

Internship Report

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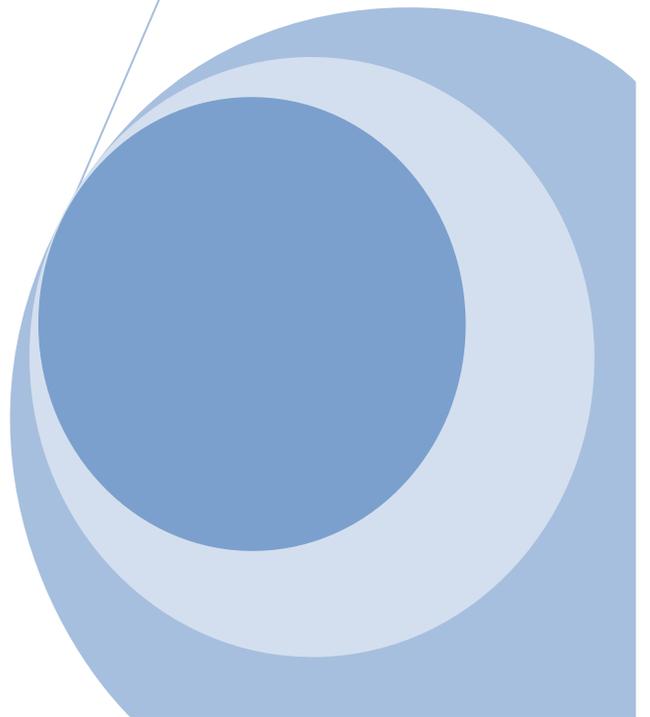
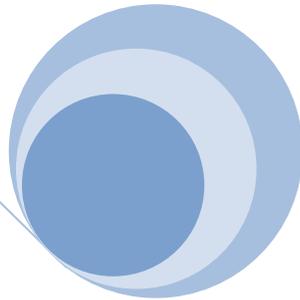
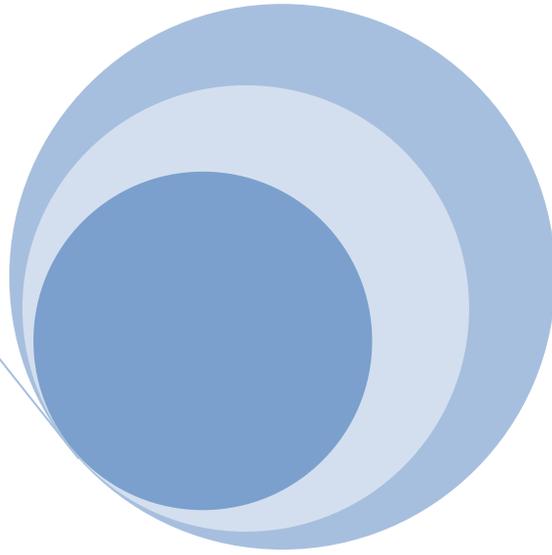
Ratio Analysis

&

Financial Performance

of

MMI Syringes & Medical Devices Ltd.





Inspiring Excellence

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Summer 2015, MBA Program
Course Name: Internship
Course ID: BUS699

Date of Submission: 30 August 2015

Letter of transmittal

30 August 2015

Mr. Showvonick Datta
Lecturer, BBA Program
BRAC Business School
BRAC University

Sub: Submission of Internship Report entitled “Ratio Analysis & Financial Performance Of JMI Syringes & Medical Devices Ltd.”

Dear Sir

I would like to draw your attention that I submit the internship report entitled “Ratio Analysis & Financial Performance of JMI Syringes & Medical Devices Ltd.” for your kind evaluation as part of my requirement for completing the MBA degree from BRAC University.

This report helped to collect convenient and very significant knowledge about the surgical device market in Bangladesh as a whole. This report is based on the financial highlights and activities conducted by JMI syringe & Medical Device Co. Ltd. While conducting the report, I have learnt business market development strategies, financial situation analysis and evaluation.

I have tried to be extremely meticulous in preparing this report despite the various limitations faced as very limited information about surgical industry. I sincerely hope that this report fulfils the objectives and requirements of the MBA program and that it finds your acceptance. I would also like to express my gratitude for your guidance, support and time and should you require any elaboration on any issue, I shall be glad to oblige.

Sincerely yours

Md. Rajibul Haque

ID: 13164096

Acknowledgment

In order to produce this report, I have put in extensive effort and study. This report would never have been possible without the consistent support and assistance of the people whom I approached during the various stages of writing this report. Firstly, I would like to express my heartfelt gratitude to my academic supervisor Mr. Showvonick Datta, Lecturer, BRAC Business School, BRAC University, for his valuable advice, encouragement, direction, and assistance. Writing this report would have been impossible without his guidance. I am extremely grateful to Mr. Javed Iqbal Pathan, Chairman, for his valuable time and expert insight into the various components of this report. I would also like to thank Mr. Azad Iqbal Pathan, Senior Manager (Marketing), of JMI Syringes & Medical Devices Ltd. for being involved with me through my internship process and providing a lot of relevant documents and information that were vital in producing this report. He provided me with the data that was required for the completion of this report. I would extend my gratitude towards Mr. Sarder Ayub Ali for being a wonderful General Manager and my supervisor. He has helped me understand the organization better and gain more insight which was crucial in writing this report. And finally, I would like to thank all individuals in the organization who assisted and guided me in completion of this report.

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Executive Summary

Surgical Device market in Bangladesh has great prospect for the local manufacturer of surgical device. More than 30,000 surgical devices are available in Bangladesh. Almost all devices are exported from foreign country. So I can tell surgical device market as the unexplored market. Only few major companies are providing surgical devices in Bangladesh. If the companies manufacture more surgical device then it generate huge profit to them. It also creates more empowerment and also contributes to our national economy.

JMI Syringes & Medical Devices Ltd. has various kinds of surgical product, although it is very difficult and risky for surgical device provider to develop new product, JMI has eleven products. The company's age is not very old in comparison of its competitor. But still the companies are doing well in surgical device market in Bangladesh.

JMI Syringes & Medical Devices Limited has received tremendous response by institution buyer and dealers. Institution buyers have gained confidence in their products for quality and economics. This business shows considerable promise in contributing to the national economy of Bangladesh. This report focuses on JMI's financial strategies, promotional activities, and position in the market.

The report continues to assess the organization through a Ratio analysis and some other financial issues. The suggested ways of overcoming those issues and challenges have been elaborated in the recommendations section.

Introduction

Surgical Device market in Bangladesh has great prospect for the local manufacturer of surgical device. More than 30,000 surgical devices are available in Bangladesh. Almost all devices are exported from foreign country. So we can tell surgical device market as the unexplored market. Only a few companies are providing surgical devices in Bangladesh.

JMI has various kinds of surgical product, although it is very difficult and risky for surgical device provider to develop new product, JMI has eleven products. The company's age is not very old in comparison of its competitor. But still the companies are doing well in surgical device market in Bangladesh.

JMI Syringe & Medical Device Limited has received tremendous response by institutional buyers and dealers. Institutional buyers have gained confidence in their products for quality and economics. This business shows considerable promise in contributing to the national economy of Bangladesh. This report focuses on JMI's syringe & other medical devices, their various financial strategies, promotional activities, and their position in the market in comparison to the market leader and so on.

JMI charges cost plus pricing for some of his products and for unique product like Auto Disposable syringe and urine drainage bag they charges skimming pricing. They have also promotion strategy like other surgical device company in Bangladesh. The promotion campaign is inspiring the doctors and their patient to use safe syringe, attending different seminar, fair related to pharmaceutical product. But due to the Govt. prohibition they can't promote their product by the mass media.

This report also covers the findings and analysis based on the response of the users of surgical device. In addition, it will also help them to understand the needs and wants of their target audience and to provide them with the best possible service.

Based on the current status on JMI Syringe & Medical Device Company Ltd, it can be said that it has tremendous potential to be the market leader. Proper planning and implementation of effective strategies will help them to achieve this objective within a short span of time.

History

JMI Syringes & Medical Devices Ltd. was incorporated as a Private Limited Company on **5th April, 1999** in Bangladesh with an Authorized Capital of Tk. 6,00,00,000/- divided into 600,000 ordinary shares of Tk. 100/=each under the Companies Act., 1994. Subsequently the Company increased its Authorized Capital to Tk.30,00,00,000/- and reduced the denomination of the shares from Tk. 100/= to Tk. 10/= as per Extra Ordinary General Meeting held on February 04, 2002 and was converted into a Public Limited Company as per Extra Ordinary General Meeting held on August 20, 2002. Again the Company reverted its denomination of the shares from Tk. 10/= to Tk. 100/= as per Extra Ordinary General Meeting held on May 05, 2003 and went for public issue during that year. Company's share is listed with the Dhaka and Chittagong Stock Exchange Ltd. The Company has changed its name from **JMI-Bangla Co. Ltd. to JMI Syringes & Medical Devices Ltd.** by an Extra-Ordinary resolution passed on October 01, 2009 and this change has been approved by the Registrar of Joint Stock Companies & Firms on April 15, 2010. The Company has changed an authorized capital from Tk. 30 Crore to Tk. 100 Crore and reverted its denomination of the share from Tk. 100/= to Tk. 10/= each. So that the Ordinary Shares of the Company has also been changed from 30 Lac to 10 Crore. It was approved by the shareholder an Extra Ordinary General Meeting held on 2th September 2012 and also approved by the Registrar of Joint Stock Companies on 14-11-2012.

As a global medical & surgical appliances company, JMI's commercial success depends on it's creating innovative new medical devices and making these accessible to as many people who need them as possible. 2012 was characterized by a challenging global economic & political climate. Despite this, JMI has continued to make good progress in strategy to grow its business in a sustainable way, deliver new medical devices and surgical products that are valued by those who use them. All of this has allowed JMI to deliver significant returns to shareholders.

Products

JMI Disposable Syringe:

Versatile forms.

Luer lock and Luer slip types.

Leading local & international health care institutions of the country are the major users.

JMI Auto Disable (AD) Syringe:

(WHO Recommended brand)

Manufactured under the technical collaboration with Star Syringe Ltd., UK.

Prevents transmission of life threatening diseases (HIV/AIDS, Hepatitis, etc.)

JMI is the major provider to EPI, DGFP, CMSD and Helm GMBH (Germany).

JMI Insulin Syringe:

Superior needle sharpness and low dead space for patient-comfort and accurate dosing.

JMI Scalp Vein Set:

Specially designed, user friendly brand with superior needle sharpness.

First global standard brand of Bangladesh.

JMI IV Cannula:

Unique design with FEP radio opaque, kink resistant and specially tapered catheter for easy vein puncture with minimum trauma.

First Bangladeshi brand of international standard.

JMI Disposable Needle:

Laser beam inspected hypodermic single use needle with superior sharpness.

JMI Infusion Set:

Compliance with international standard is validated through bio-compatibility test conducted by Toxicon Corporation, a prominent performing laboratory of USA.

JMI Blood Transfusion Set:

Manufactured with 200 pm mesh filter in drip chamber ensuring smooth blood flow and optimum filtration of fibrin clots and other particulate debris. First international standard band of Bangladesh.

JMI Intra Uterine Contraceptive Device (IUD) –

Copper T 380A:

Convenient, hormone free, safe and long lasting contraceptive device with high global recommendation.

First time introduction in Bangladesh

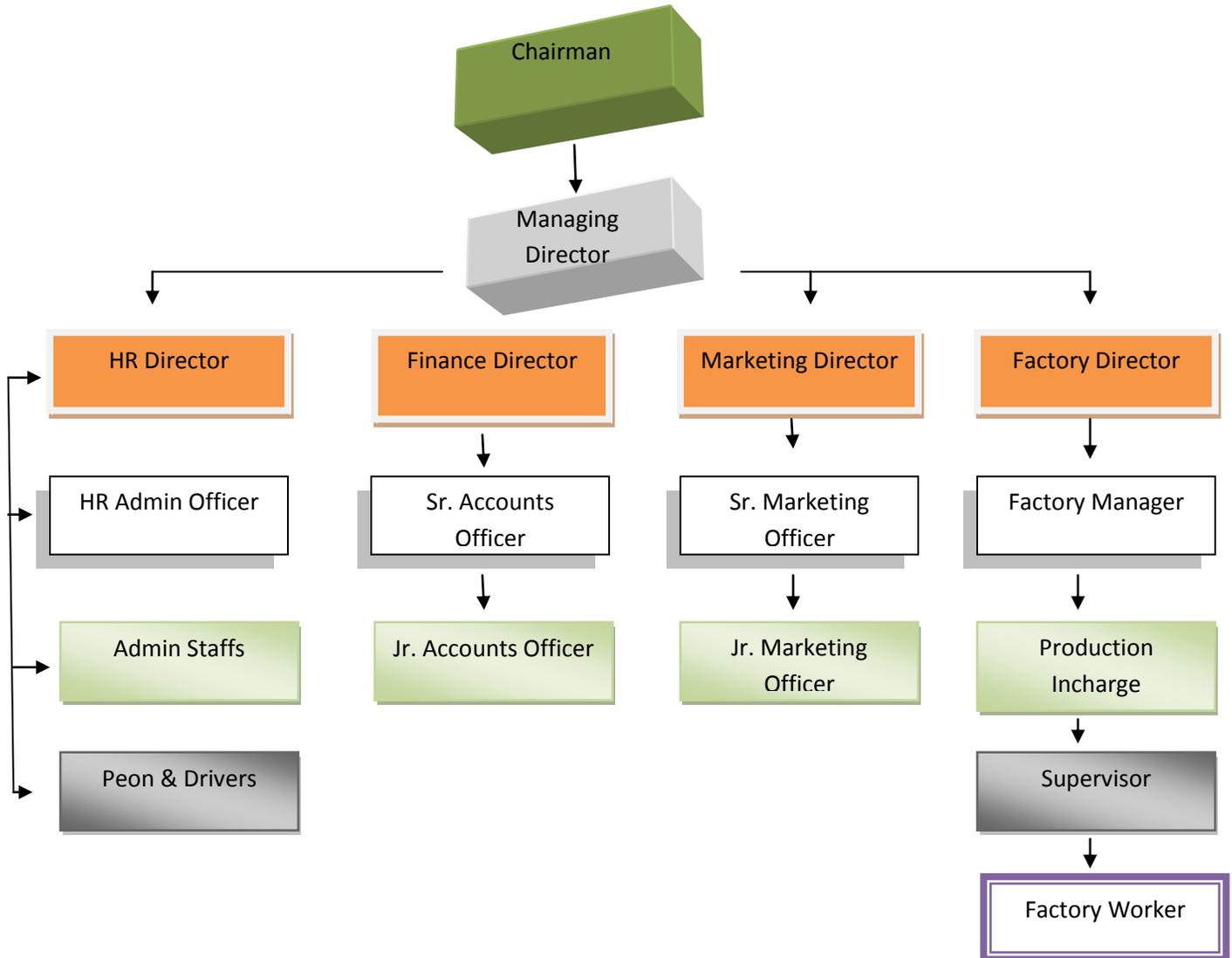
JMI First Aid Bandage (PVC):

Water proof, non stick, flexible and porous PVC bandage.

JMI Safety Box:

Ensures safe disposal of sharp and used medical wastes.

Organizational Organogram:



Mission...

"Manufacture and supply of quality medical & surgical appliances by promoting safe health care practices & subsequently establishing family welfare among the people through innovative technology".

The Management Mission represents the purpose of presence, social mission and domain identity of the JMI.

Vision...

"Attain leadership as manufacturer of medical & surgical appliances to provide services and assistance to health and family welfare sector in the country from global prospective."

The Management Mission represents the JMI stance towards the goal with a long-term perspective, based on our management vision.

Values...

"We value our shareholders by ensuring fair return on their investment through generating stable profit ".

Goal...

"Ensuring quality and safety of all devices manufactured in the country from JMI Group through upgrading the quality of products to match with the global standard and availability at affordable price".

Objectives...

Consistent improve product lines and provide uninterrupted service to building activities for a healthier nation to gain economic productivity.

Job Description:

Job Title: Senior Accounts Officer

Department: Finance & Accounts.

Reports to: Director, Finance.

The following positions report to this position:

- Accounts Executive (Jr. Accounts Executive)
- Marketing Promotion Officer (Collection Officer)
- Executives, Marketing & Sales.

Summary of Position:

Maintain daily cash & bank related job with opening L/C and other L/C related corresponding. Communicate with existing clients for sales collection, guide accounting clerical staff by coordinating activities and answering questions. Ensure collections are steady from trade debtors and deliveries of goods are made as per client's requirement. Prepare special financial reports by collecting, analyzing, and summarizing account information and trends Seek for customer feedback and develop relationship. Notify director if major problems regarding payment from clients occur. Forecast sales, ensure forecasted collection & supervise the preparation of weekly & monthly bills and delivery.

Duties & Responsibilities:

- Prepares asset, liability, and capital account entries by compiling and analyzing account information.
- Documents financial transactions by entering account information.
- Recommends financial actions by analyzing accounting options.
- Summarizes current financial status by collecting information; preparing balance sheet, profit and loss statement, and other reports.
- Guides accounting clerical staff by coordinating activities and answering questions.
- Reconciles financial discrepancies by collecting and analyzing account information.
- Secures financial information by completing data base backups.
- Maintains financial security by following internal controls.
- Prepares payments by verifying documentation, and requesting disbursements.

- Prepares special financial reports by collecting, analyzing, and summarizing account information and trends.
- Maintains customer confidence and protects operations by keeping financial information confidential.
- Contributes to team effort by accomplishing related results as needed.
- Review financial data that affects department's profits.
- Maintain purchase order files, client's files, delivery sheets and monthly bill files.

Different Aspects of Job performance:

I am measure by the number of documents of L/C we have handled each months as an Executive Officer of JMI Syringes & Medical Devices Ltd. I am also measured by the handling of the L/C without any fail and assisting our documentations team (commercial team) smoothly and error freely. It is also mandatory that I maintain good relationship with suppliers and our buyers. Everyday different types of reports come for various L/C related issues and I need to take immediate action to solve if there are any discrepancies, forward it to right person.

Critical observations and recommendations:

- Jmi has to pay a huge amount of loan interest for bank loan and others hand loan. But the directors don't get bother about it. If the company can able to reduce some of its loan then profit will go higher.
- Clients outside Dhaka mostly are the biggest defaulters in terms of payment since some of the clients have long business relationship and with the company and do not pay 50% advance payment for orders but gradually pay after delivery is made. Thus these companies create a problem in forecasting monthly collection.
- Most clients from outside Dhaka claim that some portion of the goods delivered were damaged or unusable. In such cases instant quality checking is impossible and hence payments from clients are delayed or has to be compromised.

Description of the Project

JMI Group Limited is the one of the leading Manufacturer of surgical devices in Bangladesh and it has been continuously in competitive position among all national and multinational companies since 2003. But its journey to the growth and prosperity was very tough after the inception in 1999. This report shows various financial strategies, promotional activities and position in the market in comparison to the market leader and so on. While preparing this report, I had a great opportunity to have an in depth knowledge of all the Financial activities of JMI Syringe & Medical Devices Company Ltd. It also helped me acquire a firsthand perspective of one of the leading Manufacturer of surgical devices company in Bangladesh. It must be also noted that the data used here is truly and strictly confidential and no one can use its components in full or partial. I would like to give thanks to everyone who has helped and encouraged me in the process of preparing the report.

Objective::

The main objective of this report is to know about and analyze the financial strategies of the company, analyzing the current market and make possible recommendation about the company.

- To understand the structure of JMI.
- To know about market, its nature, trend and its competition.
- To understand the stakeholders of business products.
- Understand position in the Market.
- How to provide better financial report.
- How it helps to gain more market share in the business market.
- Establishing of a new business product.

Methodology::

Sources of Data:

The information I needed to complete this report were collected from the following sources:

Primary Sources:

Primary data are collected through sample survey and interviews with the concerned party. It included the fresh or completely new data sources collected for a specified purpose, such as interviews, observations etc.

Practical work exposures from different sections of the company

- Focus group meetings
- Face to face conversation with the respective personnel
- Direct observation
- Informal discussion

Secondary Sources:

Secondary data are collected through gathering of the published materials (annual report) of the company, industry sales report from the concerned authority. It included sources of existing/published data.

- Annual reports of JMI Syringe & Medical Device Company Ltd.
- Different notices and brochures of JMI Syringe & Medical Device.
- Official Websites
- Administrative manuals of the company
- Various reports and articles related to the study
- Different books, newspaper, magazine etc.

Limitation::

During the study of the report we have faced following problems-

- ✓ Time is not enough for such an extensive study.
- ✓ Information relating to the survey is very sensitive that is why secondary data have been used in some extent.
- ✓ Sometimes it is difficult to understand a few accounting and financial terms which could otherwise be incorporated sufficiently in preparing the report.
- ✓ I have to be aware that ratio analysis is widely used as a performance indicator, but it does have its limitations too. For instance, accounts show only the monetary aspects of the business. They do not show management or staff strengths or weaknesses. So ratio analysis ignores this aspect of the performance as well.

Bangladesh Surgical Market:

Surgical device industry has grown in Bangladesh in the last two decades at a considerable rate. Its healthy growth supports development of auxiliary industries for producing glass bottles, plastic containers, aluminium collapsible tubes, aluminium PP caps, infusion sets, disposable syringes, and corrugated cartons. Some of these products are also being exported. Printing and packaging industries and even the advertising agencies consider pharmaceutical industry as their major clients and a key driving force for their growth.

The sector consistently creates job opportunities for highly qualified people. Many established entrepreneurs of today started with pharmaceutical companies in the country. Pharmaceutical companies are either directly or indirectly contributing largely towards raising the standard of healthcare through enabling local healthcare personnel to gain access to newer products and also to latest drug information.

Following the Drug (Control) Ordinance of 1982, some of the local pharmaceutical companies improved range and quality of their products considerably. The national companies account for more than 65% of the pharmaceutical business in Bangladesh. However, among the top 20 companies of Bangladesh 6 are multinationals. Almost all the lifesaving imported products and new innovative molecules are channeled into and marketed in Bangladesh through these companies. Multinational and large national companies generally follow current good manufacturing practices (GMP) including rigorous quality control of their products. The Drug Act of 1940 and its rules formed the basis of the country's drug legislation. Unani, ayurvedic, homeopathic and biochemic medicines were exempted from control under the legislation. The pharmaceutical industry was dominated by the foreign companies at that time. Even in the allopathic market there were extemporaneous preparations dispensed from retail pharmacies.

The surgical device industry, however, like all other sectors in Bangladesh, was much neglected during Pakistan regime. Most multinational companies had their production facilities in West Pakistan. With the emergence of Bangladesh in 1971, the country inherited a poor base of surgical device industry. For several years after liberation, the government could not increase budgetary allocations for the health sector. Millions of people had little access to essential life saving medicines. With the promulgation of the Drug (Control) Ordinance of 1982 many medicinal products considered harmful, useless or unnecessary got removed from the market allowing availability of essential drugs to increase at all levels of the healthcare system. Increased competition helped maintain prices of selected essential drugs at the minimum and affordable level.

In 1981, there were 166 licensed surgical device manufacturers in the country, but local production was dominated by eight multinational companies (MNCs) which manufactured about 75% of the products. There were 25 medium sized local companies which manufactured 15% of the products and the remaining 10% were produced by other 133 small local companies. All these companies were mainly engaged in

formulation out of imported raw materials involving an expenditure of Tk 600 million in foreign exchange. In spite of having 166 local pharmaceutical production units, the country had to spend nearly Tk. 300 million on importing finished medicinal products. A positive impact of the Drug (Control) Ordinance of 1982 was that the limited available foreign currency was exclusively utilized for import of pharmaceutical raw materials and finished drugs, which are not produced in the country. The value of locally produced medicines rose from Tk. 1.1 billion in 1981 to Tk. 16.9 billion in 1999. At present, 95% of the total demand of medicinal products is met by local production. Local companies (LCs) increased their share from 25% to 70% on total annual production between 1981 and 2000.

In 2000, there were 210 licensed allopathic drug-manufacturing units in the country, out of which only 173 were on active production; others were either closed down on their own or suspended by the licensing authority for drugs due to non compliance to GMP or drug laws. They manufactured about 5,600 brands of medicines in different dosage forms. There were, however, 1,495 wholesale drug license holders and about 37,700 retail drug license holders in Bangladesh.

Physical distribution of pharmaceuticals in Bangladesh has evolved in a unique way. Unlike other countries Bangladesh pharmaceutical industry is more retail oriented and bulk of distribution is done by the companies themselves. Pharmaceutical companies distribute their products from their own warehouses located in different parts of the country, as no professional distribution house is available. Wholesalers play a limited role in this regard since companies supply goods to both retailers and wholesalers. Export of pharmaceutical products is still in an infant stage, although a number of private pharmaceutical companies have already entered the export market with their basic materials and finished products.

The annual per capita drug consumption in Bangladesh is one of the lowest in the world. However, the industry has been a key contributor to the Bangladesh economy since independence. With the development of healthcare infrastructure and increase of health awareness and the purchasing capacity of people, this industry is expected to grow at a higher rate in future. Healthy growth is likely to encourage the pharmaceutical companies to introduce newer drugs and newer research products, while at the same time maintaining a healthy competitiveness in respect of the most essential surgical devices.

Financial statement analysis:

A sustainable business and mission requires effective planning and financial management. Ratio analysis is a useful management tool that will improve the understanding of financial results and trends over time, and provide key indicators of organizational performance. Managers will use ratio analysis to pinpoint strengths and weaknesses from which strategies and initiatives can be formed. Funders may use ratio analysis to measure the results against other organizations or make judgments concerning management effectiveness and mission impact. It is defined as the process of identifying financial strengths and weaknesses of the firm by properly establishing relationship between the items of the balance sheet and the profit and loss account. The process of reviewing and evaluating a company's financial statements (such as the balance sheet or profit and loss statement), thereby gaining an understanding of the financial health of the company and enabling more effective decision making. Financial statements record financial data; however, this information must be evaluated through financial statement analysis to become more useful to investors, shareholders, managers and other interested parties. Financial statement analysis is an evaluative method of determining the past, current and projected performance of a company.

For ratios to be useful and meaningful, they must be:

- o Calculated using reliable, accurate financial information
- o Calculated consistently from period to period
- o Used in comparison to internal benchmarks and goals
- o Used in comparison to other companies in the industry
- o Viewed both at a single point in time and as an indication of broad trends and issues over time
- o Carefully interpreted in the proper context, considering there are many other important factors and indicators involved in assessing performance.
- o To provide analytical information to all interested parties.
- o To justify and analyze the earning capacity of the firm
- o To justify and analyze the financial position of the firm
- o To evaluate operations of the firm.
- o To evaluate progress of the business of the firm
- o To utilize resources properly and effectively
- o To analyze and evaluate management efficiency.

JMI Syringes & Medical Devices Ltd.
Statement of Profit & Loss Account
For the Year ended 31st December 2014

Particulars	Notes	Amount 31st Dec 2014
Revenue from Net Sales		1,199,135,889.00
Local Sales	657,945,099.00	
Export Sales	541,190,790.00	
Less: Cost of Goods Sold	9	830,279,284.00
Gross Profit		368,856,605.00
Less: Operating Expense		102,780,678.00
Administration Expense	10	52,327,254.00
Selling, Marketing & Distribution Expense	11	50,453,424.00
		266,075,927.00
Add. Other Income	12	1,694,552.00
		267,770,479.00
Less. Financial Cost	13	193,008,017.00
Income Before Adjustment of WPPF		74,762,462.00
Less. Worker Profit Participation Fund	14	3,560,117.00
Net Profit Before Adjustment of Income Tax		71,202,345.00
Less. Income Tax Expense	15	22,194,857.00
Net Profit / Net Income		49,007,488.00
Earnings Per Share (EPS)		4.46

JMI Syringes & Medical Devices Ltd.
Statement of Financial Position
As at 31st December 2014

Particulars	Notes	Amount 31st Dec 2014
Assets		
Non Current Assets		
		1,049,076,976.00
Property, Plant & Equipment	1	1,049,076,976.00
Current Assets:		
		794,736,156.00
Cash & Cash Equivalents		45,227,668.00
Inventories	3	475,865,683.00
Advance Deposits & Prepayments		49,183,190.00
Advance Income Tax	4	93,889,228.00
Accounts Receivable		130,570,387.00
Total Assets		1,843,813,132.00
Equity & Liabilities		
Equity		
		537,505,033.00
Share Capital (Issued, Subscribed & Paid up Capital)		110,000,000.00
Tax Holiday Reserve	5	12,119,070.00
Retained Earnings	6	84,746,274.00
Revaluation Reserve	2	330,639,690.00
Non Current Liabilities		
		653,277,756.00
Project & Term Loan (Non Current Maturity)		551,228,652.00
Lease Finance		79,288,314.00

Deferred Tax Liability	7	22,760,790.00	
Current Liabilities			653,030,343.00
Current Maturity Project Loans		113,299,802.00	
Current Maturity Lease Finance		45,645,302.00	
Short Term Loan		247,763,789.00	
Sister Concern Loan		41,415,960.00	
Dividend Payable	8	3,149,605.00	
Accrued Interest Payable		68,869,050.00	
Creditors & Others Payable		132,886,835.00	
Total Equity & Liabilities			1,843,813,132.00
Net Assets Value Per Share			48.86

JMI Syringes & Medical Devices Ltd.
Cash Flow Statement
For the Year ended 31st December 2014

Particulars	Notes	Amount 31st Dec 2014
Cash Flow From Operating Activities		
Collections from Customers & Others	1,251,889,895.00	
Payment to Suppliers & Others	(966,533,770.00)	
AIP Paid	(39,915,685.00)	
Net Cash Flow from Operating Activities		245,440,440.00
Cash Flow From Investing Activities		
Acquisition of Non Current Assets	(21,984,579.00)	
Disposale of Vehicles	650,000.00	
Net Cash Flow from Investing Activities		(21,334,579.00)
Cash Flow From Financing Activities		
Project & Term Loan Received	653,349,524.00	
Project & Term Loan Paid	(153,054,282.00)	
Lease Finance Loan Received	53,000,000.00	
Lease Finance Loan Paid	(30,617,356.00)	
Short Term Loan Received	178,276,332.00	
Short Term Loan Paid	(503,856,289.00)	
Director & Sister Concern Loan Received	31,962,305.00	
Director & Sister Concern Loan Paid	(370,957,270.00)	
Dividend & Dividend Tax Paid	(15,938,175.00)	
Interest & Bank Charge Paid	(124,138,967.00)	
Net Cash Flow from Financing Activities		<u>(281,974,178.00)</u>
Net Cash Surplus / (Deficit) for the year (2013)		(57,868,317.00)
Cash and Bank Balance at the beginning of the year		<u>103,095,986.00</u>
Cash and Bank Balance at the end of the year		<u><u>45,227,669.00</u></u>

Purpose and use of ratio analysis:

A primary advantage of ratios is that they can be used to compare the risk and return relationships of firms of different sizes. Ratios can also provide a profile of a firm, its economic characteristics and competitive strategies, and its unique operating, financial and investment characteristics. However, be deceptive as it ignores differences among industries, the effect of varying capital structure and differences in accounting and reporting methods. Given these differences, changes in a ratio and variability over time may be more informative than the level of the ratio at any point in time.

Four broad categories measure the different aspects of risk and return relationships:

1. *Activity analysis* – evaluates revenue and output generated by the firm's assets
2. *Liquidity analysis* – measures the adequacy of a firm's cash resources to meet its near-term cash obligations.
3. *Long-term debt and solvency analysis* – examines the firm's capital structure, including the mix of its financing sources and the ability of the firm to satisfy its long-term debt and investment obligations.
4. *Profitability analysis* – measures the income of the firm relative to its revenues and invested capital.

Importance of ratio analysis:

1. Ratio analysis simplifies and summarizes complex accounting figures and arranges them systematically for use by different parties.
2. It measures and evaluates the financial condition and operating effectiveness of a business institution.
3. It aids in diagnosing the financial health of the business. By calculating and studying different ratios one can analyze the weaknesses and strengths of the business.
4. By analyzing the past performance future can be projected and predicted.
5. It promotes coordination by studying the efficiency and deficiency of different parts of the business.
6. It assists in communication by conveying necessary information to all related parties.
7. It facilitates the effective control of business operations by means of appraisal targets both physical and monetary.

Types of ratio:

A: Liquidity ratio - ratios that show the relationship of a firm's cash and other current assets to its current liabilities. This includes (i) Current ratio (ii) Quick ratio

B: Asset management ratio - A set of ratios that measures how effectively a firm is managing its assets. This includes (i) Inventory turnover ratio (ii) Days sales outstanding or average collection period (iii) Fixed asset turnover (iv) Total asset turnover

C: Debt management ratio - ratios that show the relationship of a firm's total debt, equity and total assets. This includes (i) Debt ratio (ii) Debt-equity ratio (iii) Times interest earned ratio (iv) Fixed charge coverage ratio

D: Profitability ratio - a group of ratios showing the effect of liquidity, asset management and debt management on operating results. This includes (i) Gross profit margin (ii) Operating profit margin (iii) Net profit margin (iv) Return on total asset (v) Return on common equity (vi) Operating expense ratio

E: Market value ratio – a set of ratios that relate the firm's stock price to its earnings and book value per share. Ratios under this are (i) Price/earnings ratio (ii) Market value/book value ratio

Ratios may be classified into the following types depending upon the statements from which they are derived:

(a) Balance sheet ratio: Ratios calculated on the basis of the figures drawn from the balance sheet. Current ratio, Quick ratio etc.

(b) Profit and loss account ratio: Ratios calculated on the basis of the figures drawn from profit and loss account. Gross profit ratio, net profit ratio etc.

(c) Composite ratios: Ratios calculated on the basis of the figures drawn from both balance sheet and profit and loss account. Sales turnover, accounts receivable turnover etc.

Ratios as a tool of financial analysis may be classified into the following types:

(a) Short-term solvency ratios – Current ratio and quick ratio etc.

(b) Financial structure ratios – Debt to equity ratio and debt ratio etc.

(c) Profitability ratios – Return on capital employed and return on total assets etc.

Advantage of Ratio Analysis

Ratio analysis is necessary to establish the relationship between two accounting figures to highlight the significant information to the management or users who can analyze the business situation and to monitor their performance in a meaningful way. The following are the advantages of ratio analysis:

- (1) It facilitates the accounting information to be summarized and simplified in a required form.
- (2) It highlights the inter-relationship between the facts and figures of various segments of business.
- (3) Ratio analysis helps to remove all type of wastages and inefficiencies.
- (4) It provides necessary information to the management to take prompt decision relating to business.
- (5) It helps to the management for effectively discharge its functions such as planning, organizing, controlling, directing and forecasting.
- (6) Ratio analysis reveals profitable and unprofitable activities. Thus, the management is able to concentrate on unprofitable activities and consider to improve the efficiency.
- (7) Ratio analysis is used as a measuring rod for effective control of performance of business activities.
- (8) Ratios are an effective means of communication and informing about financial soundness made by the business concern to the proprietors, investors, creditors and other parties.
- (9) Ratio analysis is an effective tool which is used for measuring the operating results of the enterprises.
- (10) It facilitates control over the operation as well as resources of the business.
- (11) Effective co-operation can be achieved through ratio analysis.
- (12) Ratio analysis provides all assistance to the management to fix responsibilities.
- (13) Ratio analysis helps to determine the performance of liquidity, profitability and solvency position of the business concern.

Limitations of Ratio Analysis

Ratio analysis is one of the important techniques of determining the performance of financial strength and weakness of a firm. Though ratio analysis is relevant and useful technique for the business concern, the analysis is based on the information available in the financial statements. There are some situations, where ratios are misused, it may lead the management to wrong direction. The ratio analysis suffers from the following limitations:

1. Ratio analysis is used on the basis of financial statements. Number of limitations of financial statements may affect the accuracy or quality of ratio analysis.
2. Ratio analysis heavily depends on quantitative facts and figures and it ignores qualitative data. Therefore this may limit accuracy.
3. Ratio analysis is a poor measure of a firm's performance due to lack of adequate standards laid for ideal ratios.
4. It is not a substitute for analysis of financial statements. It is merely used as a tool for measuring the performance of business activities.
5. Ratio analysis clearly has some latitude for window dressing.
6. It makes comparison of ratios between companies which is questionable due to differences in methods of accounting operation and financing.
7. Ratio analysis does not consider the change in price level, as such, these ratio will not help in drawing meaningful inferences.

Operational Highlights

Particulars	2014	2013	2012	2011
Revenue from net sales	1,19,91,35,889.00	83,92,84,712.00	57,80,50,158.00	49,68,04,636.00
Gross Profit	36,88,56,605.00	26,63,08,701.00	18,26,72,264.00	15,49,52,271.00
Operating Profit	26,60,75,928.00	18,38,97,671.00	12,43,38,895.00	10,03,68,525.00
Net Profit Before Tax	7,12,02,345.00	4,62,90,249.00	3,50,24,983.00	3,51,58,334.00
Net Profit After Tax	4,90,07,488.00	3,24,19,067.00	1,23,41,080.00	1,15,70,605.00
Earnings Per Share	4.46	2.95	1.12	1.05
Total Asset	2,18,44,25,373.00	2,20,97,16,398.00	1,48,97,96,245.00	94,21,30,075.00
Shareholders' Equity	53,75,05,033.00	50,63,21,664.00	50,42,20,721.00	14,11,10,225.00

Financial Highlights

Particulars	2014	2013	2012	2011
Authorized Capital	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	300,000,000.00
Paid Up Capital	110,000,000.00	110,000,000.00	110,000,000.00	110,000,000.00
Revenue From Net Sales	1,199,135,889.00	839,284,712.00	578,050,158.00	496,804,636.00
Export Earnings	541,190,790.00	217,077,591.00	110,623,500.00	57,793.00
Gross Profit	368,856,605.00	266,308,701.00	182,672,263.00	154,952,271.00
Operating Profit	266,075,928.00	183,897,671.00	124,338,895.00	106,368,525.00
Net Profit Before Tax	71,202,345.00	46,290,249.00	36,676,521.00	35,158,334.00
Net Profit After Tax	49,007,488.00	32,419,067.00	27,555,578.00	11,570,605.00
Fixed Assets at Cost	1,389,689,217.00	1,369,344,892.00	1,293,065,410.00	822,692,200.00
Current Asset	794,736,156.00	840,371,506.00	444,439,347.00	311,464,343.00
Total Asset	2,184,425,373.00	2,209,716,398.00	1,742,459,370.00	1,140,762,693.00
Non Current Liability	653,277,756.00	162,167,422.00	128,647,403.00	193,637,139.00
Current Liability	653,030,342.00	1,249,870,995.00	870,491,081.00	607,382,711.00
Shareholders' Equity	537,505,033.00	506,321,664.00	504,220,721.00	141,110,225.00

Current Ratio

Current Ratio establishes the relationship between current Assets and current Liabilities. It attempts to measure the ability of a firm to meet its current obligations. In order to compute this ratio, the following formula is used :

Current ratio (Working capital ratio) = Current assets / Current liabilities

[: or times or X form]

Particulars	2014	2013	2012	2011
Current Ratio	1.22:1	0.67:1	0.51:1	0.52:1

The ideal current ratio is 2: 1. It indicates that current assets double the current liabilities is considered to be satisfactory. Higher value of current ratio indicates more liquid of the firm's ability to pay its current obligation in time. On the other hand, a low value of current ratio means that the firm may find it difficult to pay its current ratio as one which is generally recognized as the patriarch among ratios.

Advantages of Current Ratios:

- (1) Current ratio helps to measure the liquidity of a firm.
- (2) It represents general picture of the adequacy of the working capital position of a company.
- (3) It indicates liquidity of a company.
- (4) It represents a margin of safety, i.e., cushion of protection against current creditors.
- (5) It helps to measure the short-term financial position of a company or short-term solvency of a firm.

Disadvantages of Current Ratio:

- (1) Current ratios cannot be appropriate to all businesses it depends on many other factors.
- (2) Window' dressing is another problem of current ratio, for example, overvaluation of closing stock.
- (3) It is a crude measure of a firm's liquidity only on the basis Of quantity and not quality of current assets.

The current ratio measures the company's ability to pay off its current liability. Here we can see that current ratio was highest in 2014 with compare in previous years. The statistics indicates a good liquidity position of the company. They have enough cash in hand to meet the short term liabilities. But it also denotes that company has huge idle money, so it is not good sign for the JMI. So in a concluding note I would like to say company should utilize their idle money in a profitable manner.

Quick Ratio

Quick Ratio also termed as Acid Test or Liquid Ratio. It is supplementary to the current ratio. The acid test ratio is a more severe and stringent test of a firm's ability to pay its short-term obligations 'as and when they become due. Quick Ratio establishes the relationship between the quick assets and current liabilities. In order to compute this ratio, the below presented formula is used :

Quick asset or Acid test ratio = Quick assets / Current liabilities [: or times or X form]

Particulars	2014	2013	2012	2011
Quick Ratio	0.49:1	0.33:1	0.17:1	0.14:1

The ideal Quick Ratio of 1:1 is considered to be satisfactory. High Acid Test Ratio is an indication that the firm has relatively better position to meet its current obligation in time. On the other hand, a low value of quick ratio exhibiting that the firm's liquidity position is not good.

Advantages

- (1) Quick Ratio helps to measure the liquidity position of a firm.
- (2) It is used as a supplementary to the current ratio.
- (3) It is used to remove inherent defects of current ratio.

We know this ratio show's a firm's ability to cover its current liabilities with its most liquid asset. This ratio concentrates on more liquid assets like cash and marketable securities. we can say that although JMI's ability to meet the current liabilities was below the standard level, they successfully managed to overcome their shortcoming and the statistics suggest that they are now in a good position to cover current liabilities with their current assets.

Gross Profit Margin

Gross Profit Margin established the relationship between gross profit and net sales. This ratio is calculated by dividing the Gross Profit by Sales. It is usually indicated as percentage. The below presented formula is used

$$\text{Gross Profit Margin} = \text{Gross Profit} / \text{Net Sales} [\%]$$

Particulars	2014	2013	2012	2011
Gross Profit Margin	5.43 X	5.67 X	4.51 X	9.19 X

Higher Gross Profit Ratio is an indication that the firm has higher profitability. It also reflects the effective standard of performance of firm's business. Higher Gross Profit Ratio will be result of the following factors.

- (1) Increase in selling price, i.e., sales higher than cost of goods sold.
- (2) Decrease in cost of goods sold with selling price remaining constant.
- (3) Increase in selling price without any corresponding proportionate increase in cost.
- (4) Increase in the sales mix.

A low gross profit ratio generally indicates the result of the following factors :

- (1) Increase in cost of goods sold.
- (2) Decrease in selling price.
- (3) Decrease in sales volume.
- (4) High competition.
- (5) Decrease in sales mix.

Advantages

- (1) It helps to measure the relationship between gross profit and net sales.
- (2) It reflects the efficiency with which a firm produces its product.
- (3) This ratio tells the management, that a low gross profit ratio may indicate unfavorable purchasing and mark-up policies.
- (4) A low gross profit ratio also indicates the inability of the management to increase sales.

Gross margin ratio is used to analyze how efficiently a company is using its materials, labor and manufacturing related fixed assets to generate profits. A higher gross margin percentage is a favorable profit indicator and vice-versa. This ratio helps organization to fix their product price. If the ratio minimum percentage then indicates the product market price lower or product production cost high. Here we see that gross margin ratio was not quite stable and it is not good sign JMI Ltd.

Operating Profit Ratio

Operating Profit Ratio indicates the operational efficiency of the firm and is a measure of the firm's ability to cover the total operating expenses. Operating Profit Ratio can be calculated as :

Operating profit margin = Operating profit / Sales revenue [%]

Particulars	2014	2013	2012	2011
Operating Profit Ratio	22.19%	21.91%	21.51%	21.41%

Net Profit Margin

Net Profit Ratio is also termed as Sales Margin Ratio (or) Profit Margin Ratio (or) Net Profit to Sales Ratio. This ratio reveals the firm's overall efficiency in operating the business. Net profit Ratio is used to measure the relationship between net profit (either before or after taxes) and sales. This ratio can be calculated by the following formula :

Net profit margin = Net profit / Sales revenue [%]

Particulars	2014	2013	2012	2011
Net Profit Margin	4.09%	3.86%	4.77%	2.33%

Net profit includes non-operating incomes and profits. Non-Operating Incomes such as dividend received, interest on investment, profit on sales of fixed assets, commission received, discount received etc. Profit or Sales Margin indicates margin available after deduction cost of production, other operating expenses, and income tax from the sales revenue. Higher Net Profit Ratio indicates the standard performance of the business concern.

Advantages

- (1) This is the best measure of profitability and liquidity.
- (2) It helps to measure overall operational efficiency of the business concern.
- (3) It facilitates to make or buy decisions.
- (4) It helps to determine the managerial efficiency to use a firm's resources to generate income on its invested capital.
- (5) Net profit Ratio is very much useful as a tool of investment evaluation.

Net income to sales ratio is very important in operating performance measurement. This ratio is helpful in identifying the proportion of sales unit that remains after the deduction of all expenses. This ratio indicates the net amount of profit on each sales taka. The amount of net income includes all types of non operating items that may occur in a particular period. The ratio dropped in 2013, then increase in 2014. As a result company has generated more profit.

Return on Investment Ratio

This ratio is also called as ROI. This ratio measures a return on the owner's or shareholders' investment. This ratio establishes the relationship between net profit after interest and taxes and the owner's investment. Usually this is calculated in percentage. This ratio, thus. can be calculated as :

Return on investment (ROI) or Return on assets (ROA) = Net income / Total assets [%]

Particulars	2014	2013	2012	2011
Return on Investment	2.24%	1.47%	1.58%	1.01%

Advantages

- (1) This ratio highlights the success of the business from the owner's point of view.
- (2) It helps to measure an income on the shareholders' or proprietor's investments.
- (3) This ratio helps to the management for important decisions making.
- (4) It facilitates in determining efficiently handling of owner's investment.

Return on total Investment indicates how profitable a company is relative to its total assets. It also indicates the management efficiency to utilize total assets to make profit. In 2014 it has been increased compared to the previous year. So it can be said that company generates 1.01%, 1.58%, 1.47%, and 2.24% return on the assets that it employs in its operations in this four year time period.

Earnings Per Share

Earnings Per Share Ratio (EPS) measures the earning capacity of the concern from the owner's point of view and it is helpful in determining the price of the equity share in the market place. Earnings Per Share Ratio can be calculated as :

Earnings Per Share = Net Profit / No. of Share

Particulars	2014	2013	2012	2011
Earnings Per Share	4.46	2.95	1.12	1.05

Advantages

- (1) This ratio helps to measure the price of stock in the market place.
- (2) This ratio highlights the capacity of the concern to pay dividend to its shareholders.
- (3) This ratio used as a yardstick to measure the overall performance of the concern.

Shareholders are mostly concern about earning per share (EPS), because EPS is widely used indicator in investment decision. In 2011 EPS was TK. 1.05 but in next two years it is increasing day by day. JMI Ltd. in 2014 EPS it reaches 4.46 TK. It's good sign for company reputation and investors will be interested to invest on the company.

Inventory Turnover Ratio

Inventory means stock of raw materials, working in progress and finished goods. This ratio is used to measure whether the investment in stock in trade is effectively utilized or not. It reveals the relationship between sales and cost of goods sold or average inventory at cost price or average inventory at selling price.

Inventory Turnover Ratio indicates the number of times the stock has been turned over in business during a particular period. In order to compute this ratio, the following formula is used :

Inventory turnover = Cost of goods sold / Average inventory [times or X form]

Particulars	2014	2013	2012	2011
Inventory Turnover	1.75 times	1.33 times	1.37 times	2.21 times

Advantages

- (1) This ratio indicates whether investment in stock in trade is efficiently used or not.
- (2) This ratio is widely used as a measure of investment in stock is within proper limit or not.
- (3) This ratio highlights the operational efficiency of the business concern.
- (4) This ratio is helpful in evaluating the stock utilization.
- (5) It measures the relationship between the sales and the stock in trade.
- (6) This ratio indicates the number of times the inventories have been turned over in business during a particular period.

Inventory turnover ratio measures how fast the inventory become cash or accounts receivable. If the turnover number is more than the company's position is good and vice versa. In 2014 it is 1.75 times and in 2013 is 1.33 times in 2012 it is 1.37 times in 2011 it is 2.21. Here we see the turnover is increasing over the time. It shows a positive impact on their management efficiency but the speed is very slow .It should be more fast.

Fixed Assets Turnover Ratio

This ratio indicates the efficiency of assets management. Fixed Assets Turnover Ratio is used to measure the utilization of fixed assets. This ratio establishes the relationship between cost of goods sold and total fixed assets. Higher the ratio highlights a firm has successfully utilized the fixed assets. If the ratio is depressed, it indicates the under utilization of fixed assets. The ratio may also be calculated as:

Fixed asset turnover = Sales revenue / Fixed assets [: or times or X form]

Particulars	2014	2013	2012	2011
Fixed Asset Turnover	0.86 times	0.61 times	0.45 times	0.61 times

Total Asset Turnover Ratio

The asset turnover ratio is an efficiency ratio that measures a company's ability to generate sales from its assets by comparing net sales with average total assets. In other words, this ratio shows how efficiently a company can use its assets to generate sales.

Total assets turnover = Sales revenue / Total assets [: or times or X form]

Particulars	2014	2013	2012	2011
Total Asset Turnover	0.55 times	0.38 times	0.33 times	0.44 times

Here we see that total assets turnover has increased over time. Sales and total assets increase in 2013 & 2014. But compare to 2011 and 2012; ratio is slightly dropped in 2012. After that it was recovered marginally.

Debt Equity Ratio

This ratio also termed as External - Internal Equity Ratio. This ratio is calculated to ascertain the firm's obligations to creditors in relation to funds invested by the owners. The ideal Debt Equity Ratio is 1: 1. This ratio also indicates all external liabilities to owner recorded claims. It may be calculated as

Debt-equity ratio = Total debt / Total equity [: or times or X form]

Particulars	2014	2013	2012	2011
Debt Equity Ratio	2.34 times	2.79 times	1.98 times	5.68 times

Debt Ratio

A financial ratio that measures the extent of a company's or consumer's leverage. The debt ratio is defined as the ratio of total debt to total assets, expressed in percentage, and can be interpreted as the proportion of a company's assets that are financed by debt. It may be calculated as

Debt ratio = Total debt / Total assets [%]

Particulars	2014	2013	2012	2011
Debt Ratio	59.80%	63.90%	57.34%	70.22%

We can see that the debt to total asset ratio is decreasing year to year. It seems they are expanding their asset and these asset expansions are supported not fully by the debt financing. So this decreasing trend is not so bad for the company.

Return on Equity

ROE is a profitability ratio that measures the ability of a firm to generate profits from its shareholders investments in the company. In other words, the return on equity ratio shows how much profit each dollar of common stockholders' equity generates.

Return on equity (ROE) = Net income available for common stockholders' / Common equity [%]

Particulars	2014	2013	2012	2011
Return on Equity	9.11%	6.40%	5.46%	8.20%

A return on 1 means that every dollar of common stockholders' equity generates 1 dollar of net income. This is an important measurement for potential investors because they want to see how efficiently a company will use their money to generate net income. ROE is also an indicator of how effective management is at using equity financing to fund operations and grow the company.

Return on equity measures how efficiently a firm can use the money from shareholders to generate profits and grow the company. Unlike other return on investment ratios, ROE is a profitability ratio from the investor's point of view not the company.

Return on equity is the measurement of shareholders wealth maximization. It indicates how much shareholders earned from their investment. The higher the ratio indicates higher the shareholders wealth maximization. Return on equity is highest in 2014 return shows 9.11%. So it's good news for JMI Ltd. that its present ROE is better than previous year.

Accounts Receivable Turnover Ratio

Accounts receivable turnover is the number of times per year that a business collects its average accounts receivable. The ratio is intended to evaluate the ability of a company to efficiently issue credit to its customers and collect funds from them in a timely manner.

Accounts receivable turnover = Credit sales / Average accounts receivable [times or X form]

Particulars	2014	2013	2012	2011
Receivable Turnover	9.18 times	4.61 times	10.13 times	17.54 times

A high turnover ratio indicates a combination of a conservative credit policy and an aggressive collections department, as well as a number of high-quality customers. A low turnover ratio represents an opportunity to collect excessively old accounts receivable that are unnecessarily tying up working capital. Low receivable turnover may be caused by a loose or nonexistent credit policy, an inadequate collections function, and/or a large proportion of customers having financial difficulties.

This ratio shows the number of times accounts receivables have been turned into cash during the year. In 2011 the ratio was good. But in the next year it decreased and for the last three years it fluctuated around the number 10. I think the range is satisfactory for the company.

Net Asset Value Per Share

The net asset value per share can be defined as an expression for net asset value that indicates the value per share for a fund (exchange-traded, mutual, and closed-end) or a company.

Net Asset Value Per Share = Total Equity / No. of Share

Particulars	2014	2013	2012	2011
Net Asset Value Per Share	48.86	46.03	45.84	12.83

Findings of the report

Financial Ratio Analysis also referred to as 'Quantitative Analysis' is considered to be the most important step while analyzing a company from an investment perspective. It is a study of ratios between various items in financial statements. Ratios are classified as profitability ratios, liquidity ratios, asset utilization ratios, leverage ratios and valuation ratios based on the indications they provide. Balance sheet, Income Statement and Cash Flow Statements are the most important financial statements and if properly analyzed and interpreted can provide valuable insights into a company's business.

Financial Ratios is commonly used by current and potential investors, creditors and financial institutions to evaluate a company's past performance to spot trends in a business and to compare its performance with the average industry performance. It also enables them to identify strengths and weaknesses of a business and to justify further investments in the business. Internally, managers use these ratios to monitor performance and to set specific goals, objectives, and policy initiatives. These are the most common questions any investor has in his mind when he looks at the financial statements of a company he plans to invest in. While massive amount of numbers in a financial statement may be bewildering and intimidating to a layman investor, Financial Ratio Analysis enables him to understand these numbers in an organized fashion.

The most important assumption the analyst should make sure while drawing conclusions based on financial ratios is that the accounting policy of the company has remained constant over the period of review. Changes in accounting policies may distort the indications provided by the ratios. For example, companies that intend to enhance their asset return ratios may change the depreciation accounting method applied; thus providing misleading asset return ratios. The analyst should therefore make adjustments for any material differences in accounting policies before evaluating ratios. Similarly, it is equally important to allow for any material differences in accounting policies while comparing the company with other industry players.

While ratios do provide valuable insight into the company's past performance and potential problems, they cannot be evaluated on a standalone basis. For a thorough examination of a business, the analyst must read between the lines and check for any major fluctuations in any line item in financial statements. Nonrecurring items and extraordinary expense or income items must be excluded for meaningful analysis. Similarly, wide fluctuations in revenue figure or expense figure should be justified. Here the importance of Note to financial statements cannot be overemphasized. Information provided in these notes to financial statements can be very helpful in avoiding inappropriate investment decisions due to misleading financial ratios.

Major's findings of the report are as follows

- The employees of departments of JMI Syringes are very much co-operative and interdependent to each other.
- JMI provides a complete set of financial statements includes a balance sheet, an income statement, a cash flow statement, a statement showing either all changes in equity or changes in equity other than those arising from investments by and distributions to owners, a summary of accounting policies, and explanatory notes.
- There are positive relationship exists among assets, sales and net income.
- Finance and Accounting department is one of the most important departments of JMI Syringes, they are responsible to make profit for the organization.
- The portion of debt in total asset and time interest earned is increasing.
- The equity value per share of JMI is less than its current market price per share.
- The operating expenses of JMI Syringes have dramatically increased for the last few years, which has a significant influence to lower the net income
- The entire department should be well informed regarding their goal and objectives. It is essential to execute company objective into individual target.
- There must be clear allocation of responsibilities , authority and accountability.
- The company should introduce more promotional activities.
- The company should take initiative to develop an effective research and development centre to get innovative ideas to capture the competitive market.

Particulars	2014	2013	2012	2011
Current Ratio	1.22:1	0.67:1	0.51:1	0.52:1
Quick Ratio	0.49:1	0.33:1	0.17:1	0.14:1
Return on Equity	9.11%	6.40%	5.46%	8.20%
Inventory Turnover	1.75 times	1.33 times	1.37 times	2.21 times
Receivable Turnover	9.18 times	4.61 times	10.13 times	17.54 times
Fixed Asset Turnover	0.86 times	0.61 times	0.45 times	0.61 times
Net Asset Value Per Share	48.86	46.03	45.84	12.83
Earnings Per Share	4.46	2.95	1.12	1.05
Return on Investment	2.24%	1.47%	1.58%	1.01%
Total Asset Turnover	0.55 times	0.38 times	0.33 times	0.44 times
Operating Profit Margin	22.19%	21.91%	21.51%	21.41%
Net Profit Margin	4.09%	3.86%	4.77%	2.33%
Debt Ratio	59.80%	63.90%	57.34%	70.22%
Debt Equity Ratio	2.34 times	2.79 times	1.98 times	5.68 times
Gross Profit Margin	5.43 X	5.67 X	4.51 X	9.19 X

Conclusion

In Bangladesh, Surgical Device & Pharmaceutical sector is one of the most developed hi-tech sectors which are contributing in the country's economy. Pharmaceutical sector is one of the fastest growing and most developed scientific sectors in Bangladesh. As a surgical device company JMI has wonderful chance to do well and go to the number one position in this industry. They have lots of prospect like AD syringe, Urine Bag & First Aid Bandage etc. But the management body should consider some other issues like bank loan, operating expense, project finance, investments and so on. Otherwise all the success achieved by the company in recent years can go to vein. So the company should deep concern on the above issue and take necessary to built strong position in surgical device market in Bangladesh.

Recommendation

The overall performance of JMI shows a satisfactory position although they are suffering last few years. It is not easy to recommend some suggestion to enhance the performance level of the organization.

I have observed some shortcoming regarding operational and other aspects. On the basis of my observation I would like to present the following recommendations:

- Though JMI has qualified employee in Finance and Accounting department, but the organization should recruit some new employee to run this department smoothly.
- JMI should increase their equity capital in their capital structure, because debt capital is already higher.
- JMI should utilize their assets properly by investing them in more profitable projects as there liquidity is higher than actual need.
- They should increase dividend per share that will serve as a promotional tool.
- Contribution analysis for each of the product lines to optimize profit in light of demand factors.
- Effects to bring selling prices in line with costs having regard to competition and other market factors.
- They should minimize their financing expenses to make higher net profit.
- They should maximize the average collection period and average payable period.
- They should be careful about the market price of share, because the price of share would decrease in future.
- Standard set-up for staff and officers to minimize administrative overhead.
- Provision for the training of officers and employees in modern management techniques.
- Necessary measures to be taken for the prompt seminars, advertisement and promotional activities by the representatives.

In the face of today's global competition with open market operation, JMI must develop and retain the high achievers and motivated work force and equip them with the latest skills and technologies.

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