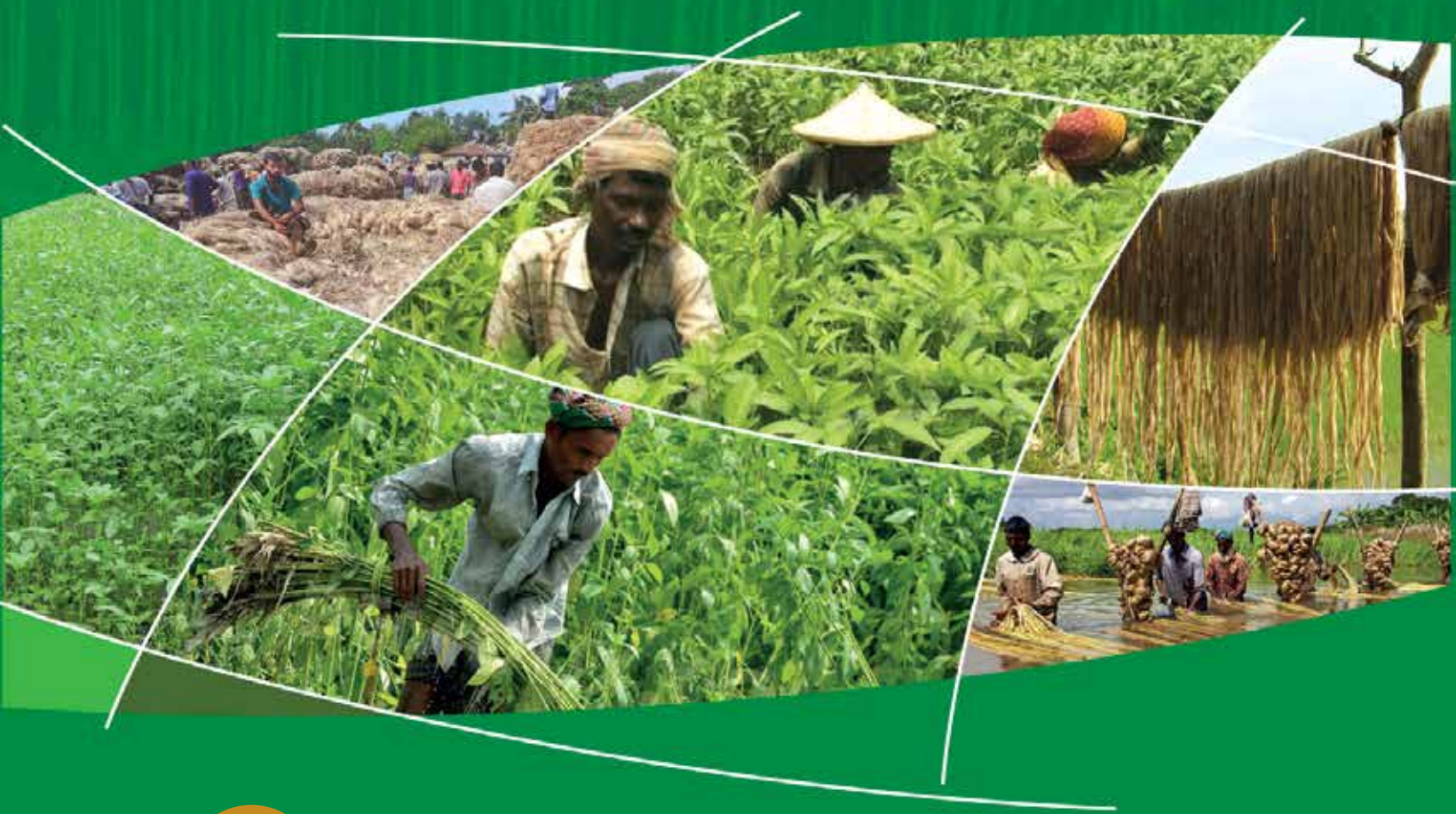
ANNUAL REPORT 2017-18



NJMCL Northern Jute Manufacturing Co. Ltd.



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Letter of Transmittal



All Shareholders,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Ltd.

Sub: Annual Report for 2018.

Dear Sir (s),

I have pleasure in submitting the Annual Report-2018 of Northern Jute Manufacturing Co. Ltd, as required by and prepared in compliance with the provision of the Companies Act, 1994, Securities & Exchange Ordinance 1969, Securities & Exchange Rules 1987, Notification of Bangladesh Securities & Exchange Commission and Dhaka Stock Exchange (Listing) Regulations, 2015.

Thank you
In faith

Ananga Mohan Roy
Managing Director

Notice of the Thirty Eight Annual General Meeting

NOTICE is hereby given that the **Thirty Eight Annual General Meeting** of Messrs Northern Jute Manufacturing Company Limited will be held on **Sunday the 4th November, 2018 at 09.30 A.M.** in the RAOWA Convention Hall -3 (Eagle), VIP Road, Mohakhali, Dhaka-1206 to transact the following business:

A G E N D A

01	To receive, consider and adopt the Audited Accounts for the year ended 30th June, 2018 together with the Directors and Auditors Reports thereon.
02	To approve no dividend as recommended by the Board of Directors for the year ended 30th June, 2018.
03	To elect Directors.
04	To appoint Auditors for the year 2018-2019 and fix their remuneration.
05	To discuss any other matter with the permission of the chair.

By Order of the Board



(Ananga Mohan Roy)
Managing Director

Dated, Dhaka
The 19th October, 2018

Note:

(a) A member entitled to attend and vote at the above meeting may appoint a proxy to attend on his/her behalf, but such proxy must be a member of the company.

(b) The instrument appointing a proxy shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time of holding the meeting.

(c) The Share Transfer Books of the Company will remain closed on 14th October, 2018.

(d) The Annual Report is available on the Company's website at www.northernjute.com

* as per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM

Management Apparatus



Mr. Uzzal Kumar Nandi
Chairman



Mr. Amitav Adhikary
Nominee Director of Earthscope Ltd.



Mr. Kazi Momrez Mahmud
Nominee Director of Earthscope Ltd.



Mr. Md. Iqbal Sayeed
Independent Director



Mr. Arun Kumar Kundu,FCA
Independent Director



Mr. Ananga Mohan Roy
Managing Director

Management Apparatus



Board of Directors

Mr. Uzzal Kumar Nandi	Chairman
Mr. Amitav Adhikary	Nominee Director of Earthscope Ltd.
Mr. Kazi Momrez Mahmud	Nominee Director of Earthscope Ltd.
Mr. Md. Iqbal Sayeed	Independent Director
Mr. Arun Kumar Kundu, FCA	Independent Director

Audit Committee

Mr. Md. Iqbal Sayeed, Advocate	Chairman
Mr. Amitav Adhikary	Member
Mr. Kazi Momrez Mahmud	Member Secretary

Management Team

Mr. Ananga Mohan Roy	Managing Director
Mr. Ujjal Kanti Dhar	CFO
Mr. Shahadat Hussain	Company Secretary
Mr. Khondakar Shakhawatul Islam	Head of Internal Audit

Auditor
Pinaki & Company
Chartered Accountants

Governance Compliance Auditor
Mak & Co.
Chartered Accountants

Bankers
Janata Bank Limited.
Mercantile Bank Ltd.
Shahjalal Islami Bank Limited
International Leasing and Financial Services Ltd.

Insurers
Nitol Insurance Company Ltd.
Eastland Insurance Company Ltd.

Registered Office
DH Tower, Level-14, 6, Panthapath, Dhaka-1215.
Phone: 02-55013506, Fax : 02 55013507

Factory
BSCIC Industrial Estate, Kushtia, Bangladesh.
Phone: 071-61884-85

Listing
Dhaka Stock Exchange (DSE)

Picture Gallery



Worker working inside the Factory



A view of 37th AGM



A view of 37th AGM



Personnel of Head Office



Personnel of Factory



Annual Picnic of Northern Jute

Statement from Chairman



Uzzal Kumar Nandi
Chairman

Dear Shareholders,

I would like to take this opportunity to welcome you all, on behalf of the members of the Board of Directors of the Northern Jute Manufacturing Company Limited in it's 38th Annual General Meeting and to present the Annual Report for the Year Ended 30th June, 2018.

Despite of various industrial and economic challenges such as high inflation rate, scarcity of power, fluctuation of raw jute prices, infrastructural deficiencies, various global activities (Brexit, unrest situation in middle east) and instability of yarn/twine price felt the whole jute sector in uncertainty. Yet in this critical period due to the sound and prudent management effort the company achieved considerable level of growth in production and revenues. Though revenue has been increased significantly but there was a negative growth of Gross Profit by 24.46% in the year 2017-18 . This is why cost of Raw Jute gradually increased by 20% -25% over the year but sales price had been decreased by 8%-10%. We are taking various diversification plans aiming to reach the untapped market. Maximizing Shareholder's benefits will be our prime focus like before and hope it will be continuing in coming days. Our efficient management and skilled labors are the backbone of the company. We are confident about our ability and team spirit. I am confi¬dent to continue support from our shareholders, employees and other stakeholders we would be able to develop our company to greater heights in the coming year. Additionally, the company is trying to increase export by setting the latest machineries and ensuring quality which we believe is our main motto.

On behalf of the Board of Directors and myself, I would like to thank all our Shareholders and members of the Board for their unstinted support. I thankfully acknowledge the support and guidance from the regulatory bodies. I wish to place on record my appreciation to the employees and workers, Banks and other Govt. & Non Govt. agencies for their commitment, dedication and hard working and support.

Lastly and most importantly, I acknowledge with gratitude, the sincere support and trust of the buyers and financial partners who areconstituted the strength of the Company and source of inspiration. We look towards the future with the confidence of running the business optimally, maximizing the returns to our stakeholders.

We hope that with your continuous support the Company shall be able to carry on its journey to progress in the years ahead.

Statement from Managing Director



Ananga Mohan Roy
Managing Director

Dear Shareholders,

It is indeed a great honor and privilege for me to greet you all to the 38th Annual General Meeting of your Company. I am also pleased to be able to place before you the Annual Report along with the Auditor's and Director's Reports for the Year Ended 30 June 2018, and overall performance of the Company and its prospects for the future.

Being one of the biggest export earner of Bangladesh, the jute Industry plays a vital role for the economy. The future prospect of the jute industry in Bangladesh is very positive. Though the jute industries have been going through struggles during the last couple of years due to high price of raw jute and lowest price of yarn/twine, which have been increasing the cost of production of yarns, the sound and prudent effort of the management helped the company achieve considerable level of growth in Production and Sales.

It is very important to have good corporate governance for success and growth sustainability. Therefore to review the risks faced by the business and measures are taken by management to address the risk, we have an active Audit Committee in place. There is also a strong internal financial and operational Control framework that gives practical reassurance to the Board and managementthat the objectives of the business will be met. The Board is glad to report a rise in Sales for 2017-2018 compared to previous fiscal year. The consolidated sales amounted to Tk. 56.79Crore compared to Tk. 43.89Crore in the previous year for the same period.

Our employees drive our business and they are the most important factor in our success story. The board and management understand and valued this, for which there is an excellent HR policy that ensures growth and development of employees. tuation.

In conclusion, I would like to express my deepest appreciation to the company's shareholders for their trust and enduring support to the Board of Directors to operate the Company. I would also like to sincerely thank the Banks, Financial and Regulatory Agencies, Suppliers and Customers, various people we have interacted with in course of business, management staff and members of the company at all levels for their loyalty and extensive hard work, and express our hope for prosperity.

We are looking forward to better days ahead!

Northern Jute Manufacturing Company Limited

Five years statistics

Operating Result : **Figure In Taka**

Particulars	2018	2017	2016	2015	2014
Result of operation:					
Revenue	567,889,918	438,855,516	278,713,167	124,013,915	104,800,417
Gross Profit	68,385,253	90,536,472	53,403,746	18,495,816	15,373,111
Operating Profit/(loss)	(33,741,845)	12,186,903	1,922,033	5,378,092	212,652
Net Profit/(loss)after tax	(36,741,845)	9,151,273	1,280,029	5,490,342	28,669,37
Basic Earning per share (In Taka)	(17.15)	5.13	0.72	3.08	1.69
Dividend Paid /recommended	-	20%- Stock 20% - Cash	5 % Cash	20 % Cash	5%- Stock 5% - Cash
Income tax paid	4,632,610	3,002,443	2,052,971	1,663,679	1,462,898

Financial Position:

Particulars	2018	2017	2016	2015	2014
Total Assets	684,444,367	589,130,793	444,042,387	344,246,848	316,238,388
Fixed Assets-Net	360,802,050	367,520,438	281,146,115	252,198,373	249,731,643
Reserve & Surplus	100,757,784	144,639,392	135,547,287	137,837,258	114,911,742
Net Working capital	(152,130,595)	(50,532,552)	8,708,686	(94,875,305)	(116,219,279)
Authorized capital	1000,000,000	1000,000,000	1000,000,000	100,000,000	100,000,000
Share holder's Equity	122,177,784	162,489,392	153,397,287	155,687,258	131,911,742
Paid up Capital	21,420,000	17,850,000	17,850,000	17,850,000	17,000,000
Total Long Term Loan	175,827,712	196,290,936	200,000,000	Nil	Nil
Deferred Tax Assets/ (liability)	2,802,503	1,971,558	1,908,733	1,635,810	1,600,622

Key Financial Ratio, Figures and Market Data:

Current Ratio	0.65	0.81	1.09	0.49	0.36
Debt Equity Ratio	4.60	2.63	1.89	1.21	1.40
Share Holder's Equity per share (in Taka)	57.04	91.03	85.94	87.22	77.60
Market value per share (in Taka)	348.10	466.80	214.70	200.00	130.00
Price Earning Ratio (based on DSE price)	-	90.99	298.19	64.94	76.92

Other:

Number of shares	2,142,000	1,785,000	1,785,000	1,785,000	1,700,000
Number of shares holders	3,017	926	961	379	269
Production (Qty in MT)	7,987.62 MT	5,921.64 MT	3,841.98 MT	2,044.66 MT	1,330.66 MT
Export (Qty in MT)	7,332.44 MT	5,663.00 MT	3,929.00 MT	2,153.42 MT	1,490.07 MT

Total Employees:

Officers	52	49	43	40	22
Staff	29	27	25	28	17
Workers	512	453	320	252	105

DIRECTORS' REPORT
Northern Jute Manufacturing Company Limited
FOR THE YEAR ENDED 30TH JUNE, 2018

Dear Shareholders:

On behalf of the Board of Directors and Management of Northern Jute Manufacturing Company Limited, I welcome you to the 38th Annual General Meeting of the Company. I have the pleasure to enclose herewith the Directors' Report together with the Audited Financial Statements of the Company for the year ended June 30, 2018 along with the Auditors' Report thereon. These were approved by the Board of Directors on September 23, 2018 which has been prepared in compliance with section 184 of the Companies Act, 1994 and Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 and other applicable laws

Industry Outlook

Jute and jute goods put in a solid shift in the overseas market in fiscal 2017-18, crossing the $1 billion mark in receipts after five years, much to the cheer of the government as it endeavors' to lower dependency on garment. Last fiscal year, the sector brought home $1.02 billion, up 6.56 percent year-on-year. Jute and Jute goods is the third sector to cross the $1 billion mark in export earnings after apparel and leather and leather goods. The sector's turn of fortune comes as the use of the natural fibre is on the rise worldwide for a growing shift towards an eco-friendly lifestyle. Besides, the demand for jute sacks is on the rise from African countries like Sudan, Kenya, Ivory Coast, Nigeria, Egypt, Cameroon, Tanzania and Uganda, where they are used for food grain packaging. Another important reason for the rise in the exports sector is the use of the natural fibre by global car giants like BMW, Mercedes-Benz, Toyota, Renault, Mitsubishi, Volvo, Audi, Daimler Chrysler and Ford, as per information made by the owner of Supreme Fashion and Fibre, which ships 600 tonnes of raw jute a year. The global car industry needs about 100,000 tonnes of jute a year, of which 12,000 tonnes from Bangladesh. As a result, Bangladesh has the potential to export jute and jute goods worth $5 billion to $7 billion annually in the next seven years.

SOURCE : EPB

The state of the Company's affairs

Northern Jute Manufacturing Company Limited is a Public Limited Company. The Company was listed with Dhaka Stock Exchange Limited in 1994. Northern Jute Manufacturing Company Limited was set up with 700 spindles on 3.12 acres of land at BSCIC Industrial Estate, Kumargara, Kushtia with the production capacity of 1,928 M Tons based on three shifts per day of 8 hours each of 300 working days in a year in the year 1982.

Over the periods, the capacity extended by 5 times from initial capacity. Company's core focus area is product development through research and innovation and its effort is to produce diverse range of yarn/twine to compete in the higher value added market segment. As a part of continuous expansion program for sustainable business and for linking backward integration, the Company's existing production capacity of 9,200 MT per annum.

Production Capacity verses actual Production for last four years in operation :

Description	2017-18	2016-17	2015-16	2014-15
Production Capacity (In M. Ton.)	9,200.00	7,200.00	5,928.00	3,528.00
Actual Production (In M. Ton.)	7,987.62	5,921.64	3,841.98	2,044.66
Capacity utilized	86.82%	82.25%	64.81%	57.96%

Risks and Concerns

The term risk refers to the possibility of inadequate profits or even losses due to uncertainties, e.g., changes in tastes, preferences of consumers, strikes, insufficient supply of raw materials etc. The Major Risk associated with the Jute Industries are:

- Insufficient supply of good quality seed;
- Lack of awareness among jute farmer regarding best post harvest technology and how practice affected prices;
- Low mills productivity in terms of machinery;
- Lack of skill labor;
- Interest rate risk;
- Exchange rate risk ;
- Lack of market linkages;
- Unfavorable Market Price;
- Price Volatility;
- Weak bargaining power with the foreign buyers;
- Multiple intermediary levels;
- Govt. Procurement Policy; etc

The Management of the Company continuously developing their management, marketing and operational strategies to overcome the above challenges.

Operational performance

Capacity/ Production

In this year 2017-18, Northern Jute Mfg. Co. Ltd is producing highest quantity in the history of this organization. Now the mill is running on a 3 shift basis. Total production capacity of Northern Jute Manufacturing Co. Ltd. is 9,200 (M.T) where as during this year the production was 7,987.62 (M.T). It is 86.82% of total production capacity.

Product wise performance

Northern Jute Manufacturing Company Limited manufacture Jute Yarn and Twine only. Total sales during the year was 7,332.44 M. Ton .

Cost of production

The cost of production per M. Ton increased as compared to the last year mainly due to wide fluctuations in the price of raw jute, packing materials, fuel & power, unit of production and spare parts which were beyond the control of the Management. Total cost of production during the year is Tk. 58,09,39,183 against Tk. 39,07,07,315 in 2016-17.

Sales performance

The Company's marketing operation continued and grown emphasis on export sales over the years. Total sales during the year ended 30 June, 2018 was Tk. 56,78,89,918 against Tk. 43,88,55,516 in 2016-17.

Capital expenditures

In order to upgrade the production facilities, the company made an additional net capital expenditures of Tk. 9.24 million. Moreover, dormitory for workers and officers is under construction , total approximately cost Tk. 52.00 Million. This investments had enabled the company to sustain the rate of production efficiency at the reasonable level over the years.

Foreign Exchange Earned

The Company contributed substantially to the Foreign Exchange Reserve of the Country during the reporting year through its export marketing operation. Total Export earning during 2017-2018 was $ 69,24,484.00.

Highlights of Financial Performance in 2018

The Company's before and after tax profit for the year 2018 are (31.28) million and (36.74) million compared to Tk 13.12 million and Tk 9.15 million respectively in the previous year.

The financial result is summarized below

Particulars	2017-18 (Tk.)	2016-17 (Tk.)
Revenue	567,889,918	438,855,516
Cost of Goods Sold	499,504,665	348,319,044
Gross Profit/(Loss)	68,385,253	90,536,472
Operating Expenses	102,127,098	78,349,569
Operating Profit/(Loss)	(33,741,845)	12,186,903
Other Income	2,463,792	935,022
Net Profit/(Loss) before provision	(31,278,053)	13,121,925
Net Profit / (Loss) after provision	(36,741,608)	9,151,273
Earning Per Share (EPS)	(17.15)	4.27

Significant events relating to financial operating results

There was a negative growth of Gross Profit by 24.46% in the year 2017-18 where revenue did not decline with the same pace during the said year. Cost of Raw Jute gradually increased by 20% -25% over the year but sales price had been decreased by 8%-10%. And also increased the power cost significantly due to generating electricity frequently through diesel generator, at a highly cost power sourcing alternative, for back up emergency power supply. As a result, cost of production of yarn per M.Ton went up by 10.73% as compared to last year. Increased cost of production didn't realize out of the yarns selling price because of unrest political situation in middle east, trade war between US and China , US administration has also locked into trade battles with US allies Canada, Mexico, EU and Japan as well as Russia and India and more importantly deflation of Indian Currency. For these reasons, Net profit dropped off significantly as compared to the previous year annualized profit, on top of which, there was a huge financial expense incurred against bank borrowings for fresh investment to the project and against short term borrowings to meet up working capital for extended capacity.

Retirement and re-election of Directors

Islamic Development Bank, Jeddah submitted a voluntary resignation to the Board of Directors of Northern Jute Mfg. Co. Ltd with immediate effect vide their letter No. 17-2-1232, dated 20.12.17. After discussion the Board accepted the voluntary resignation of Islamic Development Bank from the Board of NJMCL in its 149th meeting held on 07.02.18.

In the same Board Meeting , the Managing Director placed a CV of Mr. Arun Kumar Kundu, FCA having qualification and experience the Board of Directors have decided to appoint him as an Independent Director.

Subsidiary Company

The Company has no subsidiary companies.

Appointment of Auditors:

In 37th Annual general Meeting, shareholders appointed M/s. Pinaki & Company, Chartered Accountants , as the external auditors for the auditing financial statements of the Company for the year ended 30th June,2018 until the conclusion of 38th Annual general Meeting.

Corporate Social Responsibility:

Northern Jute Manufacturing Company Ltd is trying to maintain adequate transparency, quality of product and proper corporate governance .We believe that our business objectives are not only to maximize the profitability but also address the needs of the society. From this view of point, we extend our help to local Mosque and social organizations in Kushtia where our Factory located. We always try our level best to contribute financial help to the meritorious Children of our Employees for their education and medical needs.

Corporate governance:

Corporate governance is key to its sustenance. Good Corporate Governance is key to successful sustenance. Our Corporate Governance is as follows:

Board of Directors

In line with the concept of good corporate management practice and the provisions of the Articles of Association, The Board of Directors, the top Management tier is responsible for overall control and supervision of the entire affairs of the Company primarily through strategic planning & budgetary control mechanisms. To this end, The Board of Directors holds periodic meetings to resolve issues of policies and strategies, correctly recording the minutes/ implementation of the decisions taken by the Executive Management. During the year under review the board held 6 (Six) meetings to transact various agendas.

The Board of Directors is reconstituted every year by the shareholders through retirement /re-election/ election of its members.

Separate role of the Chairman and Managing Director

The positions of Chairman and Managing Director are held separate persons. The Chairman is responsible for the functions of the Board & time worthy vigorous policy making while the Managing Director serves as the Chief Executive of the Company looking after the activities/performances of the workforce time to time visiting the Factory.

Audit Committee of Board

In line with BSEC guidelines for ensuring good governance practices, a three member audit committee was formed where an Independent Director acts as Chairman of the committee. All the members of the Audit Committee are Non-executive Directors. The audit committee of the Board held 4 (four) Meetings during the year.

Communication with the Shareholders

The Shareholders as owners of the Company are required to be provided with material information on the Company's operation quarterly, half-yearly and annually. They have also provided routine services by the Company Secretary in any company matters which is permissible. The Board is however responsible to the Shareholders as well as investors for publication of price sensitive information as per regulations of Bangladesh Securities and Exchange Commission. The Company has also a website to provide permissible information/notices/price sensitive information/financial reports/disclosures and others for the Shareholders and interested investors.

Statement of Corporate Governance

Corporate governance is the system by which companies are directed and controlled by the management in the best interest of all stakeholders, thereby ensuring greater transparency and better and timely financial reporting.

The Board of Directors are responsible for proper governance which includes setting out the Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to the shareholders on their stewardships.

Northern Jute is committed to continually reviewing all corporate governance policies and practices to ensure the ongoing transparency of the company's practices and the delivery of high standards and quality information to stakeholders.

The maintenance of effective corporate governance remains a key priority of the Board of Northern Jute Mfg. Co. Ltd.

Northern Jute considers that its corporate governance practices comply with all the aspects of the BSEC notification No. SEC/CMRRCD/2006-158/134/admin/44 dated 7th August, 2012 are depicted/disclosed in the Annexure-I, IV, V, and VI respectively.

Management appreciation:

The Board of Directors record with deep appreciation the performance of the management, the officers, staff and workers whose continuous effort helped increase the productivity despite the natural and unnatural adverse factors of production and marketing throughout the country and abroad. It is expected the employees and the management will continue to improve the results for the interest of shareholders whose unswerving trust in management has always been an inspiration to the Board of Directors. The directors express their gratitude and acknowledge with keen interest the cooperation and unflinching support received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue, Board of Investment, Bank and Financial Institutions and other agencies of the public.

Once again thank you all.

On behalf of the Board of Directors,



(Uzzal Kumar Nandi)
Chairman

ANNEXURE-I

The Directors also report that:

1. Related Party Transactions are depicted in Note no. 33 in the Notes of Account.
2. Remuneration of Directors, including Independent Director have been shown in Note no. 29 in the Notes of Account.
3. The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
4. Proper books of accounts as required by the prevailing law have been maintained.
5. Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
6. The financial statement was prepared in accordance with IAS/BAS/IFRS/BFRS.
7. The internal control system is sound in design and is effectively implemented and monitored.
8. There is no significant doubt about the company's ability to continue as a going concern.
9. There is significant deviation from the operating result of the last year due to resume of commercial operation of the industry.
10. Key operating and financial data of last five years have been presented in summarized form in page no.9
11. The number of Board Meeting and the Attendance of Directors during 2017-18 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Uzzal Kumar Nandi	Chairman	6	6
Mr. Amitav Adhikary	Nominee Director of Earthscope Ltd.	6	6
Mr. Kazi Momrez Mahmud	Nominee Director of Earthscope Ltd.	6	5
Mr. Dilshad Hossain Siddiqui	Nominee Director of Islamic Development Bank	6	4
Mr. Md. Iqbal Sayeed	Independent Director	6	6
Mr. Arun Kumar Kundu, FCA	Independent Director	6	1

12. The pattern of shareholding as required by clause 1.5(xxi) of the BSEC Notification dated 7th August, 2012, stated in Annexure II.

ANNEXURE-II

Pattern of Shareholding as on 30 June, 2018

Name of the Shareholde rs	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties			
ii. Directors:			
Mr. Uzzal Kumar Nandi	Chairman	2,13,600	9.97
Mr. Amitav Adhikary	Nominee Director of Earthscope Ltd	87,600	4.09
Mr. Kazi Momrez Mahmud	Nominee Director of Earthscope Ltd		
Mr. Iqbal Sayeed	Independent Director	-	-
Mr. Arun Kumar Kundu, FCA	Independent Director	-	-
		3,01,200	14.06
iii. Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:			
Mr. Ananga Mohan Roy	Managing Director	-	-
Mr. Ujjal Kanti Dhar	CFO	-	-
Mr. Shahadat Hussain	Company Secretary	-	-
Mr. Khondakar Shakhawatul Islam	Head of Internal Audit	-	-
iv. Shareholders Holding 10% or more voting interest in the company:		-	-

ANNEXURE-III

Brief Resume of the Directors

Retirement of Directors and re- appointment :

Mr. Amitav Adhikary, Nominee Director of Earthscope Ltd.

Engr. Amitav Adhikary joined in the Board of Northern Jute Manufacturing Co. Limited on May 25, 2017 as nominee director of Earthscope Ltd.

Currently he is serving as independent director of Peoples Leasing and Financial Services Ltd and Nominee Director of Rahman Chemicals Ltd. Mr. Adhikary Completed his MBA from Institute of Business Administration (IBA) from University of Dhaka and acquired his B.Sc. in Chemical Engineering degree from the Bangladesh University of Engineering and Technology (BUET).

Mr. Kazi Momrez Mahmud, Nominee Director of Earthscope Ltd.

Mr. Kazi Momrez Mahmud elected as nominee director of Northern Jute Manufacturing Co. Limited on May 25, 2017 as nominee director of Earthscope Ltd and Independent Director of Rahman Chemicals Ltd.

He got MBA (Marketing) from South East University having lot of experience in different organization while he was in Bangladesh Army including two years service in the United Nations.Mr. Mahmud is chairman of Drinun Apparels Ltd., Dhaka.

ANNEXURE-IV

AUDIT COMMITTEE REPORT

The audit committee of NORTHERN JUTE MANUFACTURING COMPANY LIMITED was formed as per the terms of reference approved by the Board in accordance with the notification of Bangladesh Securities and exchange commission no. SEC/CMRRCD/2006-158/134/Admin/44, dated 7th August 2012.

The Audit committee of the company comprises of three Directors, nominated by the Board of Directors of the Company, headed by the Independent Director Mr. Iqbal Sayeed, Advocate. The other members of the committee are, Mr.Amitav Adhikary and Mr. Kazi Momrez Mahmud.

The committee has worked closely with the company's financial term to ensure that the audit processes adopted in connection with the financial statements are deal with best practice. The committee was empowered to examine the matter related to financial and other affairs of the Company. This committee ensures a sound financial reporting system and updated information to the Board of Directors.

The committee normally meets in the next month of every quarter. During the year 2017-18, four Audit Committee meeting were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of the Member	Number of Audit Committee Meeting held	Attended
Mr. Iqbal Sayeed	4	4
Mr. Amitav Adhikary	4	4
Mr. Kazi Momrez Mahmud	4	4

During the year the Audit Committee review and carry out the following tasks:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principals.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Sufficient effectiveness of the internal financial controls.
- Compliance of all applicable legal and regulatory rules and regulations.
- Various reports of operational activities and streamlined the operations of the Company.
- The committee reviewed the audit plan for the year 2016-17 and oversees the performance of external auditors.
- Reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.
- The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company.



Mr. Iqbal Sayeed, Advocate
Chairman
Audit Committee
Date: 23rd September, 2018

ANNEXURE-V

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF NORTERN JUTE MANUFACTURING COMPANY LIMITED.

Mak & Co.
Chartered Accountants

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF *NORTHERN JUTE MANUFACTURING COMPANY LIMITED* FOR THE YEAR ENDED ON 30 JUNE, 2018

We have examined the compliances of Corporate Governance Guidelines as required under clause 7(i) of the Bangladesh Securities & Exchange Commission (BSEC) notification SEC/CMRRCD/2006-158/134/ADMIN/44 dated on 7th August, 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July, 2013 by Northern Jute Manufacturing Company Limited for the year ended on 30 June, 2018.

The compliance of conditions in the aforesaid notification and reporting the status of compliance is the responsibility of the Management of the Company. Our responsibility is to certify whether the company is in compliance with the said conditions of corporate governance based on our examination. For the purpose of issuing this certificate our examination was limited to the procedures as adopted by the Management of the Company for ensuring compliance to the conditions of Corporate Governance Guidelines and implementation status thereof.

To the best of our information and according to the explanations given to us, we certify that, Northern Jute Manufacturing Company Limited has complied with conditions of corporate governance guidelines as stipulated in the above mentioned notification issued by BSEC under section 2CC of the Securities & Exchange Ordinance, 1969 for the year ended on 30 June, 2018.

Dated, Dhaka;
2018, September 23

Anjan Kumer Roy, FCA
Partner,
Mak & Co., Chartered Accountants

BSEC Bhaban (Level - 11)
102, Kazi Nazrul Islam Avenue,
Karwan Bazar, Dhaka 1215.
+88 02 55013647
+88 01764484444
+88 01612265265
www.maknco.net
info@maknco.net
SFAI
Member Firm of SFAI, USA

ANNEXURE-VI

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC / CMRRCD / 2006-158 /134 / Admin/44 dated 7th August, 2012

Statement of Status of Compliance of Corporate Governance Guidelines

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification no. SEC/CMRRCD/ 2006-158/ 134/Admin/44 dated 7th August 2012; issued under section 2CC of the Securities & Exchange Ordinance 1969.

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks
		Complied	Non Complied	
1	**Board of Directors (BoD)**			
1.1	Board's Size (number of board members-Minimum-5 and maximum 20).	√		
1.2	**Independent Directors:**			
1.2 (i)	At least one fifth (1/5) of the total number of Directors shall be Independent directors.	√		
1.2 (ii)	**Independent Director means a director**			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one percent (1%) share of the total paid-up shares of the company.	√		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of thecompany on the basis of the family relationship. His/Her family members also should not hold above mentioned shares in the company.	√		
1.2 (ii) (c)	Who does not have any other relationship ,whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) (d)	Who is not a member, director or officer of any stock exchange.	√		
1.2 (ii) (e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
1.2 (ii) (f)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm.	√		
1.2 (ii) (g)	Who shall not be an independentdirector in more than 3 (three) listed companies.	√		
1.2 (ii) (h)	Who has not been convicted by a court of competentjurisdiction as a defaulter in payment of any loan to a Bank or Non-bank Financial	√		
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1.2 (iii)	Independent Director (s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of Independent Director(s) can not remain vacant for more than 90 (ninety) days.			No such case

1.2 (v)	The Board shall lay down a Code of Conduct for all Board members and annual compliance of the Code to be recorded.	√		
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	Independent Director should be a Business Leader/Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background / Professionals Chartered Accountants & Managements Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission.	√		
1.4	The Chairman of the Board and Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The board of directors shall clearly defined their respective roles and responsibilities of the Chairman and the CEO.	√		
1.5	The Director's Report to the shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risk and concerns	√		
1.5 (iv)	A discussion on cost of goods sold, Gross profit margin and net profit margin.	√		
1.5 (v)	Discussion on Continuity of any extraordinary gain or loss.			No such case
1.5 (vi)	Basis for Related party transaction- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issue, right issue and/or through any other instruments.			No such case
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer (RO), Direct Listing etc.			No such case
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance.			No such case
1.5 (x)	Remuneration of Directors including Independent Directors.	√		
1.5 (xi)	The financial statements present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account have been maintained.	√		
1.5 (xiii)	Adaption of appropriate accounting policies & estimates.	√		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure.	√		
1.5 (xv)	The system of Internal Control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	Going Concern (Ability to continue as going concern).	√		
1.5 (xvii)	Highlights and explain significant deviations from the last years operating results.	√		

1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	Reason for non declaration of Dividend.	√		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares):**			
1.5 (xxi)(a)	Parent/Subsidiary/Associate companies and other related parties.			
1.5 (xxi)(b)	Directors, Chief Executive Officer (CEO) , Chief Financial Officer (CFO), Company Secretary, Head of Internal Audit and their spouses and minor children (name wise details).	√		
1.5 (xxi)(c)	Top five executives other than mentioned above.	√		
1.5 (xxi)(d)	Shareholders holding of 10 % or more voting interest in the company (name wise details).	√		
1.5 (xxii)	**Incase of the appointment/Re-appointment of a director, disclose:**			
1.5 (xxii)(a)	A brief resume of the director .	√		
1.5 (xxii)(b)	Nature of his/her specific functional areas.	√		
1.5 (xxii)(c)	Name of companies in which the person also holds the directorship and membership of committees of the Board.	√		
2	**Chief Financial Officer (CFO),Head of Internal Audit & Company Secretary:**			
2.1	Appointment of Chief Financial Officer (CFO),Head of Internal Audit & Company Secretary and defining their respective roles, responsibilities and duties.	√		
2.2	The Chief Financial Officer & Company Secretary shall attend the meetings of the Board of Directors	√		
3	**Audit Committee:**	√		
3(i)	The company shall have an Audit Committee as a subcommittee of the Board of Directors.	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	The Audit Committee shall be composed of at least 3(three)members.	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent Director.	√		
3.1(iii)	All members of Audit Committee should be "Financially Literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	Expiration of the term of service of audit Committee members making the number lower than 3(three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy (ies).	√		
3.1(v)	The Company Secretary shall act as the Secretary of the Audit Committee.	√		
3.1(vi)	The quorum of Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	√		

3.2	**Chairman of the Audit Committee:**			
3.2(i)	The Board of Directors shall select 1 (one)member of the Audit Committee, who shall be an Independent Director.	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of Audit Committee:**	√		
3.3 (i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles.	√		
3.3(iii)	Monitor Internal Control Risk Management Process	√		
3.3(iv)	Monitor hiring and performance of external auditors.	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the Board for approval.	√		
3.3(vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the Board for approval.	√		
3.3(vii)	Review the adequacy of internal audit function.	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3(ix)	Review Managementletter/letters of internal control weakness issued by the statutory auditors.	√		
3.3(x)	When money is raised through Initial Public offering (IPO)/Repeat Public Offering (RPO)/Right Issue, the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital etc) on a quarterly basis, as a part of their quarterly declaration of financial results.			No such case
3.4	**Reporting of The Audit Committee to The Board of Directors:**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on findings, if any:	√		
3.4.1(ii) (a)	Report on conflict of interests.	√		
3.4.1(ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	√		
3.4.1(ii) (c)	Suspected infringement of laws including securities related laws, rules and regulations.	√		
3.4.1(ii) (d)	Any other matters which shall be disclosed to the Board of Directors immediately.	√		
3.4.2	Reporting of anything having material financial impact to the Commission.			No such case
3.5	Reporting to the Shareholders and General investors.	√		
4	**External/Statutory Auditors**	√		
4(i)	Non-engagement in appraisal or valuation services or fairness options.	√		
4(ii)	Non-engagement in designing and implementation of Financial Information System.	√		
4(iii)	Non-engagement in Book-keeping or other services related to the accounting records or financial statements.	√		
4(iv)	Non-engagement in Broker/Dealer services.			Not Applicable
4(v)	Non-engagement in Actuarial services.			Not Applicable
4(vi)	Non-engagement in Internal Audit services.	√		
4(vii)	Non-engagements in any other services that the Audit Committee determines.	√		

4(viii)	No partner or employees of the external audit firms shall posses any share of the company during the tenure of their assignment.	√		
4(ix)	Audit/Certification services on compliance of corporate governanceas required under clause (i) of condition no.-7.	√		
5	**Subsidiary Company:**	√		
5(i)	Provision relating to the Composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable
5(ii)	At least 1 (one) Independent Director on the Board of the holding company shall be a Director on the Board of Director of the subsidiary company.			Not Applicable
5(iii)	The minutes of the Board meeting of the Subsidiary Company shall be placed for review at the following Board meeting of the Holding Company.			Not Applicable
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			Not Applicable
5(v)	The Audit Committee of the holding company shall also review the financial statements,in particular the Investments made by the subsidiary company .			Not Applicable
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
The CEO and CFO shall certify to the Board that :		√		
6(i)	They have reviewed financial statementsfor the year and that to the best of their knowledge and belief.	√		
6(i)(a)	These statementsdo not contain any materially untrue statementor omit any material fact or contain statements that might be misleading.	√		
6(i)(b)	These statementstogetherpresent a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6(ii)	There are to the best of knowledgeand belief no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7	**Reporting and Compliance of Corporate Governance:**	√		
7(i)	The company shall obtain a Certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost Management Accountant / Chartered Secretary) regarding compliance of on Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7(ii)	The directors of the company shall state, in the Directors' Report whether the company has complied with these conditions.	√		

Report of the MD & CFO

We have reviewed the Financial Statements of Northern Jute Manufacturing Company Ltd which comprise of the Statement of Financial Position as at 30th June, 2018, Income Statement, Statement of Changes in Equity, Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory notes.

These Financial Statements have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. The Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Control & Compliance Department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Based on the internal control system of the Company and our review of these Financial Statements, we, Ananga Mohan Roy, MD & Ujjal Kanti Dhar, CFO of the Company do hereby jointly certify that we have reviewed the Financial Statement for the year ended 30th June, 2018 together with the notes thereon and schedule annexed there to and that to the best of our knowledge and belief.

a) These Statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) These statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Ujjal Kanti Dhar
Chief Financial Officer
Northern Jute Manufacturing Co. Ltd.

Ananga Mohan Roy
Managing Director
Northern Jute Manufacturing Co. Ltd.

পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

2013 Years of Service

AUDITOR'S REPORT
TO THE SHAREHOLDERS
OF
NORTHERN JUTE MANUFACTURING COMPANY LIMITED

We have audited the accompanying financial statements of **Northern Jute Manufacturing Company Limited** which comprises the Statement of Financial Position as at June 30, 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations, This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at June 30, 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Bangladesh Securities and Exchange Rules 1987, the companies Act 1994 and other applicable laws and regulations. However, compliance and documentation process need be strengthened further. Despite of increasing of revenue, the company has suffered loss due to increase of cost of raw jute and decrease of selling price of yarn as well.

We also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

(iii) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income and its Statements of Cash Flows dealt with by the report are in agreement with the books of account;

(iv) The expenditure incurred was for the purpose of the company's business.

PINAKI & COMPANY
Chartered Accountants

Dhaka, Dated: 24th September, 2018

Northern Jute Manufacturing Company Limited
Statement of Financial Position
As at 30 June, 2018

Figure in Taka

Particulars	Notes	30-06-2018	30-06-2017
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	360,802,050	367,520,438
Capital Work - in - Progress	5	48,372,545	-
Total Non-Current Assets		**409,174,595**	**367,520,438**
Current Assets			
Inventories	6	199,932,207	149,021,378
Account Receivables	7	24,741,100	26,391,870
Advance, Deposit & Prepayment	8	30,349,626	13,176,944
Cash Subsidy Receivable	9	16,086,115	28,869,820
Cash & Cash Equivalents	10	4,160,724	4,150,343
Total Current Assets		**275,269,772**	**221,610,355**
Total Assets:		**684,444,367**	**589,130,793**
EQUITY & LIABILITIES			
Shareholder's Equity			
Share Capital	11	21,420,000	17,850,000
Tax Holiday Reserve		638,498	638,498
Revaluation Reserve	12	214,508,543	215,270,430
Retained Earnings	13	(114,389,257)	(71,269,536)
Total Shareholder's Equity		**122,177,784**	**162,489,392**
Non-Current Liabilities			
Long Term Loan	14	132,063,712	152,526,936
Deferred Tax Liabilities	15	2,802,503	1,971,558
Total Non-Current Liabilities		**134,866,215**	**154,498,494**
Current Liabilities and Provision:			
Trade Payable	16	600,116	2,017,486
Liabilities for Other Expenses	17	16,190,039	4,741,995
Other Liabilities	18	6,588,836	4,330,047
Working Capital Loan	19	360,231,790	215,063,793
Current Portion of Long Term Loan	14	43,764,000	43,764,000
Short Term Loan	20	25,586	2,225,586
Total Current Liabilities		**427,400,367**	**272,142,907**
Total Liabilities		**562,266,583**	**426,641,401**
Total Capital and Liabilities		**684,444,367**	**589,130,793**
Net Assets Value (NAV)		**57.04**	**91.03**

Accompanying notes form an integral part of these financial statements

Chairman	Director	Managing Director	PINAKI & COMPANY
NJMCL	NJMCL	NJMCL	Chartered Accountants

Northern Jute Manufacturing Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June, 2018

Figure in Taka

Particulars	Notes	2017 - 2018	2016 - 2017
Revenue	21	567,889,918	438,855,516
Cost of Goods Sold	22	(499,504,665)	(348,319,044)
Gross Profit/(Loss)		**68,385,253**	**90,536,472**
Operating Expenses			
Administrative Expenses	23	(19,999,760)	(16,078,992)
Selling & Distribution Expenses	24	(14,696,346)	(11,508,805)
Finance Overhead	25	(67,430,992)	(50,761,772)
Total		**(102,127,098)**	**(78,349,569)**
Operating Profit/(Loss)		**(33,741,845)**	**12,186,903**
Add: Other Income	27	2,463,792	935,022
Net Profit/(Loss) Before Provision and Tax		**(31,278,053)**	**13,121,925**
Less: Provision			
Workers profit participation fund		-	656,096
Income Tax	28	4,632,610	3,251,732
Deferred Tax		830,945	62,825
Total		**5,463,555**	**3,970,653**
Net Profit / (Loss) after Tax		**(36,741,608)**	**9,151,273**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(36,741,608)**	**9,151,273**
Earning Per Share (EPS)	29	**(17.15)**	**4.27**

Accompanying notes form an integral part of these financial statements

Chairman	Director	Managing Director	PINAKI & COMPANY
NJMCL	NJMCL	NJMCL	Chartered Accountants

Signed as per our annexed report of even date

Dhaka, Dated: 24th September, 2018

Northern Jute Manufacturing Company Limited
Cash Flow Statement
For the year ended 30 June, 2018

Figure in Taka

Particulars	Notes	2017 - 2018	2016 - 2017
A. Cash Flow from Operating Activities			
Collection from Turnover & Others	30	584,788,185	413,310,182
Payment to Suppliers & Employees	31	(642,098,006)	(513,712,880)
Cash Payment for Income Tax		(4,632,610)	(3,281,546)
Net Cash Generated /(used) in Operations		**(61,942,431)**	**(103,684,244)**
B. Cash Flow from Investment Activities			
Capital Work in Pregress		(48,372,545)	-
Acquisition of Fixed Assets		(9,238,038)	(32,187,845)
Net Cash generated /(used) in Investment		**(57,610,583)**	**(32,187,845)**
C. Cash Flow from Financing Activities:			
Long Term Loan Received / (Repaid)		(20,463,224)	(3,709,064)
Working Capital Loan Received		145,167,997	140,063,793
Short Term Loan Repaid		(2,200,000)	265,185
Dividend Paid		(2,941,378)	(908,803)
Net Cash generated /(used) in Financing		**119,563,395**	**135,711,111**
D. Net Cash Flow (A+B+C)		**10,381**	**(160,978)**
E. Opening Cash and Cash Equivalents		**4,150,343**	**4,311,321**
F. Closing Cash and Cash Equivalents (D+E)		**4,160,724**	**4,150,343**
Net Operating Cash Flow Per Share		**(28.92)**	**(58.09)**

Accompanying notes form an integral part of these financial statements

Chairman
NJMCL

Director
NJMCL

Managing Director
NJMCL

Northern Jute Manufacturing Company Limited
Statement of Changes in Equity
For the year ended 30 June, 2018

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total
Balance as on 01-07-2017	17,850,000	215,270,430	638,498	(71,269,536)	162,489,392
Net profit after provision	-	-	-	(36,741,608)	(36,741,608)
Dividend	3,570,000	-	-	(7,140,000)	(3,570,000)
Adjustment against Depreciation	-	(761,887)	-	761,887	-
Balance as on 30-06-2018	**21,420,000**	**214,508,543**	638,498	**(114,389,257)**	**122,177,784**

Northern Jute Manufacturing Company Limited
Statement of Changes in Equity
For the year ended 30 June, 2017

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total
Balance as on 01-07-2016	17,850,000	216,062,311	638,498	(81,153,522)	153,397,287
Net profit after provision	-	-	-	9,151,273	9,151,273
Cash Dividend (2015-16)	-	-	-	(892,500)	(892,500)
Previous years adjustment	-	-	-	833,332	833,332
Adjustment against Depreciation	-	(791,881)	-	791,881	-
Balance as on 30-06-2017	**17,850,000**	**215,270,430**	**638,498**	**(71,269,536)**	**162,489,392**

Accompanying notes form an integral part of these financial statements

Chairman
NJMCL

Director
NJMCL

Managing Director
NJMCL

PINAKI & COMPANY
Chartered Accountants

Dhaka, Dated: 24th September, 2018

NORTHERN JUTE MANUFACTURING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2018
FORMING INTEGRAL PART OF THE ACCOUNT

1. Status of the company

1.1 Legal form of the company:

Northern Jute Mfg. Co. Ltd. was incorporated under the Company Act. 1913 (now Companies Act, 1994) as a Public Company Limited by share on September 17, 1980 and the shares of the Company are listed in the Dhaka Stock Exchange Limited of Bangladesh.

1.2 Address of Registered Office and Principal place of Business:

The Company, in its 123rd meeting of the Board of the Directors held on 23rd June, 2014 decided to shift the registered office of the Company from Jatiya Scount Bhaban (9th Floor), 70/1 Purana Paltan Line, Kakrail, Dhaka. The present address of the registered office and principal place of the business is Navana DH Tower, 6, Panthpoth (14th Floor), Dhaka and the manufacturing place is located at BSCIC Industrial Estate, Kumargara, Kushtia.

1.3 Nature of Business Activities:

The Company operates in a Single industry segment. It owns and operates a jute spinning mill and producing and selling Jute Yarn and Twine.

2. Bases of Financial Statement-its preparation and presentation:

2.1 Basis of Accounting:

The accounts have been prepared on a going concept convention under Generally Accepted Accounting Principles (GAAP) and on accrual basis.

2.2 Reporting Framework and Compliance thereof:

The Financial Statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange and other relevant local laws and regulations as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.3 Component of Financial Statements:

According to International Accounting Standard (IAS-1) "Presentation of Financial Statements" the complete set of Financial Statements includes the following component:

- A Statement of Financial Position as at June 30, 2018.
- A Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2018.
- A Statement of Cash Flow Statement for the year ended June 30, 2018.
- A Statement of Changes in Equity.
- Notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Reporting Period:

Financial Statements of the company cover one calendar year from 1st July, 2017 to 30th June, 2018.

2.5 Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for preparation and presentation of Financial Statements under section 183 of the Company Act. 1994 and as per the provision of "The Framework for The Preparation and Presentation of Financial Statements" issued by the International Accounting Standards Committee (IASC).

2.6 Reporting Currency and Level of Precision:

The Financial Statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information has been presented rounded off to the nearest Taka except where indicated otherwise.

2.7 Comparative Information:

Comparative Information has been disclosed in respect of the year 2018 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current period Financial Statements.

The figure of the year 2017 has been re-arranged whenever considered necessary to ensure comparatively with the current period.

3. Significant Accounting Policies:

3.1 Recognition of Fixed Assets & Depreciation:

Fixed Assets are stated at their cost less accumulated depreciation in accordance with IAS 16 "Property Plant and Equipment". The cost represents cost of acquisition of construction and revaluation. After recognition as an asset, an item of Property, Plant and Equipment carried at its cost less any accumulated depreciation and any accumulated impairment losses. Depreciation on all other Property, Plant, and Equipments are computed using the reducing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such is reflected in operations for the year. Depreciation is charged from the month of acquisition and no depreciation has been provided on its disposal.

The annual depreciation rates applicable to the principal categories are:

Building	5%
Godown	5%
Plant & Machinery	10%
Office Equipment	15%
Vehicles	20%
Forklift	20%
Electric Installation	15%
Generator	15%
Furniture & Fixture	15%
Sundry Assets	15%

Maintenance activities:

The Company incurs maintenance costs for all major items of Fixed Assets. Repair and Maintenance costs are charged as expenses when incurred.

Subsequent Expenditure:

The company recognizes in the carrying amount of an item of Fixed Assets the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the Assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the Fixed Assets, the expenditure is capitalized as an additional cost of the Assets. All other costs are recognized in the statement of comprehensive income as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

Disposal of Fixed Assets:

On disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.2 Inventories:

Inventories comprise Raw Materials, Packing Materials, Work in Process, Finished Goods and Stock of Stationery and Spares and Accessories. They are stared at the lower of cost and net realizable value in accordance with IAS -2 "Inventories". The cost of inventories is assigned by using Weighted Average Cost formula. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale. The physical stocks counting for verify the closing socks of inventories were carried out by internal audit team of the company.

3.3 Financial Instruments:

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

Financial Assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual rights or probabilities of receiving the cash flows from the assets expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Accounts Receivable:

Accounts receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an account receivable is determined to be uncollectible, it is written off, firstly against any provision available and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

Advances and Deposits:

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value.

Cash and Cash Equivalent:

According to IAS 7 "Cash Flow Statement" and IAS 1 "presentation of financial Statement" Cash and Cash equivalents are carried in the financial position at cost and included cash in hand and with banks on current and deposit accounts, which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.4 Impairment:

Financial Assets:

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy etc.

Non-financial Assets:

As asset is impaired when an asset's carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that as asset may be impaired. If any such indication exists, the company estimated the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.5 Financial Liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.6 Creditors and Accruals:

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.7 Provision:

A provision is recognized in the statement of financial position when the company has legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation.

3.8 Revenue Recognition:

The company recognized revenue when risk of ownership has been transferred to the buyer, which satisfied all the condition for the revenue recognition as provided in IFRS 15 "Revenue from Contracts with Customers".

Accounting for Government Grants (cash subsidy) and disclosure of Government Assistance:

A Government Grant (cash subsidy) that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related cost, is recognized in profit and loss on accrual basis.

3.9 Income Tax Expense:

Current Tax:

Provision for current year income tax has been made higher one among @ 10% as prescribe in the SRO No. 207-Legal/Income Tax/2016 dated 29.06.16 on the accounting profit by the company, Turn over Tax or AIT deducted at sources.

Deferred Tax:

The Company has adopted deferred tax accounting policy as per International Accounting Standard (IAS) 12. Accordingly deferred tax liability/asset is accounted for all temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the prevailing tax rate as per Finance Act 2015.

3.10 Borrowing Costs:

This has been dealt with the requirements of IAS 23: Borrowing Costs. Borrowing costs relating to projects in commercial operation are recognized as expenses in the year in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress.

3.11 Employee Benefits:

The company's employee benefits include the following:

Short-term employee benefits:

Short-term employee benefits include salary, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Contribution to Workers' Participation/Welfare Funds:

This represents 5% of net profit before tax to be contributed by the Company as per provisions of Bangladesh Labour Law, 2006 and is payable to workers as defined in the said law.

3.12 Proposed Dividend:

The amount of proposed dividend is not accounted for but disclosed in the notes to the account along with dividend per share in accordance with the requirements of the Para 125 of International Accounting Standards (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of International Accounting Standards (IAS) 10: Events after the Reporting Period, because no obligation exited at the time of approval of the accounts and recommendation of dividend by the Board of Directors.

The Board Proposed no dividend for the year ended 30th June, 2018.

3.13 Earning Per Share (EPS):

This has been calculated in compliance with the requirements of IAS-33: "Earnings Per Share" by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings:

This represents earning for the year attributable to ordinary share holders. As there was no preference dividend minority interest on extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary share holders.

Basic Earnings Per Share:

This has been calculated by dividing the basic earnings by the number of ordinary shares issued by the company.

Diluted Earnings Per Share:

No diluted Earnings per Share (EPS) is required to be calculated for the year as there was no scope for dilution during the year under review.

3.14 Cash Flow Statement:

Cash Flow Statement is prepared principally in accordance with IAS 7 "Cash Flow Statement". The cash generated from operating activities have been reported using the direct method as prescribed by the Security and Exchange Rule 1987 and as encouraged by IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.15 Foreign Currency Translation:

Translations in foreign currencies are converted into Bangladesh Taka at the exchange rate prevailing on the date of transaction in accordance with provision of IAS 21 "the effect of changes in foreign currency rate"

3.16 Use of Estimates and:

The preparation of financial statements in conformity with IFRSs/IASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income and Expenses, and disclosure requirements for contingent Assets and Liabilities during and at the date of the Financial Statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: Accounting Policies, Changes in Accounting estimates and Errors.

3.17 IAS 10 " Event After the Reporting Period":

There is no information/transaction of such importance, non-disclosure of which would affect the availability to the user of the Financial Statements to make a proper evaluation and decision except the following:

The Mercantile Bank Limited, Kawran Bazar Br. had enhanced Short Term Loan from 25.00 Crore to 35.00 Crore for financing the working Capital needs.

3.18 Transaction with Related Parties:

The company has carried on transaction with related parties in the normal course of Business.

3.19 Financial risk management:

The Company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market condition and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Credit risk:

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other Financial Assets, i.e. Cash at Bank and other external receivables are nominal.

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short terms financing.

Market risk:

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency risk:

The company is exposed to currency risk on revenues such as revenue from foreign customers. Majority of the company's foreign currency transactions are denominated in USD and relate to export.

(b) Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

Operational risk

A form of risk that summarizes the risks a company or firm undertakes when it attempts to operate within a given field or industry. Operational risk is the risk that is not inherent in financial, systematic or market-wide risk. It is the risk remaining after determining financing and systematic risk, and includes risks resulting from breakdowns in internal procedures, people and systems. The Operational Risk Management (ORM) of the company involves a continual cyclic process which includes risk assessment, risk decision making, and implementation of risk controls, which results in acceptance, mitigation, or avoidance of risk.

Northern Jute Manufacturing Company Limited
Notes to the Financial Statement
As at 30 June, 2018

4.00 Property, Plant and Equipment

Figure in Taka

Assets Category	Cost				Rate (%)	Depreciation				Written down value	
	As on 01.07.2017	Addition this year	Disposal this year	As on 30.06.2018		As on 01.07.2017	Adjustment	Charge this year	Total as on 30.06.2018	As on 30.06.2018	As on 30.06.2017
Unit-1											
Land and Land Development	1,000,468	-	-	1,000,468	0%	-	-	-	-	1,000,468	1,000,468
Building	33,247,026	-	-	33,247,026	5%	10,641,352	-	1,130,284	11,771,636	21,475,390	22,605,674
Godown	6,349,150	-	-	6,349,150	5%	26,455	-	316,135	342,590	6,006,560	6,322,695
Electric Installation	7,540,512	100,000	-	7,640,512	15%	2,751,791	-	733,308	3,485,099	4,155,413	4,788,721
Plant and Machinery	151,612,240	8,202,881	-	159,815,121	10%	53,888,869	-	10,250,838	64,139,707	95,675,414	97,723,371
Generator	3,300,000	-	-	3,300,000	15%	41,250	-	488,813	530,063	2,769,937	3,258,750
Furniture & Fixtures	1,234,160	325,087	-	1,559,247	15%	531,220	-	183,587	714,807	844,440	702,940
Office Equipment	1,133,198	530,070	-	1,663,268	15%	415,051	-	220,096	635,147	1,028,121	718,147
Vehicle	4,080,946	-	-	4,080,946	20%	1,283,011	-	559,587	1,842,598	2,238,348	2,797,935
Forklift	750,000	-	-	750,000	20%	147,202	-	120,559	267,761	482,239	602,798
Sundry Assets	1,610,339	80,000	-	1,690,339	15%	557,789	-	170,478	728,267	962,072	1,052,550
Total Unit-1 Taka	**211,858,039**	**9,238,038**	**-**	**221,096,077**		**70,283,990**	**-**	**14,173,685**	**84,457,675**	**136,638,402**	**141,574,049**
Unit-2											
Building	5,896,369	-	-	5,896,369	5%	2,146,759	-	187,481	2,334,240	3,562,129	3,749,610
Electric Installation	1,148,043	-	-	1,148,043	15%	512,785	-	95,289	608,074	539,969	635,258
Plant and Machinery	29,038,129	-	-	29,038,129	10%	21,657,292	-	738,084	22,395,376	6,642,753	7,380,837
Total Unit-2 Taka	**36,082,541**	**-**	**-**	**36,082,541**		**24,316,836**	**-**	**1,020,854**	**25,337,690**	**10,744,851**	**11,765,705**
Sub Total	**247,940,580**	**9,238,038**	**-**	**257,178,618**		**94,600,826**	**-**	**15,194,539**	**109,795,365**	**147,383,253**	**153,339,754**

Assets Category	Revaluation Surplus				Rate (%)	Depreciation				Written down value	
	As on 01.07.17	Addition this year	Disposal this year	As on 30.06.18		As on 01.07.17	Adjustment	Charge this year	Total as on 30.06.18	As on 30.06.18	As on 30.06.17
Unit-1											
Land and Land Development	202,053,032	-	-	202,053,032	0%	-	-	-	-	202,053,032	202,053,032
Building	11,849,842	-	-	11,849,842	5%	6,378,760	-	273,554	6,652,314	5,197,528	5,471,082
Electric Installation	100,367	-	-	100,367	15%	92,469	-	1,185	93,654	6,713	7,898
Plant and Machinery	16,067,355	-	-	16,067,355	10%	12,973,080	-	309,428	13,282,508	2,784,847	3,094,275
Total Unit-1 Taka	**230,070,596**	**-**	**-**	**230,070,596**		**19,444,309**	**-**	**584,167**	**20,028,476**	**210,042,120**	**210,626,287**
Unit-2											
Building	7,743,313	-	-	7,743,313	5%	4,188,916	-	177,720	4,366,636	3,376,677	3,554,397
Total Unit-2 Taka	**7,743,313**	**-**	**-**	**7,743,313**		**4,188,916**	**-**	**177,720**	**4,366,636**	**3,376,677**	**3,554,397**
Sub Total	**237,813,909**	**-**	**-**	**237,813,909**		**23,633,225**	**-**	**761,887**	**24,395,112**	**213,418,797**	**214,180,684**

Grand Total 2018	**485,754,489**	**9,238,038**	**-**	**494,992,527**	**-**	**118,234,051**	**-**	**15,956,426**	**134,190,477**	**360,802,050**	**-**
Grand Total 2017	**388,115,425**	**97,639,064**	**-**	**485,754,489**	**-**	**106,969,310**	**-**	**11,264,741**	**118,234,051**	**-**	**367,520,438**

Depreciation Charged on unit 1 & 2

Depreciation charged to Factory Overhead	=	15,552,743
Depreciation charged to Administrative Expenses	=	403,683
		15,956,426

		Amount in Taka	
		30-06-2018	30-06-2017
5.00	**Capital Work in Progress**		
	Building	48,372,545	-
	Plant & Machineries	-	-
		48,372,545	-
6.00	**Inventories :**		
	Inventories (Stock & Stores) Comprises the following balances:		
	A. Direct Materials:		
	Raw Jute (6.01)	60,092,788	89,349,951
	Jute Batching Oil	2,238,800	1,656,000
	Sub - Total	**62,331,588**	**91,005,951**
	B. Consumable Stores :		
	Machinery Spares	8,814,560	6,672,308
	Electric Goods	1,564,519	597,180
	Loose Tools	756,420	212,558
	Oil & Lubricant	1,226,443	312,486
	Printing	118,610	-
	Construction Materials	256,780	-
	Sundry Stores	845,888	227,438
	Stationery	9,630	-
	Sub - Total	**13,592,850**	**8,021,970**
	C. Packing Materials:		
	Hessian Cloth	1,893,165	1,055,736
	Polythene	304,665	88,530
	Conical Spool	1,228,801	199,280
	Dyes & Chemical	125,458	4,955
	P.P Tape and Slyver Can	367,335	108,220
	Bottom Plete	1,145,760	-
	Bobbin	675,300	28,200
	Binding clip	86,560	3,180
	Pallet	699,075	-
	Corrugated paper and others	135,913	23,200
	Sub - Total	**6,662,032**	**1,511,301**
	D. Work in Process	39,401,094	23,577,535
	E. Finished Goods (6.2)	77,944,643	24,904,621
	Sub - Total	**117,345,737**	**48,482,156**
	GRAND TOTAL	**199,932,207**	**149,021,378**

6.01 Raw Jute Inventory

Jute Grading	Quantity (Mon)	Average Price/mond (Tk.)	Total (Taka)
BTC	912.36	2,650	2,420,350
BDT-1	2,461.10	2,343	5,766,357
BDT-2	2,515.68	2,280	5,735,750
BTE	1,521.00	2,280	3,467,880
SMR	1,417.00	1,810	2,564,770
Cutting	6,308.00	1,780	11,228,240
Uncut	13,384.00	2,160	28,909,441
Total	**28,519.14**		**60,092,788**

6.02 Finished Goods Inventory

Count	Quantity (MT)	Average Price/MT ($)	Total (Taka)
7/1 CB	14.46	1,290.00	1,529,261
8/1 CB	238.31	1,200.00	23,449,212
9.5/1 Hessian	120.54	1,050.00	10,378,064
10/1 Hessian	63.85	1,030.00	5,392,687
14/1 Sacking	410.17	865.00	29,093,429
14/2 Sacking	57.25	870.00	4,084,215
16/1 CB	26.47	925.00	2,007,446
28/1 Sacking	17.14	545.00	765,897
28/3 Sacking	27.10	560.00	1,244,432
Total	**975.27**		**77,944,643**

7.00 Account Receivable

Sinochem Plastic	5,116,800	-
Kailash Traders	7,018,900	-
Krishna Jute Sales	2,729,100	-
Vicar International	-	4,154,670
J.K.Sons	1,947,585	-
Netra International	-	12,921,120
Sarvamangla	2,681,400	-
Birla Corporation Ltd	3,138,465	-
G.N.Commercial	2,108,850	-
Kolkata Trade Center	-	9,316,080
	24,741,100	**26,391,870**

Ageing of Account Receivable

Not more than 30 Days	19,624,300	26,391,870
30 Days to 60 Days	5,116,800	-
60 Days to 90 Days	-	-
Over 90 Days	-	-
Total	**24,741,100**	**26,391,870**

The Acccount Receivable were realized in full during July, 2018.

8.00 Advance, Deposit and Prepayment :

ADVANCE:		
Advance to Employees	251,400	154,400
Advance Rent	10,000	10,000
Advance to Suppliers	20,286,386	409,651
Advance against Godown Rent	200,000	218,000
Advance Income Tax	7,537,191	5,907,024
Sub- Total	**28,284,977**	**6,699,075**
SECURITY DEPOSIT:		
Power Development Board	603,250	603,250
Custom	1,000	1,000
Telephone	5,150	5,150
Central Depository Bangladesh Ltd.	100,000	100,000
Sub-Total	**709,400**	**709,400**
PRE-PAYMENTS:		
Insurance	1,346,999	1,071,028
VAT	8,250	8,250
Sub- Total	**1,355,249**	**1,079,278**
GOODS IN TRANSIT:	-	**4,689,191**
GRAND TOTAL	**30,349,626**	**13,176,944**

Advance to Suppliers were adjusted during the audit period and Advance to Employees will adjust by June 2018.
Advance does not related to any Director of the Company.

9.00	**Cash Subsidy Receivable:**		
	Opening Balance	28,869,820	11,856,009
	Receivable during the year	28,394,496	21,942,776
		57,264,316	33,798,785
	Less: Received during the year	41,178,201	4,928,965
	Total Taka	**16,086,115**	**28,869,820**
10.00	**Cash and Cash Equivalents :**		
	CASH IN HAND:		
	i) Head Office	276,043	192,096
	ii) Factory Office	146,665	115,942
	Sub- Total	**422,708**	**308,038**
	CASH AT BANK:		
	I) Current Account # 33011458, Janata Bank, L/O, Dhaka.	105,857	69,509
	ii) Current Account # 111-251,Shahjalal Islami Bank, Kushtia.	36,512	113,552
	iii) Current Account # 15692,Mercantile Bank Ltd.,Kawran Bazar Br.	1,138,223	292,834
	iv) Dutch Bangla Bank Ltd., Elephant Road Br	25,242	26,392
	v) Current Account #111-11587, Shahjalal Islami Bank,KawranBazar Br.,	668,906	2,462,775
	vi) Sonali Bank Ltd., Local Office. A/C No. 33145604	75,788	76,938
	vii) Sonali Bank Ltd., Kurigram Br. A/C No. 33014858	96,650	96,650
	viii) SND no.1310000819, SJIBL, KawranBazar Branch for Dividend	1,348,400	694,575
	ix) Mercantile Bank Ltd.,Kushtia Br.,A/C No. 6126	242,438	9,080
	Sub- Total	**3,738,016**	**3,842,305**
	Closing Balance of Cash & Cash Equivalent	**4,160,724**	**4,150,343**
11.00	**Share Capital :**		
	This represents:		
	a) Authorized: 10,000,000 Ordinary Shares of Tk. 10.00 each	**100,000,000**	**100,000,000**
	Composition of Share holding:		
	b) Issued, Subscribed and Paid - up: (%)		
	i) Sponsors: 321,870 Ordinary Shares of Tk. 10.00 each (15.27%)	3,218,700	2,745,520
	ii) Public Quota : 535,500 Ordinary Shares Tk. 10.00 each		
	Issued to Islamic Development Bank, Jeddah (30%)	-	5,355,000
	iii) Gen. Public: 1,820,130 Ordinary Shares of Tk. 10.00 each(84.73%)	18,201,300	9,749,480
	TOTAL TAKA	**21,420,000**	**17,850,000**

b) Distribution Schedule : Disclosure under the Listing regulation of Dhaka Stock Exchange.

Range of holding in number of Shares	No. of Share Holders	% of Share Holder	No. of Share	% of Share Capital
1 to 500	2,315	76.73%	339,088	15.83%
501 to 5,000	650	21.54%	851,326	39.74%
5,001 to 10,000	26	0.86%	169,536	7.91%
10,001 to 20,000	15	0.50%	203,286	9.49%
20,001 to 30,000	6	0.20%	144,045	6.72%
30,001 to 40,000	1	0.03%	33,519	1.56%
40,001 to 50,000	1	0.03%	49,000	2.29%
50,001 to 1,00,000	2	0.07%	138,600	6.47%
Over 1,00,000	1	0.03%	213,600	9.97%
TOTAL	**3,017**	**100.00%**	**2,142,000**	**100.00%**

12.00 Revaluation Reserve :

Particulars	Amount	Amount
Revaluation Reserve Balance (As on 01-07-2017)	**215,270,430**	**216,062,311**
Addition of Revaluation Reserve-Land (Current Year)	-	-
	215,270,430	**216,062,311**
Less : Transfer of depreciation on revaluation on tangible assets to the Retained Earnings	**761,887**	**791,881**
Revaluation Reserve Balance (As on 30-06-2018)	**214,508,543**	**215,270,430**

First revaluation of the property at factory office of the company carried out in 2003 by Independent valuer named "Asian Surveyors Ltd." 128, Dilkusha C/A. Further in 2014 The Company in its 123rd Board meeting dated 23rd June, 2014 decided to revaluation of its project land to reflect true picture in the Financial Statements of the company as on 30 June, 2014. The Company engaged an Independent valuer named "Ahmed & Akhtar" Chartered Accountants to carry out the inspection and examination of the project land located at the Factory premises. Subsequently the company appointed "Ahmed & Akhtar" Chartered Accountants for the purpose of Valuation of the Company's Land situated at the Factory premises-BSCIC industrial Estate, Kushtia, Bangladesh as on 30 June 2014. The management of the company in its 124th Board meeting held on 22nd July, 2014 approve the valuation report.

Methodology Adopted for Revaluation of Factory Land in 2014: The Methodology adopted for revaluation of the land has involved two steps. The first step was adopted for physical verification of the land and the second step was for ascertainment of current realizable values, at which the assets should appear in the Balance Sheet as at 30 June, 2014. For the purpose of revaluation of land, the valuer consulted with the district Sub-Registrar Office, BSCIC and the different level of beneficiary in the above area where the land located.

The revalued amount of the land stands at Tk. 203,053,500 as on 30 June 2014 is as follows:

Location of the Land	Land Area	Book Value as on 30 June, 2014 (Tk.)	Market Value as on 30 June, 2014 as per revaluation (Tk.)	Revaluation Surplus (Tk.)
BSCIC Industrial Estate Kumargara, Kustia	312.39	42,876,240	203,053,500	160,177,260

13.00 Retained Earnings:

Net Profit/(Loss) during The Year	(36,741,608)	9,151,273
Profit/(Loss) Brought Forward	(71,269,536)	(81,153,522)
Previous Year Adjustment	-	833,332
Adjustment of Revaluation Reserve	761,887	791,881
Dividend during the year	(7,140,000)	(892,500)
Retained Earning Carried Forward	**(114,389,257)**	**(71,269,536)**

14.00 Long Term Loan:

Opening Balance	196,290,936	-
Received during this year	-	200,000,000
	196,290,936	200,000,000
Add: Interest during this period	23,301,926	7,233,455
	219,592,862	207,233,455
Less : Repayment during this year	43,765,150	10,942,519
	175,827,712	196,290,936
Less : Current Portion of Long Term Loan	43,764,000	43,764,000
TOTAL TAKA	**132,063,712**	**152,526,936**

This loan has been taken from Mercantile Bank Ltd., Kawran Bazar Br. vide Sanction Letter MBL/KB/CR/2016/2020 - dated 29.12.16 for 7 years.

15.00 Deferred Tax Liabilities

Particulars	Carrying Value (Cost -Acc. Depreciation)	Tax base (Cost-Acc. Capital Allowance)	Temporary Difference	Deferred Tax
Opening balance (excluding land and land development)	152,339,286	136,566,825	15,772,461	1,971,558
Addition during the year	9,238,038	9,238,038	-	-
Depreciation charge/capital allowance	(15,194,539)	(21,842,105)	6,647,566	830,945
Closing Balance	**146,382,785**	**123,962,758**	**22,420,028**	**2,802,503**

16.00 Trade Payable

Liabilities for goods consist of following balance:		
Saha Traders	-	162,678
Mitu Electric Services	-	600,000
Nahar Enterprise	173,572	119,452
Nodi Electric	38,720	-
Anar Export	-	426,000
Boishakhi Enterprise	76,101	31,831
Hazi Enterprise	52,722	-
Kanaipur Bobbin	85,485	-
M.K. Traders	11,890	-
Monno Jute Stafflers Ltd	84,465	77,973
Navana Industries Ltd	-	11,826
Alauddin Engineering Workshop	51,174	-
Nayem Traders	8,709	488,709
A.K. C & F Ltd	12,455	-
SM Engineering	4,823	99,017
TOTAL TAKA	**600,116**	**2,017,486**

17.00 Liabilities For Expenses :

Liabilities for expenses consists of following balances:

Electricity bill	-	1,330,854
Salary	1,297,233	1,194,260
Telephone	261	261
Audit Fee	80,000	80,000
Interest ag Loan from ILFSL	14,812,545	2,136,620
TOTAL TAKA	**16,190,039**	**4,741,995**

18.00 Other Liabilities:

Provision for Income Tax (Note: 18.01)	4,632,610	3,002,443
Workers profit participation fund	656,096	656,096
Deducted Tax and VAT	-	-
Unclaimed Dividend	1,300,130	671,508
TOTAL TAKA	**6,588,836**	**4,330,047**

18.01 Provision for Income Tax

Opening Balance	3,002,443	2,052,971
Adjust against Return	3,002,443	2,302,260
Short/Excess Provision	-	(249,289)
Provision made during the year (Note 28.00)	4,632,610	3,251,732
Closing Balance	**4,632,610**	**3,002,443**

19.00 Working Capital Loan

Mercantile Bank Ltd., Kawran Bazar Br.	231,841,769	100,601,993
International Leasing & Financial Ser. Ltd	128,390,021	114,461,800
TOTAL TAKA	**360,231,790**	**215,063,793**

20.00 Short Term Loan:

Orial Limited	25,586	2,225,586
TOTAL TAKA	**25,586**	**2,225,586**

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		Amount in Taka	
		2017-2018	**2016-2017**
21.00	**Revenue (Turnover From Sales) :**		
	Export Sales	567,889,918	438,855,516
	Local Sales	-	-
	TOTAL TAKA	**567,889,918**	**438,855,516**

Sales Quantity :

Particulars	30.06.2018 Qty. in M. ton	30.06.2017 Qty. in M.ton
Work in Process (Opening)	262.25	241.06
Add :Raw Jute input	6,871.84	5,109.09
Cutting	1,645.32	1,013.58
Jute Batching Oil	151.35	131.10
Total	**8930.76**	**6,494.83**
Less: Process loss	388.90	222.58
Sewing yarn	90.12	51.48
Colour yarn	69.66	36.88
Work in Process (Closing)	394.46	262.25
Total	**943.14**	**573.19**
Production during the year	7,987.62	5,921.64
Add: Finished Goods (Opening)	320.14	61.50
Goods available for Sales	8,307.76	5,983.14
Less: Finished Goods (Closing)	975.32	320.14
Sales during the year	**7,332.44**	**5,663.00**

22.00	**Cost of Good Sold :**		
	Work - in - Process (Opening)	23,577,535	18,311,140
	Raw Jute consumed (22.01)	442,488,680	266,661,300
	Other Direct Materials (22.02)	42,330,562	35,393,749
	Work - in - Process (Closing)	(39,401,094)	(23,577,535)
	Total Consumption	**468,995,683**	**296,788,654**
	Factory Overhead (22.03)	111,943,500	93,918,661
	Cost of Production	**580,939,183**	**390,707,315**
	Finished Goods (Opening)	24,904,621	4,459,126
	Goods available for Sale	**605,843,804**	**395,166,441**
	Finished Goods (Closing)	(77,944,643)	(24,904,621)
	Total Cost of Goods Sold	**527,899,161**	**370,261,820**
	Less: Cash Subsidy	28,394,496	21,942,776
	Net Cost of Goods Sold	**499,504,665**	**348,319,044**

Addition disclosures under the companies Act, 1994 :
Item wise quantity and value of Raw jute stock are as follows :

Particulars	Unit	Quantity	Value in Taka
Stock as on 30-06-2017	M. Ton	1,814.27	89,349,951
Stock as on 30-06-2018	M. Ton	1,140.77	60,092,788

22.01 Raw Jute Consumed :

Particulars	Quantity in M. Ton	2017-2018 Amount in Taka	2016-2017 Amount in Taka
Ct Jte Consmption	6,871.84	376,675,880	224,806,042
Ctting Consmption	1,645.32	65,812,800	41,855,258
TOTAL	**8,517.16**	**442,488,680**	**266,661,300**

Details of Cut Jute & Cutting consumption are shown in below :

Particulars	Quantity in M. Ton	2017-2018 Amount in Taka	2016-2017 Amount in Taka
Opening Stock	1,814.27	89,349,951	23,398,410
Add: Purchase During the year	7,998.35	406,699,709	326,662,943
Add: Assortment Charges	-	6,531,808	5,949,898
Total	**9,812.62**	**502,581,468**	**356,011,251**
Less: Cutting Consumption	1,645.32	65,812,800	41,855,258
Closing Stock of Cutting	252.32	11,228,240	29,303,564
Handling Loss	154.69	-	-
Closing Stock of Long Jute	353.09	19,955,108	18,776,850
Closing Stock of Uncut Jute	535.36	28,909,440	41,269,537
Total	**2,940.78**	**125,905,588**	**131,205,209**
Cut Jute consumption	**6,871.84**	**376,675,880**	**224,806,042**

22.02 Other Direct Materails :

The above amount details as follows :

Jute batching Oil	13,596,500	11,799,000
Bobbin	1,259,050	604,150
Hessian Cloth	9,759,699	8,162,840
Polythene	1,508,515	1,306,040
Oil & Lubricant	5,362,044	3,706,082
Slyver Can	234,220	691,900
Conical spool	3,988,235	2,536,402
Machinary Spares	4,392,687	4,200,495
Electrical Spares	1,893,666	1,941,149
Sundry Stores	226,708	400,336
Dyes & Chemicals	109,238	45,355
TOTAL TAKA	**42,330,562**	**35,393,749**

22.03 Factory Overhead :

Break up of the above amount is given below :

Salary & Allowances	8,274,766	7,637,055
Direct Wages (Production)	54,110,821	44,831,208
Indirect Wages /Indirect Labour	128,525	114,020
Electricity	18,691,666	17,729,930
Bonus	829,500	656,700
Donation	108,600	-
Repairs and Maintenance	1,769,967	1,065,637
Rent, Rates & Taxes	156,146	84,386
Land Rent	2,215,762	1,878,019
Carriage & Cartage	2,048,265	1,620,512
Travelling Expenses	77,190	108,788
Conveyance	785,550	372,778
Postage & Telegram	9,009	8,475
Telephone	4,263	2,562
Entertainment	449,525	351,016
Medical Expenses	135,910	124,860
Staff Quarter Expenses	78,866	309,505
Guest House Expenses	366,942	323,412
Vehicle Repairs	111,389	46,405
Fees & Renewals	1,038,175	1,026,460
Vehicle Running Expenses	150,626	176,866
Overtime	190,953	184,204
Printing & Stationery	191,355	106,180
Miscellaneous Expenses	474,740	290,250
Uniform & Liveries	9,350	10,500
Insurance Premium	2,913,396	2,011,095
Depreciation	15,552,743	11,089,338
Godown Rent	1,069,500	1,758,500
TOTAL TAKA	**111,943,500**	**93,918,661**

23.00 Adminstrative Expenses :

Break up of the above amount is given below :

Managing Director Remuneration	1,650,000	1,650,000
Salary & Allowance	4,937,232	3,381,229
Bonus	644,520	555,360
Office Rent	1,227,919	1,190,616
Audit fee	93,500	80,000
Travelling Expenses	120,616	215,175
Conveyance	185,325	137,454
Postage & Stamp	33,693	15,669
Telephone	33,537	35,691
Entertainment	340,724	383,140
Eid Tips	166,220	108,800
Overtime	79,960	-
Vehicle Repairs	602,713	373,737
Fees & Renewals	279,817	193,014
Vehicle Running Expenses	884,549	761,974
Medical related expenses	-	4,050
Mobile Allowances	238,028	182,535
Printing	50,756	51,326
Bank Charges & Commission	243,848	145,670
Directors attendance fee	-	-
Board Meeting expenses	257,390	279,380
AGM expenses	514,959	384,276
Newspaper	9,595	9,250
Advertisement & Publicity	393,223	580,150
Books & Periodicals	1,750	450
Subscription	61,520	18,900
Computer Servicing Expenses	72,472	15,000
Consultancy Fee	30,000	-
CDBL Expenses	54,000	54,000
Office Maintenance	439,275	134,474
WASA	28,197	28,612
VAT	-	254,553
Professional Fee	70,000	103,250
Legal Expenses	254,000	-
Electricity Bill (Office)	300,139	285,050
Internet Expenses	257,584	114,276
Stationery	178,655	91,419
Uniform & Liveries	29,530	33,630
Miscellaneous Expenses	223,000	-
Security Services	4,460,241	3,652,984
Donation	62,890	85,495
Business Development	84,700	313,000
Depreciation	403,683	175,403
TOTAL TAKA	**19,999,760**	**16,078,992**

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24.00 Selling & Distribution Expenses :

The above amount details as follows:

Salary & Allowances	516,000	429,600
Advertisement	153,000	70,000
Travelling	112,894	186,157
Commission	760,347	281,923
Bonus	51,600	42,960
Entertainment	-	430
Postage & Telegram	-	175
Conveyance	-	-
Bank Charges and Commission	3,239,062	1,200,300
C&F Bills	2,278,638	1,815,125
Documentation	712,005	59,175
Carriage Outward	6,872,800	7,422,960
TOTAL TAKA	**14,696,346**	**11,508,805**

25.00 Financial Overhead:

Interest on Long Term Loan	23,301,926	25,936,263
Interest on Short Term Loan	44,045,566	24,246,889
Loan Processing Fee	83,500	578,620
TOTAL TAKA	**67,430,992**	**50,761,772**

26.00 Auditors Remuneration : **80,000** **80,000**

The above amount is fixed for statutory audit fees approved in the last Annual General Meeting and includes no other remuneration.

27.00 Other Income :

This is arrived at as follows :

Sale of Caddies	39,619	62,272
Gain on Sale of Machineries	-	-
Sale of Scrap Material	-	126,593
Interest on FDR	-	-
Interest received	35,907	18,670
DEDO	2,426,715	667,475
Foreign Exchange Rate Fluctuation	(38,449)	60,012
TOTAL TAKA	**2,463,792**	**935,022**

28.00 Provision for Income Tax

A. Required provision (As per Tax Rate)

	2017-18	2016-17		
Income from Operation	(33,741,845)	12,186,903	(3,374,185)	1,218,690
Other Income	2,463,792	935,022	615,948	233,756
Total	**(31,278,053)**	**13,121,925**	**(2,758,237)**	**1,452,446**
B. AIT deducted at source			**4,632,610**	**3,002,443**
C. Tax bases on Turnover			**3,407,340**	**2,633,133**
Minimum Tax higher of A, B & C			**4,632,610**	**3,002,443**
Add/Less: Short/Excess provision			-	249,289
Provision during the period			**4,632,610**	**3,251,732**

Tax Rate		
Income from Operation	10%	10%
Other Income	25%	25%

29.00 Earning Per Share (EPS) Disclosure under IAS 33" Earning Per Share"

The computation of EPS is furnished below:

Particulars	Amount in taka	
	30.06.2018	30.06.2017
a) Earning attributable to the ordinary shareholders net profit/loss	(36,741,608)	9,151,273
b) weighted average number of ordinary shares outstanding	2,142,000	2,142,000
c) Basic EPS	(17.15)	4.27

General for compliance with Securities Exchange Rule, 1987

a) All Shares have been fully called & paid up in cash.

b) There was no preference shares issued by the company.

c) During the year under review there was Six no. of board meeting. The rate of the board meeting attendance fee per meeting per member was Taka 5,000 and these were drawn by the respective Directors

d) There was no imported raw materils or spares etc. used during the year under audit.

e) The company is subject to foreign currency fluctuation as the local currency (Taka) varies with US Dollars and other foreign currencies.

f) Total Export earning during 2017-2018 was $ 69,24,484

g) Miscellaneous Expenses in 2017-2018 was Tk. 6,97,740.

h) Payment/ perquisites to Directors :

Remuneration was paid by the company to the Managing Director of the company.
No amount of money was expended by the company for compensating any member of the board or special services rendered.

Managerial Remuneration	1,500,000	1,500,000
Bonus	150,000	150,000
Perquisites:		
Medical	-	-
Others	-	-
	1,650,000	**1,650,000**

Plant Capacity & Capacity Utilization:

Particulars	Utilization capacity of		Utilization	
	2017 -2018	2016 - 2017	2017 -2018	2016 - 2017
Capacity of Production (M.T)	7,987.62	5,921.64	86.82%	82.25%
Total Capacity = 9,200 (M.T)				
During This Year Production = 7,987.62 (M.T)				
Parcentage Of Production = 86.82%				

Total production capaticity of Northern Jute Manufacturing Co. Ltd. Is 9,200 (M.T) but during this year they produced only 7,987.62 (M.T). It is 86.82% of total production capacity.

30.00 Collection from Turnover and Others :

Break up is given below :

Opening Balance of Trade Receivables	26,391,870	16,925,324
Add: Sales	567,889,918	438,855,516
	594,281,788	455,780,841
Less: Closing Balance of Trade Receivables	24,741,100	26,391,870
Total Collection from Trade Receivables	569,540,688	429,388,971
Add: Opening Cash Subsidy	28,869,820	11,856,009
	598,410,508	441,244,980
Less: Closing Cash Subsidy	16,086,115	28,869,820
	582,324,393	412,375,160
Collection from Other Income	2,463,792	935,022
Collection from Turnover and Others	**584,788,185**	**413,310,182**

31.00 Payment to Suppliers & Employees :

Break up is given below:

Cost of Good Sold	499,504,665	348,319,044
Opening inventory	(149,021,378)	(56,660,410)
Closing inventory	199,932,207	149,021,378
Purchase & Factory overhead	**550,415,494**	**440,680,012**
Depreciation	(15,956,426)	(11,264,741)
Administrative expenses	19,999,760	16,078,992
Selling expenses	14,696,346	11,508,805
Finance cost	54,755,067	54,006,486
	73,494,747	**70,329,542**
Change in advance,deposit and prepayment	15,542,515	4,505,669
Change in Trade payable	1,417,370	(534,883)
Change in liability for expenses	1,227,881	(1,276,632)
Change in other liabilities	-	9,172
	18,187,766	**2,703,326**
Total Payment to suppliers & Employees	**642,098,006**	**513,712,880**

32.00 Special Disclosure regarding business loss:
Due to climate change, flood and other causes, the production of raw jute was reduced during the year. As a result, the company had to buy raw jute at higher rate as indicated below:

Particulars	2017-2018 (BDT per kg)	2016-2017 (BDT per kg)
Tossa Loose Jute	**1,930**	**1,630**

Besides the above factors, cost of production was also increased due to higher power cost for using diesel generator.
In contrast, international jute market had also been affected due to recession, economic factors, unrest political situation in middle east, trade war between USA and China, trade battles among USA, Canada, Mexico, EU, Japan, Russia as well as India, more importantly deflation of Indian currency. For these reasons, selling price of yarn had also been decreased as indicated below:

Particulars	2017-2018 (BDT per M.Ton)	2016-2017 (BDT per M.Ton)
14 LBS/2PLY Hessian Quality	51,000	86,087
8 LBS/ 1PLY CB Batch	92,070	102,158
16 LBS Multilpe Folded 2 Fold	70,727	74,448

Finally, the company had suffered loss in spite of having higher revenue than that of last year.

33.00 THE RELATED PARTY DISCLOSURES UNDER BAS - 24

Name of the related party	Relationship	Nature of transation	Opening Balance (Amount in taka)	Received during the year(Amount in taka)	Refunded during the year(Amount in taka)	Balance Debit/ (Credit) Amount in Taka
Orial Limited	Common Director	Short Term Loan	2,225,586		2,200,000	25,586

NB Loan taken from Orial Limited as Short Term interest free loan

34.00 Number of Employees

The number of Employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 or above were 476.

35.00 Proposal of dividend

The Board of Directors in its 151th Board Meeting recommended no dividend to the Shareholders of the Company.

36.00 Contingent Liabilities

There is no contingent Liabilities of the Company as on June 30, 2018.

37.00 Event after Reporting Date

There is no significant event after the end of the period that has to be reflected in the Financial Statement for the year ended 30th June,2018.

NJMCL

Northern Jute Manufacturing Co. Ltd.

Registered Office
DH Tower, Level-14, 6 Panthapath, Dhaka-1215, Bangladesh
Tel: +88 02 55013506, Fax: +88 02 55013507
e-mail: info@northernjute.com, Web: www.northernjute.com

Factory
BSCIC Industrial Estate, Kushtia, Bangladesh
Tel: +88 071-61884-85