts receivable as current assets for working capital. However, salaries, electric bills, rents, fees, accounts payables and other costs are considered liabilities. The table below shows the change in net working capital over a 5-year period.

Working Capital					
	2024-25	2025-26	2026-27	2027-28	2028-29
Current Assets	518,884,530.00	751,856,694.00	907,375,461.10	1,381,104,928.96	1,906,298,470.77
Current Liabilities	145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
Net Working Capital	373,169,530.00	569,356,694.00	664,875,461.10	1,078,604,928.96	1,403,798,470.77
Changes in NWP	373,169,530.00	196,187,164.00	95,518,767.10	413,729,467.86	325,193,541.81

3.13 Balance Sheet

The company's forecasted financial position for the next five years demonstrates a strong financial foundation:

SQUARE PHARMACEUTICALS PLC.	
Forecasted Statement of Financial Position	

	2024-25	2025-26	2026-27	2027-28	2028-29
ASSETS					
Non-Current Assets	699,700,000.00	640,280,000.00	766,533,500.00	701,208,125.00	888,901,051.25
Property, Plant and Equipment	699,700,000.00	640,280,000.00	766,533,500.00	701,208,125.00	888,901,051.25
Current Assets	518,884,530.00	751,856,694.00	907,375,461.10	1,381,104,928.96	1,906,298,470.77
Inventories	21,430,000.00	41,430,000.00	48,430,000.00	53,430,000.00	93,430,000.00
Trade and Other Receivables	77,534,280.00	100,794,564.00	141,112,389.60	183,446,106.48	275,169,159.72
Cash and Cash Equivalents	419,920,250.00	609,632,130.00	717,833,071.50	1,144,228,822.48	1,537,699,311.05
TOTAL ASSETS	1,218,584,530.00	1,392,136,694.00	1,673,908,961.10	2,082,313,053.96	2,795,199,522.02
SHAREHOLDERS' EQUITY AND LIABILITIES					
Owner's Equity	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00
Retained Earnings	72,869,530.00	209,636,694.00	431,408,961.10	779,813,053.96	1,292,699,522.02
TOTAL SHAREHOLDERS' EQUITY	1,072,869,530.00	1,209,636,694.00	1,431,408,961.10	1,779,813,053.96	2,292,699,522.02
Current Liabilities:	145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
Trade Payables	145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
TOTAL LIABILITIES	145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,218,584,530.00	1,392,136,694.00	1,673,908,961.10	2,082,313,053.96	2,795,199,522.02

3.14 Income Statement

The projected statement of profit or loss and other comprehensive income of the project is given below:

SQUARE PHARMACEUTICALS PLC.					
Statement of Profit or Loss and Other Comprehensive Income					
	2024-25	2025-26	2026-27	2027-28	2028-29
Gross Revenue	516,895,200.00	671,963,760.00	940,749,264.00	1,222,974,043.20	1,834,461,064.80
Cost of Goods Sold	289,000,000.00	365,000,000.00	499,000,000.00	622,000,000.00	988,000,000.00
Gross Profit	227,895,200.00	306,963,760.00	441,749,264.00	600,974,043.20	846,461,064.80
Operating Expenses:	(133,870,000.00)	(130,490,000.00)	(155,591,500.00)	(151,420,375.00)	(184,672,073.75)
Selling and Distribution Expenses	(56,000,000.00)	(60,500,000.00)	(70,000,000.00)	(74,500,000.00)	(84,000,000.00)
Administrative Expenses	(77,870,000.00)	(69,990,000.00)	(85,591,500.00)	(76,920,375.00)	(100,672,073.75)
Gross Profit from Operations	94,025,200.00	176,473,760.00	286,157,764.00	449,553,668.20	661,788,991.05
Income Tax	21,155,670.00	39,706,596.00	64,385,496.90	101,149,575.35	148,902,522.99
Profit After Tax	72,869,530.00	136,767,164.00	221,772,267.10	348,404,092.86	512,886,468.06

3.15 Cash Flow Statement

The project is expected to have sufficient cash to cover operational expenses, debt obligations, and other expenses. Details are provided below.

SQUARE PHARMACEUTICALS PLC.					
Statement of Cash Flows					
	2024-25	2025-26	2026-27	2027-28	2028-29
Cash Flow from Operating Activities	187,420,250.00	189,711,880.00	308,950,941.50	426,395,750.98	669,720,488.57
Cash Received from Customers	439,360,920.00	648,703,476.00	900,431,438.40	1,180,640,326.32	1,742,738,011.56
Cash Paid to Suppliers	(145,715,000.00)	(328,215,000.00)	(425,000,000.00)	(545,000,000.00)	(805,000,000.00)
Cash Paid for Operations	(85,070,000.00)	(91,070,000.00)	(102,095,000.00)	(108,095,000.00)	(119,115,000.00)
Cash Paid for Income Tax	(21,155,670.00)	(39,706,596.00)	(64,385,496.90)	(101,149,575.35)	(148,902,522.99)
Cash Flow from Investing Activities	(767,500,000.00)	0.00	(200,750,000.00)	0.00	(276,250,000.00)
Purchase of Equipment	(767,500,000.00)	0.00	(200,750,000.00)	0.00	(276,250,000.00)
Cash Flow from Financing Activities	1,000,000,000.00	0.00	0.00	0.00	0.00
Issue of Owner's Equity	1,000,000,000.00	0.00	0.00	0.00	0.00
Net Cash Flow	419,920,250.00	189,711,880.00	108,200,941.50	426,395,750.98	393,470,488.57
Cash Balance Beginning	0.00	419,920,250.00	609,632,130.00	717,833,071.50	1,144,228,822.48
Cash Balance Ending	419,920,250.00	609,632,130.00	717,833,071.50	1,144,228,822.48	1,537,699,311.05

3.16 Payback Period

The payback period is an important financial indicator that assesses how long it takes for an investment to return its initial cost. It provides us with vital insights into the liquidity and risk associated with an investment, which then allows stakeholders to assess the project's feasibility and profitability. Understanding the payback period is critical for decision-making because it helps the investors to assess the efficacy of their investments and then prioritize projects based on their capacity to create returns within a specific time frame. The payback period of this project is 3.74 years and the details is shown below:

Payback Period Calculation		
Period	Cash flow	Cumulative Cash Flow
Year 0	-1,000,000,000.00	-1,000,000,000.00
Year 1	187,420,250.00	-812,579,750.00
Year 2	189,711,880.00	-622,867,870.00
Year 3	308,950,941.50	-313,916,928.50
Year 4	426,395,750.98	112,478,822.48
Year 5	669,720,488.57	782,199,311.05
Payback Period		3.74

3.17 Discounted Payback Period:

The discounted payback period is a financial term that calculates how long it takes for an investment to recover the initial cost, while taking into account the time value of the money and the discounting future cash flows. It is an effective method for us to determine the profitability and risk of long-term investments since it considers the present value of future cash flows. By including the notion of discounting, the discounted payback time provides us a more comprehensive assessment of investment returns, which helps the stakeholders make educated capital allocation decisions. The discounted payback period of this project is 4.36 years and the details are shown below:

Discounted Payback Period Calculation			
Period	Cash flow	Discounted Cash Flow	Cumulative Cash Flow
0	-1,000,000,000.00	-1,000,000,000.00	-1,000,000,000.00
1	187,420,250.00	170,382,045.45	-829,617,954.55
2	189,711,880.00	156,786,677.69	-672,831,276.86
3	308,950,941.50	232,119,415.10	-440,711,861.76
4	426,395,750.98	291,234,035.23	-149,477,826.53
5	669,720,488.57	415,843,731.85	266,365,905.31
Discounted Payback Period @10%		4.36	

3.18 Net Present Value

Net Present Value (NPV) is one of the fundamental financial statistics that evaluates the present value of future cash flows generated by an investment, which is also discounted at a given rate of return. It gives us information about an investment's future returns after accounting for the initial cost of the investment and the timings of cash inflows and outflows. The project's Net Present Value (NPV), which was determined at 266,365,905.31 BDT, indicates that the present value of future cash flows generated by this investment is more than the initial cost. This positive NPV says that the project is likely to generate returns for us that exceed the needed rate of return, that adds value to the firm.

NPV Calculation	
Period	Cash flow

Year 0	-1,000,000,000.00
Year 1	187,420,250.00
Year 2	189,711,880.00
Year 3	308,950,941.50
Year 4	426,395,750.98
Year 5	669,720,488.57
NPV @10%	266,365,905.31

3.19 Internal Rate of Return

The Internal Rate of Return (IRR) is another critical financial indicator that analyzes the investment's profitability by calculating the discount rate at which the net present value (NPV) of cash flows equals zero. It is critical for us in investment decision-making since it shows us the possible return on our investment and allows us to assess the attractiveness of different investment prospects. Now, with an Internal Rate of Return (IRR) of 18%, this investment is expected to generate a return greater than the cost of capital. This reflects the project's potential profitability, as it implies that the cash flows will create returns at a rate greater than the WACC of Square Pharmaceuticals which 10.03%.

IRR Calculation	
Period	Cash flow
Year 0	-1,000,000,000.00
Year 1	187,420,250.00
Year 2	189,711,880.00
Year 3	308,950,941.50
Year 4	426,395,750.98
Year 5	669,720,488.57
IRR	18%

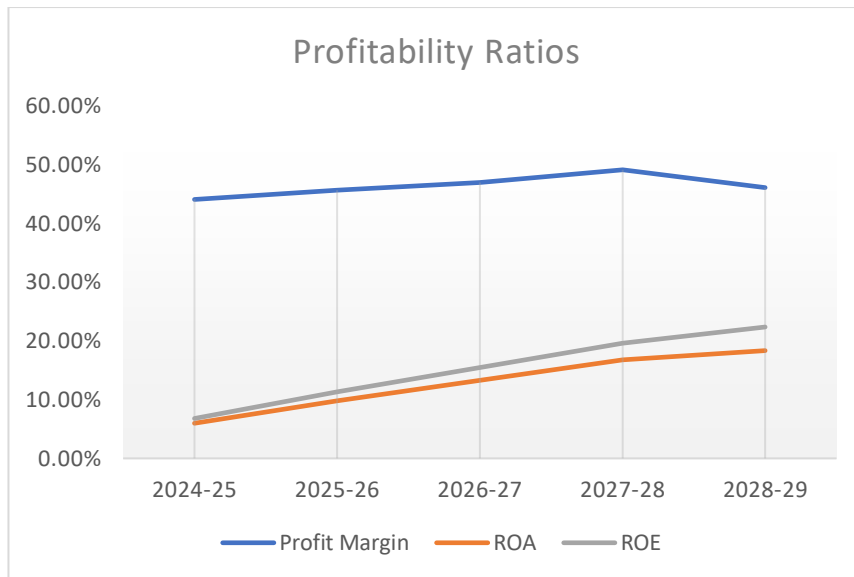
WACC Calculation	
Equity	115195939389.00
Debt	6,619,656,401.00
V= (Equity + Debt)	121,815,595,790.00
Re=	0.10
Rd=	0.14
Tc=	0.23
WACC=	10.03%

3.20 Ratio Analysis

Profitability Ratio

Profitability ratios compare a company's earnings or incomes to its expenses and costs over a certain period of time. The profitability ratios for Square Pharmaceuticals are as follows:

Profitability Ratios					
	2024-25	2025-26	2026-27	2027-28	2028-29
Profit Margin	44.09%	45.68%	46.96%	49.14%	46.14%
Return on Asset	5.98%	9.82%	13.25%	16.73%	18.35%
Return on Equity	6.79%	11.31%	15.49%	19.58%	22.37%

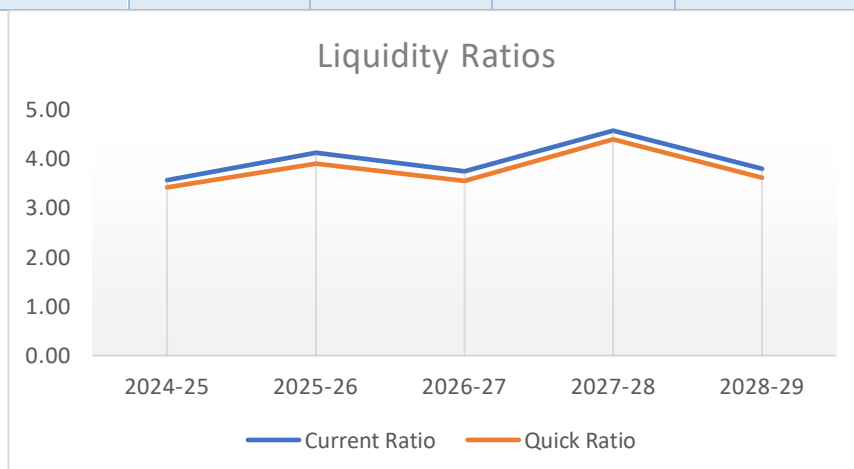


The profitability ratios for Square Pharmaceuticals PLC demonstrate a positive trend over the forecasted period of time. The profit margin is steadily increasing from 44.09% in 2024-25 to a peak of 49.14% in 2027-28, which indicates an efficient management of costs and expenses relative to revenue. Return on Assets (ROA) is also showing substantial growth, starting at 5.98% and rising to 18.35% by 2028-29, which also suggests effective asset utilization and profitability generation. Return on Equity (ROE) is also following a similar trajectory, starting at 6.79% and reaching 22.37% in the final year, that reflects the company's ability to generate profits from shareholders' equity.

Liquidity Ratios

Liquidity Ratios assess the company's ability to repay its financial obligations of short-term. The liquidity ratios of Square Pharmaceuticals PLC are as follows:

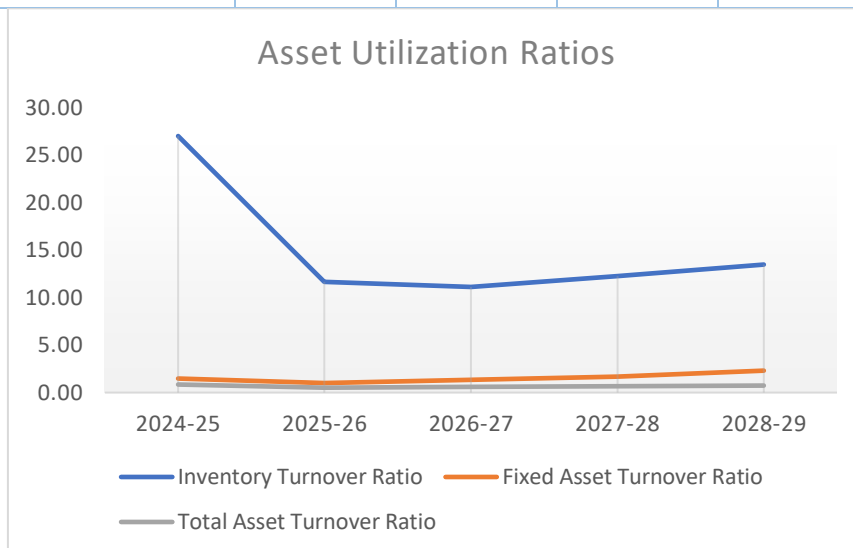
Liquidity Ratios					
	2024-25	2025-26	2026-27	2027-28	2028-29
Current Ratio	3.56	4.12	3.74	4.57	3.79
Quick Ratio	3.41	3.89	3.54	4.39	3.61



Square Pharmaceuticals going to maintain a continuously high current ratio, ranging from 3.56 to 4.57 during the predicted period of time. This shows that the corporation has more than enough current assets to satisfy its short-term liabilities. A greater current ratio indicates a stronger liquidity position, which reassures creditors and investors about the company's ability to satisfy its financial obligations on time. Similarly, Square Pharmaceuticals also maintains a strong quick ratio, which ranges from 3.41 to 4.39 for the anticipated period of time. The quick ratio, commonly known as the acid-test ratio, assesses the company's capacity to fulfill short-term liabilities solely through its most liquid assets, which excludes the inventory. Square Pharmaceuticals' continuous high quick ratio suggests that company could quickly meet its immediate obligations without relying substantially on their inventory liquidation.

Asset Utilization Ratios

Asset Utilization Ratios					
	2024-25	2025-26	2026-27	2027-28	2028-29
Inventory Turnover	26.97	11.61	11.11	12.21	13.45
Fixed Asset Turnover	1.48	1.00	1.34	1.67	2.31
Total Asset Turnover	0.85	0.51	0.61	0.65	0.75

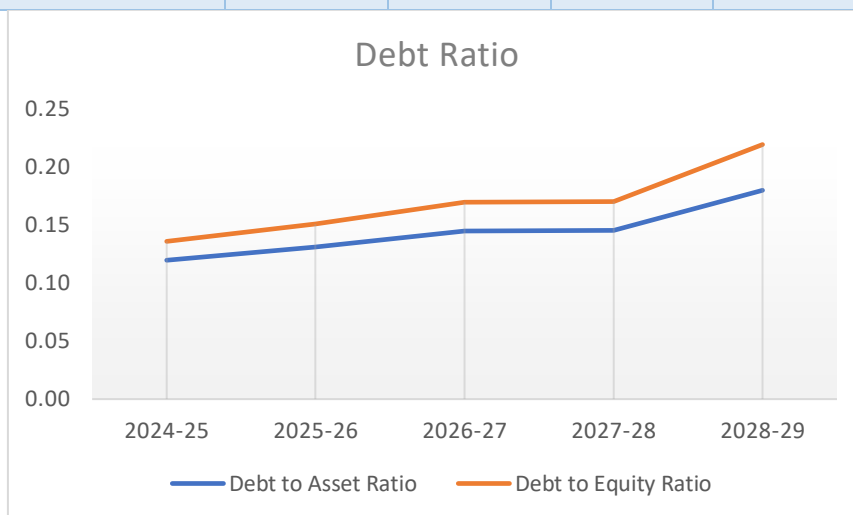


Square Pharmaceuticals will have a high inventory turnover ratio, ranging between 11.11 and 26.97 throughout the projection period. This suggests that the organization controls its inventory levels effectively, with a higher turnover reflecting more frequent sales compared to the average inventory kept over the period. A high inventory turnover ratio indicates good inventory management procedures, which lowers the risk of inventory obsolescence and associated carrying costs. The fixed asset turnover ratio shows us how well Square Pharmaceuticals uses its fixed assets, such as property, plant, and equipment, to generate revenue. Throughout the predicted period of time, the ratio goes from 1.00 to 2.31, that suggests that the company effectively earns revenue from its investments in fixed assets. A greater fixed asset turnover ratio indicates that fixed assets are being used most effectively to achieve sales and revenue growth. Square Pharmaceuticals' total asset turnover ratio ranges from 0.51 to 0.85 during the projection period of time. Now, this ratio compares the company's ability to generate sales to its total assets. A greater total asset turnover ratio implies that Square Pharmaceuticals

can effectively use its assets to produce revenue, that results in increased profitability and return on investment.

Debt Ratios

Debt Ratios					
	2024-25	2025-26	2026-27	2027-28	2028-29
Debt to Assets Ratio	0.12	0.13	0.14	0.15	0.18
Debt to Equity Ratio	0.14	0.15	0.17	0.17	0.22



Square Pharmaceuticals' debt to assets ratio will remain low and constant, ranging from 0.12 to 0.18 throughout the anticipated period of time. This ratio represents to us the percentage of the company's assets financed with debt. A lower debt-to-assets ratio show us that Square Pharmaceuticals uses less debt financing to fund its operations and investments, which can later improve financial stability and lessen the danger of insolvency. The debt-to-equity ratio indicates how much of Square Pharmaceuticals' activities are financed by debt vs how much by equity. Throughout the predicted period of time, the ratio fluctuates between 0.14 and 0.22, indicating a moderate level of leverage. A lower debt-to-equity ratio shows us that the project is depending more on equity financing, which will minimize financial risk and increase flexibility in debt management.

3.21 Sensitivity Analysis

Sensitivity Analysis for Operating Profit (2024-25)

Sensitivity Analysis for Operating Profit 2024-25						
		Total Units Sold				
	94,025,200.00	122344	163126	217501	271876	339845
Average Unit	1,336.79	(259,321,128.13)	(204,804,837.50)	(132,116,450.00)	(59,428,062.50)	31,432,421.88
	1,782.39	(204,804,837.50)	(132,116,450.00)	(35,198,600.00)	61,719,250.00	182,866,562.50
	2,376.52	(132,116,450.00)	(35,198,600.00)	94,025,200.00	223,249,000.00	384,778,750.00

	2,970.65	(59,428,062.50)	61,719,250.00	223,249,000.00	384,778,750.00	586,690,937.50
	3,713.31	31,432,421.88	182,866,562.50	384,778,750.00	586,690,937.50	839,081,171.88

1. Total Units Sold:

We can see the operating profit is very sensitive to the total units sold. As the units sold increases from 122,344 to 339,845, the operating profit also shifts from a substantial loss to a significant gain. For example, when at 122,344 units, the operating profit is BDT (259,321,128.1), while for 339,845 units, it reaches BDT 839,081,171.9. This indicates to us that achieving higher sales volumes is crucial for the project's profitability.

2. Average Unit Price:

We can also see that the sensitivity to average unit price is also very evident, showing the direct impact of pricing strategy on profitability to us. For example, when the average unit price is set at BDT 1,336.79, the operating profit is (259,321,128.1), in the negatives, whereas with a price of BDT 3,713.31, the profit is 839,081,171.9. Therefore, optimizing the unit price can significantly enhance the operating profit.

Sensitivity Analysis for NPV (Net Present Value)

Sensitivity Analysis for NPV						
		Initial Investment				
	266,365,905.31	(640,000,000.00)	(800,000,000.00)	(1,000,000,000.00)	(1,200,000,000.00)	(1,440,000,000.00)
Borrowing Rate	8%	710,653,963.48	550,653,963.48	350,653,963.48	150,653,963.48	(89,346,036.52)
	9%	667,530,556.00	507,530,556.00	307,530,556.00	107,530,556.00	(132,469,444.00)
	10%	626,365,905.31	466,365,905.31	266,365,905.31	66,365,905.31	(173,634,094.69)
	11%	587,050,357.19	427,050,357.19	227,050,357.19	27,050,357.19	(212,949,642.81)
	12%	549,481,435.21	389,481,435.21	189,481,435.21	(10,518,564.79)	(250,518,564.79)

1. Initial Investment:

Here, we can see that the NPV is sensitive to changes in the initial investment. An initial investment of BDT 640,000,000 gives us an NPV of 710,653,963.48, while an investment of BDT 1,440,000,000 gives an NPV of -89,346,036.52. This shows that higher initial investments negatively affect the project's NPV, highlighting the importance of controlling initial costs.

2. Borrowing Rate:

Now, changes in the borrowing rate also impact the NPV. For instance, at an 8% borrowing rate, the NPV is at BDT 710,653,963.5, whereas at 12%, it drops down to BDT 549,481,435.2. From this, we can see that lower borrowing rates are favorable for the project's NPV, which is suggesting that negotiating better loan terms can improve project value.

Sensitivity Analysis for IRR (Internal Rate of Return)

Sensitivity Analysis for IRR						
		Initial Investment				
	18%	(640,000,000.00)	(800,000,000.00)	(1,000,000,000.00)	(1,200,000,000.00)	(1,440,000,000.00)
Average Cashflow	180,000,000.00	32.34%	22.09%	13.06%	6.45%	0.43%
	240,000,000.00	35.92%	24.80%	15.13%	8.11%	1.77%
	320,000,000.00	41.04%	28.65%	18.03%	10.42%	3.62%
	400,000,000.00	46.58%	32.78%	21.12%	12.87%	5.56%
	500,000,000.00	54.13%	38.34%	25.24%	16.11%	8.12%

1. Initial Investment:

Now from this one, it lets us know that, the IRR is sensitive to the amount of initial investment has been made. With an initial investment of BDT 640,000,000, the IRR is 32.34%, while at BDT 1,440,000,000, it reduces to 0.43%. This demonstrates to us that higher initial investments in the project will decrease the project's IRR, which is indicating the need for optimizing the initial capital outlay to achieve a higher return on investment.

2. Average Cash Flow:

Variations in average cash flow significantly affect the IRR. For example, if the average cashflow is at BDT 180,000,000, the IRR is 32.34%, and if it is at BDT 500,000,000, it increases to 54.13%. So, ensuring stable and increasing cash flows from the project will enhance the project's IRR. This emphasizes the importance of efficient operational management and revenue generation.

3.22 Competitive Analysis: Square vs. Radiant Nutraceuticals

Market Overview

Square is planning to venture into the nutraceuticals market of Bangladesh, which is currently led by Radiant Nutraceuticals. The nutraceutical market is characterized by health supplements, functional foods, and beverages that provide us health benefits beyond basic nutrition. Radiant Nutraceuticals has established itself as a market leader due to its extensive product range, strong brand reputation, and wide distribution network.

Competitive Landscape

Square's Strengths:

- 1. Innovation:**
 - Square can leverage its existing research and development capabilities to innovate some new and effective nutraceutical products of their own.
 - Investment in cutting-edge technology and formulations can help differentiate Square from Radiant.
- 2. Brand Recognition:**
 - Square's established brand image from other sectors can provide an initial boost in credibility and trust in the nutraceutical markets.
 - Effective branding and marketing strategies can also attract a health-conscious consumer base.
- 3. Distribution Network:**
 - By utilizing its extensive distribution network, Square can also ensure widespread availability of its nutraceutical products to people.
 - Collaborations with healthcare professionals and fitness centers or gyms can enhance product reach too.

Radiant Nutraceuticals' Strengths:

- 1. Product Quality:**
 - Radiant always had a proven track record of high-quality products that meet consumers' expectations.
 - Its stringent quality control measures and certifications provide it with a competitive edge.
- 2. Market Experience:**
 - With years of experience, Radiant now has a deep understanding of the market dynamics and the consumer preferences.
 - Long established relationships with its suppliers and the retailers also give Radiant a logistical advantage here.
- 3. Brand Loyalty:**
 - Radiant also enjoys some strong brand loyalty due to the consistent product performance and the customer satisfaction from market.
 - Its reputation as a reliable provider of health supplements sustains its market dominance.

Competitive Analysis Table:

Criteria	Square Pharmaceuticals	Radiant Nutraceuticals
Product Quality	8	9
Pricing	7	6
Place (Distribution)	8	9
Promotion	7	8
Positioning	6	8
Reputation	7	9
People (Expertise)	8	8
Partnerships	7	8

Strategic Recommendations

1. **Focus on Innovation:**
 - Square should focus on developing its unique, high-quality nutraceutical products to differentiate itself from Radiant in the market.
 - Investing in the R&D for product innovation and obtaining relevant certifications from the authorities can also attract health-conscious consumers.
2. **Competitive Pricing:**
 - Competitive pricing strategies can also help Square to penetrate the market and attract the price-sensitive customers.
 - Offering promotional discounts and loyalty programs can boost initial sales and foster customer loyalty.
3. **Enhanced Distribution:**
 - Expanding the distribution network of Square to include some online sales channels can increase product accessibility too.
 - Collaborations with some health and wellness influencers on internet can also enhance brand visibility and credibility.
4. **Building Brand Trust:**
 - Transparent communication about the product benefits, sourcing, and quality can help Square build the consumers' trust.
 - Engaging in some corporate social responsibility (CSR) activities related to health and wellness in the society can also enhance brand reputation.
5. **Leveraging Existing Strengths:**
 - Utilizing Square's existing brand reputation and operational expertise can also help it create synergies in the new market of nutraceuticals.
 - Integrating some nutraceutical products with some of the existing product lines can also provide cross-selling opportunities.

By focusing on these strategic areas, Square can effectively compete with Radiant Nutraceuticals and establish a strong presence in the nutraceutical market.

3.23 Recommendation

There were several challenges encountered during this project. one of them was accessing comprehensive and up-to-date market data, which was difficult, which could lead to inaccurate market analysis. To address this problem, Square Pharmaceuticals PLC should invest in advanced data analytics tools and possibly partner with reliable market research firms.

Co-ordinating among different teams to gather information also posed challenges during the project duration, resulting in delays. Implementing a centralized project management system could help streamline communication and enhance such collaborations.

Now lastly, it was challenging to measure the direct impact of marketing initiatives due to a lack of robust tracking mechanisms. It could be helpful to adopt a comprehensive performance metrics and analytics platforms to provide real-time feedback and optimize marketing efforts to address the issue.

By addressing these challenges with the recommended solutions, the project's viability could improve and achieve better marketing success.

3.24 Conclusion

Finally, detailed financial study given above about Square Pharmaceuticals PLC's entry into the nutraceuticals and dietary supplements market demonstrates that it is a smart strategic decision with excellent possibilities. This project has been thoroughly evaluated using a variety of financial indicators, which includes the revenue estimates, cost analysis, profitability assessment, and risk evaluation. With good signs, such as- a favorable net present value (NPV), internal rate of return (IRR), and high profitability and liquidity ratios, Square Pharmaceuticals PLC's entry into this market area appears to be well-founded and positioned for success. The company's ability to leverage its market position, as well as capitalize on shifting customer tastes, and adapt to the changing landscape of Bangladesh's Vitamins & Minerals business highlights its long-term development and potential for great value creation. This financial research does not benefit Square Pharmaceuticals PLC only, but it also helps us to better understand the forces that drive the industry's growth trajectory.

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Annexures:

Product List	
Product Name	Price per unit
Biotin Supplements	1,600.00
Turmeric Curcumin Supplements	1,600.00
Iron Supplements	1,750.00
Vitamin C Supplements	1,800.00
Probiotic Supplements	2,000.00
Creatine Supplements	2,400.00
Melatonin Supplements	2,500.00
Omega-3 Fish Oil Supplements	2,900.00
Glucosamine Supplements	3,000.00
Fiber Supplements	3,050.00
Green Tea Extract Supplements	3,100.00
Collagen Supplements	3,150.00
Multivitamin Tablets	3,200.00
Ginseng Supplements	3,350.00
Protein Supplements	3,500.00

Annexure 1: Product List

SQUARE PHARMACEUTICALS PLC.						
Statement of Profit or Loss and Other Comprehensive Income						
	Notes	2024-25	2025-26	2026-27	2027-28	2028-29
Gross Revenue	8	516,895,200.00	671,963,760.00	940,749,264.00	1,222,974,043.20	1,834,461,064.80
Cost of Goods Sold	9	289,000,000.00	365,000,000.00	499,000,000.00	622,000,000.00	988,000,000.00
Gross Profit		227,895,200.00	306,963,760.00	441,749,264.00	600,974,043.20	846,461,064.80
Operating Expenses:		(133,870,000.00)	(130,490,000.00)	(155,591,500.00)	(151,420,375.00)	(184,672,073.75)
Selling and Distribution Expenses	10	(56,000,000.00)	(60,500,000.00)	(70,000,000.00)	(74,500,000.00)	(84,000,000.00)
Administrative Expenses	11	(77,870,000.00)	(69,990,000.00)	(85,591,500.00)	(76,920,375.00)	(100,672,073.75)
Gross Profit from Operations		94,025,200.00	176,473,760.00	286,157,764.00	449,553,668.20	661,788,991.05
Income Tax	12	21,155,670.00	39,706,596.00	64,385,496.90	101,149,575.35	148,902,522.99
Profit After Tax		72,869,530.00	136,767,164.00	221,772,267.10	348,404,092.86	512,886,468.06

Annexure 2: Forecasted Statement of Profit or Loss and Other Comprehensive Income

SQUARE PHARMACEUTICALS PLC.						
Forecasted Statement of Financial Position						
	Notes	2024-25	2025-26	2026-27	2027-28	2028-29
ASSETS						
Non-Current Assets		679,700,000.00	620,280,000.00	746,533,500.00	681,208,125.00	868,901,051.25
Property, Plant and Equipment	4	679,700,000.00	620,280,000.00	746,533,500.00	681,208,125.00	868,901,051.25
Current Assets		538,884,530.00	771,856,694.00	927,375,461.10	1,401,104,928.96	1,926,298,470.77
Inventories	5	21,430,000.00	41,430,000.00	48,430,000.00	53,430,000.00	93,430,000.00
Trade and Other Receivables	6	77,534,280.00	100,794,564.00	141,112,389.60	183,446,106.48	275,169,159.72
Cash and Cash Equivalents		439,920,250.00	629,632,130.00	737,833,071.50	1,164,228,822.48	1,557,699,311.05
TOTAL ASSETS		1,218,584,530.00	1,392,136,694.00	1,673,908,961.10	2,082,313,053.96	2,795,199,522.02
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' Equity						
Owner's Equity		1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00
Retained Earnings		72,869,530.00	209,636,694.00	431,408,961.10	779,813,053.96	1,292,699,522.02
TOTAL SHAREHOLDERS' EQUITY		1,072,869,530.00	1,209,636,694.00	1,431,408,961.10	1,779,813,053.96	2,292,699,522.02
Current Liabilities:						
Trade Payables	7	145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
TOTAL LIABILITIES		145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,218,584,530.00	1,392,136,694.00	1,673,908,961.10	2,082,313,053.96	2,795,199,522.02

Annexure 3: Forecasted Statement of Financial Position

SQUARE PHARMACEUTICALS PLC.						
Statement of Cash Flows						
	Notes	2024-25	2025-26	2026-27	2027-28	2028-29
Cash Flow From Operating Activities		187,420,250.00	189,711,880.00	308,950,941.50	426,395,750.98	669,720,488.57
Cash Received from Customers	13	439,360,920.00	648,703,476.00	900,431,438.40	1,180,640,326.32	1,742,738,011.56
Cash Paid to Suppliers	14	(145,715,000.00)	(328,215,000.00)	(425,000,000.00)	(545,000,000.00)	(805,000,000.00)
Cash Paid for Operations	15	(85,070,000.00)	(91,070,000.00)	(102,095,000.00)	(108,095,000.00)	(119,115,000.00)
Cash Paid for Income Tax		(21,155,670.00)	(39,706,596.00)	(64,385,496.90)	(101,149,575.35)	(148,902,522.99)
Cash Flow From Investing Activities		(747,500,000.00)	0.00	(200,750,000.00)	0.00	(276,250,000.00)
Purchase of Equipment		(747,500,000.00)	0.00	(200,750,000.00)	0.00	(276,250,000.00)
Cash Flow From Financing Activities		1,000,000,000.00	0.00	0.00	0.00	0.00
Issue of Owner's Equity		1,000,000,000.00	0.00	0.00	0.00	0.00
Net Cash Flow		439,920,250.00	189,711,880.00	108,200,941.50	426,395,750.98	393,470,488.57
Cash Balance Beginning		0.00	439,920,250.00	629,632,130.00	737,833,071.50	1,164,228,822.48
Cash Balance Ending		439,920,250.00	629,632,130.00	737,833,071.50	1,164,228,822.48	1,557,699,311.05

Annexure 4: Forecasted Statement of Cash Flows

SQUARE PHARMACEUTICALS PLC.			
Forecasted Statement of Changes in Equity			
For the year ended on 30 June 2026			
Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 30 June 2025	1,000,000,000.00	72,869,530	1,072,869,530
Net Profit after Tax	-	136,767,164	136,767,164
Balance as at 30 June 2026	1,000,000,000	209,636,694	1,209,636,694
SQUARE PHARMACEUTICALS PLC.			
Forecasted Statement of Changes in Equity			
For the year ended on 30 June 2027			
Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 30 June 2026	1,000,000,000.00	209,636,694	1,209,636,694
Net Profit after Tax	-	221,772,267	221,772,267
Balance as at 30 June 2027	1,000,000,000	431,408,961	1,431,408,961
SQUARE PHARMACEUTICALS PLC.			
Forecasted Statement of Changes in Equity			
For the year ended on 30 June 2028			
Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 30 June 2027	1,000,000,000.00	431,408,961	1,431,408,961
Net Profit after Tax	-	348,404,093	348,404,093
Balance as at 30 June 2028	1,000,000,000	779,813,054	1,779,813,054
SQUARE PHARMACEUTICALS PLC.			
Forecasted Statement of Changes in Equity			
For the year ended on 30 June 2029			
Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 30 June 2028	1,000,000,000.00	779,813,054	1,779,813,054
Net Profit after Tax	-	512,886,468	512,886,468
Balance as at 30 June 2029	1,000,000,000	1,292,699,522	2,292,699,522

Annexure 5: Forecasted Statement of Changes in Equity

Annexure 6.1: Notes

4 Property, Plant and Equipments		2024-25	2025-26	2026-27	2027-28	2028-29
Cost:						
Opening Balance		0.00	747,500,000.00	747,500,000.00	948,250,000.00	948,250,000.00
Addition During the Year		747,500,000.00	0.00	200,750,000.00	0.00	276,250,000.00
Disposal/Transfer During the Year		0.00	0.00	0.00	0.00	0.00
Closing Balance		747,500,000.00	747,500,000.00	948,250,000.00	948,250,000.00	1,224,500,000.00
Accumulated Depreciation:						
Opening Balance		0.00	67,800,000.00	127,220,000.00	201,716,500.00	267,041,875.00
Charged For the Year		67,800,000.00	59,420,000.00	74,496,500.00	65,325,375.00	88,557,073.75
Disposal/Transfer During the Year		0.00	0.00	0.00	0.00	0.00
Closing Balance		67,800,000.00	127,220,000.00	201,716,500.00	267,041,875.00	355,598,948.75
Net Book Value		679,700,000.00	620,280,000.00	746,533,500.00	681,208,125.00	868,901,051.25
5 Inventories						
		2024-25	2025-26	2026-27	2027-28	2028-29
Raw Materials	5.1	10,000,000.00	13,000,000.00	17,000,000.00	17,000,000.00	47,000,000.00
Packing Materials	5.2	1,430,000.00	8,430,000.00	13,430,000.00	8,430,000.00	13,430,000.00
Work-In-Progress	5.3	5,000,000.00	12,000,000.00	8,000,000.00	13,000,000.00	23,000,000.00
Finished Goods	5.4	5,000,000.00	8,000,000.00	10,000,000.00	15,000,000.00	10,000,000.00
Sub-Total		21,430,000.00	41,430,000.00	48,430,000.00	53,430,000.00	93,430,000.00
5.1 Raw Materials						
		2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance		0.00	10,000,000.00	13,000,000.00	17,000,000.00	17,000,000.00
Purchase During the Year		200,000,000.00	250,000,000.00	350,000,000.00	450,000,000.00	710,000,000.00
Used During the Year		(190,000,000.00)	(247,000,000.00)	(346,000,000.00)	(450,000,000.00)	(680,000,000.00)
Closing Balance		10,000,000.00	13,000,000.00	17,000,000.00	17,000,000.00	47,000,000.00
5.2 Packing Materials						
		2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance		0.00	1,430,000.00	8,430,000.00	13,430,000.00	8,430,000.00
Purchase During the Year		91,430,000.00	115,000,000.00	135,000,000.00	155,000,000.00	295,000,000.00
Used During the Year		(90,000,000.00)	(108,000,000.00)	(130,000,000.00)	(160,000,000.00)	(290,000,000.00)
Closing Balance		1,430,000.00	8,430,000.00	13,430,000.00	8,430,000.00	13,430,000.00
5.3 Work-In-Progress						
		2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance		0.00	5,000,000.00	12,000,000.00	8,000,000.00	13,000,000.00
Addition During the Year		190,000,000.00	247,000,000.00	346,000,000.00	450,000,000.00	680,000,000.00
Finished During the Year		(185,000,000.00)	(240,000,000.00)	(350,000,000.00)	(445,000,000.00)	(670,000,000.00)
Closing Balance		5,000,000.00	12,000,000.00	8,000,000.00	13,000,000.00	23,000,000.00
5.4 Finished Goods						
		2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance		0.00	5,000,000.00	8,000,000.00	10,000,000.00	15,000,000.00
Addition During the Year		185,000,000.00	240,000,000.00	350,000,000.00	445,000,000.00	670,000,000.00
Consumed During the Year		(180,000,000.00)	(237,000,000.00)	(348,000,000.00)	(440,000,000.00)	(675,000,000.00)
Closing Balance		5,000,000.00	8,000,000.00	10,000,000.00	15,000,000.00	10,000,000.00

Annexure 6.2: Notes

6 Trade and Other Receivables						
		2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance		0.00	77,534,280.00	100,794,564.00	141,112,389.60	183,446,106.48
Addition During the Year		77,534,280.00	100,794,564.00	141,112,389.60	183,446,106.48	275,169,159.72
Closed During the Year		0.00	(77,534,280.00)	(100,794,564.00)	(141,112,389.60)	(183,446,106.48)
Closing Balance		77,534,280.00	100,794,564.00	141,112,389.60	183,446,106.48	275,169,159.72
7 Trade Payables						
		2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance		0.00	145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00
Addition During the Year		145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
Closed During the Year		0.00	(145,715,000.00)	(182,500,000.00)	(242,500,000.00)	(302,500,000.00)
Closing Balance		145,715,000.00	182,500,000.00	242,500,000.00	302,500,000.00	502,500,000.00
8 Gross Revenue						
		2024-25	2025-26	2026-27	2027-28	2028-29
Revenue from Sales		516,895,200.00	671,963,760.00	940,749,264.00	1,222,974,043.20	1,834,461,064.80
9 Cost of Goods Sold						
		2024-25	2025-26	2026-27	2027-28	2028-29
Raw Materials Used	5.1	190,000,000.00	247,000,000.00	346,000,000.00	450,000,000.00	680,000,000.00
Packing Materials Used	5.2	90,000,000.00	108,000,000.00	130,000,000.00	160,000,000.00	290,000,000.00
Manufacturing Overhead	9.1	19,000,000.00	20,000,000.00	21,000,000.00	22,000,000.00	23,000,000.00
Add: Opening Work-in-Progress	5.3	0.00	5,000,000.00	12,000,000.00	8,000,000.00	13,000,000.00
Less: Ending Work-in-Progress	5.3	(5,000,000.00)	(12,000,000.00)	(8,000,000.00)	(13,000,000.00)	(23,000,000.00)
Add: Opening Finished Goods	5.4	0.00	5,000,000.00	8,000,000.00	10,000,000.00	15,000,000.00
Less: Ending Finished Goods	5.4	(5,000,000.00)	(8,000,000.00)	(10,000,000.00)	(15,000,000.00)	(10,000,000.00)
		289,000,000.00	365,000,000.00	499,000,000.00	622,000,000.00	988,000,000.00
9.1 Manufacturing Overhead						
		2024-25	2025-26	2026-27	2027-28	2028-29
Salaries and Wages For Factory Overhead		10,000,000.00	10,500,000.00	11,000,000.00	11,500,000.00	12,000,000.00
Repairs & Maintenance		9,000,000.00	9,500,000.00	10,000,000.00	10,500,000.00	11,000,000.00
Sub-Total		19,000,000.00	20,000,000.00	21,000,000.00	22,000,000.00	23,000,000.00
10 Selling and Distribution Expense						
		2024-25	2025-26	2026-27	2027-28	2028-29
Salaries and Wages		15,000,000.00	16,205,357.14	18,750,000.00	19,955,357.14	22,500,000.00
Marketing and Sales Promotional Expenses		13,000,000.00	14,044,642.86	16,250,000.00	17,294,642.86	19,500,000.00
Field Staff Salaries, Allowances, TA & DA		21,000,000.00	22,687,500.00	26,250,000.00	27,937,500.00	31,500,000.00
Sample Expenses		7,000,000.00	7,562,500.00	8,750,000.00	9,312,500.00	10,500,000.00
Sub-Total		56,000,000.00	60,500,000.00	70,000,000.00	74,500,000.00	84,000,000.00

Annexure 6.3: Notes

11 Administrative Expenses						
		2024-25	2025-26	2026-27	2027-28	2028-29
Salaries and Wages		5,500,000.00	5,775,000.00	6,050,000.00	6,325,000.00	6,600,000.00
Repairs & Maintenance		2,200,000.00	2,310,000.00	2,420,000.00	2,530,000.00	2,640,000.00
Traveling and Conveyance		1,800,000.00	1,890,000.00	1,980,000.00	2,070,000.00	2,160,000.00
Office Rent		500,000.00	525,000.00	550,000.00	575,000.00	600,000.00
Depreciation Expense		67,800,000.00	59,420,000.00	74,496,500.00	65,325,375.00	88,557,073.75
Electrical Installation and fee		70,000.00	70,000.00	95,000.00	95,000.00	115,000.00
Sub-Total		77,870,000.00	69,990,000.00	85,591,500.00	76,920,375.00	100,672,073.75
12 Income Tax						
		2024-25	2025-26	2026-27	2027-28	2028-29
Beginning Balance		0.00	0.00	0.00	0.00	0.00
Addition during the Year		21,155,670.00	39,706,596.00	64,385,496.90	101,149,575.35	148,902,522.99
Paid during the Year		(21,155,670.00)	(39,706,596.00)	(64,385,496.90)	(101,149,575.35)	(148,902,522.99)
Ending Balance		0.00	0.00	0.00	0.00	0.00
13 Cash Received						
		2024-25	2025-26	2026-27	2027-28	2028-29
Cash Received from Sales		439,360,920.00	648,703,476.00	900,431,438.40	1,180,640,326.32	1,742,738,011.56
14 Cash Paid						
		2024-25	2025-26	2026-27	2027-28	2028-29
Cash Paid to Supplier		145,715,000.00	328,215,000.00	425,000,000.00	545,000,000.00	805,000,000.00
15 Cash Paid for Operations						
		2024-25	2025-26	2026-27	2027-28	2028-29
Operation Expense		(133,870,000.00)	(130,490,000.00)	(155,591,500.00)	(151,420,375.00)	(184,672,073.75)
Depreciation Expense		67,800,000.00	59,420,000.00	74,496,500.00	65,325,375.00	88,557,073.75
Manufacturing Overhead		(19,000,000.00)	(20,000,000.00)	(21,000,000.00)	(22,000,000.00)	(23,000,000.00)
Ending Balance		(85,070,000.00)	(91,070,000.00)	(102,095,000.00)	(108,095,000.00)	(119,115,000.00)

Annexure 6.4: Notes

Property, Plant and Equipment (2024-25)										
Particulars	Cost			Accumulated Depreciation			Net Book Value	Rate of Depreciation		
	At July 1, 2024	Additions During the Year	Disposal During The year	At June 30, 2025	At July 1, 2024	Charged for the Year			Disposal During The year	
Land	0.00	175,000,000.00	0.00	175,000,000.00	0.00	0.00	0.00	175,000,000.00	0.00	
Building	0.00	175,000,000.00	0.00	175,000,000.00	0.00	15,750,000.00	0.00	33,250,000.00	0.10	
Plant and Machinery	0.00	200,000,000.00	0.00	200,000,000.00	0.00	25,500,000.00	0.00	55,500,000.00	0.15	
Lab Equipment	0.00	100,000,000.00	0.00	100,000,000.00	0.00	9,000,000.00	0.00	19,000,000.00	0.10	
Furniture	0.00	40,000,000.00	0.00	40,000,000.00	0.00	3,600,000.00	0.00	7,600,000.00	0.10	
Office Equipment	0.00	50,000,000.00	0.00	50,000,000.00	0.00	4,500,000.00	0.00	9,500,000.00	0.10	
Computer	0.00	3,500,000.00	0.00	3,500,000.00	0.00	560,000.00	0.00	1,260,000.00	0.20	
Electro-Mechanical Equipment	0.00	4,000,000.00	0.00	4,000,000.00	0.00	600,000.00	0.00	1,110,000.00	0.15	
Sub-Total	0.00	747,500,000.00	0.00	747,500,000.00	0.00	67,800,000.00	0.00	679,700,000.00		
Property, Plant and Equipment (2025-26)										
Particulars	Cost			Accumulated Depreciation			Net Book Value	Rate of Depreciation		
	At July 1, 2025	Additions During the Year	Disposal During The year	At June 30, 2026	At July 1, 2025	Charged for the Year			Disposal During The year	
Land	175,000,000.00	0.00	0.00	175,000,000.00	0.00	0.00	0.00	175,000,000.00	0.00	
Building	175,000,000.00	0.00	0.00	175,000,000.00	0.00	15,750,000.00	0.00	33,250,000.00	0.10	
Plant and Machinery	200,000,000.00	0.00	0.00	200,000,000.00	0.00	25,500,000.00	0.00	55,500,000.00	0.15	
Lab Equipment	100,000,000.00	0.00	0.00	100,000,000.00	0.00	9,000,000.00	0.00	19,000,000.00	0.10	
Furniture	40,000,000.00	0.00	0.00	40,000,000.00	0.00	3,600,000.00	0.00	7,600,000.00	0.10	
Office Equipment	50,000,000.00	0.00	0.00	50,000,000.00	0.00	4,500,000.00	0.00	9,500,000.00	0.10	
Computer	3,500,000.00	0.00	0.00	3,500,000.00	0.00	560,000.00	0.00	1,260,000.00	0.20	
Electro-Mechanical Equipment	4,000,000.00	0.00	0.00	4,000,000.00	0.00	600,000.00	0.00	1,110,000.00	0.15	
Sub-Total	747,500,000.00	0.00	0.00	747,500,000.00	67,800,000.00	59,420,000.00	0.00	127,220,000.00	620,280,000.00	

Annexure 7.1: Property Plant and Equipment

Property, Plant and Equipment (2026-27)									
Particulars	Cost			Accumulated Depreciation			Net Book Value	Rate of Depreciation	
	At July 1, 2026	Additions During the Year	Disposal During The year	At July 1, 2026	Charged for the Year	Disposal During The year			
Land	175,000,000.00	15,000,000.00			0.00	0.00	190,000,000.00	0.00	
Building	175,000,000.00	50,000,000.00	0.00	33,250,000.00	19,175,000.00	0.00	52,425,000.00	0.10	
Plant and Machinery	200,000,000.00	75,000,000.00	0.00	55,500,000.00	32,925,000.00	0.00	88,425,000.00	0.15	
Lab Equipment	100,000,000.00	50,000,000.00	0.00	19,000,000.00	13,100,000.00	0.00	32,100,000.00	0.10	
Furniture	40,000,000.00	5,000,000.00	0.00	7,600,000.00	3,740,000.00	0.00	11,340,000.00	0.10	
Office Equipment	50,000,000.00	5,000,000.00	0.00	9,500,000.00	4,550,000.00	0.00	14,050,000.00	0.10	
Computer	3,500,000.00	250,000.00	0.00	1,260,000.00	498,000.00	0.00	1,758,000.00	0.20	
Electro-Mechanical Equipment	4,000,000.00	500,000.00	0.00	1,110,000.00	508,500.00	0.00	1,618,500.00	0.15	
Sub-Total	747,500,000.00	200,750,000.00	0.00	127,220,000.00	74,496,500.00	0.00	201,716,500.00		
Property, Plant and Equipment (2027-28)									
Particulars	Cost			Accumulated Depreciation			Net Book Value	Rate of Depreciation	
	At July 1, 2027	Additions During the Year	Disposal During The year	At July 1, 2027	Charged for the Year	Disposal During The year			
Land	190,000,000.00	0.00	0.00	0.00	0.00	0.00	190,000,000.00	0.00	
Building	225,000,000.00	0.00	0.00	52,425,000.00	17,257,500.00	0.00	69,682,500.00	0.10	
Plant and Machinery	275,000,000.00	0.00	0.00	88,425,000.00	27,986,250.00	0.00	116,411,250.00	0.15	
Lab Equipment	150,000,000.00	0.00	0.00	32,100,000.00	11,790,000.00	0.00	43,890,000.00	0.10	
Furniture	45,000,000.00	0.00	0.00	11,340,000.00	3,366,000.00	0.00	14,706,000.00	0.10	
Office Equipment	55,000,000.00	0.00	0.00	14,050,000.00	4,095,000.00	0.00	18,145,000.00	0.10	
Computer	3,750,000.00	0.00	0.00	1,758,000.00	398,400.00	0.00	2,156,400.00	0.20	
Electro-Mechanical Equipment	4,500,000.00	0.00	0.00	1,618,500.00	432,225.00	0.00	2,050,725.00	0.15	
Sub-Total	948,250,000.00	0.00	0.00	201,716,500.00	65,325,375.00	0.00	267,041,875.00		

Annexure 7.2: Property Plant and Equipment

Property, Plant and Equipment (2024.25)										
Particulars	Cost			Accumulated Depreciation			Net Book Value	Rate of Depreciation		
	At July 1, 2028	Additions During the Year	Disposal During The year	At June 30, 2029	At July 1, 2028	Charged for the Year			Disposal During The year	At June 30, 2029
Land	190,000,000.00	15,000,000.00	0.00	205,000,000.00	0.00	0.00	0.00	205,000,000.00	0.00	
Building	225,000,000.00	50,000,000.00	0.00	275,000,000.00	69,682,500.00	20,531,750.00	0.00	90,214,250.00	184,785,750.00	0.10
Plant and Machinery	275,000,000.00	100,000,000.00	0.00	375,000,000.00	116,411,250.00	38,788,312.50	0.00	155,199,562.50	219,800,437.50	0.15
Lab Equipment	150,000,000.00	75,000,000.00	0.00	225,000,000.00	43,890,000.00	18,111,000.00	0.00	62,001,000.00	162,999,000.00	0.10
Furniture	45,000,000.00	20,000,000.00	0.00	65,000,000.00	14,706,000.00	5,029,400.00	0.00	19,735,400.00	45,264,600.00	0.10
Office Equipment	55,000,000.00	15,000,000.00	0.00	70,000,000.00	18,145,000.00	5,185,500.00	0.00	23,330,500.00	46,669,500.00	0.10
Computer	3,750,000.00	750,000.00	0.00	4,500,000.00	2,156,400.00	468,720.00	0.00	2,625,120.00	1,874,880.00	0.20
Electro-Mechanical Equipment	4,500,000.00	500,000.00	0.00	5,000,000.00	2,050,725.00	442,391.25	0.00	2,493,116.25	2,506,883.75	0.15
Sub-Total	948,250,000.00	276,250,000.00	0.00	1,224,500,000.00	267,041,875.00	88,557,073.75	0.00	355,598,948.75	868,901,051.25	

Annexure 7.3: Property Plant and Equipment