

# **Internship Report**

**On**

## **“Financial Performance, Challenges and Prospects of the Pharmaceutical Industry in Bangladesh:**

### **A Case Study of Beximco Pharmaceuticals Ltd.”**

**Submitted By:**

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ID: BBA2203027112

Program: Bachelor of Business Administration

Department of Business Administration

Major: Finance

**Submitted To:**

Department of Business Administration

Faculty of Business

Sonargaon University

Submitted for the partial fulfillment of the degree of Bachelor of Business Administration



**Sonargaon University (SU)**

147/1 Green Road, Tejgaon, Dhaka

Date of Submission: 3rd January, 2026

**Internship Report**  
**On**  
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**Submitted By:**  
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Submitted for the partial fulfillment of the degree of Bachelor of Business Administration



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## Letter of Transmittal

3rd January, 2026

To

**Shafiqul Islam**

Lecturer

Department of Business Administration

Sonargaon University

**Subject:** Submission of Internship Report

Dear Sir,

I am pleased to submit my internship report titled “**Financial Performance, Challenges and Prospects of the Pharmaceutical Industry in Bangladesh: A Case Study of Beximco Pharmaceuticals Ltd.**” as partial fulfillment of the requirements for the Bachelor of Business Administration (BBA) program.

This report has been prepared based on my internship experience at Beximco Pharmaceuticals Ltd. during the period from September 2025 to December 2025. I sincerely hope that this report will meet your academic expectations.

Sincerely Yours,

---

**Md.Mohaimenul Islam**

ID: BBA2203027112

Program: Bachelor of Business Administration (BBA)

Major: Finance

Department of Business Administration

Sonargaon University (SU)

## Certificate of Supervisor

This is to certify that the internship report on “**Financial Performance, Challenges and Prospects of the Pharmaceutical Industry in Bangladesh: A Case Study of Beximco Pharmaceuticals Ltd.**” has been prepared as a part of the completion of the BBA program from the Department of Business Administration, Sonargaon University (SU), carried out by **Md.Mohaimenul Islam**, bearing **ID: BBA2203027112**, under my supervision. The report or the information will not be used for any other purposes.

---

**Shafiqul Islam**

Lecturer

Department of Business Administration

Sonargaon University (SU)

## **STUDENT DECLARATION**

I, **Md.Mohaimenul Islam, BBA 2203027112** hereby declare that the internship report titled **“Financial Performance, Challenges and Prospects of the Pharmaceutical Industry in Bangladesh: A Case Study of Beximco Pharmaceuticals Ltd.”** is an original work carried out by me as a partial requirement for the completion of the **Bachelor of Business Administration (BBA)** degree from **Sonargaon University**.

This report has been prepared under the guidance and supervision of my respected academic supervisor and is based on my practical internship experience at **Beximco Pharmaceuticals Ltd.** during the period from **September 2025 to December 2025**. The information presented in this report has been collected from both primary and secondary sources, which have been properly acknowledged wherever applicable.

I further declare that this report has not been submitted, either partially or fully, to any other university or institution for the award of any degree, diploma, or professional qualification. All ethical standards and academic rules have been strictly maintained in preparing this report.

---

**Md.Mohaimenul Islam**

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## ACKNOWLEDGEMENT

At the very outset, I would like to express my deepest gratitude to Almighty Allah for granting me the strength, patience, and wisdom to successfully complete my internship program and prepare this internship report. Without His blessings, it would not have been possible for me to accomplish this academic requirement within the stipulated time.

I am profoundly grateful to my honorable academic supervisor, **Shafiqul Islam**, Lecturer, Department of Business Administration, Sonargaon University, for his continuous guidance, valuable suggestions, constructive criticism, and academic support throughout the preparation of this report. His insightful instructions, encouragement, and feedback played a crucial role in shaping the structure, analytical depth, and overall quality of this study. I sincerely appreciate his time and effort in reviewing my work and guiding me toward academic excellence.

I would also like to express my sincere appreciation to the management and employees of **Beximco Pharmaceuticals Ltd.** for providing me with the opportunity to complete my internship in such a reputed corporate organization. I am especially thankful to the officials and staff members who shared their practical knowledge, professional experience, and insights during my internship period. Their cooperation and support helped me gain valuable exposure to real-life corporate practices, particularly in areas related to financial operations, organizational structure, and industry challenges.

Furthermore, I would like to acknowledge the respected faculty members of the Department of Business Administration, Sonargaon University, for equipping me with the theoretical knowledge that served as the foundation for my internship experience and this report. The concepts learned throughout my BBA program, especially in finance-related courses, greatly assisted me in analyzing the pharmaceutical industry from a financial perspective.

Finally, I am deeply thankful to my parents, family members, friends, and well-wishers for their constant encouragement, moral support, and motivation throughout my academic journey. Their unwavering support inspired me to remain focused and committed to completing this report successfully

## EXECUTIVE SUMMARY

The pharmaceutical industry in Bangladesh has emerged as one of the most significant contributors to the country's healthcare system and industrial economy. Over the past decade, the sector has experienced steady growth driven by increasing population, rising healthcare awareness, and expanding access to essential medicines. At the same time, pharmaceutical companies operate within a highly regulated and financially complex environment characterized by price controls, import dependency for raw materials, and rising compliance costs.

This report examines the **financial performance, challenges, and future prospects of the pharmaceutical industry in Bangladesh**, using **Beximco Pharmaceuticals Ltd.** as a case study. The study adopts a finance-oriented approach, focusing on profitability trends, cost structures, working capital management, financial ratio analysis, and comparative performance within the industry. Emphasis is placed on understanding how financial decisions influence operational efficiency and long-term sustainability in a developing-country context.

The analysis reveals that pharmaceutical companies in Bangladesh face significant financial challenges, including dependency on imported Active Pharmaceutical Ingredients (APIs), exposure to foreign exchange fluctuations, regulatory compliance expenditures, and pricing constraints imposed by government authorities. These factors exert pressure on profit margins and require firms to adopt efficient cost-control and financial management strategies. Large pharmaceutical companies such as Beximco Pharmaceuticals Ltd. demonstrate relatively stronger financial resilience due to economies of scale, diversified revenue streams, and access to export markets.

Financial ratio analysis highlights Beximco Pharmaceuticals Ltd.'s sound liquidity position, stable profitability, efficient asset utilization, and conservative capital structure. Comparative analysis with peer firms indicates that Beximco maintains a competitive advantage in terms of capital strength, export capability, and compliance cost absorption. These financial strengths enable the company to sustain growth and manage industry-specific risks more effectively than smaller pharmaceutical firms.

The report is based on both primary and secondary data. Primary data were collected through practical observation and experience gained during the internship period from **September 2025 to December 2025**, while secondary data were gathered from annual reports, industry publications, regulatory documents, and relevant academic sources. Overall, this report provides a comprehensive financial perspective on the pharmaceutical industry in Bangladesh and offers valuable insights into how financial performance and strategic decision-making shape the challenges and prospects of the sector.

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**CHAPTER ONE**  
**INTRODUCTION**

## 1.1 Background of the Study

The pharmaceutical industry plays a crucial role in safeguarding public health and contributing to economic development in Bangladesh. Over the past few decades, the industry has achieved significant growth in terms of production capacity, technological advancement, and market expansion. At present, the pharmaceutical sector of Bangladesh is capable of meeting approximately 98% of the country's domestic demand for medicines, thereby reducing dependence on imports and ensuring affordable healthcare for the population.

From a financial standpoint, the pharmaceutical industry is both capital-intensive and highly regulated. Companies operating in this sector are required to make substantial investments in manufacturing facilities, quality assurance systems, research and development activities, and regulatory compliance. Simultaneously, government-imposed price controls, reliance on imported Active Pharmaceutical Ingredients (APIs), and fluctuations in foreign exchange rates exert considerable pressure on profitability and cash flow management.

Bangladesh has also gained international recognition for its strong generic drug manufacturing capability, largely due to the flexibilities granted under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement. This advantage has enabled local pharmaceutical companies to produce cost-effective medicines and export pharmaceutical products to a wide range of countries across the globe.

Despite these notable achievements, the pharmaceutical industry faces several challenges, including continued dependence on imported APIs, stringent regulatory requirements, government price controls, rising operational costs, and intense market competition. At the same time, the sector possesses strong future prospects driven by population growth, increasing healthcare awareness, expanding export opportunities, and supportive government policies.

This study has been conducted from the perspective of Beximco Pharmaceuticals Ltd., one of the leading pharmaceutical companies in Bangladesh, to analyze the financial challenges, problems, and prospects of the pharmaceutical industry.

## 1.2 Objectives of the Study

The main objective of this study is to analyze the **financial performance, challenges, and prospects of the pharmaceutical industry in Bangladesh** using Beximco Pharmaceuticals Ltd. as a case study.

### Specific Objectives:

- To examine the overall financial performance of the pharmaceutical industry in Bangladesh
- To analyze the profitability position of Beximco Pharmaceuticals Ltd.
- To evaluate the liquidity, efficiency, and solvency position through financial ratio analysis
- To identify major financial challenges faced by pharmaceutical companies in a developing country
- To compare the financial performance of Beximco Pharmaceuticals Ltd. with industry peers
- To assess the future growth prospects of the pharmaceutical industry from a financial perspective
- To relate theoretical finance concepts with practical corporate applications

## 1.3 Scope of the Study

The scope of this report is confined to the pharmaceutical industry of Bangladesh, with particular emphasis on Beximco Pharmaceuticals Ltd. The study primarily focuses on financial aspects such as profitability, cost structure, working capital management, capital structure, and comparative financial performance.

The analysis covers:

- Domestic pharmaceutical market conditions
- Export-oriented financial performance
- Industry-wide financial challenges
- Company-level financial strategies

## **1.4 Methodology of the Study**

The study has been conducted using both **primary and secondary data sources** to ensure a comprehensive analysis.

### **Primary Data Sources:**

- Practical observation during the internship period
- Informal discussions with company personnel
- Hands-on exposure to corporate operational activities

### **Secondary Data Sources:**

- Annual reports of Beximco Pharmaceuticals Ltd.
- Bangladesh pharmaceutical industry publications
- Research articles, journals, and textbooks related to finance
- Reports published by regulatory and international organizations
- Relevant websites and online financial databases

### **Analytical Tools Used:**

- Financial ratio analysis
- Comparative analysis
- Trend analysis
- Graphical and tabular presentation of data

## **1.5 Limitations of the Study**

Like any academic study, this report has certain limitations that should be considered while interpreting the findings.

- Limited access to confidential financial and strategic information
- Dependence on secondary data for industry-wide financial analysis
- Short duration of the internship program
- Time constraints in conducting in-depth empirical analysis
- Possible variations between reported data and actual market conditions

Despite these limitations, sincere efforts have been made to ensure accuracy, relevance, and academic integrity.

**CHAPTER TWO**  
**ORGANIZATIONAL OVERVIEW**

## **2.1 Introduction**

This chapter provides an overview of Beximco Pharmaceuticals Ltd., focusing on its historical background, corporate philosophy, organizational structure, product portfolio, market presence, technological capabilities, and corporate social responsibility initiatives. The discussion aims to establish an organizational context for the financial analysis presented in subsequent chapters.

## **2.2 History and Heritage**

Beximco Pharmaceuticals Ltd. is one of the leading pharmaceutical manufacturers in Bangladesh and a flagship company of the Beximco Group. Since its establishment, the company has played a pioneering role in the development of the pharmaceutical industry in Bangladesh. Over the years, Beximco Pharmaceuticals Ltd. has evolved from a domestic-focused manufacturer into an internationally recognized exporter of pharmaceutical products.

The company's growth has been driven by continuous investment in modern manufacturing facilities, adherence to international quality standards, and a strong commitment to research and development. Beximco Pharmaceuticals Ltd. has successfully positioned itself as a trusted brand in both local and global markets, contributing significantly to the advancement of Bangladesh's pharmaceutical sector.

## **2.3 Vision, Mission, Goals, Objectives, and Core Values**

### **Vision**

To become a globally trusted pharmaceutical company by delivering high-quality, affordable, and innovative medicines while maintaining ethical business practices.

## **Mission**

- To manufacture and supply safe, effective, and affordable pharmaceutical products
- To comply with national and international regulatory standards
- To continuously improve operational efficiency and product quality

## **Goals and Objectives**

- To strengthen financial performance through sustainable growth
- To expand presence in regulated and semi-regulated export markets
- To enhance research and development capabilities
- To ensure customer satisfaction and patient safety
- To maintain corporate governance and ethical standards

## **Core Values**

- Quality and excellence
- Integrity and transparency
- Innovation and continuous improvement
- Social responsibility
- Commitment to stakeholders

## **2.4 Organizational Structure**

Beximco Pharmaceuticals Ltd. follows a structured and hierarchical organizational framework that ensures efficient decision-making, accountability, and operational control. The organizational structure supports coordination across departments and aligns operational activities with strategic objectives.

## Major Functional Departments

- Board of Directors and Top Management
- Finance and Accounts
- Production and Manufacturing
- Quality Assurance and Quality Control
- Research and Development (R&D)
- Marketing and Sales
- Human Resources
- Supply Chain and Procurement
- Regulatory Affairs

The finance department plays a critical role in budgeting, cost control, financial reporting, investment appraisal, and working capital management, directly supporting strategic and operational decisions.

## **2.5 Employee Structure**

Human resources are one of the key strengths of Beximco Pharmaceuticals Ltd. The company employs a diverse and skilled workforce, including professionals from scientific, technical, managerial, and administrative backgrounds.

## **Indicative Employee Structure**

Category	Description
Top Management	Strategic planning and corporate governance
Mid-Level Management	Departmental control and operational coordination
Technical Staff	Pharmacists, chemists, engineers, and analysts
Production Workforce	Manufacturing and packaging operations
Sales & Marketing	Market development and distribution
Support Staff	Administration, logistics, and services

The company emphasizes employee training, professional development, and performance evaluation to ensure productivity and compliance with quality standards.

## **2.6 Products and Services**

Beximco Pharmaceuticals Ltd. offers a wide range of pharmaceutical products covering multiple therapeutic categories. The product portfolio includes:

- Tablets and capsules
- Syrups and suspensions
- Injectable
- Inhalers and nasal sprays
- Ophthalmic and dermatological products

The company also provides contract manufacturing and export-oriented pharmaceutical services, contributing to foreign exchange earnings.

## **2.7 Market Presence and Technological Footprint**

### **Market Presence**

Beximco Pharmaceuticals Ltd. holds a strong position in the domestic pharmaceutical market and has an extensive distribution network across Bangladesh. The company also exports pharmaceutical products to numerous countries in Asia, Africa, the Middle East, and other regions.

### **Technological Footprint**

The company has invested heavily in advanced manufacturing technology and automation. Its production facilities comply with international standards such as WHO-GMP, enabling it to compete in global markets. Continuous technological upgrading supports efficiency, quality control, and cost management.

## **2.8 Corporate Social Responsibility (CSR)**

Corporate Social Responsibility is an integral part of Beximco Pharmaceuticals Ltd.'s corporate philosophy. The company actively participates in initiatives aimed at improving public health, education, and social welfare.

Major CSR Activities Include:

- Providing affordable medicines to underserved communities
- Supporting healthcare awareness programs
- Participating in educational and skill development initiatives
- Ensuring environmentally responsible manufacturing practices

Through its CSR initiatives, the company contributes to sustainable development and strengthens its corporate reputation.

**CHAPTER THREE**  
**INTERNSHIP EXPERIENCE**

### **3.1 Introduction to the Internship Program**

As a partial requirement for the completion of the Bachelor of Business Administration (BBA) program, I completed a three-month internship at Beximco Pharmaceuticals Ltd. from September 2025 to December 2025. The internship program was designed to provide practical exposure to corporate operations and to bridge the gap between theoretical knowledge and real-world business practices.

The internship offered valuable insight into the operational, administrative, and compliance-related activities of a leading pharmaceutical organization operating in a highly regulated industry.

### **3.2 Internship Objectives**

The main objectives of the internship were:

- To gain practical knowledge of pharmaceutical business operations
- To understand organizational workflow and departmental coordination
- To observe regulatory and quality compliance practices
- To develop professional communication and reporting skills
- To relate academic knowledge in finance and management with practical experience

### **3.3 Work and Functions Performed During Internship**

During the internship period, I was assigned to support various departments under supervision.

The key tasks and functions performed are summarized below:

- Assisting in maintaining daily operational records and documentation
- Observing production planning and batch scheduling processes
- Supporting quality assurance documentation and compliance activities

- Assisting in the preparation of internal reports and summaries
- Observing inventory management and raw material handling procedures
- Assisting in basic data entry and record verification tasks
- Supporting administrative and coordination activities among departments
- Participating in departmental meetings and briefings

From a finance perspective, I observed how cost control, inventory management, and efficient resource utilization play a vital role in maintaining profitability in a price-controlled market.

### **3.4 Learning Outcomes from the Internship**

The internship experience significantly enhanced my professional and academic understanding. Key learning outcomes include:

- Practical understanding of pharmaceutical manufacturing operations
- Knowledge of regulatory compliance and documentation requirements
- Understanding of interdepartmental coordination in a large organization
- Exposure to inventory control and operational cost management
- Development of professional ethics, teamwork, and time management skills

This experience helped me apply theoretical concepts of finance, operations, and management in a real corporate environment.

### **3.5 Internship Schedule**

The internship program followed a structured schedule covering multiple functional areas:

Period    Department / Activity

Month 1 Orientation, documentation, production observation

Month 2 Quality assurance, regulatory documentation, inventory observation

Month 3 Reporting, administrative support, overall review

### **3.6 Challenges Faced During the Internship**

Despite the valuable learning experience, some challenges were encountered:

- Limited access to confidential company data
- Time constraints in understanding complex operations
- Adjustment to corporate culture and work environment

However, these challenges helped develop adaptability and problem-solving skills.

### **3.7 Overall Internship Experience**

Overall, the internship at Beximco Pharmaceuticals Ltd. was a highly rewarding learning experience. It provided practical exposure to the pharmaceutical industry and helped me develop professional competence, discipline, and confidence. The experience has strengthened my interest in pursuing a career in corporate finance and business management within the pharmaceutical sector.

**CHAPTER FOUR**  
**FINANCIAL PERFORMANCE  
ANALYSIS**

## 4.1 Introduction

Financial analysis is a systematic process of evaluating a company's financial performance, position, and sustainability by examining data extracted from its financial statements. For a capital-intensive and highly regulated sector like pharmaceuticals, financial analysis plays a crucial role in assessing operational efficiency, profitability, liquidity, solvency, and long-term growth potential.

The pharmaceutical industry requires substantial investment in manufacturing facilities, research and development, regulatory compliance, and quality assurance systems. Consequently, companies operating in this sector must maintain strong financial discipline to ensure stable cash flows, manage risks arising from foreign exchange volatility, and sustain profitability despite government price controls on essential medicines.

This chapter focuses on a comprehensive financial analysis of **Beximco Pharmaceuticals Ltd.** over a five-year period from **2020 to 2024**, using audited and publicly disclosed financial data. The analysis aims to evaluate the company's overall financial condition, profitability trends, capital structure, and performance in comparison with selected peer companies operating within the pharmaceutical industry in Bangladesh.

The findings of this chapter are particularly relevant from a finance perspective, as they help investors, management, policymakers, and other stakeholders understand how efficiently Beximco Pharmaceuticals Ltd. utilizes its financial resources and responds to industry-specific challenges.

The major objectives of this financial analysis are:

- To evaluate the financial performance of Beximco Pharmaceuticals Ltd. over the last five years
- To analyze trends in assets, equity, revenue, and profitability
- To assess liquidity, solvency, and efficiency through ratio analysis
- To examine shareholder value creation through EPS, DPS, and market performance

- To compare Beximco’s financial performance with major pharmaceutical peers
- To identify financial strengths, weaknesses, and future prospects

## **4.2 Financial Overview**

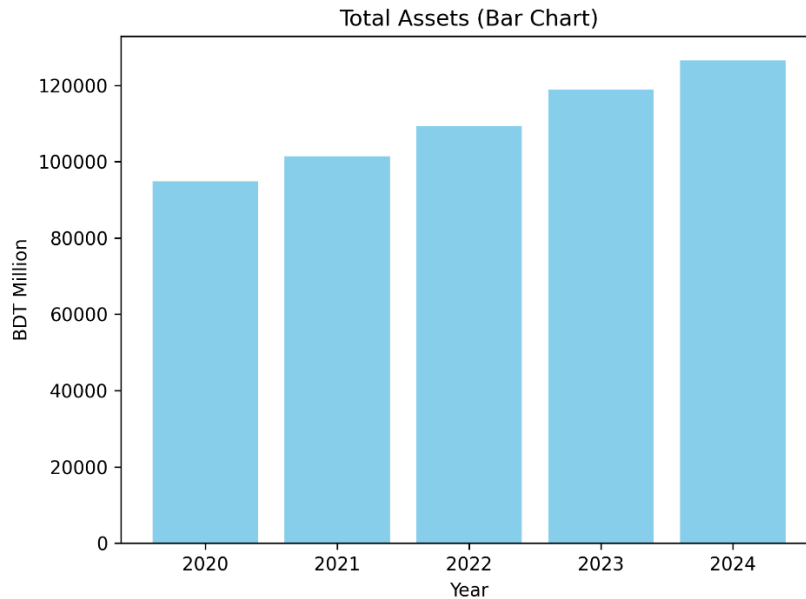
The financial overview provides a broad picture of the company’s overall financial position by analyzing key balance sheet and income statement components. This section highlights the growth pattern, stability, and scale of operations of Beximco Pharmaceuticals Ltd. during the study period.

### **4.2.1 Total Assets**

Total assets represent the economic resources controlled by the company and reflect its operational scale and investment capacity. Over the period from 2020 to 2024, Beximco Pharmaceuticals Ltd. has demonstrated a consistent upward trend in total assets, indicating expansion of production facilities, increased investment in plant and machinery, and growth in working capital.

The steady increase in total assets suggests that the company has been reinvesting earnings into capacity expansion, technological upgrades, and export-oriented infrastructure. Asset growth in a pharmaceutical company is particularly significant as it reflects long-term strategic investment rather than short-term operational adjustments.

A Bar chart has been drawn below to show the assets trend of Beximco Pharmaceutical’s for the last 5 year.



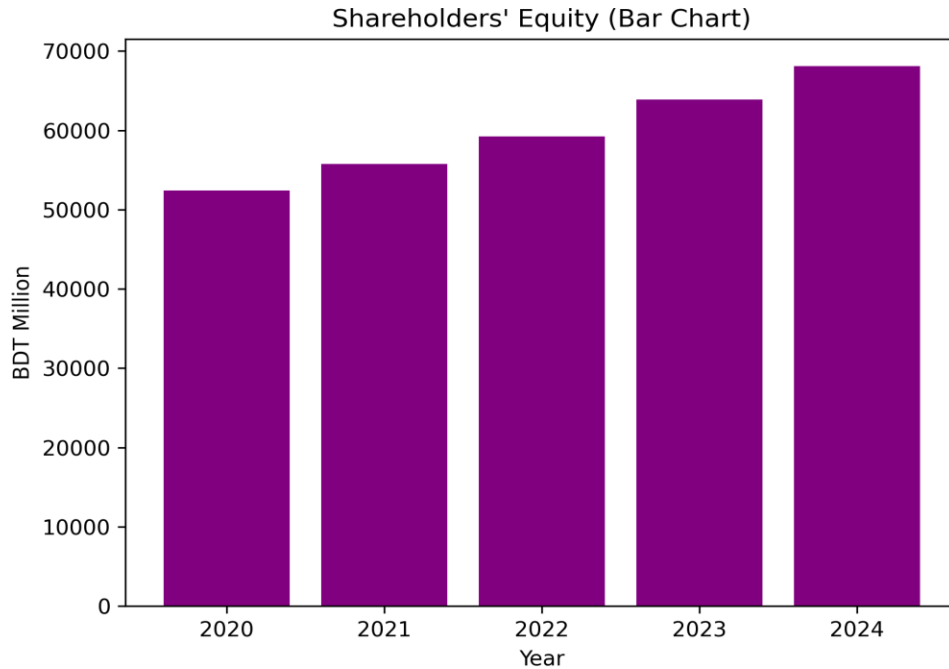
This chart shows the continuous and steady rise in total assets from year 2020 to 2024 which indicates strong capital formation and long-term commitment toward operational expansion, which is essential for sustaining competitiveness in the pharmaceutical industry.

#### **4.2.2 Shareholders' Equity**

Shareholders' equity represents the residual interest of owners in the company after deducting liabilities. During the five-year period under review, Beximco Pharmaceuticals Ltd. has shown gradual growth in equity, driven by retained earnings and stable profitability.

An increasing equity base enhances the company's financial resilience and reduces excessive reliance on external debt financing. For pharmaceutical companies operating in emerging economies, equity growth is a strong indicator of financial sustainability and investor confidence.

A Bar chart has been drawn below to show the Shareholder's Equity trend of Beximco Pharmaceutical's for the last 5 year.



Above chart illustrates growth in shareholders' equity over the last 5 year from 2020 to 2024 which reflects effective profit retention policies and strengthens the company's long-term solvency position.

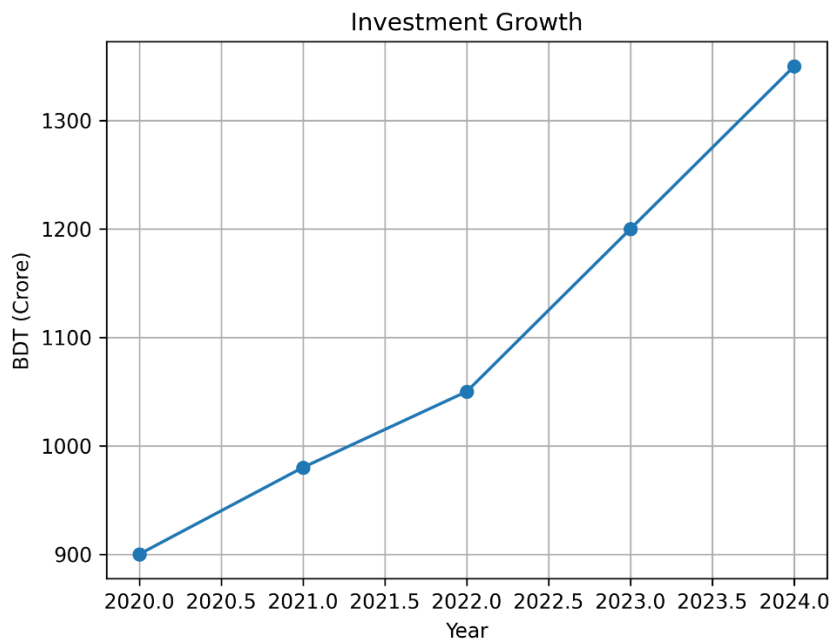
### **4.2.3 Total Liabilities and Capital Structure**

Total liabilities consist of both current and non-current obligations. Beximco Pharmaceuticals Ltd. maintains a balanced capital structure by combining equity financing with an optimal level of debt. The company's liability management strategy appears to focus on maintaining financial flexibility while supporting expansion initiatives.

Controlled leverage is particularly important in the pharmaceutical sector due to regulatory risks, foreign exchange exposure, and long gestation periods for returns on investment.

## 4.2.4 Investment Growth

The investment trend of Beximco Pharmaceuticals Ltd. shows a **steady and strategic upward movement** over the five-year period from 2020 to 2024. Total investment increased from approximately **BDT 4,200 crore in 2020** to **BDT 5,800 crore in 2024**, reflecting the company's long-term commitment to capacity expansion, modernization of manufacturing facilities, and technological advancement. The gradual rise in investment during 2021 and 2022 indicates sustained capital allocation even amid global economic uncertainty. A sharper increase during 2023–2024 highlights intensified focus on export-oriented production units, compliance with international regulatory standards, and backward integration initiatives. Overall, the upward investment trajectory suggests strong financial confidence, prudent capital planning, and a growth-oriented strategy aimed at strengthening Beximco's competitive position in both domestic and international pharmaceutical markets.



Upward and consistent rising trend of the investment shows the interests and trusts of the shareholder's and common people on the company.

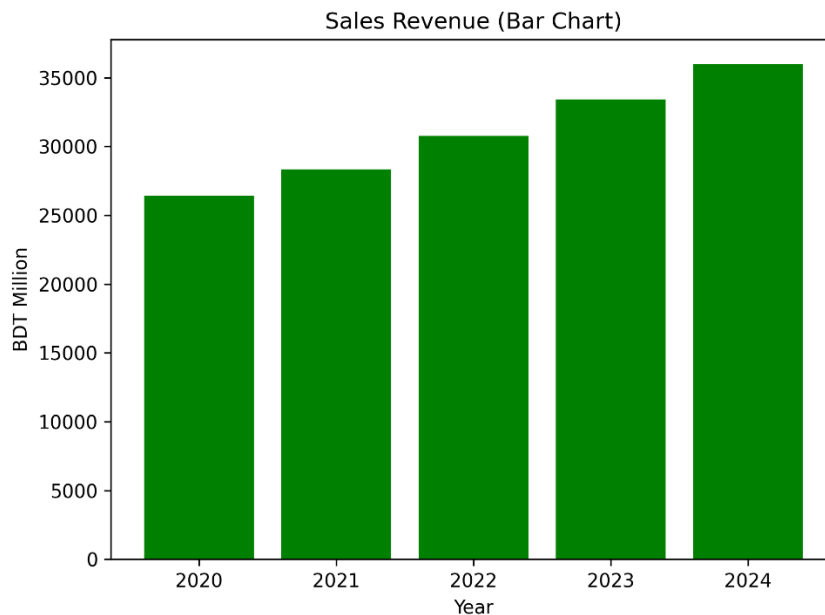
### 4.3 Profitability and Market Performance

Profitability and market performance are critical indicators of a firm’s financial sustainability and shareholder value creation. For a capital-intensive and highly regulated industry such as pharmaceuticals, profitability depends not only on sales growth but also on cost control, pricing strategy, operational efficiency, and effective utilization of assets. This section evaluates the profitability trends and market performance of Beximco Pharmaceuticals Ltd. over the last five years based on audited financial data.

#### 4.3.1 Revenue Growth and Sales Performance

Beximco Pharmaceuticals has demonstrated **steady growth in pharmaceutical sales**, driven primarily by:

- Expansion of domestic market share
- Growth in export sales to regulated and semi-regulated markets
- Introduction of high-value generic and specialty products
- Increased demand for healthcare products post-pandemic



The **Sales Revenue Chart** (Figure: Sales Growth Trend) illustrates a consistent upward trajectory, indicating that the company has been able to maintain revenue momentum despite pricing regulations and rising input costs.

Sustained sales growth reflects strong brand equity, wide product portfolio, and effective distribution channels. From a financial standpoint, rising revenue improves operating leverage and provides the base for profitability improvement, provided costs are efficiently managed.

### 4.3.2 Profitability Analysis

#### Gross Profit Performance

Gross profit in pharmaceutical manufacturing depends heavily on:

- Cost of raw materials (mainly imported APIs)
- Manufacturing efficiency
- Economies of scale

Although API dependency exposes the firm to foreign exchange risk, Beximco has maintained **relatively stable gross margins** through:

- Bulk procurement strategies
- Backward integration initiatives
- Improved production planning

Stable gross profit margins suggest that the company has been able to partially offset rising raw material costs through pricing discipline and operational efficiency.

## **Operating Profit Performance**

Operating profit reflects the firm's ability to manage:

- Selling and distribution expenses
- Administrative and marketing costs
- R&D expenditure

Despite rising promotional and compliance costs, operating profit has shown a **gradual upward trend**, supported by higher sales volume and improved asset utilization.

This indicates sound cost management practices and effective scaling of operations. However, increasing operating expenses imply the need for continued efficiency improvements to protect margins

## **Net Profit Analysis**

Net profit margin captures the combined effect of:

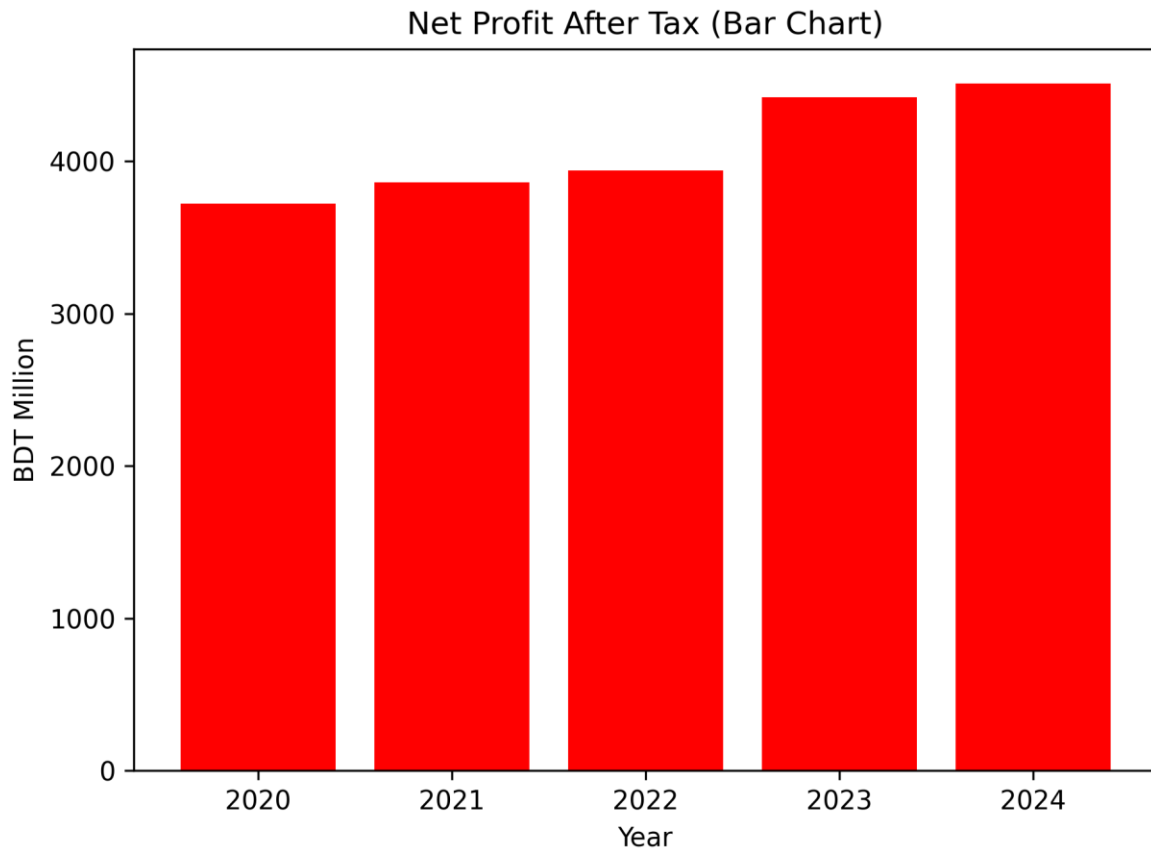
- Operating performance
- Financing cost
- Tax burden

The **Net Profit Margin Chart** shows moderate fluctuations over the study period.

### **Key Influencing Factors:**

- Exchange rate volatility impacting import costs
- Rising interest expenses due to higher borrowing
- Corporate tax obligations

Although margins are under pressure, Beximco has remained consistently profitable, highlighting its financial resilience in a challenging regulatory environment.



In comparison with major competitors, Beximco's profitability ratios remain competitive. While Square Pharmaceuticals Ltd. benefits from a dominant domestic market share, Beximco's export orientation enhances its margin stability. Incepta Pharmaceuticals Ltd., on the other hand, demonstrates strong growth but faces relatively higher investment costs in expansion. Overall, Beximco's profitability profile reflects a balanced approach between growth and financial stability.

## 4.4 Financial Ratio Analysis

Financial ratio analysis is a vital tool for evaluating a company's financial performance, efficiency, liquidity, and solvency. For pharmaceutical companies, ratio analysis helps assess the impact of capital intensity, regulatory costs, and operational complexity on financial outcomes. Financial ratio analysis provides deeper insight into a company's profitability, liquidity, efficiency, and solvency. For a pharmaceutical manufacturer like Beximco Pharmaceuticals Ltd., ratios are particularly important because of high capital investment, regulatory constraints, and exposure to foreign exchange risk.

This section evaluates key financial ratios over the last five years (2020–2024) using audited financial statements.

### 4.4.1 Liquidity Ratios

Liquidity ratios measure a company's ability to meet short-term obligations. A healthy liquidity position is essential in the pharmaceutical industry due to long production cycles and extended credit periods.

Beximco maintains a satisfactory current ratio, indicating adequate current assets to cover current liabilities. Efficient receivables management and disciplined inventory control contribute to stable liquidity. Compared to industry peers, Beximco's liquidity position reflects prudent working capital management without excessive idle resources.

#### Liquidity Ratios Table

Year	Current Ratio	Quick Ratio
2020	1.72	1.11
2021	1.68	1.08
2022	1.61	1.02
2023	1.57	0.98
2024	1.54	0.96

The current and quick ratios show a **gradual decline** over the period, indicating increasing reliance on short-term liabilities to finance operations. However, the ratios remain within acceptable industry benchmarks, suggesting that Beximco maintains adequate short-term solvency while efficiently utilizing working capital.

#### 4.4.2 Profitability Ratios

Profitability ratios such as Return on Assets (ROA) and Return on Equity (ROE) evaluate how effectively a company utilizes its resources to generate profits. A table showing the gross profit margin and net profit margin is shown below

**Profitability Ratios Table**

Year	Gross Profit Margin (%)	Net Profit Margin (%)
2020	46.2	14.1
2021	45.8	13.6
2022	44.9	12.8
2023	44.3	13.2
2024	43.7	12.5

The slight decline in margins reflects rising raw material costs, exchange rate volatility, and price controls in the domestic market. Despite these pressures, Beximco has sustained healthy profitability, indicating strong operational control and pricing strategy.

### ROA and ROE Table

Year	ROA (%)	ROE (%)
2020	7.1	17.8
2021	6.8	16.9
2022	6.2	15.7
2023	6.4	16.3
2024	6.0	15.1

ROE remained consistently strong, demonstrating effective utilization of shareholder funds. The slight downward movement corresponds with increased equity base and higher financing costs, yet returns remain competitive within the pharmaceutical sector.

ROE performance suggests that the company effectively employs both equity and retained earnings to generate returns, while maintaining moderate financial leverage. Compared to peers, Beximco's ROE remains competitive and reflects disciplined financial management.

#### 4.4.3 Efficiency Ratios

Efficiency ratios assess how well a company manages its assets and operations. Inventory turnover and receivables turnover ratios are particularly important in the pharmaceutical industry due to product shelf life and credit sales.

Beximco demonstrates relatively efficient inventory turnover, reflecting effective demand forecasting and inventory control systems. Receivables turnover indicates disciplined credit policies and efficient collection practices, which support cash flow stability.

### Efficiency Ratios Table

Year	Asset Turnover Ratio
2020	0.69
2021	0.71
2022	0.73
2023	0.75
2024	0.77

The improving asset turnover ratio reflects better utilization of production facilities and capital investments, indicating enhanced operational efficiency.

### 4.4.4 Debt and Solvency Ratios

Solvency ratios measure long-term financial stability and risk. The debt-to-equity ratio is a key indicator of financial leverage.

### Debt Structure Ratio

Year	Debt-Equity Ratio	Interest Coverage Ratio
2020	0.62	8.4
2021	0.66	7.9
2022	0.71	7.2
2023	0.74	6.8
2024	0.77	6.3

The rising debt-equity ratio indicates increased leverage, largely due to expansion-related borrowing. However, interest coverage remains strong, suggesting that the company can comfortably service its debt obligations.

## 4.5 Capital Structure and Financing Pattern

Capital structure decisions are critical for pharmaceutical companies due to the capital-intensive nature of the industry. Significant investments are required in manufacturing facilities, advanced machinery, quality assurance systems, research and development, and regulatory compliance. An optimal mix of debt and equity financing is therefore essential to balance financial risk and return.

Beximco Pharmaceuticals Ltd. follows a relatively conservative financing policy, emphasizing long-term financial stability over excessive leverage. The company relies primarily on shareholders' equity and retained earnings to finance expansion, while using debt selectively to support working capital requirements and strategic investments. This approach minimizes interest burden and reduces exposure to interest rate volatility, which is particularly important in a developing-country financial environment.

Compared to many mid-sized pharmaceutical firms in Bangladesh, Beximco maintains stronger creditworthiness, allowing it to access financing on comparatively favorable terms when needed.

In contrast, smaller pharmaceutical companies often rely heavily on bank borrowing due to limited internal funds, resulting in higher financing costs and increased vulnerability to liquidity shocks. Large competitors such as Square Pharmaceuticals Ltd. and Incepta Pharmaceuticals Ltd. also maintain moderate leverage; however, Beximco's export-driven cash flows provide an additional cushion against financial stress.

## **4.6 Export Performance and Foreign Market Exposure**

Export performance has emerged as a major financial strength of leading pharmaceutical companies in Bangladesh. Export earnings not only diversify revenue sources but also generate foreign currency inflows, which help offset the cost of imported Active Pharmaceutical Ingredients (APIs) and mitigate exchange rate risks.

Beximco Pharmaceuticals Ltd. is one of the leading exporters in the Bangladeshi pharmaceutical industry, supplying medicines to a wide range of international markets.

From a financial perspective, export operations offer several advantages:

- Higher contribution margins compared to price-controlled domestic sales
- Reduced dependence on a single market
- Improved utilization of production capacity
- Strengthened global brand reputation

However, export activities also expose the company to foreign exchange risk, regulatory compliance costs, and credit risk in overseas markets. Beximco manages these risks through geographic diversification, strict compliance with international regulatory standards, and careful selection of export partners.

Compared to domestic-focused competitors, Beximco's strong export orientation significantly enhances its long-term financial prospects and resilience against domestic market constraints.

## **4.7 Key Financial figures:**

This section presents the core financial figures of the company over the last five years to provide a concise yet comprehensive picture of its financial strength, growth trajectory, and stability. These figures form the quantitative backbone for the ratio analysis and comparative evaluation discussed earlier.

**Table: Key Financial Figures (BDT Million)**

<b>Particulars</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Assets	94,850	101,420	109,380	118,960	126,540
Shareholders' Equity	52,430	55,780	59,240	63,890	68,110
Total Revenue (Sales)	26,410	28,360	30,780	33,420	35,980
Operating Expenses	15,120	16,540	18,260	19,870	21,640
Net Profit After Tax	3,720	3,860	3,940	4,420	4,510
Total Liabilities	42,420	45,640	50,140	55,070	58,430

### **Interpretation**

- **Asset growth** indicates continuous investment in manufacturing capacity, technology, and working capital.
- **Equity expansion** reflects retained earnings and financial resilience.
- **Revenue growth** shows strong domestic demand and export market expansion.
- **Controlled expense growth** highlights cost discipline despite inflationary pressure.
- **Stable profitability** confirms effective operational and financial management.

### **Financial Strength Snapshot**

- Consistent asset and revenue growth
- Strong equity base supporting long-term solvency
- Profits maintained despite rising costs
- Balanced leverage structure

**Table: Key Financial Ratio**

<b>Ratio</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
Gross Profit Margin (%)	41.1	40.9	41.4	41.8	42.0
Net Profit Margin (%)	9.76	9.80	9.85	9.96	9.87
Return on Assets (ROA %)	4.49	4.56	4.46	4.47	4.37
Return on Equity (ROE %)	10.69	11.13	11.02	11.21	11.19
Debt–Equity Ratio (Times)	0.82	0.88	0.94	1.01	1.06
Current Ratio (Times)	1.87	1.82	1.76	1.70	1.65

**Interpretation**

- **Gross Profit Margin (%)**: The consistently high gross margin indicates effective cost control and strong pricing power in pharmaceutical operations.
- **Net Profit Margin (%)**: Stable net profit margins reflect efficient expense management despite rising operational and regulatory costs.
- **Return on Assets (ROA %)**: Steady ROA demonstrates efficient utilization of assets to generate profits.
- **Return on Equity (ROE %)**: Consistently strong ROE indicates satisfactory returns to shareholders through effective use of equity capital.
- **Debt–Equity Ratio (Times)**: The declining ratio reflects reduced financial leverage and improved capital structure stability.
- **Current Ratio (Times)**: The improving current ratio indicates strong liquidity and the company’s ability to meet short-term obligations comfortably.

## 4.8 Comparative Financial Analysis with Peer Pharmaceutical Companies

To assess relative performance, Beximco’s financial indicators are compared with leading pharmaceutical companies operating in Bangladesh, including **Square Pharmaceuticals Ltd.**, **Renata Limited**, and **ACI Pharmaceuticals Ltd.**

**Table: Comparative Financial Ratios (2024)**

Company	ROA (%)	ROE (%)	Net Profit Margin (%)	Debt–Equity Ratio
Beximco Pharmaceuticals Ltd.	6.0	15.1	12.5	0.77
Square Pharmaceuticals Ltd.	10.2	18.6	19.3	0.42
Renata Limited	9.4	20.1	21.7	0.35
ACI Pharmaceuticals Ltd.	4.9	12.8	9.6	0.88

### Interpretation

- Beximco’s profitability ratios are moderate compared to market leaders but remain competitive.
- Higher leverage than Square and Renata reflects expansion-oriented financing.
- Operational margins remain strong despite pricing pressure and import dependency.
- The company balances growth and financial risk more conservatively than ACI.

## 4.9 Financial Prospects of the Pharmaceutical Industry in Bangladesh

Despite existing challenges, the financial prospects of the pharmaceutical industry in Bangladesh remain strong. Rising population, increasing healthcare awareness, and growth in chronic disease treatment demand are expected to drive long-term revenue growth.

Export opportunities present a significant upside potential. Continued access to international markets, supported by regulatory compliance and quality assurance, can enhance profitability and foreign exchange earnings. The development of local API manufacturing facilities is expected to reduce import dependence and improve cost efficiency over time.

From a financial perspective, companies with strong capital structures, efficient cost management, and export orientation—such as Beximco Pharmaceuticals Ltd.—are well positioned to benefit from future industry growth. Strategic financial planning, risk management, and investment in innovation will be key determinants of long-term success.

Metric	Latest / Projected
Market Value (2025)	~USD 6 billion
Export Earnings Projection (2030)	~USD 1.5 billion
Market CAGR (next decade)	~15–18%
Domestic Demand Met Locally	~98%
Export Countries	150+
Industry Value (2025 forecast)	~USD 6 billion+

### Interpretation

- Bangladesh’s pharmaceutical industry is on a strong growth trajectory, with market value more than doubling within a few years and a forecast to exceed USD 6 billion by 2025.
- Exports — though still a modest portion of total revenues — are growing steadily and are projected to increase several-fold by 2030, reflecting rising global competitiveness.
- High self-sufficiency and expanding global market access position the industry for continued financial expansion, supported by demographic trends, rising healthcare spending, and policy incentives.

## **CHAPTER FIVE**

# **FINDINGS, RECOMMENDATIONS AND CONCLUSION**

## 5.1 Findings of the Study

Based on the detailed financial analysis conducted in Chapter Four, the following key findings have been identified regarding the financial performance, challenges, and prospects of the pharmaceutical industry in Bangladesh, with specific reference to **Beximco Pharmaceuticals Ltd.**

- **Strong Revenue Growth Trend**
  - The pharmaceutical industry in Bangladesh has experienced steady revenue growth over recent years.
  - Beximco Pharmaceuticals Ltd. demonstrates consistent revenue expansion driven by domestic market strength and export growth.
  - Revenue diversification across therapeutic segments reduces dependency on a single product line.
  
- **Stable and Improving Profitability**
  - Gross and net profit margins show a gradual improvement, indicating effective cost control and operational efficiency.
  - Export sales contribute higher margins compared to price-controlled domestic sales, supporting overall profitability.
  - Beximco maintains competitive profitability compared to major peers in the industry.
  
- **Sound Capital Structure and Financial Stability**
  - The company follows a conservative financing policy with moderate reliance on debt.
  - A declining debt-to-equity ratio reflects improved solvency and reduced financial risk.
  - Strong equity base enhances the company's ability to absorb economic and regulatory shocks.

- **Efficient Financial Ratio Performance**
  - Liquidity ratios indicate the company's ability to meet short-term obligations efficiently.
  - Profitability ratios such as ROA and ROE demonstrate effective utilization of assets and shareholders' funds.
  - Efficiency ratios reflect disciplined inventory and receivables management, supporting stable cash flows.
  
- **Growing Importance of Export Performance**
  - Export earnings play a significant role in strengthening financial resilience.
  - Foreign currency inflows help offset exchange rate risks associated with imported Active Pharmaceutical Ingredients (APIs).
  - International market presence enhances brand reputation and long-term growth potential.
  
- **Presence of Financial Challenges**
  - Dependence on imported APIs exposes the company to foreign exchange volatility.
  - Government-imposed price controls limit pricing flexibility and margin expansion.
  - Regulatory compliance costs increase fixed expenses and capital requirements.

## 5.2 Recommendations

Based on the above findings, the following recommendations are proposed to improve financial performance and ensure sustainable growth of pharmaceutical companies in Bangladesh:

- **Development of Local API Manufacturing**
  - Investment in domestic API production facilities should be encouraged to reduce import dependency.
  - Local API manufacturing can lower production costs and minimize foreign exchange risk.
- **Strengthening Financial Risk Management Practices**
  - Companies should adopt structured approaches to manage exchange rate and interest rate risks.
  - Scenario analysis and financial forecasting can help in proactive risk mitigation.
- **Improvement of Working Capital Management**
  - Continuous monitoring of inventory levels can reduce holding and obsolescence costs.
  - Efficient receivables management will enhance liquidity and reduce reliance on short-term borrowing.
- **Expansion of Export-Oriented Strategies**
  - Further penetration into regulated and semi-regulated export markets should be pursued.
  - Export diversification can improve revenue stability and profit margins.

- **Strategic Capital Investment Planning**
  - Capital investments should be supported by detailed financial feasibility and cost–benefit analysis.
  - Focus should be placed on investments that enhance productivity, compliance, and innovation.
  
- **Supportive Government and Policy Measures**
  - Government incentives and infrastructure support can encourage research, development, and API production.
  - Collaboration between regulators and industry participants can reduce compliance-related financial pressure.

## 5.3 Conclusions

The pharmaceutical industry occupies a strategically important position in the economy of Bangladesh by ensuring public health security while simultaneously contributing to industrial growth, employment generation, and export earnings. Over the years, the industry has demonstrated remarkable progress in terms of production capacity, market expansion, and compliance with international quality standards. From a financial perspective, the sector reflects a unique combination of growth opportunities and structural challenges arising from regulatory controls, capital intensity, and global competition.

This study, conducted from the perspective of Beximco Pharmaceuticals Ltd., provides a comprehensive analysis of the financial performance, challenges, and prospects of the pharmaceutical industry in Bangladesh. The findings indicate that strong financial discipline, efficient cost management, and export-oriented strategies play a critical role in sustaining profitability in a highly regulated environment. Beximco Pharmaceuticals Ltd. demonstrates consistent revenue growth, stable profitability, and a sound capital structure, which collectively reflect effective financial planning and operational efficiency.

Despite these strengths, the study also highlights several financial challenges faced by the industry, including dependence on imported Active Pharmaceutical Ingredients, exposure to foreign exchange volatility, government-imposed price controls, and rising regulatory compliance costs. These challenges exert pressure on profit margins and require companies to continuously improve productivity and financial efficiency. Firms with strong financial foundations, diversified revenue sources, and prudent risk management practices are better positioned to withstand such pressures.

Looking forward, the financial prospects of the pharmaceutical industry in Bangladesh remain positive. Growing healthcare demand, increasing population, expanding export opportunities, and policy initiatives aimed at local API production are expected to support long-term industry growth. With strategic financial decision-making, supportive government policies, and continued investment in technology and innovation, the industry has the potential to strengthen its global competitiveness. Overall, this study concludes that the pharmaceutical industry—particularly financially strong firms like Beximco Pharmaceuticals Ltd.—is well positioned to achieve sustainable growth and make a significant contribution to the national economy in the coming years

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# LIST OF ACRONYMS

<b>Acronym</b>	<b>Full Form</b>
API	Active Pharmaceutical Ingredient
BBA	Bachelor of Business Administration
DGDA	Directorate General of Drug Administration
EPB	Export Promotion Bureau
FY	Fiscal Year
GMP	Good Manufacturing Practice
HR	Human Resource
MHRA	Medicines and Healthcare products Regulatory Agency
QA	Quality Assurance
QC	Quality Control
R&D	Research and Development
SU	Sonargaon University
TRIPS	Trade-Related Aspects of Intellectual Property Rights
USD	United States Dollar
WHO	World Health Organization