Internship Report on

Financial Performance Analysis of JMI Syringes & Medical Devices Ltd.

Supervised By

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Letter of Transmittal

Mr. Md. Anhar Sharif Mollah

Assistant Professor

Department of Business Administration

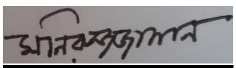
Daffodil International University

Subject: Submission of Internship Report titled "Financial Performance Analysis of JMI Syringes & Medical Devices Ltd."

Dear sir,

I have the pleasure of submitting here with this internship report named "Financial Performance Analysis of JMI Syringes & Medical Devices Ltd." for your consideration and consideration. To have the opportunity to do an analysis of the "Financial Performance Analysis of JMI Syringes & Medical Devices Ltd." is a great honor and privilege for me. During my studies, I received a lot of knowledge and experience that I believe would be very beneficial to me in the future. Within the constraints of the time and resources available, I did my best to communicate my thoughts, findings, and theories as clearly as possible. In this paper, I intend to provide a more complete image of JMI Syringes & Medical Devices Ltd. based on the ideas presented.

I'd like to point out that there may be some unintentional inaccuracies in the report. I hope and pray that you will consider my mistakes when evaluating my work.



Yours Sincerely,

Moniruzzaman Ridoy

ID: 173-11-525

BBA

Major in Finance

Department of Business Administration

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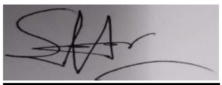
Certificate of approval

This is to confirm that Moniruzzaman Ridoy, Id: 173-11-525, Major in Finance, Department of Business Administration, has finished his internship report titled "Financial Performance Analysis of JMI Syringes & Medical Devices Ltd." under my supervision. For the report to be presented and defended, it has been approved.



Mr. Md. Anhar Sharif Mollah

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

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Acknowledgement

The open door has swung all the way around to offer my profound gratitude and apologies to Allah, without whose assistance The Study would not have been able to perform such a mammoth task as compiling this report.

I'd like to express my heartfelt appreciation to one of my mentors, Mr. Md. Anhar Sharif Mollah, Associate Professor, Department of Business Administration, Daffodil International University's Faculty of Entrepreneurship and Business. Without the assistance of a researcher, no one can get immaculateness. Consequently, an understudy will never be flawless without the assistance of a skilled instructor. A good mentor may be a game changer for any understudy. The Study owes a tremendous debt of gratitude to one of my supervisors, Mr. Md. Anhar Sharif Mollah, Associate Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University, for allowing me to complete my internship report and adhere to his recommendations and laws. Were a huge assistance to me.

The Study is extremely appreciative to those who allowed me to operate in this hierarchical environment. Additionally, the Study would like to extend its sincere gratitude to all officers, as well as my companions and Senior Sibling, for their tremendous aid and direction in completing my entry-level role research.

Executive summary

In Bangladesh, Surgical device market has considerable value. Even some years ago we used to import most of your surgical equipment and gadgets from other nations. But presently few firms are generating that important equipment here for which we don't have to import those devices anymore and that's making our life simpler. JMI Syringe & Medical Devices Ltd. is one of the firms. For the development of these gadgets currently Bangladesh is doesn't have to import most of the surgical equipment, additionally they are really selling these devices to many nations which is greatly helping to our expanding economy.

JMI Syringe & Medical Devices Ltd.'s age is considerably less than its rivals. They began their voyage in April 1999. But despite being a recent firm, JMI Syringe have huge potentials. Their finest product which is Auto Disable Syringe was their key cause of success.

That's why I have picked JMI Syringe & Medical Devices Ltd. For my report. This report offers the financial analysis of this firm using Ratio Analysis, comparison with industry average. Also, some ideas for this firm and operations.

The study aims to examine the financial performance of JMI Syringe & Medical Devices Ltd. over the last five years, with a particular emphasis on the company's overall financial progress. The study also aims to find and resolve any concerns that have been found as well as present workable solutions for resolving them. Ration analysis is one of the most important tools and strategies for analysing a firm's viability and liquidity. It looks at how efficiently money is being utilized by us, whether we own it or borrow it, and how easily it may be used without incurring additional expenditures. It contributes to the preservation of an organization's debt-reduction capability by supplying effective asset management methods using financial ratio analysis. JMI Syringes & Medical Devices Ltd. is underperforming in terms of sales while maintaining a reasonably high level of investment in fixed assets. In the last three years, their net profit margin has fallen short of expectations.

As a result, they should reduce their fund costs, operational expenses, and operational area to increase their cash flow. They also need to improve their marketing and product quality. JMI Syringes & Medical Devices Ltd. will obtain money through a combination of debt and equity financing. By raising the amount of debt capital, a firm has in comparison to its equity capital, the company's return on equity will be raised. Gain a greater share of your net earnings and a greater return on your investment.

Contents

CHAPTER ONE: Introduction

Introduction

These days, our lives are intricately intertwined with the functioning of the financial system. The house in which we live may be financed by a bond, whilst the automobile, taxi, or bus that we use to get to work may be financed by a loan from another financial institution. The businesses we meet have banking links; they may have borrowed funds through a fixed asset or working capital loan. They will at the very least have a checking or insurance account from which to deposit the day's sales revenues. We can either go to the nearest bank and spend our money for the greater good, or we can just dissimulate it in the wrong way to avoid inquisitive eyes or fluffy toys on the floor. It is also undeniable that the financial and banking industries are extremely important to us on all sides of our lives and at all stages of our lives.

In recent decades, the banking system in Bangladesh has seen a transition that has been nothing short of revolutionary. The growth of bank branches, as well as the privatization and adoption of social management, both resulted in an increase in public banking operations as well as the recognition of banks' social responsibility by the public banking sector. We are making significant improvements to the operational routines of our banks to better align them with the needs of our modern social and economic system. If financial institutions continue to increase in prominence, most universities and educational institutions will make banking and the sector a priority in their curriculum. As a result, I am continuing my employment at JMI Syringe & Medical Devices Ltd. to have a deeper grasp of the banking sector.

Background of the study

As a prerequisite for the Bachelor of Business Administration degree at Daffodil International University, students must complete an internship at a reputable business firm and give an account (DIU). A two-month internship at JMI Syringe and Medical Devices Ltd. was done as part of my BBA studies, and I created an internship paper titled "Financial Performance Analysis of JMI Syringe and Medical Devices Ltd." based on my real-world experience as an intern.

Scope of the study

The findings of the report are concerned with the financial performance of JMI Syringe & Medical Devices Ltd. The primary objective of this report is to analyse the following: Ratio Analysis for the Focus of the performance’s evaluation & Analysis of the Common Size.

Objectives of the study

The general objective of the report is to complete the evaluation by doing financial analysis.

Specific objectives:

- ✓ To know concerning JMI 's present financial condition.
- ✓ Assess and interpret various forms of ratios to determine JMI 's financial performance over the last three years.
- ✓ To determine the issues with JMI's financial performance.
- ✓ To make any possible proposals for resolving the issues.

Methodology of the study

An important part of the evaluation is the identification of the most proper framework for the issue, which will be introduced by a specific report. The graphical technique has been used in this examination to gain a better grasp of the monetary display used by JMI Syringe & Medical Devices Ltd. in this examination. Organizing and breaking down research sources, deciphering and seeing them in a foundational manner, and finding essential aspects were all done to execute research sources. They are tracked down and gathered in a collection center. This general approach protocol is supplied below, and it was followed throughout the investigation.

Source of data: The information for this analysis has been gathered from primary & secondary sources.

Primary Data:

- ✓ Discuss with JMI’s authorities.
- ✓ Observation based on my own experience.

Secondary Data:

- ✓ Annual report of JMI Syringes & Medical Devices Ltd.
- ✓ JMI Syringes & Medical Devices Ltd. printed outlines and documentation.
- ✓ Website of JMI Syringes & Medical Devices Ltd.
- ✓ Internet-based resources.

Limitation of the study

Completing the study with many resources presented several difficulties. A few of the most major constraints are as follows: a.

- ✓ For all a branch's financial actions, a multi-month time span is insufficient to reveal them all.
- ✓ When it comes to the financial system, a single workstation just cannot be regarded comprehensive in and of itself.
- ✓ It is quite tough to get all the exact information from many work teams while the operation is in a state of emergency.
- ✓ Because our courses do not cover most financial topics, several of the tasks become impossible to see.
- ✓ Because of the bank's agreement to keep private details and data confidential, the report's production has been slowed significantly by this restriction.
- ✓ As a result of the scarcity of proof, assumptions were often accepted. As a result, it is possible that certain acceptance faults will occur.

CHAPTER TWO: Company Overview

Introduction

JMI Syringe & Medical Devices Ltd. is a pharmaceutical firm that manufactures a variety of medical devices for a variety of applications. They are the main manufacturer of precision safety syringes and medical devices in Bangladesh, and they serve the health-care community both within the country and across international borders. They believe in providing their clients and users with the greatest quality product at the most competitive price to save lives and lengthen the lives of those who use their products. JMI Syringe & Medical Devices Ltd. is a joint venture firm that manufactures medical devices. They are a joint venture between the Republic of Korea and them. A lot of people are familiar with JMI Syringe because of their Auto Disable Syringe, but they also make a blood transfusion set, an intravenous cannula, and other products. It is necessary to use high-quality raw materials to manufacture these products or devices, and they source these resources from reputable suppliers both locally and worldwide. All these products are shipped to a variety of international countries, including Myanmar, Singapore, Thailand, Portugal, and Spain, among others.

History

JMI Syringe & Medical Devices Ltd. began operations as a private limited corporation in April 1999. They became a public limited corporation in 2002 and at once began exporting their licensee products to Syria, Nepal, and Pakistan. They received Janata Bank's renowned "Best Customers Award" in 2003. They also applied for CSE listing as a public limited business that year. They began manufacturing their most well-known product, the Auto Disable Syringe, in 2006. They are the pioneer maker of auto disable syringes in Bangladesh in 2007 and began supplying EPI on a regular basis. From 2008 to 2011, they expanded its infrastructure, began manufacturing several types of AD syringes, and constructed their building. In 2012, they discovered a new surgical product called "Eye Gel Set" in Bangladesh. Additionally, they boosted their authorized capital to Tk.100 crore and reduced the face value of their shares from 100 to 10.

In 2013, they received the famous "PQS" certification from the World Health Organization, which is a significant milestone for any business. They were also given the honor of initiating business with WHO that year. Additionally, they were listed on the DSE that year. In 2014, their sales and exports surpassed the 100 crore and 50 crore milestones, respectively, as did the development of their manufacturing facility. They began manufacturing Blood Lancets and Feeding Tubes in 2015. From 2016 to 2018, they introduced new pioneering goods (JMI Toomey Syringe, Wound Drain Tube, and 3way Stopcock), increased sales to over 200 crores, implemented a quality awareness strategy, and strengthened the factory's security system. These are only a few of JMI Syringe & Medical Devices Ltd.'s accomplishments.

Products

The following are some of JMI Syringe & Medical Devices Ltd.'s most well-known products.

i. JMI Disposable Syringe: Leasing of disposable syringes to domestic and international health care institutions and large users. There are two types of Luer locks: the Luer lock and the Luer slip. Forms that are adaptable.

ii. JMI Auto Disable (AD) Syringe: Brand recommended by the World Health Organization. Produced in technical partnership with Star Syringe Ltd. and the United Kingdom, this product prevents transmission. Major supplier to the WHO, EPI, and DGFP, among others. The locking and breaking mechanism ensures that the item is only used once. Superior acuity and reduces vaccination wastage. These syringes are manufactured using medical-grade basic materials.

iii. JMI Insulin Syringe: This syringe features a low dead space and superior needle sharpness for correct dosage and patient comfort. JMI is the primary supplier to the WHO, EPI, and Helm GMBH (Germany).

iv. JMI Urine Drainage Bag: Watertight, non-sticky, latex-free, and simple to use.

v. JMI IV Cannula: Bangladesh's first international standard cannula. A one-of-a-kind design that resists kinking.

vi. JMI Disposable Needle: Superior needle sharpness, verified with a laser beam. For one-time use only. Single-use sterile hypodermic needle.

vii. JMI Toomey Syringe: Feeding and irrigation syringe. Graduation in plain view ensures dose accuracy. Pyrogen-free and EO gas sterilized. Connection to the universal funnel shape connector is safe and simple.

viii. Three-Way Stop Cock with Extension Tube: Three-way stop cock with kink-resistant PVC tubing. Residual volume at a minimum. EO gas sterilization When fitted, the leak-proof body can resist pressures of up to ten bars.

CHAPTER THREE: Theoretical Aspects

Ratio Analysis

A proportion investigation is an examination of the relationships between money-related causes. It assesses various aspects of a business's operational and financial success, including productivity, liquidity, profitability, and dissolvability. For a period, the trajectory of these ratios is checked to decide if they are improving or deteriorating. Proportions can be expressed numerically, as a percentage, a rate, or as a range. Proportion analysis is a fundamental technique for examining spending summaries. Speculators, the board of directors, contributors, and loan officers all use the proportion to simplify the analysis of an organization's financial status. (“Internship Report | PDF | Balance Sheet | Debt”) This page has the most widely accepted proportions.

Proportions are an often-used technique in summary financial analysis because they incorporate both the details and consequences of fundamental factors. By examining the constituent segments of the proportion, we can find situations and phenomena that would be difficult to notice otherwise. Proportions are often used as distinct investigating instruments in the future. They are often weighed against their potential future trend and scale, and their utility is contingent on their ability to explain. A ratio denotes a scientific relationship between two quantities. Normally, the percentage, rate, or degree is said. While calculating proportions is a straightforward mathematical operation, explaining them is difficult. To be significant, a proportion must allude to a monetarily meaningful relationship.

This section illustrates a comprehensive arrangement of monetary dimensions and their applications. It is composed of the chosen proportions in the four arrangement squares of the budget review analysis (see below). The following are some illustrations:

(i) Liquidity Ratio

(ii) Activity Ratio

(iii) Efficiency Ratio

(iv) Profitability Ratio

(v) Credit Risk Ratio

Liquidity Ratio:

The ability of an organization to meet short-term cash requirements for its properties is referred to as liquidity. Forecasting capital inflows and spikes, as well as implementation prospects, are the driving forces behind this process. For the purposes of meeting an organization's funding requirements, a liquidity analysis is no longer needed.

If a firm does not meet its present responsibilities, it is unlikely that it will be able to continue working. Everything else in the investigation appears to be of secondary relevance from this point of view. Taking into consideration the fact that accounting estimations expect the organization's continuous existence, our investigation should continue to assess the validity of this allegation using liquidity procedures.

> The current ratio, the quick ratio, and the cash ratio are the three most widely used liquidity ratios. (“[Solved] Week 4 Discussion Prompt: Compare and contrast the ...”) When computing each of the liquidity ratios, the amount of current liabilities is placed in the denominator of the equation, and the quantity of liquid assets is placed in the numerator of the equation.

Activity Ratio:

An operating proportion is a statistic that measures a company's ability to turn its financial record accounts into revenue. When judging whether an organization's management is doing a suitable job of extracting revenue and capital from its assets, action proportions are vital to keep in mind. Firms' total ability is decided by how well they use their advantages, leverage, and other equivalent assets reported on their balance sheet. To evaluate an organization's technical ability and benefit, movement proportions must be considered. These ratios are especially beneficial when comparing a substance's procedures to those of a competitor or market to assess whether the processes are positive or negative in nature. To deciding changes over time, movement proportions may be used to define a premise of correlation across many reporting cycles.

There are three major ratios to keep in mind while analyzing an operation's efficiency.

- Total Assets Turnover Ratio
- Fixed Assets Turnover Ratio
- Current Assets Turnover Ratio
- Working Capital Turnover Ratio

Efficiency Ratio:

An organization's "effectiveness" might be defined as how profitable it is in the way it uses its resources. In most cases, the productivity of a particular amount of money created by a certain level of benefits is estimated using a mathematical formula. The squandering of helpful circumstances will also result in cash flow concerns. In many cases, a lack of liquidity relates to poorer gains and fewer possibilities. Customers and suppliers of a company are also affected by transient liquidity concerns, which occur more often when the organization is a financial enterprise.

The following are the most important ratios to take into consideration while analyzing efficiency ratios:

(i) Operating Expense to Revenue

(ii) Profitability Ratio

(iii)Interest Income to Expense

(iv) Operating Expenses to Assets

Credit Risk Ratio:

Credit risk refers to the possibility that a creditor will not be able to return an advance. Finally, we can define it as the chance that the creditor will not repay the first amount owed, as well as any interest payments owed (or both), in full or in part, at any point in time. As a result of the diversion of money sources and the increase in accumulation expenses, the loan professional suffers a financial setback. Among other things, it could be caused by the borrower's poor cash flow, which makes it difficult to pay the premium and the principal balance, rising borrowing costs if there are any skimming debt rate advances, changes in economic conditions, market failure, inability to repay the loan and so forth.

The following are the key credit risk operation ratio ratios that are discussed in this chapter:

(i) Equity to Assets

(ii) Equity to Net Loans

Common Sizes Analysis

In finance, the term "generic size evaluation" refers to a strategy for evaluating individual financial objects or the social occurrence of goods that are dependent on the existence of a whole species. A major total figure is often depicted as the basis, which in the case of a bank's compensation description is hard and quick wage or pay, and in the case of a money-based record is typically full-scale assets. For common-size inspection, it is necessary to obtain common-size clarifications. This is following the fact that I have been arranging SEBL's Common Size Pay Clarifications and Common Size Fiscal Records for quite some time now in preparation for the Common Size Audit of the company's financial records. When I want to illustrate changes taken together value of each spending rundown item, I use the FSIBL common-size explanations. Each aggregate of common-size clarifications is referred to as a "common-size rate" in the context of common-size rates.

Common Size of Balance Sheet

When it comes to absolute wealth, total liabilities, and value accounts, a common size financial record is an asset report that displays the numeric value as well as the proportionate rate for each account. ("Internship Report | PDF | Balance Sheet | Debt")

A monetary record of common size considers the total degree of each profit, danger, and value record that must be reviewed right away, as opposed to a record of uncommon size. In this comparison, the estimated total resources are compared to some single resource information. A single duty is compared to an estimate of total obligations, and a single benefit record is compared to an estimate of total value, in an analogous way. ("Internship Report | PDF | Balance Sheet | Debt") Consequently, each key order of record will rise to 100 percent accuracy, with each smaller segment reflecting the genuine account characterization.

Common Size of Income Statement

A common size payment intonation is a wage declaration in which each record is transmitted as a level of the calculation of offers, and each record is transmitted as a level of the calculation of offers. ("Internship Report | PDF | Balance Sheet | Debt") It is used for vertical analysis, in which each piece of information in a financial summary is provided as a percentage of a base figure contained inside the announcement to make inspections more convenient for investors.

Compensation explanation analysis of a standardized compensation scale makes it easier to grasp what motivates an organization's advantages as well as compare the exhibition to its competitors. By examining how an exhibition has evolved over time, popular scale fiscal papers help investors in showing inclines that a basic budget overview may not be able to detect. Over the course of a specific timeline, large variances for income used by different cost groups could suggest that the strategy is evolving or that assembling costs are changing.

Trend Analysis

Trend analysis is a technique for examining the financial data of a company over a period. Periods might be calculated in months, thirds of a year, or even years, depending on the circumstances. When comparing two points in time, the goal is to compute and measure the sum and percent difference between the two points.

A technique called as trend analysis for financial reporting (also known as horizontal analysis) is used to prove variations in the quantity of connected financial statements over time using a series of financial statements. To analyze model scenarios, it is a good guidance.

Vertical analysis hires claim for a period of two or three times. When the earliest date is mentioned, it is also used as the basic phrase, and items on later-day statements are compared to items on base period statements. The bulk of the time, the changes are expressed in terms of dollars and percentages.

Trend analysis of balance sheet:

When it comes to month-end analysis, many organizations regard trended balance sheets to be essential, and the finance committee analyzes them to evaluate monthly patterns in assets, liabilities, and equity. Among the most distinguishing characteristics of this type of report is that it dynamically lists months in the tables, starting from January and ending with the present date. Users will be able to dig further into the transactions by selecting a certain statistic and going down. A sample of this type of report can be found at the bottom of this page.

The Balance Sheet Trend Report is a tool used by organizations and corporations to quickly examine if the balance sheet is trending upward or lower in all areas. It is possible for a company to improve its ability to easily spot patterns or deviations when they are implemented as part of sound corporate practices in the Finance and Accounting Department. It is also possible to reduce the risk that problems with critical things like currency, receivables, or payables are discovered late in the process when they are implemented as part of sound corporate practices.

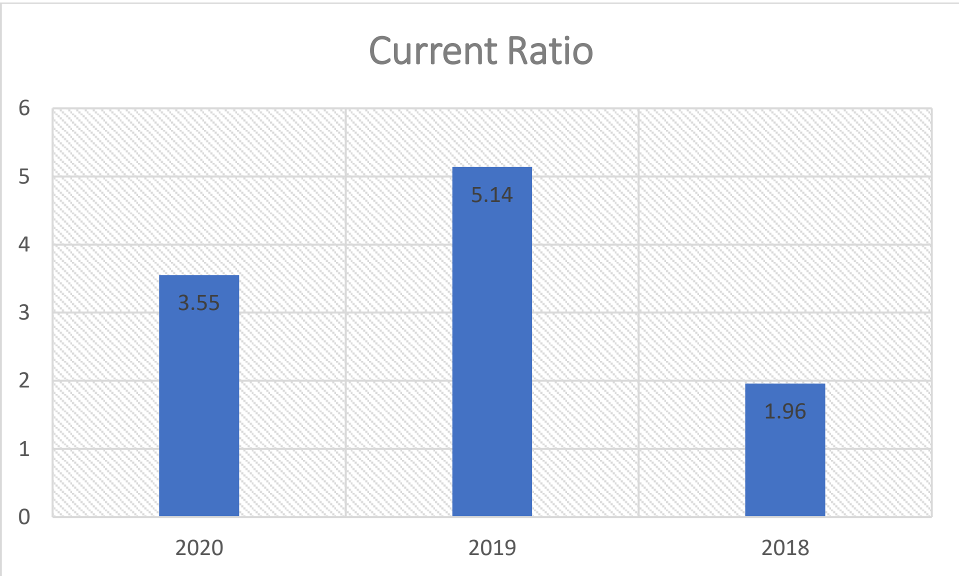
CHAPTER FOUR: Financial Performance Analysis

Current Ratio:

To find out how much current is flowing, divide the current output by the amount of fresh load. The corporation is classed as short-term energy if its reserves surpass its ability to defend itself against the threats it faces. The company's short-term obligations would be difficult to fulfill if the company's existing liabilities outweighed the company's present assets.

Current Ratio = Current assets /Current liabilities

	2020	2019	2018
Current Ratio	3.55	5.14	1.96



Interpretation:

In finance, liquidity is defined as an organization's ability to meet its money-related out-of-this-world responsibilities, such as paying its debts. The capital proportion, also known as the money addition percentage, is a measure of liquidity that gives a corporation the ability to meet all its current obligations entirely with cash and cash equivalents. While the money percentage of the industry in 2020 is at 3.55, it is down from 5.14 and 1.96 in 2019 and 2018, respectively, suggesting that the money proportion is dropping, which is shocking news for the company.

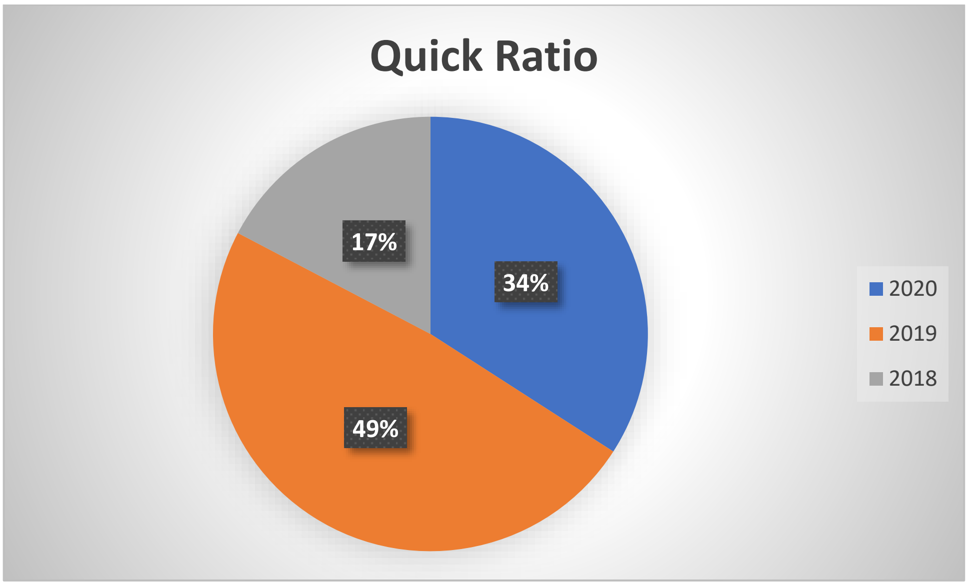
Quick Ratio:

The quick ratio, which gauges a company's liquidity by figuring out how well its current assets could pay its current liabilities, is another useful indicator. The fast ratio, on the other hand, is a more conservative measure of liquidity because it does not include all the items that are included in the current ratio calculation. When calculating the quick ratio, which is also known as the acid-test ratio, only assets that can be turned into cash within 90 days (about 3 months) or fewer are included.

Calculating the quick ratio can be done in two ways:

1. **QR = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities**
2. **"QR = (Cash + Cash Equivalents + Marketable Securities + Accounts Receivable) / Current Liabilities"** ("What is Quick Ratio? How Do You Calculate It? - Value Penguin")

	2020	2019	2018
Quick Ratio	2.66	3.79	1.35



Interpretation:

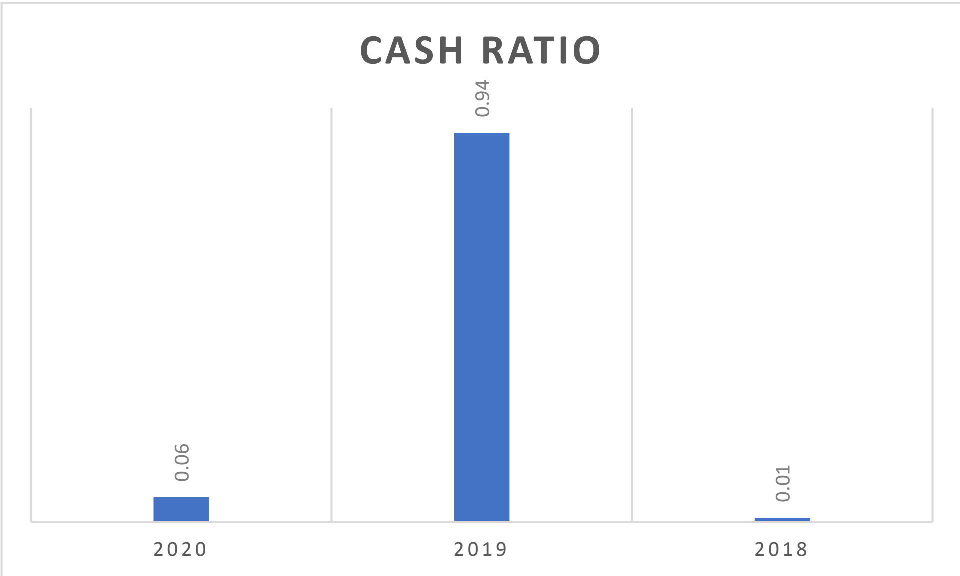
While the JMI group appears to be in a strong position to meet its current obligations, its liquid assets are sufficient to meet each TK of short-term obligations, as shown by quick ratios of

2.66, 3.79, and 1.35, respectively, writing down that it is well-positioned to meet its current obligations.

Cash ratio:

It is the same as an estimate of a company's value in the worst-case scenario, such as when it goes out of business, in this case. In this role, it advises creditors and analysts on the value of existing investments that may be converted into cash quickly, as well as the extent to which current liabilities can be safeguarded by these cash and near-cash assets.

	2020	2019	2018
Cash Ratio	0.06	0.94	0.01



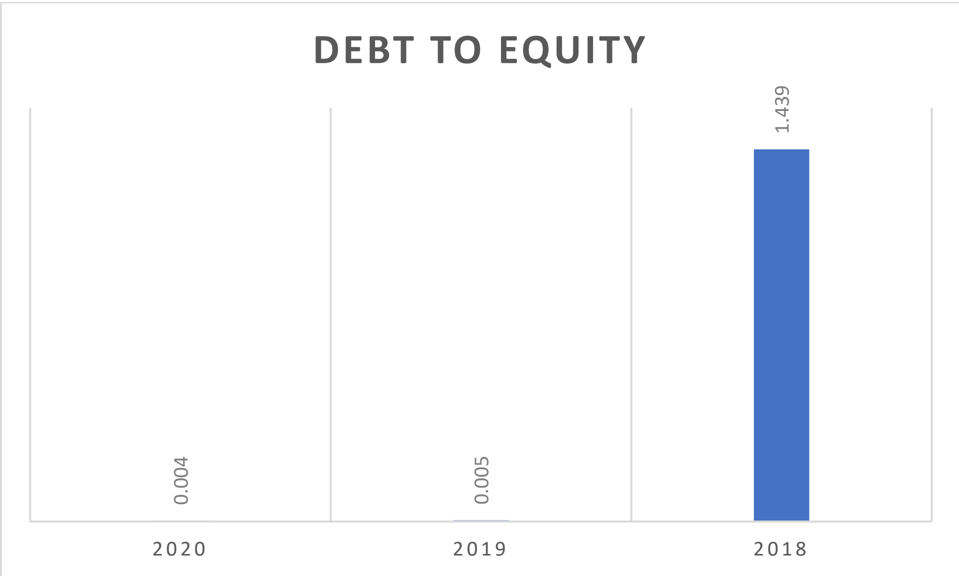
Interpretation:

The cash ratio of JMI decreased from 2019 to 2020. When looking at the cash ratio, a satisfactory answer is provided. This is the amount of cash that the bank has on hand to meet its existing obligations. In this instance, we might assume that management has failed to use cash, which is a huge failure for a bank.

Debt to Equity Ratio:

“To analyze a firm's financial leverage, the debt-to-equity (D/E) ratio is computed by dividing the company's total liabilities by the amount of shareholder equity held by the company.” (“Financial Ratio Summary.edited.docx - 1 Part Two Financial ...”) The debt-to-equity ratio (D/E ratio) is a critical measure in corporate finance. It is a measure of the proportion of a company's operations that are financed by debt as opposed to completely owned capital. More specifically, it writes down the company's ability to pay off all outstanding obligations in the case of a business downturn based on shareholder equity. The debt-to-equity ratio is a form of gearing ratio that is used in finance.

	2020	2019	2018
Debt to Equity	0.0040	0.0050	1.4390



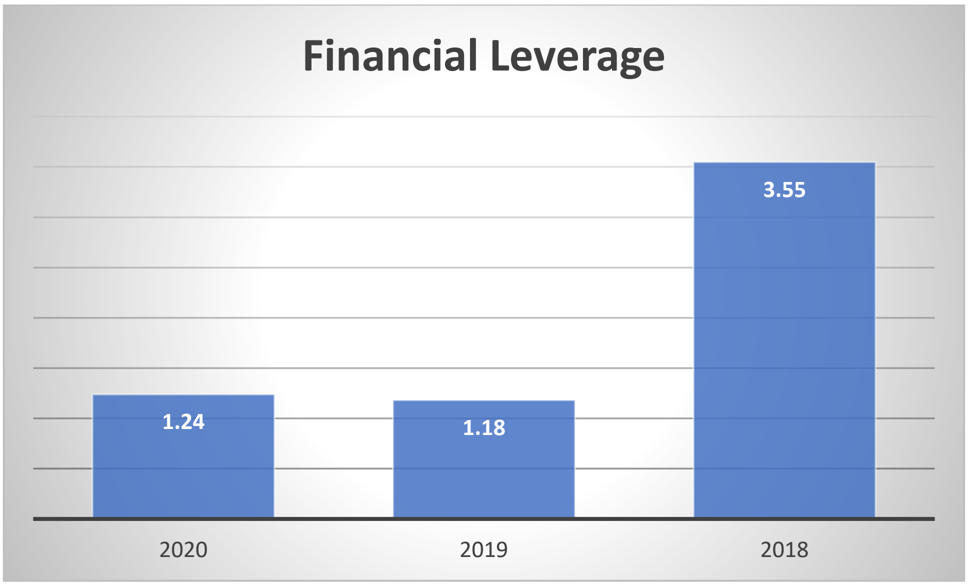
Interpretation:

Your debt-to-equity ratio tells you how much debt you have compared to one dollar of equity. A debt-to-equity ratio of 0.5 means that for every $1.00 in equity, you have $0.50 in debt. A debt-to-equity ratio greater than one shows that there is more debt than equity. In other words, they have tk1.83 in debt for every tk1.00 in equity, which is a debt-equity ratio of 1.83.

Financial leverage ratio:

In finance, a leverage ratio is any one of many financial metrics that examines how much capital is provided by debt (loans) or evaluates a company's capacity to satisfy its financial obligations. It is crucial to look at the leverage ratio category because most businesses rely on a combination of equity and debt to finance their operations and knowing how much debt a firm owes will help you figure out whether it will be able to pay off its debts when they become due. Several commonly used leverage ratios are addressed in greater detail below.

	2020	2019	2018
Financial Leverage	1.24	1.18	3.55



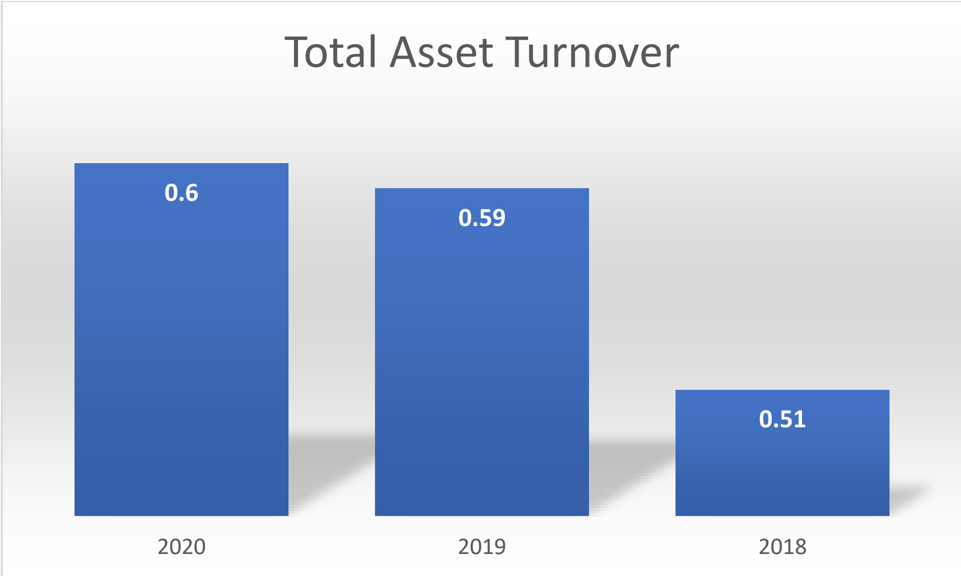
Interpretation:

According to industry standards, a financial leverage ratio of less than one is regarded to be favorable. An increase in the leverage ratio above one can led to a company being regarded as a dangerous investment by lenders and potential investors, while an increase in the financial leverage ratio above two is cause for alarm. They are doing slightly better than expected in the period 2018 to 2020, but they are not performing up to expectations.

Total Asset Turnover:

The turnover ratio of assets measures the value of assets of a business with the value of earnings and revenues. ("Internship Report | PDF | Balance Sheet | Debt") The inventory sales ratio measures how effectively a corporation uses its assets to generate sales revenue.

	2020	2019	2018
Total Asset Turnover	0.60	0.59	0.51



Interpretation:

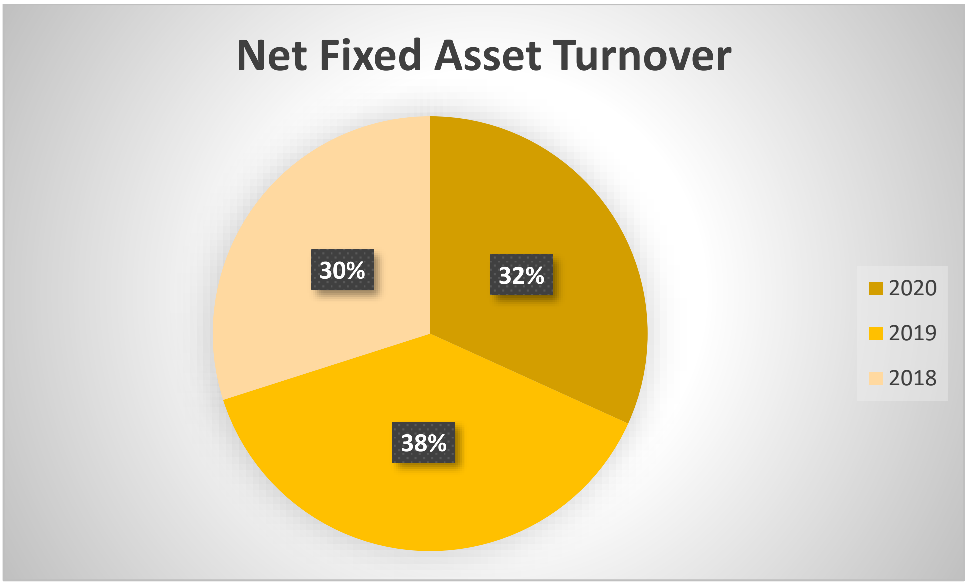
It is expected that a firm's total asset turnover ratio will decide how successfully the company can generate income from its assets. On the graph, you can see how the reduction in gross asset turnover has progressed over time. The company's overall asset turnover is expected to improve by 0.60 to 0.59 percent in 2020, which is SLIGHTLY better than the previous year.

<u>Fixed Asset Turnover:</u>

Fixed Asset Turnover (FAT) is a business efficiency ratio that measures how effectively and efficiently a company generates sales by using fixed assets to produce revenue. This ratio is computed by dividing net sales by net fixed assets during a 12-month period, or annually. The quantity of property, plant, and equipment less the amount of added depreciation is referred to as the net fixed assets. In general, a greater fixed asset ratio shows that investments in fixed assets are being used more effectively to create revenue. This ratio is often used in conjunction with other ratios such as use and profitability.

Fixed Asset Turnover = Net Sales / Average Fixed Assets

	2020	2019	2018
Net Fixed Asset Turnover	1.37	1.65	1.29



Interpretation:

Using the fixed asset turnover ratio, you can decide how efficiently a company is at generating income by using fixed assets to create revenue.

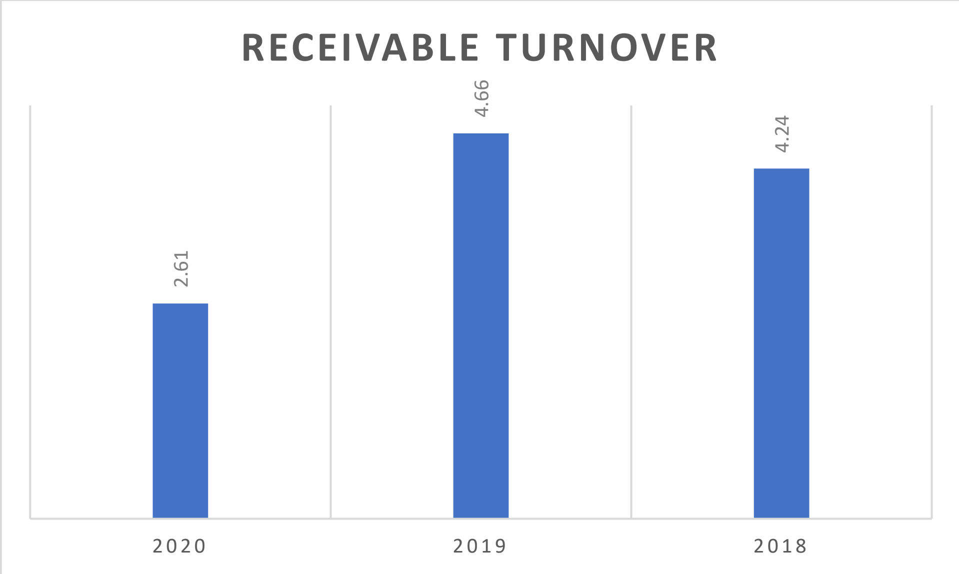
In 2019, the ratio is 1.69, which is higher than the ratios in 2020 and 2018. This suggests that the corporation is making efficient use of its fixed assets. In such instances, the return on capital would be higher, and investors and lenders would be pleased with this.

The receivables turnover ratio:

In finance, the efficiency with which a company collects on its receivables, or the amount of credit extended to consumers is measured by the receivable's turnover ratio. Also included in this calculation is the number of times a company's receivables are converted to cash in a certain period. This metric is calculated on a yearly, quarterly, or monthly basis depending on the company's cash flow.

The receivables turnover ratio of a company should be examined and analyzed to evaluate whether a trend or pattern is forming over time. In addition, firms can examine and compare the collection of receivables to earnings to figure out the influence that the company's credit procedures have on its bottom-line profits.

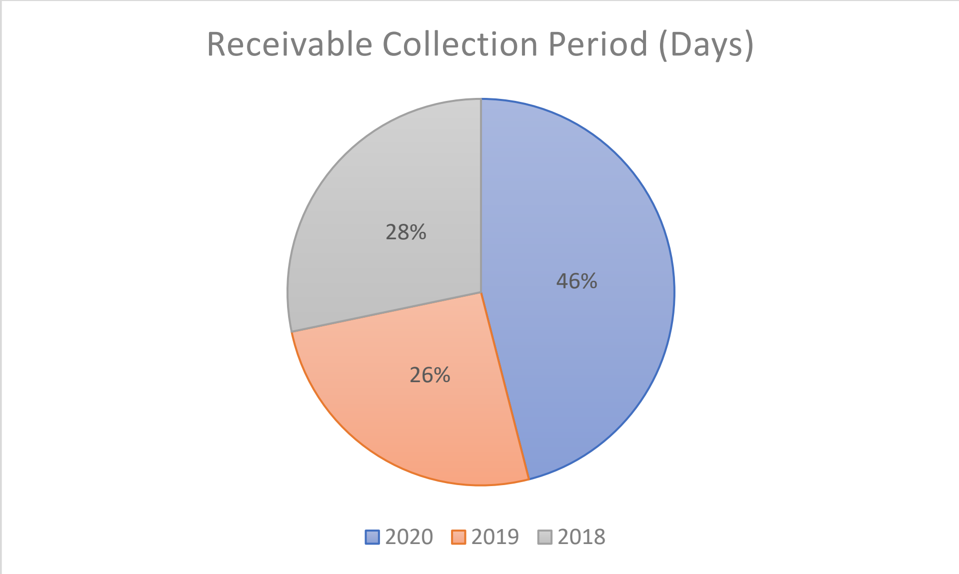
	2020	2019	2018
Receivable Turnover	2.61	4.66	4.24



Receivable Collection Period (Days):

For businesses that depend on receivables for their cash flow, the average collection period is a good indicator of the effectiveness of a company's accounts receivable management methods. The ability of businesses to manage their average collection period is essential if they are to ensure that they have enough cash on hand to satisfy their financial commitments.

	2020	2019	2018
Receivable Collection Period (Days)	140.14	78.28	86.15



Interpretation:

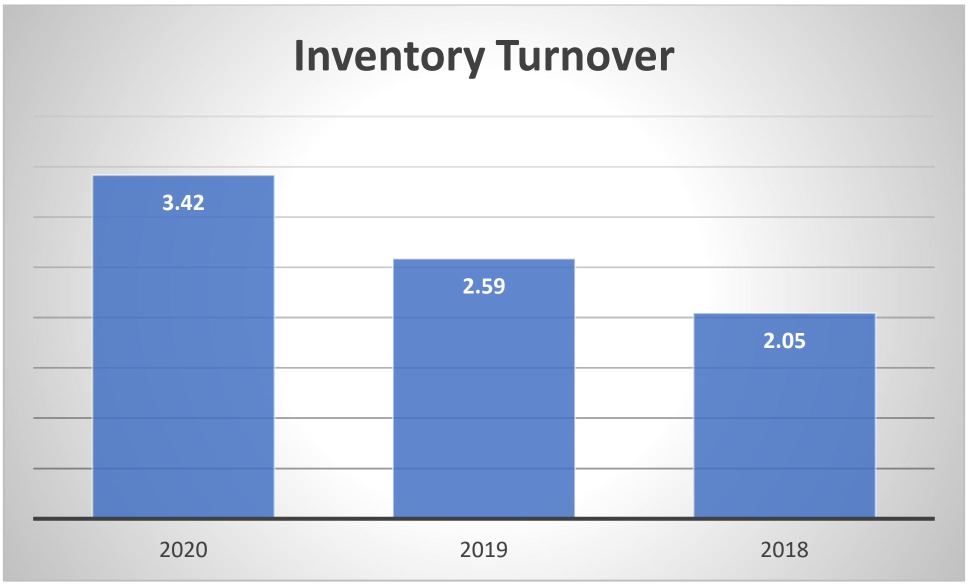
The turnover ratio of the company's accounts receivable has been steadily decreasing. It was 4.66 in 2019, compared to 4.24 in 2018, 2.61 in 2020, and 4.24 in 2017. These data reveal a downward trend in debtor turnover over time. The turnover of borrowers' accounts proves the efficiency with which debtors' accounts are collected. In the instance of JMI, the amount of money collected from debtors has reduced. Furthermore, it is showing that JMI's credit management policy is not satisfactory currently.

Inventory Turnover:

Inventory turnover is a financial statistic that shows how many times a company's inventory has been sold and replaced over a specific period. ("[Solved] The present value of a lump-sum future amount ...") Once the days in the period are divided by the inventory turnover formula, the number of days it takes to sell the inventory on hand may be calculated for a business.

Goods turnover is a metric that says how quickly a company sells its inventory. A poor turnover says sluggish sales and, in some cases, excess inventory, often known as overstocking, which is a problem. A fault with the goods being offered for sale or an insufficient amount of marketing could be the cause of this phenomenon.

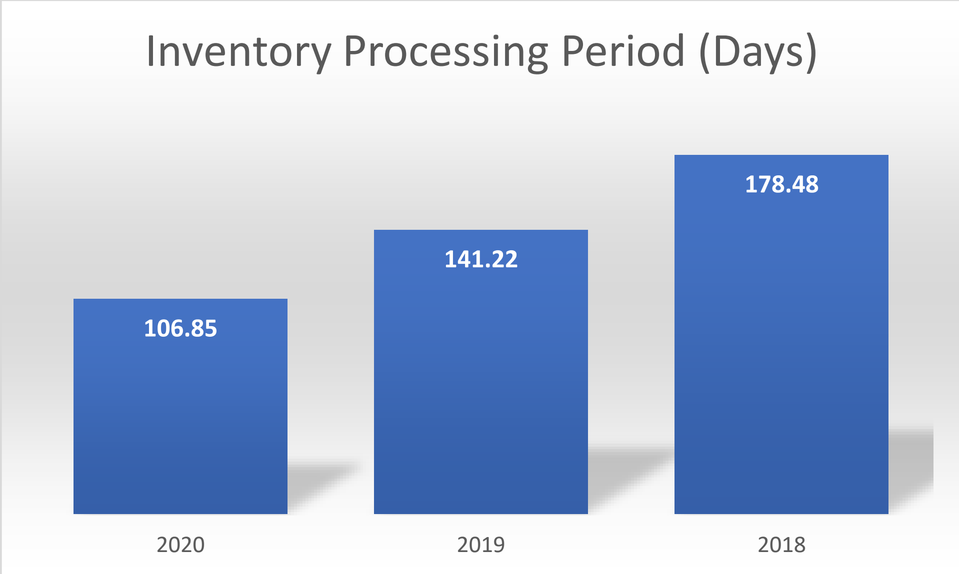
	2020	2019	2018
Inventory Turnover	3.42	2.59	2.05



Inventory Processing Period (Days):

An estimate of an organization's average inventory processing period ratio can be obtained by multiplying the company's average inventory by its cost of sales and then multiplying the result by 365 days (about 12 months).

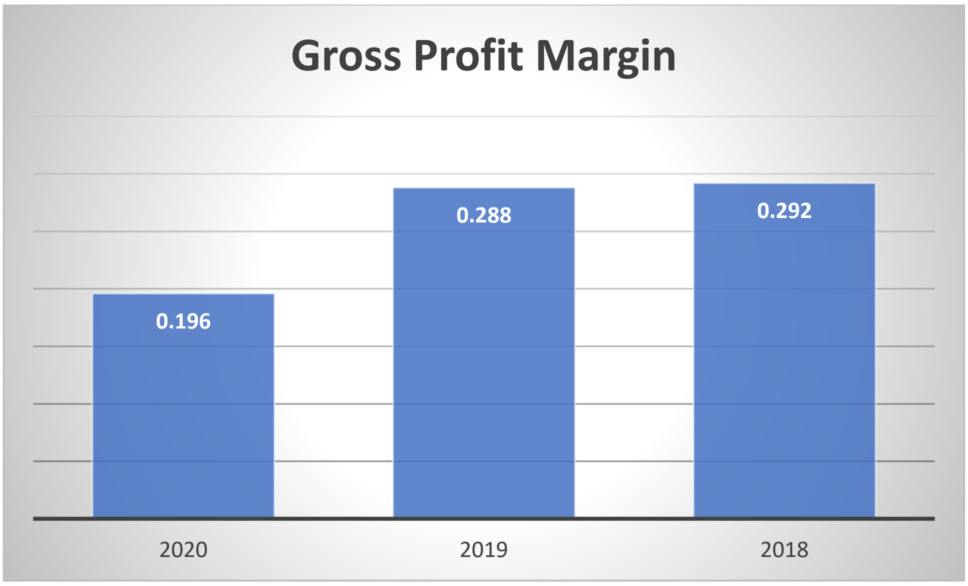
	2020	2019	2018
Inventory Processing Period (Days)	106.85	141.22	178.48



Gross Profit Margin:

The gross profit margin ratio writes down the percentage of sales income kept by a corporation after all direct costs connected with running the business have been paid. The gross profit margin is computed by removing direct expenses from net revenue, dividing the result by net revenue, and multiplying the result by one hundred percent (100 percent). ("SHANGRI-LA.docx - D Profitability Ratio Gross Profit ...")

	2020	2019	2018
Gross Profit Margin	0.196	0.288	0.292



Interpretation: A higher gross profit margin shows that the company has more cash available to pay for indirect and other expenditures, such as interest and one-time fees, than it had previously. As a result, it is a significant ratio for aiding business owners and financial specialists in deciding the financial health of a company.

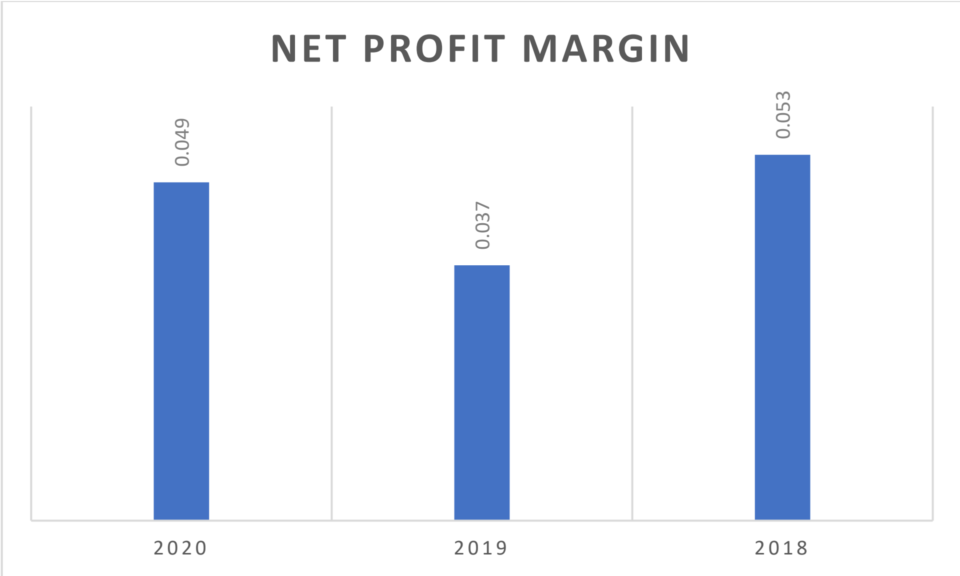
In 2020, 2018, and 2018, the corresponding ratios were 0.196, 0.288, and 0.292.

For every take created, 0.80 take would be distributed to the cost of items sold, with the remaining 0.20 take being distributed to expenses, taxes, and other such things as administrative costs.

Net Profit Margin:

The net profit margin, also known as net margin, is a percentage of revenue that measures how much net income or profit is earned as a percentage of total revenue. ("Net Income Formula - Funds Net") It refers to the relationship between net profits and revenues for a corporation or business division. In most cases, net profit margin is expressed as a percentage, although it can also be expressed in decimal form. The net profit margin is a measure of how much of each dollar of revenue collected by a company is converted to profit.

	2020	2019	2018
Net Profit Margin	0.049	0.037	0.053



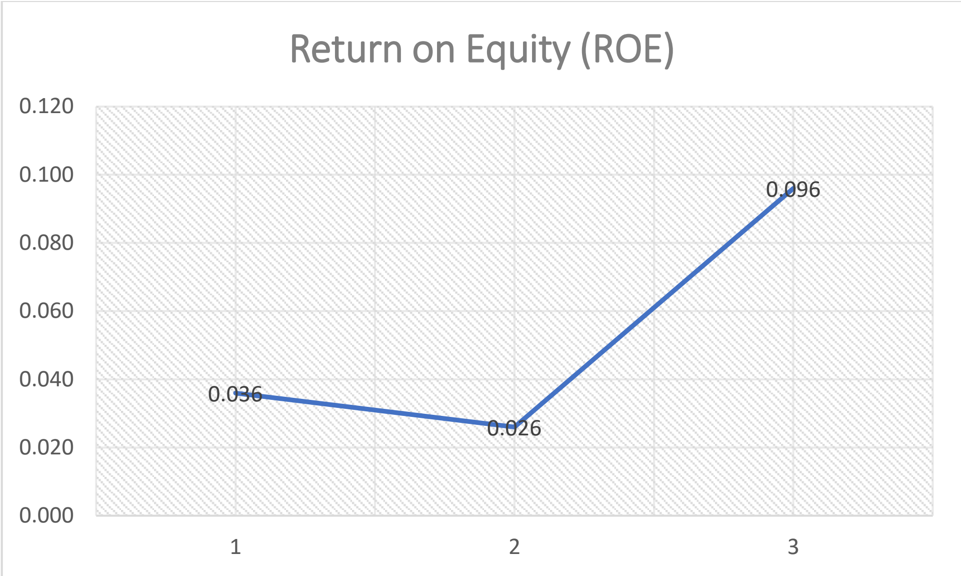
Interpretation:

When a company's assets are profitable, the net profit margin ratio shows how efficient the company's management is. A large profit margin is a positive indicator of sound corporate governance, while a profit margin that is too tiny is a red flag that needs a diligent and complete investigation into the causes that contributed to the low-profit margin.

Return on Equity (ROE):

Return on equity (ROE) is a financial performance indicator derived by dividing net income by the total amount of equity held by shareholders. (“Equity: All you need to know”) Because shareholders' equity equals the sum of a company's assets less its debt, the return on equity (ROE) is referred to as the return on net assets (RONA). (“[Solved] Blossom Medical manufactures hospital beds and ...”) The return on equity (ROE) of a firm is regarded as a barometer of its profitability and the efficiency with which it generates profits.

	2020	2019	2018
Return on Equity (ROE)	0.036	0.026	0.096



Interpretation:

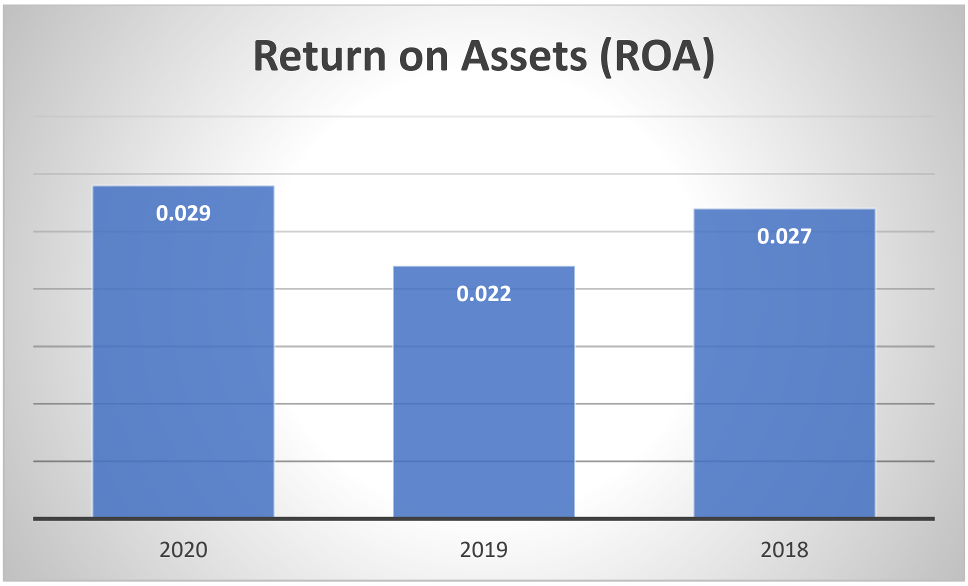
The graphic depicts the fluctuations in asset returns over the course of time. It assesses the overall performance of the company in terms of generating revenues from the resources available to it. This is a negative indicator for the financial institution.

Return on Assets (ROA):

The return on assets (ROA) statistic provides investors with a sign of how well the company converts the money it invests into net profits. The greater the return on investment (ROI) number, the better, because it says that the company is producing more money with less investment.

It is important to remember that, because of the balance sheet accounting equation, total assets are equal to the sum of total liabilities and shareholder's equity. Both methods of financing are used to supply funds for the company's operational needs. Some analysts and investors disregard the cost of getting an asset by adding back interest expenditure to the formula for return on assets (ROA), citing the fact that a company's assets are either supported by debt or equity.

	2020	2019	2018
Return on Assets (ROA)	0.029	0.022	0.027



Interpretation:

According to the graphical representation, the return on common equity in 2020 was high. However, the results from the previous years were less than satisfactory. There is a significant discrepancy, which suggests that the company is not operating effectively in terms of generating income versus its capital. Companies, on the other hand, are struggling as a medium-sized corporation and as rivals, and operational costs are quite expensive

CHAPTER FIVE:

Findings, Recommendations & Conclusion

Findings:

Ratio analysis is one of the most important tools and strategies for analyzing a firm's or company's viability and liquidity, and it is used in many different industries. It looks at how efficiently money is being utilized by us, whether we own it or borrow it, and how easily it may be used without incurring additional expenditures. It also contributes to the preservation of an organization's debt-reduction capability by supplying effective asset management methods using financial ratio analysis. It also contributes to the improvement of a company's results through intra-firm review, as the ratio analysis is one of the most frequently used and accurate sources of financial performance analysis in business. It is now possible to summarize the findings of the study as follows:

- ✓ The industry's current ratio in 2020 is 3.55, down from 5.14 in 2019 and 1.96 in 2018, indicating that the money percentage is decreasing, which is shocking for the company.

- ✓ Consequently, the quick ratio is growing. The quick ratio was 1.35 in 2018. In 2019, the ratio was 3.79, which was greater than the previous year, but declined in 2020.

- ✓ The cash ratio of JMI decreased from 2019 to 2020. In this instance, we might assume that management has failed to use cash, which is a huge failure for a bank.

- ✓ Debt to equity ratio for the company was 1.439 in 2018 but in 2019 and 2020 the company ratio was .005 & .004.

- ✓ JMI's inventory turnover ratio has been improving steadily over the last three years. The ratio was 2.05 in 2018. However, over the next two years, the ratio will increase to 2.59 and 3.42, respectively.

- ✓ Inventory turnover for the firm was 174.48 days in 2018, 141.22 days in 2019, and 106.85 days in 2020.

- ✓ The average time it takes for JMI to be collected has gradually grown. 2018 It took the company an average of 86.15 days to collect all its debts. In 2019, it was reduced to 78.28 days from the previous year. However, the ratio increased with time in 2020, reaching 140.14 percent.

- ✓ Over the last three years, the company's Accounts Receivable turnover ratio has been steadily decreasing. Compared to 2018, the figure was 4.24, and in 2019, it was 4.66, and 2.61 in 2020. These data reflect a downward tendency in the turnover of debtors.

- ✓ Financial leverage ratio was 3.55 in 2018, but just 1.24 in 2020, which suggests that the lower the financial leverage ratio, the easier it will be for the company to acquire better business credit alternatives and investments.

- ✓ An asset turnover ratio of 0.60 indicates that for every TK 1 worth of assets, 0.60 worth of revenue was created. In general, the larger the ratio – the greater the number of "turns" – the worse it indicates that they are not doing well.

- ✓ During the period 2018 to 2020, their fixed assets turnover ratio faltered, indicating that their business is underperforming in terms of sales while maintaining a reasonably high level of investment in fixed assets.

- ✓ From 2017 to 2020, the gross profit margin ratio was 29 % ,28 %, and 19 %, respectively, indicating that the corporation is not producing their goods as efficiently as they might.

- ✓ Typically, a net profit margin more than 10% is considered great performance. In the last three years, JMI's net profit margin has fallen short of expectations.

- ✓ The rate of return on equity has fluctuated over time. This measure assesses a company's total performance in terms of earning profits from its available assets, and it is therefore considered a negative indicator.

- ✓ The variance in return on assets (ROA) indicates that the company is not performing well in terms of sales generation against equity. Companies, on the other hand, are not performing as well as a medium-sized company or its competitors, and operating expenses are high.

Recommendations:

In any organization, it is not uncommon for problems to occur at some point. It is necessary to face challenges when running a business. The following recommendations can be made to address the situation.

- ✓ There are issues with inventory management, inefficient or loose standards for recovering receivables and a lack of marketing. I believe they need to improve their marketing and product quality.

- ✓ JMI Syringes & Medical Devices Ltd. has a low cash ratio. As a result, they should reduce their fund costs, operational expenses, and operational area to increase their cash flow.

- ✓ To reduce their company's debt-to-equity ratio, pay off any debts, boost profitability, enhance inventory management, and restructure debt.

- ✓ To maintain the continued operations of a firm, they require less blockage of funds/investment in inventory. To improve the inventory turnover ratio, it is important to devise a comprehensive strategy that focuses on increasing sales while simultaneously reducing the amount of money that is blocked on a stock.

- ✓ They should enhance their asset turnover ratio to concentrate on boosting income. Even if the assets are being utilized properly, sales may be slow, resulting in a lower asset turnover ratio.

- ✓ The organization should examine how it makes use of its assets and how it may increase the productivity of each asset's output. The output should increase without a large increase in any other expenses, which is desirable.

- ✓ Increasing the price of items would result in a bigger profit margin. However, this must be done in a competitive manner; else, the goods will not be sold.

- ✓ By growing revenues, such as through the sale of additional goods or services or by raising pricing, businesses may be able to enhance their net margin.

- ✓ JMI Syringes & Medical Devices Ltd. will obtain money through a combination of debt and equity financing. By raising the amount of debt capital, a firm has in comparison to its equity capital, the company's return on equity will be raised.

- ✓ JMI Syringes & Medical Devices Ltd. should properly invest their money in order to gain a greater return from their clientele. - Gain a greater share of your net earnings and a greater return on your investment. There are numerous methods for increasing a company's net income. Consider the following scenario: when the entity's total revenue for the year increases, its net earnings increase as well.

Conclusion:

Bangladesh has a large market that generates a high demand for pharmaceutical products; as a result, the surgical device and pharmaceutical product industries have excellent prospects for growth in this setting. Pharmaceutical and surgical industries are among the fastest growing industries in Bangladesh, and "JMI Syringe & Medical Devices Ltd." is one of the companies that are part of this growing industry. They have only been in company for a few years, but in comparison to their competitors, they have already accomplished a great deal. They have entered a cooperative venture with Japan. In addition to selling their products to many other nations, they have received the World Health Organization's endorsement for its Auto Disable syringe. This company is also playing an important role in the development of our country's economy, as they are generating a substantial amount of foreign currency through the export of their products. Furthermore, they are constantly expanding their business, and as a result, they are creating many work possibilities. As a result, the government has begun to aid the pharmaceutical industry in a variety of ways. Bangladesh's pharmaceutical businesses are expected to generate $5.11 billion by 2023, which is a significant amount of money. It is because governments are concentrating their efforts on this industry, and many local enterprises are also investing in this sector. We can also conclude from our analysis that these companies will prosper, as we saw that "JMI Syringe & Medical Devices LTD" has all the necessary characteristics to attract new investors, and that these new investments will enable them to grow at a faster rate than they were previously able to achieve.

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