**Internship Report**

**On**

**Financial Performance Evaluation of Square Pharmaceuticals Ltd**

**SUBMITTED TO**

**Controller of Examinations**

**National University**

**Gazipur, Bangladesh**

**SUPERVISED BY**

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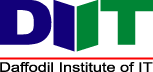
**Reg No: 1067184**

**Session: 2009-2010**

**Program: BBA**

**Major: Finance**

**Daffodil Institute of IT**

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**(Under National University)**

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**Submission Date: 21 March 2015**

**LETTER OF TRANSMITTAL**

12 March 2015

To

Controller of Examinations

National University

Gazipur, Bangladesh.

**Sub: Submission of internship report.**

Dear Sir,

Here is my Internship report on Square Pharmaceuticals Ltd. I am submitting this report as the part of my Internship (BBA) in Square Pharmaceuticals Ltd. While preparing this paper, I tried my best level to follow your directions and the instructions that have given to me by my origination supervisor.

The entire report is based on performance and evaluation. I have tried my best to provide what I have learned during my Internship program at Square Pharmaceuticals Ltd,. I shall be highly encouraged if you are kind enough to receive this report. If you have any further enquiry concerning any additional information, I would be very pleased to clarify that.

Thanking you

Sincerely yours,

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Mahreen Mahmood**

Session: 2009-10

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Program: BBA

Major: Finance

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**CERTIFICATE OF APPROVAL**

This is to certify that, Mahreen Mahmood, student of BBA, Roll No: 1062427, Reg No: 1067184 , Daffodil Institute of IT, Dhaka, Bangladesh has completed his Internship Program entitled **Financial Performance Evaluation of Square Pharmaceuticals Ltd.** He has completed this internship satisfactorily under my supervision as he partial fulfillment for the award of BBA degree.

He has done his job according to my supervision and guidance. He has tried his best to do this successfully. I think his study will help him in the future to build up his career.

I wish him every success in life.

…………………………………

**Aminul Haque Russel**

Lecturer

BBA Program

Daffodil Institute of IT (DIIT)

**ACKNOWLEDGEMENT**

At First I would like to thanks to my almighty Allah for giving me the strength to finish the task of my Internship report within schedule time. Secondly I would like to thank our honorable supervisor Aminul Haque with his help, supervision and proper guideline this research paper would me not possible for me. Thirdly from my company Mr. Haider Alam, Manager, Finance and Accounts help me lots for collected data, information and learning all types of Finance & Accounts department activity.

This paper represents my experiences of the Square Pharmaceuticals Limited working on Finance and Accounting Department. The report could never been completed without help of some helpful and cooperative person and accommodating authority. I would like to unfold the names of some of those supportive peoples. They are file management. Md. Hasanuzzaman Chowdhury (SR. Executive) helps me lot for this cash payment & evaluation research. Then Adnan Bin Rahman (Executive) salary, overtime and leave management; Sadia Siddika Baishakhi (Executive) who’s valuable advice and co-operation teach me a lot about banking & also helped me to prepare my assignment.

At last, it was good experience of working as an Intern in Finance department of Square Pharmaceuticals Ltd. Their information help me lot for my research like a genuine research.

Throughout from this research I have learned a lot and the experience I have gathered it’s a life time opportunity for me.

……………………..…

**Mahreen Mahmood**

Session: 2009-10

Roll No: 1062427

Reg. No: 1067184

Program: BBA

Major: Finance

Daffodil Institute of IT

**EXECUTIVE SUMMARY**

The Aim my report is to find out a proper research on financial method of this company. The method of research data collects their responses by personal or impersonal means. The collected data of my report is instruments presented after training skill clarified experiment and based on that marking report. This entire research work was primarily designed to gain a comprehensive degree of insight into the elements which are responsible for the element of overall financial performance of Square Pharmaceuticals Limited. After my own participation and the overall work which was done, I would like to conclude this paper by stating that the selected variables are all highly responsible for influencing the element financial performance analysis on Square Pharmaceuticals Ltd. Overall, the Financing process of the employees and organization are quite satisfactory. However, if the identified areas of deficiencies are treated with care, then there are chances that the Financial performance will more better and from both side will improve more. Though the research is link the theoretical study to the real life implementations, the study will help to find out need base finance and how other variables depends on it and by observing solving the problems. This study can also help to ensure a better service. The study will help to gain profit for a service company by giving use finance to different site. The study will also help the Organization to know more about use of finance. The study considers Training as the main influence factor for employee improvement if companies better understand the true nature of employee Education and Career Age they have better chances to build work more systematically. This study will encourage more studies about different aspects of Finance Sector.

First chapter- introduction, rational of the study , objectives of the study, research methodology, limitation of the study, origin of the report, limitation of the study. Second chapter- name of the company, parent company, visions, mission, objectives, corporate focus, establishment, market position/market share, prospect of the industry (locally & globally), innovation, workforce & interpersonal relationship, business management, business ethics & philanthropy, production, square strive for. Third chapter- Current ratio, Quick ratio or acid Test, Cash Ratio, Accounts receivable turnover, Inventory turnover ratio, Accounts Payable turnover, Accounts Payable turnover in days, Fixed asset turnover ratio, Total asset turnover ratio, Net Profit Margin, Gross Profit Margin ratio, Return on asset ratio, Return on Equity, Operating profit margin ratio, Debt ratio, Time interest Earned ratio, Book value per share ratio. Forth chapter- SWOT Analysis of SPL, Strengths, Weaknesses, Opportunities, Threats. Fifth chapter- Findings, Recommendations, Conclusion, References, APPENDIX.

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**Acronyms**

|  |  |
| --- | --- |
|  |  |
| IPO | Initially Public Offering |
| UK | United Kingdom |
| USA | United State Of America |
| AGM | Annual General Meeting |
| R&D | **Research And Development** |
| IMS | International Medical Statistics |
| MPO | Monthly Pay Order |
| PMD | Project Mess Detector, Project Monitoring Directives |
| GATT | Go After Tariffs And Taxes |
| N.P.A.T | Net Profit After Tax |
| C.S | Common Stockholders |
| EBIT | Earning Before Interest Tax |
| A\P | Accounts Payable |
| A.P.T.R | Accounts Payable Turnover Ration |
| A\R | Accounts Receivable |
| ITR | Inventory Turnover Ration |
| GPMR | Gross Profit Margin Ratio |

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CHAPTER-1

Introduction

## 1.0 INTRODUCTION:

In Bangladesh the pharmaceutical sector is one of the most developed hi-tech sectors within the country's economy. After the promulgation of Drug Control Ordinance - 1982, the development of this sector was accelerated. The professional knowledge, thoughts and innovative ideas of the pharmaceutical professionals working in this sector are the key factors for these developments. Due to recent development of this sector it is exporting medicines to global market including European market. This sector is also providing 97% of the total medicine requirement of the local market. Leading pharmaceutical companies are expanding their business with the aim to expand export market. Recently few new industries have been established with high tech equipment’s and professionals which will enhance the strength of this sector.

## 1.1 ORIGIN OF THE REPORT:

Internship for three months in private organizations, government offices, public sectors corporations or banks or other non-bank financial institutions is an integral part of the BBA Program of the business faculty in the Daffodil Institute of IT. The objective of the programs is to expose the students in the organizational work situation. Each student is required to undergo the program and prepare a report according to a format specified by the supervision teacher.

As a regular student of Bachelor of Business Administration (BBA) program, it requires an Internship of three months attachment with an organization followed by writing and submission of a report. This report is an end result of an Internship attachment with one of the top Pharmaceuticals Company in Bangladesh name Square Pharmaceuticals Ltd. as per the advices and recommendations of the honorable supervisors. This report will obviously increase the existing idea of different Pharmaceuticals Company.

## 1.2 OBJECTIVES OF THE STUDY:

The objective of the Internship is to expose the students in the organizational work situation and this report in an end result of such organizational involvement. The primary objective of this report is to explain the real life scenarios in the organizational working environment. But the objective behind this study may nothing be broader. Thus the objectives of the study are:

* The primary objective of the study is to meet the partial requirements for the fulfillment of the BBA program.
* To have a clear understanding about Pharmaceuticals.
* The objective of the study to find out problem that causes delay in Internship handover.
* To apply theoretical knowledge in the practical filed
* To know the different sector of a Pharmaceuticals company
* SWOT analysis.
* To the acquainted with day to day functioning of service and product oriented verity business.
* To know the financial activities of the Square Pharmaceuticals Ltd.

## 1.3RESEARCH METHODOLOGY:

The study requires a systematic procedure from selection of the topic to preparation of the final report. To perform the study, the data sources were to be identified and collected, to be classified, analyzed, interpreted and presented in a systematic manner and key points were to be found out. The overall process of methodology has been given below:

i) The Primary Data Sources are:

* Face to face conversation with the officers
* Practical desk work

ii) The Secondary Data Sources are:

* Different circular issued by the head office
* Official website of the Square Pharmaceuticals Ltd.

## 1.4 RATIONAL OF THE REPORT:

Internship program is essential for all BBA student’s because it helps him acquit with real life situation. The Pharmaceuticals sector plays a significant role to help in treatment. So I have selected Pharmaceuticals Sector of Square pharmaceuticals ltd. which is one of the leading companies in Bangladesh. For completing my BBA degree is one of the parts at the final semester of the Department of Business Administration at Daffodil Institute of IT. This is a study on value stream mapping in Pharmaceuticals sector.

Finance is very important factor of any organization. It is a pharmaceuticals sector and in that company many department are included so here Finance is very necessary for employee to contribute more for the organization. Here present departments are HR & Administration, Finance & accounting, Brand Management, Sales & Marketing, Design Management, Utility & Logistic, Supply Chain, Law, Security & Compliance, Corporate Division, Hospitality Division, Quality Management, Consultancy Department so many department and employees amount is also high so need base training with efficiency is here so important.

## 

## 1.5 LIMITATION OF THE REPORT:

This report has some limitation. In Square Pharmaceuticals Limited around three thousand employees are working. Here almost eighteen hundred employees are permanent and rests of thousand employees are temporary, non-confirmed or daily working labor. I was worked on only three departments while there are more ten departments present in the company. I was only familiar, friendly, known and judge about Finance & Accounting department cause I worked their but I don’t know about their other departments working and other matters or procedures.

* Research is only on one department.
* Sample size is too smaller than present working employees.
* Research is only three types of training others types are not included.
* Working in only Finance department.
* Working only Square Pharmaceuticals performance analysis.

CHAPTER-2

Company Overview

## 2.0 Name of the Company:

**Square Pharmaceutical Limited**

**Address**

**Corporate office**: Square Centre 48, Mohakhali Commercial Area, Dhaka 1212

**Factory**: (Pabna Branch) Shalgaria& (Gazipur Branch) Kaliapur

## 2.1 Parent Company:

Square Group of Industries

## 2.2 Visions:

Square Pharmaceuticals Ltd. 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.

## 2.3 Mission:

Square Pharmaceuticals Ltd. has the mission to produce and provide quality & innovative healthcare relief for people, maintain stringently ethical standard in business operation also ensuring benefit to the shareholders, stakeholders and the society at large.

## 2.4 Objectives:

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

## 2.5 Corporate focus:

Our vision, our mission and our objectives are to emphasise on the quality of product, process and services leading to growth of the company imbibed with goodgovernance practices.

**2.6 Corporate History**

Table: Corporate History at a Glance

|  |  |  |
| --- | --- | --- |
|  | | |
| Year of Establishment (Initially as a Partnership) |  | 1958 | |
| Incorporated as a Private Limited Company |  | 1964 | |
| Technical Collaboration Agreement with  Janssen Pharmaceuticals of Belgium  (A subsidiary of Johnson &Johnson International Ltd.) |  | 1975 | |
| Converted into Public Limited Company |  | 1991 | |
| Initially Public Offering (IPO) |  | 1994 | |
| Stock Exchange Listings |  | 1995 | |
| Implementation of Dhaka Plant |  | 1996 | |
| Authorized Capital |  | Tk. 5,000 million | |
| Paid-up Capital |  | Tk. 1,509.03 million | |
| Number of Employees |  | 4,197 | |

## 2.7 Establishment:

The company was found in 1958 by Samson H. Chowdhury along with three of his friends as a partnership organization. The company incorporated as a Private Limited Company in 1964. From the enormous success of long years business Square Pharmaceutical Ltd. derived a huge amount of profit. These profits along with other investments were the vital source of initial capital for Square Pharmaceutical Ltd.

## 2.8 Market Position/Market Share:

Square Pharmaceutical Ltd. is a top pharmaceutical company of Bangladesh since 1958. At present, there are about 170 pharmaceutical companies which are operating in Bangladesh but Square Pharmaceutical Ltd. is leading from the front. Some of the major drugs producing companies are:

* Square Pharmaceutical Ltd.
* Incepta Pharmaceutical Ltd.
* Beximco Pharmaceutical Ltd.
* OpsoninPharma Ltd.
* Eskayef Bangladesh Ltd. (and many more)

## 2.9 Prospect of the Industry (Locally & Globally):

Bangladesh is nearly self-sufficient in finished pharmaceutical products. About 97% of local demand is being met up by local manufacturing companies. Out of these supplies majority of them are being supplied by Square Pharmaceutical Ltd.

Most of the world’s drug demand is made up by India and China. In past, few manufacturing companies cost in those countries has increased significantly in comparison to Bangladesh which is attracting several global market leaders. Now Square Pharmaceutical Ltd. is working with several multinational companies for manufacturing their drugs. Square Pharmaceutical Ltd. is exporting their products to 34 countries including UK and also applying for several products in USA. They are also supplying products to the following region:

**Asia**, **Africa and South America**

## 2.10 Innovation:

Square Pharmaceutical Ltd. is pioneer in introducing new several drug delivery systems such as, Metered Dose Inhaler; Sustain Release Products, Dry Powder for Inhalation. Currently they are operating genetic pharmaceutical sector. Square Pharmaceutical Ltd. remains first in launching nuclear molecules and doses for the past few decades in Bangladesh pharmaceutical market. They have their own research and development lab.

## 2.11 Workforce & Interpersonal Relationship:

There are about 5000 employees in Square Pharmaceutical Ltd. and in total 500 manufacturing units. SPL gives it workers the opportunity of choosing flexible work schedule and its factory runs in seven working days in three shifts and 8 (eight) working hours per shift. The workers can choose any of these three shifts according to their convenience. The company believes in hale and hearty relationship between employee and employer to attain success. The company organizes family day every year for staffs and several interactive sessions to maintain the affiliation, here Human Resource Management plays the main role.

The supervisory level is very co-operative and manages all the production related queries and dissatisfaction amongst the workers regarding any personal or production related matters. So the workers are never left alone in their difficult times.

## 

## 2.12 Business Management:

To define the management of Square Pharmaceutical Ltd. we have used the tree level of Management Pyramid.

Figure: Management Hierarchy Level

The top level management takes the crucial decision of the business and is involved in Strategic Planning.

The middle level management is assigned by the top level management to carry out the Tactical Planning.

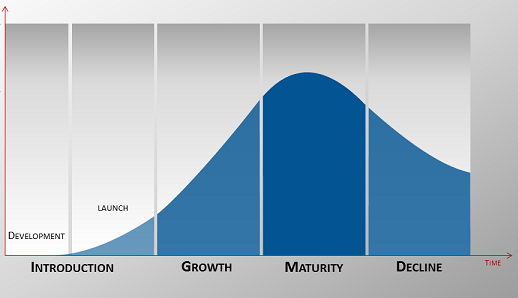
The front line (supervisory level) management usually deals with daily operational activities using their technical skills and is well guided by the top level and middle level management in carrying out the task effectively.

## 2.13 Production:

**Production Capacity:** The factory of Square Pharmaceutical Ltd. consists of more than 2000 workers, employed in different departments producing a range of high quality drugs. They maintain a wide range of yearly production of 11 billion tablets, 7 billion capsules and 3 billion syrups.

**Production Process:** There are 21 types of products and among them two major products are tablet and syrup which are produced in a wide range. Two products have different production processes.

**Product Life Cycle:** The following graph shows the product life cycle of Square Pharmaceutical Ltd. Here we get to see the product sales and profit over its lifetime. Square Pharmaceutical Ltd. has about 670 different products. Currently it’s 60% of the total product falls under the **Growth Stage**, about 20-25% of the total products are under the **Maturity Stage**. Some are in the **Introduction Stage** and some are in **Decline Stage**. As majority of the product are lying under the **Growth Stage,** so we can have a clear context that the SPL is in **Growth Stage.**

****

## 

## figure: PRODUCT LIVECYCLE

## 2.14 Business Ethics & Philanthropy:

Square Pharmaceutical Ltd. follows a Company Code of Conduct with the commitment of high ethical standard which includes:

• No child labor

• No discrimination (Gender, age, race, political beliefs, maternity status, religion etc.)

• Rights to employee

• Safe & healthy work place

• Standard hours of work/overtime

• Fair salary & wages

## 2.15 SQUARE STRIVE FOR:

* SQUARE, strive, above all, for top quality health care products at the least cost reaching the lowest rungs of the economic class of people in the country. We value our social obligations.
* SQUARE have shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.
* SQUARE, strive for best compensation to all the employees who constitute the back-bone of the management and operational strength of the company through a pay-package composing salary/wages, allowances, bonuses, profit participation, leave salary and superannuation & retirement benefits.
* SQUARE, strive for the best co-operation of the creditors & debtors the banks & financial Institutions who provide financial support when we need them, the suppliers of raw materials & suppliers who offer them at the best prices at the opportune moments, the providers of utilities-power, gas & water etc. and the customers who buy our products & services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates to our customers.
* SQUARE, strive for fulfillment of our responsibility to the government through payment of entire range of due taxes, duties and claims by various public agencies like municipalities etc.
* SQUARE, strive, as responsible citizen, for a social order devoid of malpractices, anti-environmental behaviors, unethical and immoral activities and corruptive dealings.
* SQUARE, strive for practicing good-governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to shareholders, holding AGM in time, distribution of dividends and other benefits to shareholders, reporting/dissemination of price sensitive information, acquisition of shares by insiders, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees, government and the public in general.
* SQUARE, strive for equality between sex, races, religions and regions in all spheres of our operation without any discriminatory treatment.
* SQUARE, strive for an environment free from pollution and poisoning.
* SQUARE, strive for the achievement of millennium development goals for the human civilization.

CHAPTER-3

Financial Performance Evaluation

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Current ratio of Square Pharmaceutical** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **1.440** | **1.260** | **1.455** | **2.153** | **1.504** |

## 3.0 Current ratio

Source: annual report of SPL 2009-13

**Figure: Current ratio**

## 3.1 Quick ratio or acid Test:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quick ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **0.616** | **0.681** | **0.660** | **1.158** | **0.959** |

Source: annual report of SPL 2009-13

**Figure: Quick ratio**

**Analysis:**

From the presented chart and information it is found that both current and quick ratio of the Square Pharmaceuticals are well below the industry average. This indicates that company may fall in problem to pay its current debt in the emergency situation. As a result debtor may want to increase their cost (interest rate) for this company which will make the company difficult to manage working capital.

## 3.2 Cash Ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cash Ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **0.054** | **0.058** | **0.111** | **0.117** | **0.079** |

Source: annual report of SPL 2009-13

**Figure: Cash Ratio**

**Analysis:**

In this ratio, we can analysis that the ratio has decrease some times and increase few times. For this reason, it is not good from investor points of view. Current liabilities have increased the companies. So companies need increase invest, that’s Way Company to get money for good return.

3.3 Accounts receivable turnover:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Accounts receivable turnover ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **5.286** | **54.506** | **12.747** | **7.744** | **3.595** |

Source: annual report of SPL 2009-13

**Figure: Accounts receivable turnover ratio**

**Analysis:**

From this ratio analysis we acquire that the ratio is continuously increasing from 2010 to 2011 and decrease 2012 to 2013in square pharmaceutical company. It means that Account receivable is increasing day by day which is very bad position for company because it has make up a lot of cash money, for this reason the company must be invested by other sector. So the higher turnover means that the company is inefficient in managing its Account receivable but square pharmaceutical has better position now.

## 3.4 Inventory turnover ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Inventory Turnover Ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **2.390** | **2.719** | **2.634** | **3.047** | **2.95** |

Source: annual report of SPL 2009-13

**Figure: Inventory Turnover Ratio**

**Analysis:**

In this analysis we identify that the continuous improvement of inventory turnover ratio through the years from 2009 to 2013 in square pharmaceutical company. Here we understand that the cost of goods sold is increasing day by day as well as the turnover is also increasing because the increasing rate of sales is higher than average inventory. Generally it is important that they are holding much more inventory, which has make up the cash balance. So we are confirms that companies capture much more inventory. It is the best position for companies.

## 

## 3.5 Accounts Payable turnover:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Accounts Payable turnover Ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **33.310** | **27.803** | **29.892** | **20.460** | **21.154** |

Source: annual report of SPL 2009-13

**Figure: Accounts Payable turnover Ratio**

**Analysis:**

Analysis shows that there is opposite in Accounts receivable turnover. Here, in square Pharmaceutical has decreased by 2009 to 2013.It signal that the company maintains a low accounts payable. So we can say that the company pays their accounts payable immediately. As a result there is a low balance of cash.

## 3.6 Accounts Payable turnover in days:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Accounts Payable turnover in days of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **10.807** | **12.948** | **12.043** | **17.595** | **17.018** |

Source: annual report of SPL 2009-13

**Figure: Accounts Payable turnover in days**

**Analysis:**

From this analysis we can express that the square pharmaceutical company has increase ratio from 2009 to 2011slowly. But in 2012 and 2013 it increase quickly. It betoken that the account payable is standard position. If any company changed their creditor policy and tried to pay the payable as possible as to increase current liability.

## 3.7 Fixed asset turnover ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Fixed asset turnover ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **1.102** | **.995** | **0.939** | **0.921** | **0.081** |

Source: annual report of SPL 2009-13

**Figure: Fixed asset turnover ratio**

**Analysis:**

In this ratio we see that the fixed asset turnover ratio was as high as 1.102 times in 2009 in Square Company. However, it declined to 0.081 times in the following year in 2013. we mention that the balance sheet shows that large amount of investments were made during that year that inflate the money volume of fixed assets, and give an impression of mismanagement.

## 3.8 Total asset turnover ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Total asset turnover ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **0.715** | **0.650** | **0.666** | **0.6290** | **0.520** |

Source: annual report of SPL 2009-13

**Figure: Total asset turnover ratio**

**Analysis:**

In this Analysis we see that a gradual fall of company’s total asset turnover in 2009, it was 0.715 times, declined to 0.521 times in 2013. It may be an indicator of company’s pricing strategy as company with high profit margins tends to have low asset turnover. It is in fact might be one of the reasons for why the assets turnover was low in the year 2009 to 2013 for the company. Other than investment in marketable securities, every other asset especially long-term investments, inventories, short-term loans and cash balance had gone up substantially profit margin may not be the actual reason for the turnover to go down.

## 3.9 Net Profit Margin:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net Profit Margin ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **17.3%** | **16.7%** | **21.4%** | **22.1%** | **25.0%** |

Source: annual report of SPL 2009-13

**Figure: Net Profit Margin ratio**

**Analysis:**

Therefore, the Net Profit Margin was 17.3% in 2009, increase to 25.0% in 2013 and then again decreased to 16.7% in 2010.

The main reason that the profit margin declined is high cost. High cost, in turn, generally occurs due to inefficient operations. Profit margin also declined because in 2010 Square Pharmaceuticals used a lot of long-term debt. This invariably resulted in more interest cost, which brought the Net income down. But other years the Net Profit Margin generally increases year to year. So the Square Pharmaceutical position is better.

## 

## 3.10 Gross Profit Margin ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Gross Profit Margin ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **45.4%** | **41.1%** | **46.9%** | **51.8%** | **57%** |

Source: annual report of SPL 2009-13

**Figure: Gross Profit Margin ratio**

**Analysis:**

From the tableau, The Gross Profit Margin was 45.4% in 2009, it decrease to 41.1% in 2010 but it increase slowly next years. It indicates that Square Pharmaceutical is managing its Sales and Cost of Goods Sold very well.

## 3.11 Return on asset ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Return on asset ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **12.4%** | **10.8%** | **14.3%** | **13.9%** | **13.0%** |

Source: annual report of SPL 2009-13

**Figure: Return on asset ratio**

**Analysis:** From the tableau, Return on total assets was 10.8% in 2010. But other years it increase slowly. This may have occurred because Square used more debt financing in 2010 and next years it used debt simply, which resulted in interest cost and brought the Net income down.

## 3.12 Return on Equity:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Return on common stock equity ratio of square pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **17.7%** | **16.4%** | **19%** | **18.1%** | **13.5%** |

Source: annual report of SPL 2009-13

**Figure: Return on common stock equity ratio**

**Analysis:**

For the same problem of the return on equity has decreased in the year 2013compare with previous years 2009 to 2012 in square company. It means the company is losing efficiency in production process and also this falls in return on equity has a bad affect in common stock holder in 2013.

## 3.13 Operating profit margin ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Operating profit Margin Ratio of square pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **24.3%** | **20.6%** | **26.8%** | **28.4%** | **27.1%** |

Source: annual report of SPL 2009-13

**Figure: Operating profit Margin**

**Analysis:**

In this analysis we find out the operating profit margin has decrease in 2010 and 2013 but other years it was increase square pharmaceutical company because those company operating profit and sales has increase step by step. the square company has slightly decreased because that company has happened for inefficient use of operating expense. During those year the sales has increased but operating expense has decease. As a result though operating margin increase but the ratio has failed to increase because of high operating cost. From this discussion we can say that the firm had failed to control its operating cost in the square company.

## 3.14 Debt ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Debt Ratio of square pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **30%** | **33.7%** | **24.91%** | **23.12%** | **28.93%** |

Source: annual report of SPL 2009-13

**Figure: Debt Ratio**

**Analysis:**

In this problem analysis we see that the percentage of ratio has decreased from 2011 to 2013 in the square company because their asset was increased at a higher rate than from the last year. If any company debt ratio decreases day by day it is a good position for the company. In this problem I state that square pharmaceutical company is better position now.

## 3.15 Time interest Earned ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Time interest earned ratio of square pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **11.94** | **12.10** | **15.21`** | **15.98** | **18.05** |

Source: annual report of SPL 2009-13

**Figure: Time interest earned ratio**

**Analysis:**

From the tableau, Time interest earned ratio is also much higher than the industry average, which indicates that the company has higher ability to pay for its’ debt and the ability also has been increased in the recent year.

## 3.16 Book value per share ratio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Book value per share ratio of Square Pharmaceutical (2009-2013)** | | | | | |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Ratio** | **820** | **941** | **659** | **766** | **704** |

Source: annual report of SPL 2009-13

**Figure: Book value per share ratio**

**Analysis:**

From the above information it is found that investors are expecting management of Square Pharmaceuticals to create more value from a given set of assets as they are paying more than the industry average for its’ share. If any company decreases the book value per share, it is the very bad for company position because we see that the square pharmaceutical decrease the book value per share from the last year. So we mention that here square company is not better position in share market.

**CHAPTER-4**

**Analysis**

## 4.0 SWOT Analysis of SPL

## 4.1Strengths:

* SPL enjoys strong brand image in the pharmaceutical market for over 35 years in 1985, SPL becomes the market leader in the pharmaceutical sector. Its size and stature make it a long-term core holding in the market.
* It was the first company to cross 1-billion taka turnover in 1992. It controls 14% of the Bangladesh pharmacy market and its financial ability is gradually increasing.
* Good management team is taken under consideration at a first phase of the company. The company follows strict discipline in every part of the production process and management. This leads to create a healthy and disciplined environment company-wide.
* SPL has an efficient and innovative distribution system throughout the country. Country wide marketing network is very strong SPL’s distribution cost is 30-40% less than the compactors. It has good and effective R&D department, which already has succeeded in developing new hi-tech product lines with foreign collaboration and technical know-how.
* Wide product line and so increased coverage. Introduce new product very quickly before the competitors. Possesses most organized largest sales force and highest number of professionals pharmacists, chemists etc.

## 4.2Weaknesses:

* Management approach of SPL is somewhat unstructured rather that systematic. In formal and faster decision making in some cases may be erroneous.
* Proper attention may not be given to all products due to huge product line, insufficient number of employees and frequent introduction of new products.
* Although large in number, SPL’s field forces (MPOs) are not so efficient in their duty like some of its competitors (as observed from survey).
* There is less marketing orientation in SPL. Although the PMD is responsible for marketing activities, most of the executives engaged in this dept. do not have marketing background, which could strengthen their efforts.
* Obliged to maintain high inventory levels of imported raw material.

## 

## 4.3 Opportunities:

* Pharmaceutical industry is a growing industry at the rate of 15-20% annually. SPL has to avail the opportunity by matching itself with industry growth rate and increase its market share.
* Excess capacity in certain areas of manufacturer can be utilized.
* Good opportunity for backward integration. It can manufacture raw materials and minimize production cost. It can also grow in related fields like diagnostic, beverage etc.
* Bangladesh being a signatory to GATT, product patents will come into effect within few years’ time. In the meantime, SPL can plan to enter into tie up with the international companies having rights to patented products.

## 4.4 Threats:

* The regulatory authority of the government dictates the pricing policy to the pharmaceutical industry.
* Any adverse police change in government level, i.e. import policy change, change of import duty in machinery; tax policy etc. will hamper profitability.
* Technological obsolescence may present marketing problem.
* Failure in any suitable arrangement of environment and pollution control facilities as required by the dept. of environment, which is under way, may result further delay in commercial production of chemical plants.

Bangladesh signed GATT, which implemented in the year 2005. In that case, the intellectual patent right of products has to be followed and new product launching will not be advantageous like now.

CHAPTER-5

Finding

Recommendations

Conclusion

## Findings

* From the chart, Current and Quick ratio of the Square Pharmaceuticals Limited below the

industry average. So company may fall in problem in working capital or emergency situation.

* When a company account receivable ratio increasing day by day, which is bad position for the company. Because the higher turnover means that the company is inefficient in managing its Account receivable but square pharmaceutical has better position now.
* The average collection period had decreased from 2007 to 2010 but it increase in 2011. If any company increases their average collection period that company position has better. So the Square Pharmaceuticals Limited has good position now.
* The cost of goods sold is increasing day by day as well as the turnover is also increasing because the increasing rate of sales is higher than average inventory, which has make up the cash balance. It is the best for company.
* From the analysis, Account Payable turnover ratio of Square Pharmaceutical has decreased in 2007 to 2011. It means the company maintains a low account payable, which is the bad for the company.
* The total asset turnover ratio of Square Pharmaceutical Company was declined that means its liability increase, which is bad position for company.
* Account Payable turnover ratio of Square Pharmaceutical Company has increase. It means account payable is standard position, which increase current liability.
* From the chart, The Gross Profit Margin increase that means Square Pharmaceutical Company managing its sales and cost of goods sold which good for company.
* The fixed asset turnover ratio of Square Pharmaceutical Company was declined that means its liability increase, which is bad position for company.
* The debt ratio of Square Pharmaceutical Company was decrease. So, square pharmaceutical company is better position now.
* Form the chart; the earning per share ratio of square pharmaceutical company was declined recent year. So the company stands poor financial position.

## 

## Recommendations

Although Square Pharmaceuticals is performing well in the industry, still it has some scope for improvements, as it’s’ performance is not so much higher than the industry. For improving its operational and financial efficiency Square Pharmaceuticals can –

* Increase its liquidity position slightly to make it equal to the industry.
* Setup benchmarking in some key categories, (i.e. - turnover), and try to achieve them as fast as possible.
* Searching for new finances to expand its business to maintain an equivalent or more growth to the industry.
* Looking for new market segment within the country as well as outside the country to expand its market.

## 

## Conclusion

From the data analyzed and presented above it can be conclude that Square Pharmaceuticals Limited perform better in all materials aspects from the industry. Though its financial strength is higher than the most of the company, its’ liquidity position is below the industry. This may create financing problem for the company. Other than that its’ strong financial position, higher margin on sales, capabilities of managing debt, accounts receivables and inventories make it an attractive company to the investors who make informed decision.

## 

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## APPENDIX

**Current Ratio**= **Current assets / Current liabilities**

**Current asset and Current liabilities**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Current Assets | 3682510712 | 4411836436 | 3843512855 | 4774311194 | 7022213840 |
| Current Liabilities | 2555566286 | 3500845103 | 2640868554 | 2216744401 | 4668189426 |
| **Source:** Compiled from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Current Ratio for 2009 = 3682510712 / 2555566286 = 1.440

2010 = 4411836436 / 3500845103 = 1.260

2011 = 3843512855 / 2640868554 = 1.455

2012 = 4774311194 / 2216744401 = 2.153

2013 = 7022213840 / 4668189426 = 1.504]

**Quick ratio= (Current asset- inventories) / Current liabilities**

(Current asset- inventories) and Current liabilities

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Current assets | 3682510712 | 4411836436 | 3843512855 | 4774311194 | 7022213840 |
| Inventories | 2105938009 | 2026736322 | 2098755231 | 2207078082 | 2541688329 |
| Current liabilities | 2555566286 | 3500845103 | 2640868554 | 2216744401 | 4668189426 |
| **Source:** Compiled from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Quick Ratio for 2009 = (3682510712 - 2105938009) / 2555566286

= 0.616

2010 = (4411836436 - 2026736322) / 3500845103

= 0.681

2011 = (3843512855 – 2098755231) / 2640868554

= 0.660

2012 = (4774311194 - 2207078082) / 2216744401

= 1.158

2013 = (7022213840 - 2541688329) / 4668189426

= 0.959]

**Cash Ratio = Cash / Current Liabilities**

Cash and Current Liabilities

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Cash | 139855179 | 205295694 | 293457740 | 258727695 | 370301755 |
| Current liabilities | 2555566286 | 3500845103 | 2640868554 | 2216744401 | 4668189426 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

**Cash Ratio = Cash / Current Liabilities**

[Cash Ratio for 2009 = 139855179 / 2555566286 = 0.054

2010 = 205295694 / 3500845103 = 0.058

2011 = 293457740 / 2640868554 = 0.111

2012 = 258727695 / 2216744401 = 0.117

2013 = 370301755 / 4668189426 = 0.079

**Accounts receivable turnover = Sales / Accounts receivable**

Sales and Accounts receivable

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Sales | 7500811349 | 8257843739 | 8835892801 | 9454405297 | 10116213668 |
| Accounts receivable | 1418893703 | 151502334 | 693157720 | 1220736941 | 2813811332 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[A/R Turnover for 2009 = 7500811349 / 1418893703 = 5.286

2010 = 8257843739 / 151502334 = 54.506

2011 = 8835892801 / 693157720 = 12.747

2012 = 9454405297 / 12207369411 = 7.744

2013 = 10116213668 / 2813811332 = 3.595]

**Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| C.G.S | 4268447662 | 4856061933 | 5672565973 | 6561288485 | 7703661010 |
| Average Inventory | 1785464060 | 1785464060 | 2152916657 | 2152916657 | 2614753401 |
| **Source:** Compiled from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[ I T Ratio for 2009 = 4268447662 / 1785464060 = 2.390

2010 = 4856061933 / 1785464060 = 2.719

2011 = 5672565973 / 2152916657 = 2.634

2012 = 6561288485 / 2152916657 = 3.047

2013 = 7703661010 / 2614753401 = 2.95]

**Accounts Payable turnover = Sales / Accounts Payable**

Sales and Accounts Payables

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Sales | 7500811349 | 8257843739 | 8835892801 | 9454405297 | 10116213668 |
| Account Payables | 225176449 | 297002646 | 295590601 | 462090211 | 478199933 |
| **Source:** Compiled from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[ A/P Turnover for 2009 = 7500811349 / 225176449 = 33.310

2010 = 8257843739 / 297002646 = 27.803

2011 = 8835892801 / 295590601 = 29.892

2012 = 9454405297 / 462090211 = 20.460

2013 = 10116213668 / 478199933 = 21.154]

**Accounts Payable turnover in days** **= 360 days / Accounts Payable Turnover Ratio**

360 days / Accounts Payable Turnover Ratio

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| 360 days | 360 | 360 | 360 | 360 | 360 |
| A.P.T.R | 33.310 | 27.803 | 29.892 | 20.460 | 21.154 |
| **Source:** Compiled from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[A/P Turnover in days for 2009 = 360 / 33.31o = 10.807

2010 = 360 / 27.803 = 12.948

2011 = 360 / 29.892 = 12.043

2012 = 360 / 20.460 = 17.595

2013 = 360 / 21.154 = 17.018]

**Fixed asset turnover= Sales / Net fixed asset**

Sales / Net fixed asset

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Sales | 7500811349 | 8257843739 | 8835892801 | 9454405297 | 10116213668 |
| Net fixed assets | 6804429292 | 8291290984 | 9407730001 | 10255189084 | 124221953401 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Fixed asset turnover for 2009 = 7500811349 / 6804429292 = 1.102

2010 = 8257843739 / 8291290984 = 0.995

2011 = 8835892801 / 9407730001 = 0.939

2012 = 9454405297 / 10255189084 = 0.921

2013 = 10116213668 /124221953401 = 0.081

**Total asset turnover = Sales / Total asset**

Sales and Total asset

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Sales | 7500811349 | 8257843739 | 8835892801 | 9454405297 | 10116213668 |
| Total assets | 10486940004 | 12703127420 | 13251242856 | 15029500278 | 19444409654 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Total Asset Turnover for 2009 = 7500811349 / 10486940004 = 0.715

2010 = 8257843739 / 12703127420 = 0.650

2011 = 8835892801 / 13251242856 = 0.666

2012 = 9454405297 / 15029500278 = 0.629

2013 = 10116213668 /19444409654 = 0.520]

**Net Profit margin= Net profit after tax / sales\*100**

Net profit after tax and sales

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| N.P.A.T | 1303242840 | 1381863093 | 1890052929 | 2087871791 | 2532054550 |
| Sales | 7500811349 | 8257843739 | 8835892801 | 9454405297 | 10116213668 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Net Profit Margin for 2009 = 1303242840 / 7500811349\*100 = 17.3%

2010 = 1381863093 / 8257843739\*100 = 16.7%

2011 = 1890052929 / 8835892801\*100 = 21.4%

2012 = 2087871791 / 9454405297\*100 = 22.1%

2013 = 2532054550 / 10116213668\*100 = 25% ]

**Gross profit margin ratio= Gross profit / sales\*100**

Gross profit and sales

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Gross profit | 3401781806 | 3401781806 | 4148230595 | 4901289925 | 5767763459 |
| Sales | 7500811349 | 8257843739 | 8835892801 | 9454405297 | 10116213668 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[G P M R Ratio for 2009 = 3401781806 / 7500811349\*100 = 45.4%

2010 = 3401781806 / 8257843739\*100 = 41.1%

2011 = 4148230595 / 8835892801\*100 = 46.9%

2012 = 4901289925 / 9454405297\*100 = 51.8%

2013 = 5767763459 / 10116213668\*100 = 57% ]

**Return on Total Assets= Net profits after taxes / total assets\*100**

Net profits after taxes and total assets

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| N.P.A.T | 1303242840 | 1381863093 | 1890052929 | 2087871791 | 2532054550 |
| Total assets | 10486940004 | 12703127420 | 13251242856 | 15029500278 | 19444409654 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2011 | | | | | |

[Return on Total Assets for 2009 = 1303242840 / 10486940004\*100

= 12.4%

2010 = 1381863093 / 12703127420\*100

= 10.8%

2011 = 1890052929 / 13251242856\*100

= 14.3%

2012 = 2087871791 / 15029500278\*100

= 13.9%

2013 = 2532054550 / 19444409654\*100

= 13% ]

**Return on Equity= Net income / Common stockholders’ equity\*100**

Net income and C.S Equity

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Net income | 1303242840 | 1381863093 | 1890052929 | 2087871791 | 2532054550 |
| C.S Equity | 7333257612 | 8417040705 | 9949397634 | 11554379825 | 13817708990 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[ ROE for 2009 = 1303242840 / 7333257612\*100 = 17.7%

2010 = 1381863093 / 8417040705\*100 = 16.4%

2011 = 1890052929 / 9940397634\*100 = 19%

2012 = 2087871791 / 11554379825\*100 = 18.1%

2013 = 2532054550 / 13817708990\*100 = 13.5% ]

**Operating Profit Margin= Operating profits / Sales\*100**

Operating profits and Sales

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Operating profit | 1825752239 | 1709305818 | 2368437227 | 2689618986 | 2751605397 |
| Sales | 7500811349 | 8257843739 | 8835892801 | 9454405297 | 10116213668 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[O P M for 2009 = 1825752239 / 7500811349\*100 = 24.3%

2010 = 1709305818 / 8257843739\*100 = 20.6%

2011 = 2368437227 / 883589801\*100 = 26.8%

2012 = 2689618986 / 9454405287\*100 = 28.4%

2013 = 2751605397 / 10116213668\*100 = 27.1% ]

**Debt Ratio= Total liabilities / Total assets\*100**

Total liabilities and Total assets

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Total liabilities | 3153682392 | 4286086715 | 3301845222 | 3475120453 | 5626700664 |
| Total assets | 10486940004 | 12703127420 | 13251242856 | 15029500278 | 19444409654 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Debt Ratio for 2009 = 3153682392 / 10486940004\*100 = 30.0%

2010 = 4286086715 / 12703127420\*100 = 33.7%

2011 = 3301845222 / 13251242856\*100 = 24.91%

2012 = 3475120453 / 15029500278\*100 = 23.12%

2013 = 5626700664 / 194444096554\*100 = 28.93% ]

**Time interest Earned= Earnings before interest tax / Interest charged**

E.B.I.T and Interest charged

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| E.B.I.T | 1722906212 | 1868634190 | 2511259218 | 2825069243 | 3414752310 |
| Interest charged | 144254638 | 154352463 | 165157135 | 176718134 | 189088404 |
| **Source:** Complied from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Time Interest Earned for 2009 = 1722906212 / 144254638 = 11.94

2010 = 1868634190 / 154352463 = 12.10

2011 = 2511259218 / 165157135 = 15.21

2012 = 2825069243 / 176718134 = 15.98

2013 = 3414752310 / 189088404 = 18.05 ]

**Book value per share** **= Commonstockholders’ equity / Outstanding shares**

Common stockholder’s equity and outstanding shares

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2009** | **2010** | **2011** | **2012** | **2013** |
| C.S Equity | 7333257612 | 8417040705 | 9949397634 | 11554379825 | 13817708990 |
| Outstanding shares | 8942400 | 8942400 | 15090300 | 15090300 | 19617390 |
| **Source:** Compiled from Annual Report of Square Pharmaceuticals Ltd of the year 2009-2013 | | | | | |

[Book Value Per Share for 2009 = 7333257612 / 8942400 = 820

2010 = 8417040705 / 8942400 = 941

2011 = 9949397634 / 15090300 = 659

2012 = 11554379825 / 15090300 = 766

2013 = 13817708990 / 19617390 = 704]