Internship Report on

Performance Analysis of Janata Jute Mills Limited

A concern of Akij Bashir Group

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Submitted By:

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Submitted To:

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Date of Submission : January 14, 2025

Letter of Transmittal

Date : January 14, 2025

Mahbub Parvez

Associate Professor

Department of Tourism And Hospitality Management

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of internship report entitled **“Performance Analysis of Janata Jute Mills Limited”.**

Dear Sir,

As part of the Department of Business Administration's BBA program, I am pleased to present to you the report of my internship program on "Performance Analysis of Janata Jute Mills Limited" for your review. I completed the report on time and achieved all of the recommended objectives. Writing the report and participating in this internship program have improved my understanding of the topic area in addition to the information I have gained from my academic studies. I have tried my best to make this report comprehensive and instructive. I genuinely hope you will appreciate my work and find the report up to your expectations. I want to reiterate that without your help and direction, I could not have completed this report. If you have any queries concerning this report, I would be pleased to answer them.

Sincerely yours,

Sadman Sakib
ID: 201-11-6556, BBA (Finance)
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Letter of Approval

This certifies that Sadman Sakib, ID# 201-11-6556, Program BBA, Batch 55th, Major in Finance, is enrolled regularly in Daffodil International University's Department of Business Administration, Faculty of Business and Entrepreneurship. He produced this internship report under my supervision after completing his internship program at the Janata Jute Mills Limited headquarters in Ghorashal, Palash Upazila, Narsingdi District. "Performance Analysis of Janata Jute Mills Limited"is the topic of his internship. The report, in my opinion, merits meeting the BBA program's criteria.

I hope he finds happiness and all the success he deserves.

Mahbub Parvez

Associate Professor

Department of Tourism And Hospitality Management

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgements

All of the people that helped and advised me throughout my internship and the writing of my internship report have my sincere gratitude and respect.

I want to start by sincerely thanking Mr. **Mahbub Parvez**,Associate Professor who was in charge of me during my internship. His guidance, expertise, and constant support were invaluable in helping me understand the industry and provide wise counsel for writing this report. I truly value his great mentoring, and his encouragement and perceptive criticism have been crucial to my professional development.

I would also want to express my gratitude to the whole finance team for their collaboration and kind reception throughout my internship. Specifically, my team leader, whose careful supervision and support inspired me to finish the tasks. The team's collaborative work environment has considerably improved my learning and growth. All of my coworkers who generously shared their expertise and experience with me have my genuine gratitude. They have shown great tolerance, a desire to share ideas, and a readiness to answer my questions.

Furthermore, I would like to thank Janata Jute Mills Limited for providing me with this internship opportunity. The exposure to real-world scenarios and the practical application of academic knowledge have considerably improved my professional development, which will undoubtedly aid me in achieving my future goals.

In particular, I am grateful for the support that my fellow interns gave me during our internship. Their companionship, discussions, and common experiences have made this internship one to remember.

Finally, I would want to express my gratitude to my friends and family for their unwavering encouragement and support throughout my internship. My achievements have mostly been attributed to their unfailing support and faith in my abilities.

I want to thank each and every one of you for supporting me and being a crucial part of my internship experience.

Executive Summary

Janata Jute Mills Limited is a leading name in Bangladesh's jute industry, renowned for producing premium jute products for domestic and international markets. This report highlights the company's recent performance, strategic initiatives, and future outlook.

Over the past year, the company has enhanced its operational efficiency through increased production capacity, advanced machinery adoption, and workforce development initiatives. These improvements have enabled Janata Jute Mills to meet growing global demand for sustainable alternatives to plastic.

Financially, the company has experienced significant growth, with rising exports to key markets in Europe and Asia driving higher revenues. Cost management measures and favorable exchange rates have improved profitability, while robust cash flows have facilitated investments in modernization and innovation.

Sustainability remains a priority, with energy-efficient manufacturing processes and the use of biodegradable materials reducing the company's environmental footprint. These efforts align with global trends and strengthen the company's position in eco-conscious markets.

Strategically, the company has diversified its product portfolio, entered untapped markets, and expanded its distribution networks. These initiatives, coupled with a strong commitment to sustainability, reinforce its leadership in the industry and position it for long-term growth.

By diversifying its product range and expanding into new markets, Janata Jute Mills strengthens its leadership position and prepares for long-term growth. With a solid foundation and forward-thinking strategies, the company is poised for continued success in an evolving global market. With a solid foundation, innovative strategies, and a forward-looking vision, Janata Jute Mills Limited is well-equipped to capitalize on opportunities in the evolving global market while continuing to create value for its stakeholders.

Table of Contents

CHAPTER-1

INTRODUCTION

1.1 Introduction

Financial performance analysis is a comprehensive evaluation process aimed at understanding the financial health, operational efficiency, and sustainability of a business. It provides crucial insights into how effectively an organization manages its resources, generates profits, and fulfills its financial obligations. For large-scale manufacturing enterprises like Janata Jute Mills Limited, such analysis is indispensable in ensuring competitive advantage, financial stability, and strategic growth in a dynamic industry landscape.

Janata Jute Mills Limited, a prominent concern of the Akij Bashir Group, stands as a significant player in Bangladesh's jute industry, which has long been a cornerstone of the country's economy. As part of one of Bangladesh's largest and most diversified conglomerates, the mill benefits from the group's strong legacy, financial backing, and operational synergies. Specializing in the production of high-quality jute products, Janata Jute Mills caters to both domestic and international markets, contributing substantially to the country's export sector. Its operations align with global trends favoring eco-friendly and sustainable alternatives, positioning it as a key player in addressing environmental challenges.

However, the jute industry faces a range of challenges, including fluctuating raw material prices, competition from synthetic alternatives, and evolving consumer preferences. Additionally, external factors such as shifts in global trade policies, economic downturns, and technological advancements can significantly impact financial performance. In this context, a detailed analysis of Janata Jute Mills' financial performance is essential for understanding its ability to navigate these challenges while capitalizing on emerging opportunities.

This study aims to assess the financial performance of Janata Jute Mills Limited through a thorough examination of its financial statements, including income statements, balance sheets, and cash flow statements. The analysis will focus on key metrics such as profitability, liquidity, solvency, and efficiency to evaluate the mill's operational effectiveness and financial stability. Moreover, the study will benchmark the company's performance against industry standards and competitors to identify areas of strength and improvement.

1.2 Origin of the Report

In the last semester of the BBA degree at Daffodil International University, every student must complete an internship with a company and then write a report. The assessment method requirements for the internship program are satisfied by this report. This study, " Performance Analysis of Janata Jute Mills Limited," is based on my three-month internship at the Janata Jute Mills Limited's headquarters in Ghorashal, Palash Upazila, Narsingdi District. I created this internship report on the topic under the direction of my organization supervisor, Md. Asif Hasan, Senior Officer of the Finance department at Janata Jute Mills Limited, and following a consultation with my supervisor, Mahbub Parvez, an Associate Professor in the Department of Tourism And Hospitality Management at the Faculty of Business & Entrepreneurship ,Daffodil International University

1.3 Significance of the Report

This report on the internship is one of the primary prerequisites for the four-year BBA degree. This is due to the fact that the combination of theory and practice makes knowledge and learning flawless. Through this internship program, students may increase their relationships and networks. In real life, individuals you know can help you get a job. This method may help pupils prepare for the workforce. In Bangladesh, a developing country, a significant portion of college graduates remain unemployed. They have not been able to obtain the typical professional experience in building a networking structure since they lack internship experience, which is crucial for landing a job.

The significance of internships is therefore amply supported as a crucial prerequisite for a four-year BBA program.

1.4 Objectives

1.4.1 General Objective

The general objective of this study is to analyze the financial performance of Janata Jute Mills Limited.

1.4.2 Specific Objectives

- To know the current financial position of Janata Jute Mills Limited.
- To calculate and analyze different types of ratio such as Liquidity Ratio, Operating Efficiency Ratios, Profitability Ratio, etc.
- To evaluate the performance by examine horizontal and vertical analysis.
- To identify the problems related with the financial performance of Janata Jute Mills Limited and suggest some possible recommendations to overcome the problems.

1.5 Methodology

Data collection: From selecting the topic to the presentation of the final report, the study needs a methodical process. The descriptive technique was used in this study to gather information and comprehend the Janata Jute Mills Limited 's financial performance. In order to conduct the study, data sources were located and gathered. They were then categorized, processed, evaluated, and presented systematically, yielding important findings. The general methodological technique that was used for the study is listed below.

Sources of data:

The data used to complete this report has been collected from the Secondary sources.

Secondary Sources:

- Janata Jute Mills Limited Annual report 2019-2023.
- Web site of Janata Jute Mills Limited. (https://janata-sadat-jute.com).
- Lanka bd (http://lankabd.com)
- Third-party blogs, websites articles etc.
- Articles in the newspapers.

Data Analysis:
Ratio Analysis, Vertical Analysis, Horizontal Analysis forecasting etc.

1.6 Limitation of Study

Several components and experiences are required to create a report. However, creating an accurate and thorough report presented a number of difficulties. some restrictions or hurdles that make it difficult for me to do my duties.

I had some challenges when composing this internship report. The following is a list of the restrictions.

- The difference between rules and regulations and practical practice has been difficult to explore.
- The lack of some recent and historical data.
- Insufficient data on the webpage.
- Gathering the required data was an extremely difficult task.
- A few policies and processes were confusing to grasp.
- Internal data and information were not shared by the company.

CHAPTER-2
ORGANIZATIONAL OVERVIEW

2.1 Background of Janata Jute Mills Limited

Janata Jute Mills Limited, established in 1966, is one of the oldest and most prominent jute mills in Bangladesh. Headquartered in Dhaka, its primary manufacturing facility is located in Ghorashal, Narshingdi. The company was founded during the Pakistan era with the aim of producing high-quality jute products for both domestic and international markets. Over time, it earned a reputation for excellence in craftsmanship and product quality. After Bangladesh's independence in 1971, Janata Jute Mills was nationalized, contributing significantly to the country's foreign currency reserves through the export of jute goods. Jute, being a key export item, played a vital role in the economy during this period. In the 1980s, the government privatized the mill as part of broader economic reforms, leading to investments in modernization and improved production techniques to meet international standards.

Today, Janata Jute Mills Limited is a major producer of jute products, including hessian cloth, sacks, and yarns. Its products are exported to markets in Asia, Europe, and the Middle East, cementing its position as a leading player in the global jute industry. The company also contributes significantly to the local economy by providing employment to thousands of workers in the region. Despite facing challenges such as competition from synthetic alternatives, fluctuating raw material prices, and the need for continuous technological upgrades, the company has remained resilient. With the growing global demand for eco-friendly and biodegradable products, Janata Jute Mills is well-positioned to expand its market share. Its focus on sustainable practices and potential diversification into value-added jute goods ensures its continued relevance in the industry.

2.2 Mission of Janata Jute Mills Limited

Produce high-quality, eco-friendly jute products that meet international standards, ensuring customer satisfaction while promoting sustainability. Fostering economic development in the region by creating employment opportunities and contributing to the growth of Bangladesh's jute industry.

2.3 Vision of Janata Jute Mills Limited

To be a global leader in the jute industry by providing innovative, sustainable, and value-added jute products. The company aspires to enhance its presence in international markets while upholding its commitment to environmental conservation and ethical business practices.

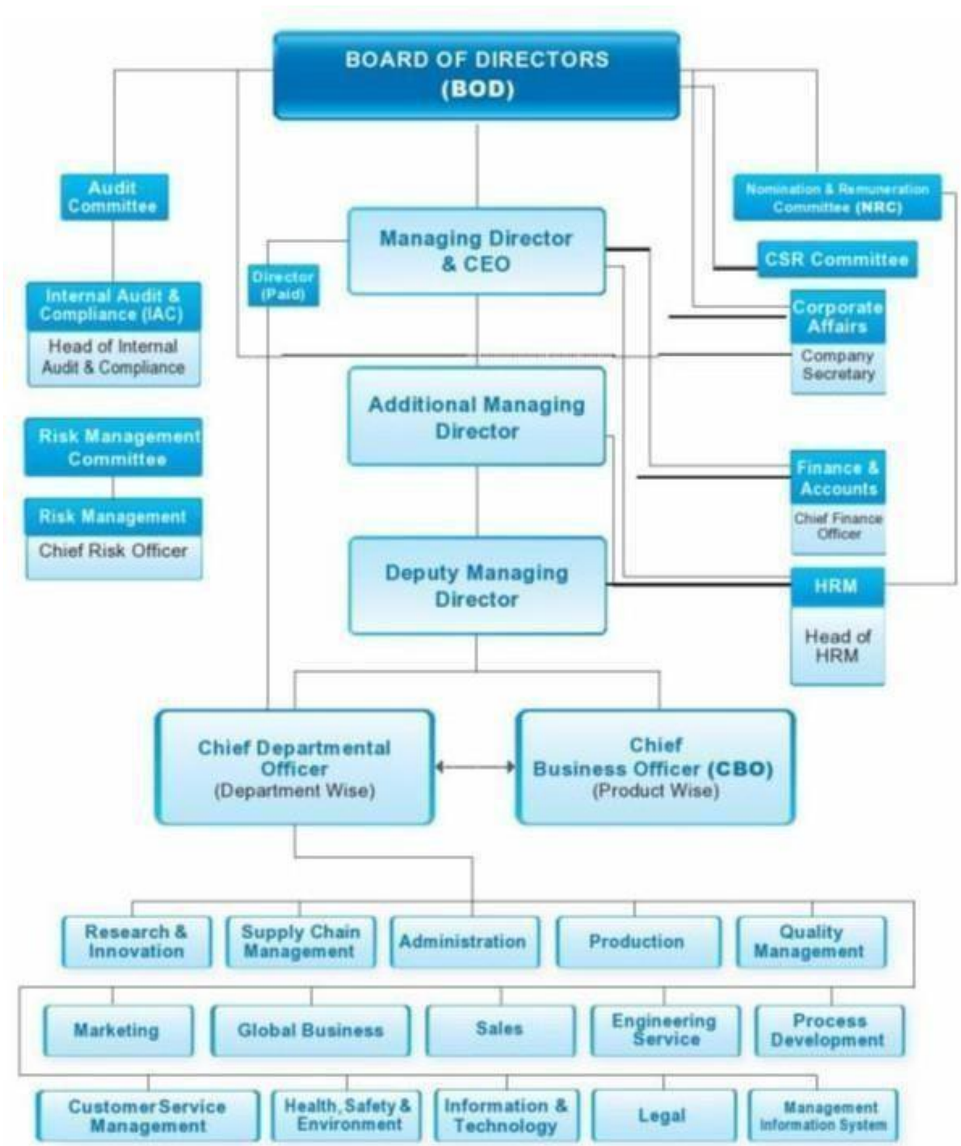
2.4 CORPORATE CULTURE

- A strong work ethic and commitment to excellence are valued.
- A focus on producing high-quality, eco-friendly jute products.
- Collaboration and cooperation among employees to achieve common goals.
- Encouraging creativity and new ideas to improve processes and products.
- A commitment to ongoing learning and development.

2.5 The core value

- A commitment to environmentally friendly practices and sustainable resource management.
- A focus on producing high-quality jute products that meet international standards.
- A drive to explore new ideas and technologies to improve products and processes.
- A dedication to meeting customer needs and exceeding expectations.
- A commitment to the well-being of employees and the community.

2.6 Organizational Structure of Janata Jute Mills Limited



2.7 Janata Jute Mills Limited's achievement

- National Export Trophy
- Modernization and Technology
- Strong Market Presence
- Contribution to the Economy
- Pioneering Role in the Jute Industry 2016
- Consistent Export Excellence
- Diversification of Product Range

2.8 Products of Janata Jute Mills Limited

Janata Jute Mills Limited specializes in manufacturing high-quality jute products for both domestic and international markets. Its product portfolio includes a variety of items tailored to meet the needs of industries ranging from agriculture to packaging and textiles. The main products include:

Product Line	
Segments	Product
Yarn and Twine	• Jute yarn in various counts and qualities • Jute twine for packaging and other applications • Coated yarn for added durability and water resistance • Cable yarn for specialized uses • Binder twine for agricultural purposes
Fabrics	• Hessian fabrics for packaging and industrial uses • Leno fabrics for various applications • Sacking bags for agricultural and industrial purposes • Retail packing bags for consumer goods • Coffee bags for packaging coffee beans
Non-Woven Products	• Non-woven felt for various industrial and consumer applications • Nursery sheets for plant propagation
Other Products	• Jute balls for decorative purposes • Jute ropes in various sizes • Jute garden twine • Jute handicrafts and home decor items

CHAPTER-3

FINANCEAL PERFORMANCE ANALYSIS OF JANATA JUTE MILLS LIMITED

3.0 Performance Analysis of Janata Jute Mills Limited:

Performance analysis involves evaluating and interpreting data to measure how well an individual, team, process, or organization achieves its goals and objectives. For a business professional like you, performance analysis can apply to various contexts, such as employee performance, financial results, operational efficiency, or strategic goals.

3.1 Common Size Analysis

3.1.1 Common Size Analysis of Income Statement

Janata Jute Mills Limited

Income Statements (Amount converted to millions)

Common Size Analysis

Particular	2020	%	2021	%	2022	%	2023	%
Revenue	31079	100%	59949	100%	80681	100%	56374	100%
COGS	15423	62%	33515	62%	56146	65%	43022	65%
Gross Profit	14655	38%	16434	38%	25534	35%	13351	35%
Total Operating Expenses	3652	11%	7079	10%	9084	12%	7782	12%
Operating Profit	10003	27%	18345	28%	16350	23%	155667	23%
Net Finance Costs	2068	5%	1061	2%	4558	11%	7503	11%
Profit After Finance Costs	8734	22%	17183	26%	12691	12%	8064	12%
Non Operating Income/Expenses	78	1%	510	1%	269	0%	201	0%
Profit Before WPPF & Tax	7746	21%	17695	27%	12862	12%	8266	12%
Contribution to WPPF	415	1%	880	1%	617	1%	393	1%
Profit Before Tax	7330	20%	16805	25%	12335	12%	7874	12%
Income Tax Expenses	1055	3%	1313	2%	178	0%	46	0%
Profit After Tax	7164	18%	15392	23%	12166	12%	7826	12%

Interpretation:

The proportion of each item in the income statement relative to a base item is obtained through the common size analysis of the income statement. This approach aids in determining how well a company is doing relative to its rivals. Measuring has other benefits. how much of the total cost goes to each item and what proportion is left over after all expenses have been covered. A corporation may search for places where expenses may be cut if its earnings are dropping. Janata Jute Mills Limited 's earnings increased until 2022, when they fell to 66374 million Taka in 2023. COGS are virtually the same each year. Over the past four years, there hasn't been much of a shift in operating costs. However, if revenues decline in 2023, COGS and operational expenditures are higher than in 2023. For the first two years, the income tax expenditure is 2% and 3%, respectively. It is zero in the next two years, which denotes a contented state of circumstances. Lastly, during the past two years, profits after taxes have decreased. Janata Jute Mills Limited 's overall sales profit is predicted to be a meager 12% in 2022 and 2023. Investors and customers are turned off by the gloomy portrayal of Janata Jute Mills Limited. Source: (Janata Jute Mills Limited, 2019-23).

3.1.2 Common Size Analysis of Balance Sheet

Janata Jute Mills Limited

Balance Sheet (Amount converted to millions)

Common Size Analysis

Particular	2020	%	2021	%	2022	%	2023	%
Assets								
Total Non-Current Assets	54101	55%	66358	50%	71142	45%	75408	52%
Total Current Assets	41916	45%	66090	50%	86414	55%	69430	48%
Total Assets	106018	100%	12449	100%	169556	100%	135939	100%
Equity & Liabilities								
Total Shareholders Equity	78953	69%	93389	70%	100384	64%	103124	72%
Total Non-Current Liabilities	5238	5%	3756	3%	3208	2%	6404	4%
Total Current Liabilities	31826	26%	35202	27%	53864	34%	34411	24%
Total Equity & Liabilities	106018	100%	124449	100%	149556	100%	135939	100%

Interpretation:

According to the estimate, fixed assets will make up 50% of total assets in 2021, compared to 55% in 2020. They consequently sell a portion of their fixed assets. Similar circumstances as in 2022, with the exception that they increase their participation to 52% in 2023 by purchasing fixed assets. Source: (Janata Jute Mills Limited, 2019-23).

3.2 Trend Analysis

3.2.1 Trend Analysis of Income Statement

Janata Jute Mills Limited

Income statement (Amount converted to million)

Trend Analysis

Particular	2020	%	2021	%	2022	%	2023	%
Revenue	40079	100%	69849	170%	81681	199%	66274	162%
COGS	15423	100%	43515	171%	55146	217%	43022	169%
Gross Profit	14655	100%	27434	169%	26534	169%	23251	149%
Total Operating Expenses	4352	100%	7089	152%	9184	197%	7782	167%
Operating Profit	12003	100%	19345	176%	17350	158%	15568	141%
Net Finance Costs	2068	100%	1160	54%	4658	215%	6503	346%
Profit After Finance Costs	8734	100%	18183	206%	12691	144%	8064	91%
Non Operating Income/Expenses	87	100%	511	581%	270	307%	201	228%
Profit Before WPPF & Tax	8756	100%	18685	214%	12962	148%	8266	95%
Contribution to WPPF	426	100%	890	214%	617	148%	393	94%
Profit Before Tax	8230	100%	16805	214%	12435	148%	7873	95%
Income Tax Expenses	1055	100%	1413	133%	178	17%	46	4%
Profit After Tax	7164	100%	16392	226%	12166	167%	7826	108%

Interpretation:

Trend analysis is one method that might help a business evaluate how it is performing in comparison to the market. The market determines a company's stock price based on its trends. Data from various company components over a number of years is analyzed horizontally. It assessed an organization's productivity and well-being.

We can observe that Janata Jute Mills Limited 's sales have been rising over time, indicating that the company is expanding. Due to rising sales, Janata Jute Mills Limited has been expanding over time. Nevertheless, the situation is unsatisfactory because the cost is increasing over time as well. However, if we examine it, we can see that the profit is also rising with time. It rises to 226% in 2021, illustrating Janata Jute Mills Limited 's lavish performance. However, their earnings begin to decline significantly in 2023. People may find themselves in difficult circumstances as a result of these factors. To improve performance and lower risks, Janata Jute Mills Limited should try to take the right initiative. Source: (Janata Jute Mills Limited, 2019-23).

3.2.2 Trend Analysis of Balance Sheet

Janata Jute Mills Limited

Balance Sheet (Amount converted to million)

Trend Analysis

Particular	2020	%	2021	%	2022	%	2023	%
Assets								
Total Non-Current Assets	54101	100%	64358	105%	72142	113%	76408	119%
Total Current Assets	52916	100%	66090	129%	87414	168%	66530	134%
Total Assets	126018	100%	12449	116%	150556	138%	144939	126%
Equity & Liabilities								
Total Shareholders Equity	79953	100%	94389	118%	101384	127%	103124	130%
Total Non-Current Liabilities	4238	100%	3856	74%	3308	63%	6404	122%
Total Current Liabilities	31826	100%	36202	117%	53864	178%	35411	115%
Total Equity & Liabilities	106018	100%	124449	116%	149556	138%	143939	126%

Interpretation:

The data suggests that over these years, there has been a little growth on the asset side. The percentage of current assets rises faster than the percentage of fixed assets among them. Consequently, Janata Jute Mills Limited has recently had greater cash or liquid assets. Even if it works well for daily tasks, this is not a particularly satisfying atmosphere over the long run. To increase profits, Janata Jute Mills Limited must make the necessary investments and efficiently manage its assets. On the other hand, shareholders' equity is rising, but not as much. If Janata Jute Mills Limited wants to see the company go any more, he ought to consider acquiring additional shares. Liabilities show a decline in long-term debt and a rise in short-term debt. This implies that Janata Jute Mills Limited is working to lower its obligations and settle its debts, which is advantageous for the business.We can see that Janata Jute Mills Limited is making an effort to keep the business in a balanced position by looking at patterns in the income statement and balance sheet. However, companies must also improve their strategic planning and management methods in order to control their operations and market position. Source: (Janata Jute Mills Limited, 2019-23).

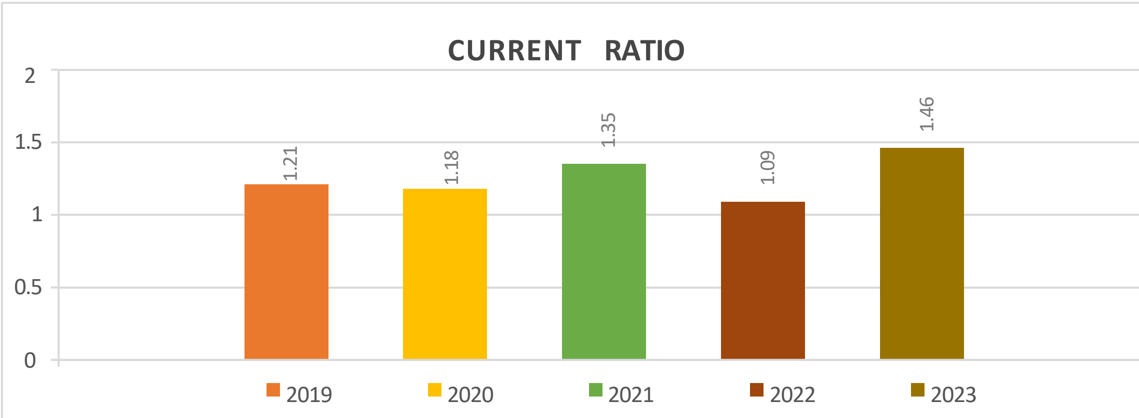
3.3 Liquidity Ratio:

A company's liquidity ratio demonstrates how well it can use its current assets cash and cash equivalents to settle its debts. The ability of a business to settle short-term debt may be evaluated using the liquidity ratio.

3.3.1 Current ratio

The current ratio indicates a company's desire and capacity to use its short-term assets to settle its short-term obligations. The dollar-based ratio of the company's debt to its cash or current assets. A higher current ratio indicates that the business has enough cash on hand to pay its debts.

Current Ratio	
2019	**1.21**
2020	**1.18**
2021	**1.35**
2022	**1.09**
2023	**1.46**



Interpretation: Janata Jute Mills Limited 's current ratio varies annually, according to the statistics. In 2023, if the company's current ratio is 1.46, it will have 1.46 dollars in current assets to cover every dollar of debt. This suggests that the company is doing quite well. Nonetheless, the ratio in 2022 is somewhat lower than in 2023. When compared to its current state, the graph shows the company's good growth. Source: (Janata Jute Mills Limited, 2019-23).

Recommendations:

At the moment, this business is growing yearly. To keep their position, They must utilize the resources they now possess effectively.

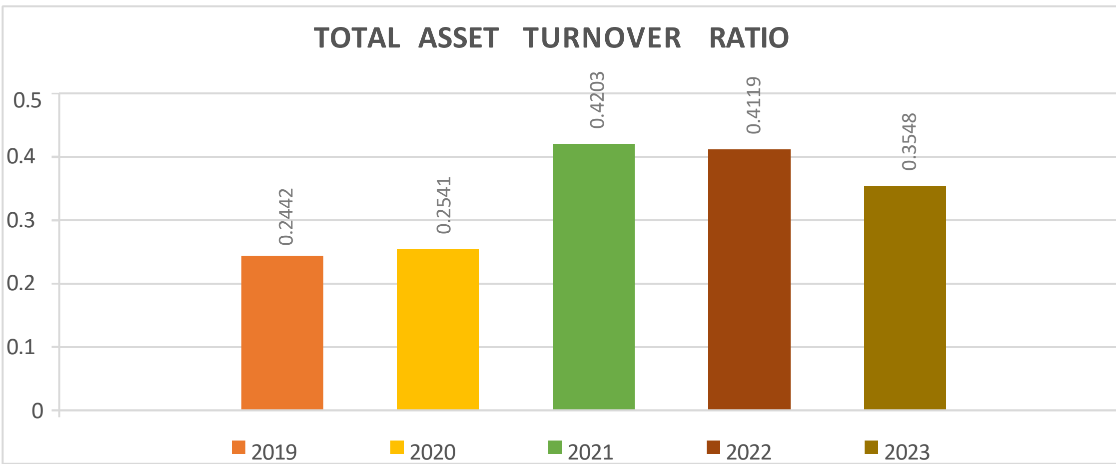
3.4 Activity Ratio

For the company to assess how it uses the primary components of the balance sheet and its capacity to generate additional income, the activity ratio is essential.

3.4.1 Total asset Turnover Ratio

The total asset turnover ratio is a tool used to assess a company's capacity to make money off of its whole asset base. Investors can use the ratio to choose whether or not to put money into this business.

Total Asset Turnover Ratio	
2019	0.2442
2020	0.2541
2021	0.4203
2022	0.4119
2023	0.3548



Interpretation: Over the next two years, the ratio will rise, indicating that the company is doing exceptionally well. Regretfully, the ratio has been declining recently, which is detrimental to the business. It suggests that the business is not making the most money feasible with its resources. Source: (Janata Jute Mills Limited, 2019-23).

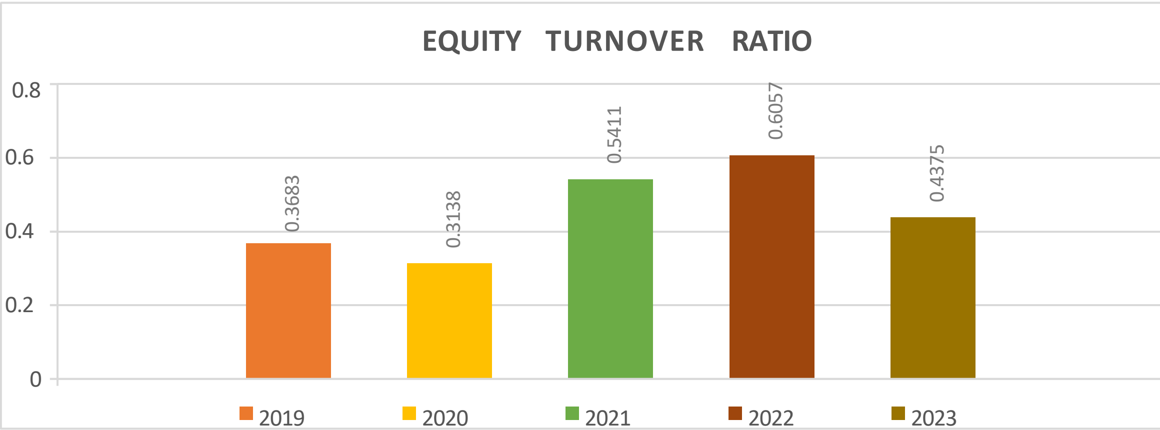
Recommendations:

To boost sales, the business has to make better use of all of its resources.

3.4.2 Equity Turnover Ratio

Based on average shareholder equity, the equity turnover ratio offers insights into a company's revenue creation. It shows if the business makes money for its investors. To boost sales, the business has to make better use of all of its resources.

Equity Turnover Ratio	
2019	0.3683
2020	0.3138
2021	0.5411
2022	0.6057
2023	0.4375



Interpretation: The equity turnover ratio is expected to increase in 2021 and 2022, according to the graph. This implies that throughout the past two years, the company has made efficient and profitable use of its stock. However, the ratio declines from 0.6057 to 0.4375 in 2023, which is detrimental to the business. It raises the possibility that the business did not utilize its equity to its full potential. Source: (Janata Jute Mills Limited, 2019-23).

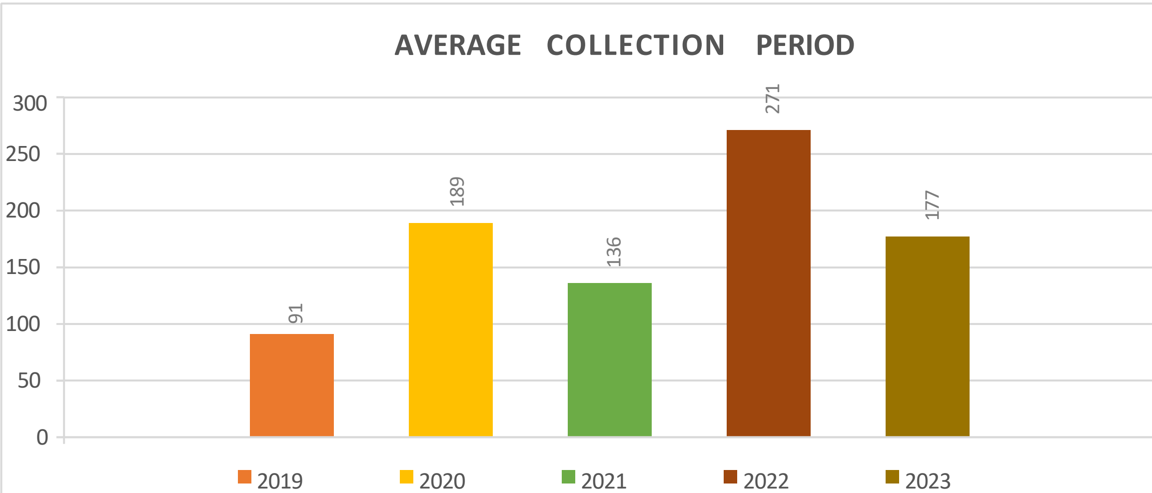
Recommendations:

To increase its overall revenue, this corporation should concentrate on growing its whole equity and making effective use of it.

3.4.3 Average Collection Period

This percentage shows how well a business collects money from its clients. How long it takes to collect payments and how quickly the business can cut down on its accounts receivable. The firm is in a dangerous situation if the average collecting duration is long. This implies that there is insufficient cash on hand to sustain the day-to-day operations of the business. The daily operations of a business benefit from a shorter average collecting period.

Average Collection Period	
2019	91
2020	189
2021	136
2022	271
2023	177



Interpretation:

According to this data, Janata Jute Mills Limited 's average collecting duration increased from 91 to 189 days in 2020. In 2021, it falls, and in 2022, it rises once again. Ultimately, it takes the business 177 days in 2023 to recover its receivables from clients. Their performance earlier in 2019 is very different from this. However, compared to 2022, they are attempting to shorten the amount of days that make up their typical collecting period. Source: (Janata Jute Mills Limited, 2019-23).

Recommendations:

Janata Jute Mills Limited still takes quite a while to collect money. They ought to concentrate on raising their turnover rate for accounts receivable. They might be able to shorten the typical time it takes them to collect money if they could do it.

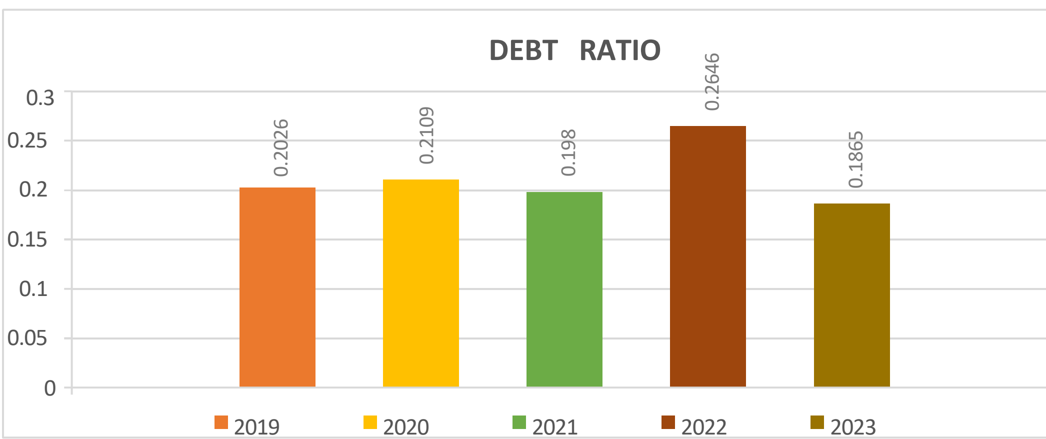
3.5 Solvency Ratio

The amount of money that creditors provide equity holders to carry out day-to-day company operations is measured by the solvency ratio. This ratio may be used to assess a company's risk profile and debt-to-income ratio. It examines the status of the business's finances and reveals the amount of cash on hand to settle its non-current debt.

3.5.1 Debt ratio

A company's debt ratio is determined by dividing its total liabilities by its total assets. A higher debt ratio is detrimental to the business. Because a greater debt ratio suggests that a business has more or fewer liabilities. For effective corporate operations, it seems sense to maintain an organization's whole debt.

Debt Ratio	
2019	0.2026
2020	0.2109
2021	0.1980
2022	0.2646
2023	0.1865



Interpretation:

The graph makes it easy to understand Janata Jute Mills Limited’s debt-to-asset ratio performance. The debt ratio's evolution during these five years is clearly seen. The ratio of debt to income fluctuates from year to year. This result suggests that they have inconsistent asset and debt management. In comparison to previous years, 2023's performance is quite robust due to the decreased debt ratio. Source: (Janata Jute Mills Limited, 2019-23).

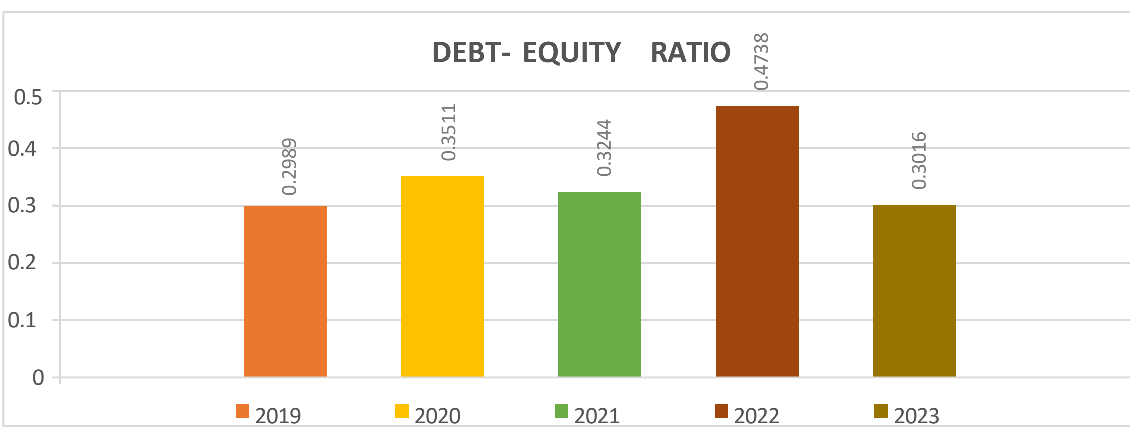
Recommendations:

Janata Jute Mills Limited is already back on track. Over time, they made an effort to use their resources more wisely. They should create effective strategic plans in an effort to sustain the existing level of performance.

3.5.2 Debt-Equity Ratio

The debt-to-equity ratio was used to evaluate a company's capacity to settle debt with equity capital. How much of a company's capital originates from lenders and investors is shown by the debt-to-equity ratio. A higher debt-to-equity ratio indicates a greater reliance on equity resources for debt service.

Debt-Equity Ratio	
2019	0.2989
2020	0.3511
2021	0.3244
2022	0.4738
2023	0.3016



Interpretation:

As the graph shows, the debt-to-equity ratio in this case is rising over time. We get a bad feeling about the company's success because of the ratio's steady increase. An increased proportion indicates that debt funding is more crucial to the business's continuous operations than equity financing. The debt-to-equity ratio in 2023 was 0.3016, which was lower than the year before.

Source: (Janata Jute Mills Limited, 2019-23).

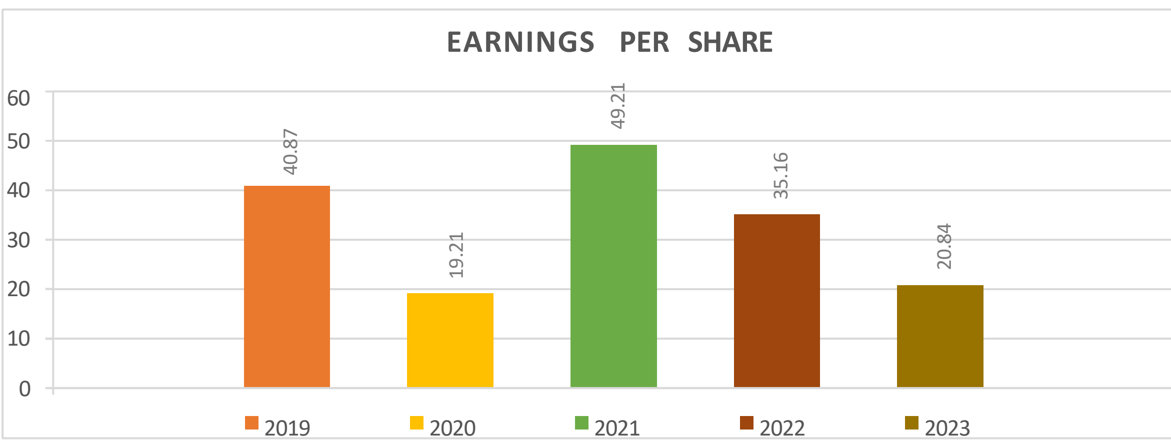
Recommendations:

Based on its 2023 performance, this firm is working to lower its debt-to-equity ratio. The company has to work toward achieving the ideal balance between debt and equity in order to ensure profitability.

3.5.3 Earnings Per Share

The amount of profit allocated by the business to each common shareholder is shown by the profits per share ratio. It is a crucial metric for assessing a business's profitability and is also used to calculate stock price.

Earnings Per Share	
2019	**39.87**
2020	**19.21**
2021	**49.21**
2022	**35.16**
2023	**20.84**



Interpretation:

The recent year 2023 is poorly represented in the table and graph. The EPS ratio reached a respectable 40.87 in 2019. However, it begins to progressively decline after 2020. However, the highest EPS of 49.21 was recorded in 2021. Janata Jute Mills Limited's performance in 2023 is nothing compared to his other years. A corporation with a higher EPS attracts investors due to its relatively big profit allocation to shareholders. A falling EPS is a sign that a company's investors are facing more difficulties. Source: (Janata Jute Mills Limited, 2019-23).

Recommendations:

Janata Jute Mills Limited ought to concentrate on raising their profits per share. A company's EPS must rise in order to expand. Janata Jute Mills Limited may attempt to increase sales by utilizing their resources. Alternatively, they might lower the total number of outstanding shares. They can easily raise their EPS in the next year if they choose to pursue one or both of these.

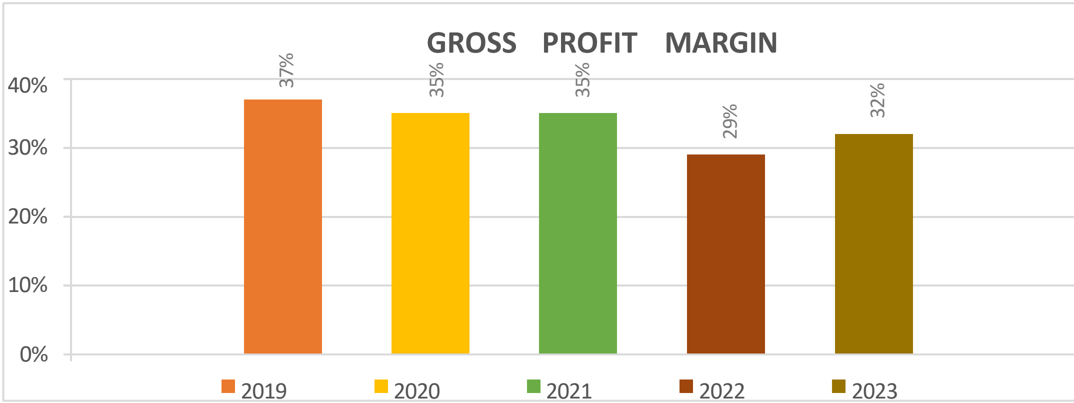
3.6 Profitability Ratio

The profitability ratio of a business shows how much money it makes relative to its total sales. A company's profitability becomes clear when different expenses are deducted. It displays a company's possible profit margin for every dollar of revenue at various points in time.

3.6.1 Gross Profit margin

The gross profit margin of a business is calculated by dividing its revenue by the difference between sales and COGS. A lucrative firm is indicated by a larger gross profit margin. It exhibits reduced COGS and increased revenue, both of which are favorable signs for a business.

Gross Profit margin	
2019	37%
2020	35%
2021	35%
2022	29%
2023	32%



Interpretation:

The graph indicates that Janata Jute Mills Limited's gross profit margin is largely steady. In 2019, the ratio is at 37%. The gross profit margin for 2020 and 2021 is 35%. However, the percentage slightly drops to 32% in 2023. A 32% gross profit margin is shown by the fact that, after subtracting COGS, there are only 32 taka left over for every 100 taka of sales. This ratio is not particularly favorable.

Source: (Janata Jute Mills Limited, 2019-23).

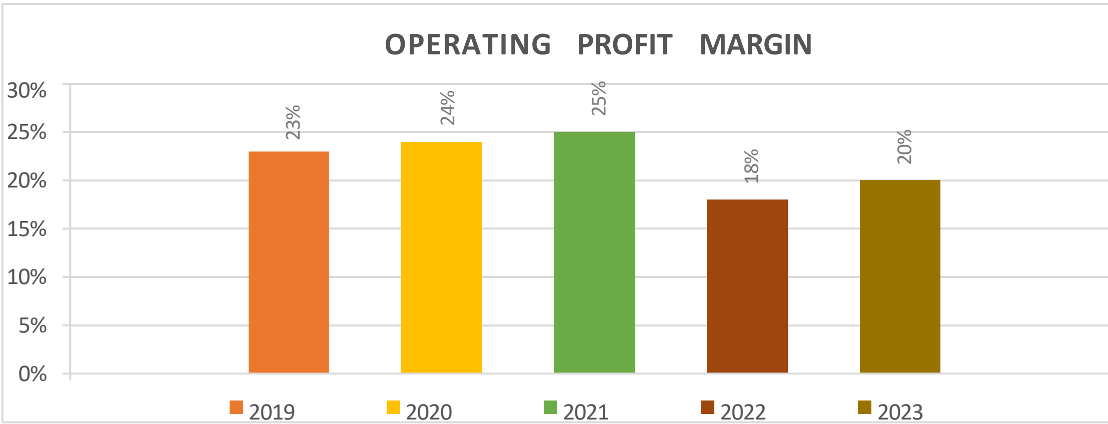
Recommendations:

Janata Jute Mills Limited should aim to lower COGS in order to raise their gross profit margin ratio. Taking into account that a company's gross profit covers a far greater range of costs than just its profit. Being financially solid would be beneficial for investors.

3.6.2 Operating Profit Margin

OPM shows the portion of a company's gross income that can be devoted to operational expenses. How much money a business makes after paying its expenses. A higher operational profit margin indicates minimal expenses and significant earnings, both of which are beneficial to the business.

Operating Profit margin	
2019	23%
2020	24%
2021	25%
2022	18%
2023	20%



Interpretation:

According to the data, there was a little variation in the operating profit margin from year to year. There is hardly any variation in OPM from year to year. This implies the consistency of Janata Jute Mills Limited 's OPM. After covering all operating costs, the company will turn a profit of 20 taka for every 100 taka of revenue in 2023, assuming an operational profit margin (OPM) of 20%. This is really low for a business. Source: (Janata Jute Mills Limited, 2019-23).

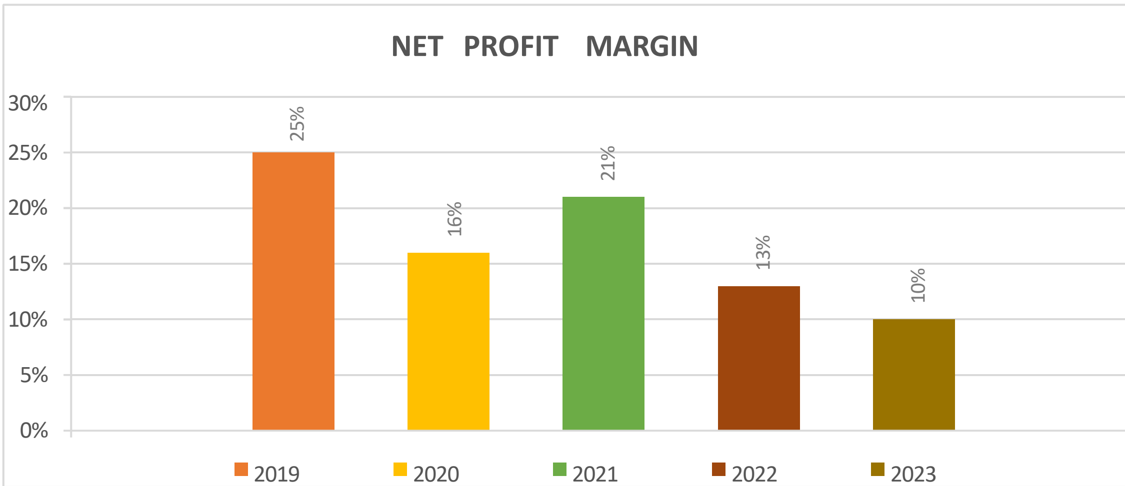
Recommendations:

Janata Jute Mills Limited may endeavor to increase its OPM ratio, which is now far lower than those of comparable businesses in the sector. After completing the required actions, businesses may concentrate on cutting operating expenses and raising OPM for the next year.

3.6.3 Net Profit Margin

The net profit margin of a business is the amount of money that remains after all expenses are covered. More money is available for common shareholders of a company with a higher net profit margin. The business may increase income by making prudent use of this money.

Net Profit margin	
2019	25%
2020	16%
2021	21%
2022	13%
2023	10%



Interpretation:

According to the ratio analysis, Janata Jute Mills Limited’s performance is declining annually. By 2020, the NPM will have dropped by 16% from its 2019 level of 25%. The NPM drops to 10% in 2023, indicating a decline in Janata Jute Mills Limited’s value. With a net profit margin of 10%, the company keeps just 10 taka for itself and its shareholders out of every 100 taka of sales after all costs are paid. Source: (Janata Jute Mills Limited, 2019-23).

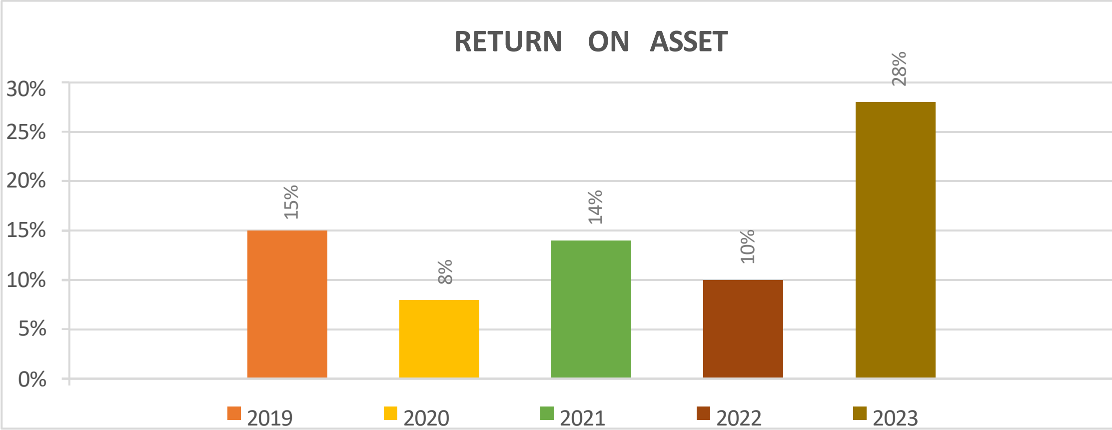
Recommendations:

Every day, Janata Jute Mills Limited 's productivity becomes worse. In an emergency, they want to concentrate right away on cutting costs, loans, COGS, and other expenses. If they don't, investors will stop backing this company. This strategy can help the business become more profitable and solidify its position.

3.4.4 Return On Asset

The efficiency with which a company uses an asset to turn a profit is gauged by its return on assets (ROA). It shows the possible profit margin a business may make from its assets. A higher ROA indicates the possibility for expansion of a company.

Return On Asset	
2019	15%
2020	8%
2021	14%
2022	10%
2023	28%



Interpretation:

The ROA has varied throughout these five years, as the table and figure demonstrate. The ROA is 15% in 2019 and 8% in 2020. After reaching another peak in 2021, it drops to 10% in 2022. However, in 2023, ROA will further increase to 28%. For Janata Jute Mills Limited, it may be viewed as a positive move. A higher return on assets (ROA) shows that Janata Jute Mills Limited is making the most of its resources in order to make money. Source: (Janata Jute Mills Limited, 2019-23).

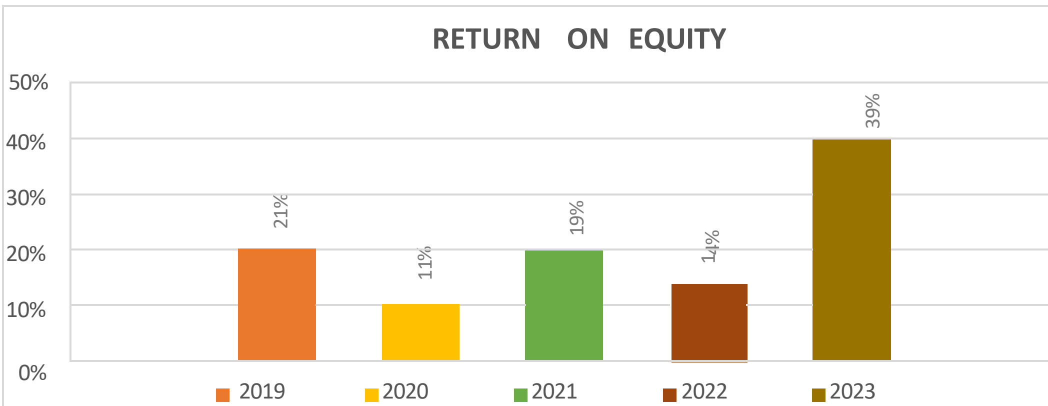
Recommendations:

This year, Janata Jute Mills Limited has had a lot of success. If they want to maintain their high level of performance in the future, they must continue to use their resources wisely.

3.6.5 Return On Equity

The profitability of employing investors' capital is gauged by the return on equity. Before making an investment in a firm, investors consider ROE. because this ratio shows how efficient a corporation is.

Return On Equity	
2019	21%
2020	11%
2021	19%
2022	14%
2023	39%



Interpretation:

The ratio analysis demonstrates the remarkable quality of Janata Jute Mills Limited 's overall performance. In 2023, ROE rises from 14% to 39%, much like ROA. This situation is a perfect example of Janata Jute Mills Limited 's practical management approach. A 39% return on equity was achieved by Janata Jute Mills Limited, who used 100 Taka of owner capital to generate 39 Taka of net income. Source: (Janata Jute Mills Limited, 2019-23).

Recommendations:

The ratio's findings demonstrated how effectively Janata Jute Mills Limited manages the funds of its investors. In the long run Janata Jute Mills Limited ought to make an effort to keep this position.

CHAPTER-4

FINDINGS, RECOMMENDATIONS AND CONCLUSION

4.1 Findings

The following issues were found during the study and during the internship program:

- The ratio research predicts that the average collection period will increase between 2019 and 2023. The average collecting period is 111 days in 2019 and 197 days in 2023. This implies that Janata Jute Mills Limited is still getting paid by customers 197 days after the purchase.

- The EPS falls from 2019 to 2023. The profitability of a company's shareholders may be calculated using its profits per share. EPS will fall to 25.84% in 2023, from 45.87% in 2019. EPS remains high in comparison to other corporations. However, if we map the trend horizontally, we can see that the recent several years have not been good.

- Furthermore, the gross profit margin is poor. In 2019, the GPM is 40%, and by 2020, it is 35%. Because a company's GPM must cover operating costs in addition to VAT, TAX, and other relevant levies, it should be high. As a result, there is relatively little profit left over after subtracting all expenditures for a firm to grow.

- In comparison to others, the operational profit margin is likewise quite low. The fact that this company's earnings is declining horizontally year after year is equally concerning.

- Furthermore, the net profit margin is not particularly good. They are seeing a steady decline in their net profit margin. In 2023, NPM will be 12%, down from 27% in 2019.

- According to the trend study of the income statement, the profit decreased from 167% in 2023 to 108% in 2023. This can be the outcome of a badly managed organizational structure. The total quantity of current obligations also increased. This implies that the company is becoming more and more reliant on debt funding, which is seriously hurting its reputation.

4.2 Recommendations

- Getting its clients to pay Janata Jute Mills Limited as quickly as possible should be its first priority. In addition to having more money available for investments and ongoing running costs, businesses will be able to shorten their average collection time.

- Janata Jute Mills Limited has to lower both its short- and long-term debt to maintain a more solid position in the market.

- Janata Jute Mills Limited must reduce its short- and long-term commitments in order to maintain a dominant market position.

- To improve its gross profit margin ratio, Janata Jute Mills Limited should focus on reducing the cost of goods sold. Janata Jute Mills Limited has a very low GPM in comparison to other people. Therefore, their primary goal should be to increase earnings.

- Reducing ongoing running expenses, such power bills, should be Janata Jute Mills Limited 's top priority. They will benefit from a higher operating profit margin.

- To improve their performance and boost profit, they need ultimately implement a more effective management structure.

4.3 Conclusion

This report covers the Janata Jute Mills Limited 's financial operations and financial performance analysis for the years 2019–2023. In an attempt to evaluate the financial performance, I examined the operational, profitability, and liquidity aspects of the Janata Jute Mills Limited. Everyone should, in my opinion, be informed about the company's performance, share position, and earnings per share before making an investment. Analyzing an organization's financial performance is essential since it can be used to identify opportunities as well as areas of strength and weakness. The company will be able to take action, expand its business in the future, and increase Bangladesh's GDP if it can apply performance analysis to identify the problem this time. The financial records show that Janata Jute Mills Limited has been operating profitably.

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