

# 33<sup>rd</sup> ANNUAL REPORT 2012-13



Northern Jute Manufacturing Co. Ltd.

NJMCL

## ***CONTENTS***

|   |                    |
|---|--------------------|
| <i>Board of Directors, Bankers &amp; Auditors</i> | <i>03</i>          |
| <i>Notice of the Meeting</i>                      | <i>05</i>          |
| <i>Directors' Report</i>                          | <i>06-08</i>       |
| <i>Auditors' Report</i>                           | <i>09-10</i>       |
| <i>Balance Sheet</i>                              | <i>11</i>          |
| <i>Profit and Loss Accounts</i>                   | <i>12</i>          |
| <i>Cash Flow Statement</i>                        | <i>13</i>          |
| <i>Statement of Changes in Equity</i>             | <i>14</i>          |
| <i>Notes to the Accounts</i>                      | <i>15-19,21-30</i> |
| <i>Schedule of Fixed Assets</i>                   | <i>20</i>          |
| <i>Proxy Form</i>                                 | <i>31</i>          |

# *Northern Jute Manufacturing Company Limited*

## *Board of Directors*

### *Chairman*

*Mr. A. Ahmed Yusuf*

### **Directors**

Mr. Nazmul Anwar  
Mr. Md. Iqbal Sayeed  
Mr. Monowar Hossain  
Mr. Md. Mostahaque

### **Managing Director**

Mr. M. Mahmood

### **Auditors**

Kazi Zahir Khan & Co.  
Chartered Accountants  
67/4, Kakrail (Pioneer Road)  
Dhaka-1000

### **Banker**

Janata Bank Limited

### **Registered Office**

Jatiya Scout Bhaban (9<sup>th</sup> Floor)  
70/1, Purana Paltan Line,  
Kakrail, Dhaka-1000  
Bangladesh

# NORTHERN JUTE MANUFACTURING COMPANY LIMITED

## Notice of the Thirty Third Annual General Meeting

**NOTICE** is hereby given that the **Thirty Third Annual General Meeting** of Messrs Northern Jute Manufacturing Company Limited will be held on **Sunday the 22<sup>nd</sup> December 2013 at 3.00 P.M.** in the Conference Room of the Factory Premises, BSCIC Industrial Estate, Kumargara, Kushtia to transact the following business:

### A G E N D A

|    |   |
|----|---|
| 01 | To receive and adopt the Audited Accounts for the year ended 30 <sup>th</sup> June 2013 together with the Directors and Auditors Reports thereon. |
| 02 | To elect Directors  |
| 03 | To appoint Auditors for the year 2013-2014 and fix their remuneration.  |

By Order of the Board

S/d  
(M. Mahmood)  
Managing Director

Dated, Dhaka  
The 31<sup>st</sup> October 2013

### 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 3<sup>rd</sup> December 2013.
- (d) A member having any queries on the related Accounts and Report should send the same in writing to the registered office at least 7(seven) days before the meeting.



**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

Dear Respected Shareholders,  
Northern Jute Manufacturing Company Limited

**Ladies and Gentlemen,**

It is a pleasure for me to welcome you to the 33<sup>rd</sup> Annual General Meeting and to present on behalf of the Board of Directors, the 33<sup>rd</sup> Annual Report together with Balance Sheet as at 30<sup>th</sup> June 2013 and Manufacturing Trading and Profit and Loss Account for the year ended on that date along with Auditors Report thereon.

**OPERATIONS:**

With great regret we would like to intimate you that the mill was not in operation during the year 2012-2013 (July 2012 – June 2013), due to shortage of working capital. The Board of Directors did their best to organize the working capital but unfortunately it did not materialized. As a result there was no production in the mill during the year 2012-2013 excepting 78.35 M tons which was in process.

**WORKING RESULTS:**

Your Directors with great regret to report that the company incurred loss of Tk.169,70,318.00 as against loss of Tk:234,51,734.00 lacs during the year 2011-2012. The loss was mainly due to payment of interest against CC (H) & Segregation Account, payment of wages and salaries to the workers, officers & staff, payment of electricity bills and depreciation account.

**JUTE YARN AND TWINE MARKET:**

The demand for jute yarn and twine went down and as such the market for jute yarn and twine went down during the year 2012-2013. There is demand for high quality jute yarn and twine. The international market was satisfactory. The demand for normal quality of jute yarn and twine such as sacking, Hessian and CB has gone down during the year 2012-2013.

**RETIREMENT OF DIRECTORS:**

Two Directors of the company (1) Mr. Nazmul Anwar (2) Mr. Monowar Hossain resigned as independent Directors and 2 new Directors were appointed as independent Directors. These Directors are (1) Mr. Uzzal Kumar Nandi (2) Mr. Shah Alam Sheikh.

## **APPOINTMENT OF AUDITORS:**

Messrs. Kazi Zahir & Company chartered accountants retire in this meeting as auditors of the company. An Audit Company will have to be appointed for the year 2013-2014.

## **COMPLIANCE WITH THE CONDITION OF THE SECURITIES & EXCHANGE COMMISSION'S NOTIFICATION NO.SEC/CMRRCD/2006-158/ADMIN/02/08 DATED FEBRUARY 20, 2006 REGARDING CORPORATE GOVERNANCE GUIDELINES.**

With great regret your Directors are to report that the company could not comply with most of the conditions stipulated by the Bangladesh Securities & Exchange Commission regarding the corporate guidelines. Only 2 meetings of the Board of Directors were held during the year 2012-2013. This is due to the fact that there was no Quorum of Directors as casual vacancies were created due to non holding of 2% shares of paid up capital of the company by the existing sponsor directors. However 3 new independent directors were appointed as per directive of the Bangladesh Securities & Exchange Commission and restructured the Board. It is expected that the company shall be able to comply with the directives of the Bangladesh Securities & Exchange Commission during the current year.

Your Directors are also happy to inform that the demate of shares of M/s. Northern Jute Manufacturing Company Limited as per directives of Bangladesh Securities & Exchange Commission are well in progress and most of the shares have already been demated.

## **THE DIRECTORS REPORT TO THE SHAREHOLDERS:**

### **i) PRODUCTIVITY AND LOSS**

The mill produced 78.35 M.Tons during the year 2012-2013 and as a result the mill incurred heavy loss on account of payment of interest against CC (Hypo) and Segregation Account, payment of wages and salaries to the workers, officers & staff and electricity bills etc. The losses are due to huge shortage of working capital.

### **ii) REMEDIAL MEASURE:**

The Directors of the company would inform you that they could not operate the mill due to shortage of working capital during the year 2012-2013.

The Board discussed the issue in details and made all out efforts to organize working capital either by getting investors or getting loan from any other sources to put the mill back into operation and succeeded to get a substantial amount of loan but this was not sufficient to put the mill back into operation. However, the Chairman of the Board is working extremely hard to organize working capital even by selling some of his personal properties and put the mill into operation as soon as possible.

**APPRECIATION:**

The Directors takes this opportunity of expressing their thanks and heartfelt gratitude to the Government for their valuable assistance, guidance and co-operation extended to the company from time to time.

Your Directors are also thankful to Janata Bank Limited for extending Cash Credit Facilities to the Company and renewal of the same for the year 2012-2013.

**CONCLUSION:**

Your Directors also wish to place on record their appreciation of the services rendered by the officers, staff and workers of the company with loyalty and devotion to duty and they look forward to their continued efforts to achieve greater success of the company in the future.

Sd/-

A.AHMED YUSUF  
CHAIRMAN



# **NORTHERN JUTE MANUFACTURING COMPANY LIMITED.**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF**

We have audited the accompanying Financial Statements of **NORTHERN JUTE MANUFACTURING COMPANY LIMITED**, which comprise the Statement of Financial Position as at 30<sup>th</sup> June, 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and 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 Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities & Exchange Rules, 1987 and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY:**

Our responsibility is to express an independent opinion on these financial statements based on our audit.

### **BASIS OF OPINION:**

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 and error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation.

We believe that our audit provides a reasonable basis for our opinion.

### **OPINION:**

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at 30<sup>th</sup> June, 2013 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other applicable laws and regulations.



**We also report that:**

- a) 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;
- b) In our opinion, the Company has kept proper books of account as required by law so far as it appeared from our examination of those books;
- c) The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the Company's business.

Sd/-

**Dated: Dhaka**  
10 November, 2013

**KAZI ZAHIR KHAN & CO.**  
CHARTERED ACCOUNTANTS

# Northern Jute Manufacturing Company Limited

## Balance Sheet As at 30-06-2013

Figure in Taka

| A. Non Current Assets:  | Notes | 30/06/13                      | 30/06/12                     |
|---|-------|-------------------------------|------------------------------|
| Net Tangible Fixed Assets (At cost less Accumulated Depreciation) | 4.00  | 84,416,034.00                 | 87,990,102.00                |
| Preliminary Expenses  |       | -                             | 198,974.00                   |
| Deferred Revenue Expenses   |       | -                             | 1,470,000.00                 |
| <b>Total Non-Current Assets (A)</b>                               |       | <u>84,416,034.00</u>          | <u>89,659,076.00</u>         |
| <b>B. Current Assets:</b>   |       |                               |                              |
| Inventories   | 5.00  | 82,729,896.00                 | 69,678,928.83                |
| Advanced Deposit & Prepayment                                     | 6.00  | 3,469,634.00                  | 3,561,495.86                 |
| External Marketing Assistance Receivable                          | 7.00  | 1,184,650.00                  | 1,279,683.00                 |
| Cash & Cash Equivalents   | 8.00  | 87,216.00                     | 288,467.37                   |
| <b>Total Current Assets (B)</b>                                   |       | <u>87,471,396.00</u>          | <u>74,808,575.06</u>         |
| <b>C. Current Liabilities and Provision:</b>                      |       |                               |                              |
| Loan (Secured)  | 9.00  | 75,632,213.00                 | 77,654,617.59                |
| Liabilities For Goods Supplies                                    | 10.00 | 23,312,244.00                 | 35,980,457.21                |
| Liabilities For Other Expenses                                    | 11.00 | 15,126,699.00                 | 13,763,231.70                |
| Liabilities For Other Finance                                     | 12.00 | 795,294.00                    | 729,348.35                   |
| Short Term Loan   | 13.00 | 81,887,798.00                 | 38,935,798.00                |
| <b>Total Current Liabilities</b>                                  |       | <u>196,754,248.00</u>         | <u>167,063,452.85</u>        |
| <b>D. Net Current Assets(D=B-C)</b>                               |       | <u>(109,282,852.00)</u>       | <u>(92,254,877.79)</u>       |
| <b>E. Net Assets: (E=A-D)</b>                                     |       | <u><u>(24,866,818.00)</u></u> | <u><u>(2,595,801.79)</u></u> |
| <b>F. Financed By:</b>  |       |                               |                              |
| <b>Shareholders Equity</b>  |       |                               |                              |
| Share Capital   | 14.00 | 17,000,000.00                 | 17,000,000.00                |
| Tax Holiday Reserve   |       | 638,498.00                    | 638,498.00                   |
| Revaluation Reserve   | 15.00 | 58,984,386.00                 | 60,218,338.00                |
| Retained Earning- As Per Profit & Loss Account                    | 25.00 | (107,589,686.00)              | (88,378,571.79)              |
| <b>Total Shareholders Equity</b>                                  |       | <u>(30,966,802.00)</u>        | <u>(10,521,735.79)</u>       |
| Long Term Loan  | 16.00 | 1,924,283.00                  | 4,272,649.00                 |
| Deferred Liabilities  | 17.00 | 2,082,055.00                  | 1,559,639.00                 |
| Deferred Tax Liabilities  |       | 2,093,646.00                  | 2,093,646.00                 |
| <b>Total Non-Current Liabilities</b>                              |       | <u>6,099,984.00</u>           | <u>7,925,934.00</u>          |
| <b>Total Capital And Liabilities</b>                              |       | <u><u>(24,866,818.00)</u></u> | <u><u>(2,595,801.79)</u></u> |
| <b>Net Assets Value (NAV)</b>                                     |       | <b>(18.22)</b>                | <b>(6.19)</b>                |

Sd/-  
Chairman  
NJMCL

Sd/-  
Managing Director  
NJMCL

Sd/-  
**KAZI ZAHIR KHAN & CO.**  
CHARTERED ACCOUNTANTS

**Northern Jute Manufacturing Company Limited**  
**Profit & Loss Account**  
**For the year ended June 30th, 2013**

| Particulars  | Notes | Figure in Taka          |                        |
|--|-------|-------------------------|------------------------|
|  |       | 30/06/13                | 30/06/12               |
| Revenue (Turnover)   | 18.00 | -                       | -                      |
| Cost of Goods Sold   | 19.00 | -                       | 6,977,249              |
| <b>A. GROSS PROFIT/(LOSS)</b>                                    |       | -                       | <b>(6,977,249)</b>     |
| <b>B. Operating Expenses</b>                                     |       |                         |                        |
| Administrative Overhead  | 20.00 | 4,734,696.89            | 4,600,895.08           |
| Selling Overhead   | 21.00 | 317,875.00              | 328,750.00             |
| Financial Overhead   | 22.00 | 11,899,934.00           | 11,524,512.00          |
| Auditors Remoneration  | 23.00 | 25,000.00               | 25,000.00              |
| Total  |       | 16,977,505.89           | 16,479,157.08          |
| <b>C. Operating Profit/ (Loss) (A-B)</b>                         |       | <b>(16,977,505.89)</b>  | <b>(23,456,406.10)</b> |
| Other Income   | 24.00 | 7,187.65                | 4,672.00               |
| <b>Net profit / (Loss) before provision</b>                      |       | <b>(16,970,318.24)</b>  | <b>(23,451,734.10)</b> |
| <b>D. Less Provision:</b>  |       |                         |                        |
| Contribution to WPPF.  |       | -                       | -                      |
| Income Tax   |       | -                       | -                      |
| <b>TOTAL</b>   |       | -                       | -                      |
| <b>E. Net Profit / (Loss) After Provision</b>                    |       | <b>(16,970,318.24)</b>  | <b>(23,451,734.10)</b> |
| Profit/(Loss) Brought forward                                    |       | (88,378,571.79)         | (64,573,284.00)        |
| Previous Year Adjustment   |       | (3,474,748.13)          | (1,554,508.69)         |
| Adjustment of revaluation Reserve against Depreciation           |       | 1,233,952.00            | 1,336,069.00           |
| Adjustment against Tax on Turnover Profit/(Loss) Brought forward | 25.00 | -                       | (135,114.00)           |
|  |       | <b>(107,589,686.16)</b> | <b>(88,378,571.79)</b> |
| <b>Earning per share(EPS)</b>                                    | 26.00 | <b>(9.98)</b>           | <b>(13.80)</b>         |

Sd/-  
Chairman  
NJMCL

Sd/-  
Managing Director  
NJMCL

Sd/-  
**KAZI ZAHIR KHAN & CO.**  
CHARTERED ACCOUNTANTS



# Northern Jute Manufacturing Company Limited

## Cash Flow Statement

For the year ended 30 June, 2013

| Particulars   | Figure In '000 taka |                |
|---|---------------------|----------------|
|   | 30/06/13            | 30/06/12       |
| <b>A. Cash Flow from Operating Activities:</b>      |                     |                |
| Collection from Turnover & Others                   | 102.00              | 5.00           |
| Payment to Suppliers & Employees                    | (38,885.00)         | (32,789.00)    |
| <b>Total Cash Flow from Operating Activities:</b>   | (38,783.00)         | (32,784.00)    |
| <b>B. Cash Flow from Investing Activities:</b>      |                     |                |
| Disposal of Fixed Assets                            | -                   | -              |
| Acquisition of Fixed Assets                         | -                   | -              |
| <b>C. Cash Flow from Financing Activities:</b>      |                     |                |
| Long Term Loan Received / (Repaid)                  | (2,348.00)          | (2,562.00)     |
| Secured Loan Received / (Repaid)                    | (2,022.00)          | 8,561.00       |
| Sort Term Loan Received / (Repaid)                  | 42,952.00           | 26,988.00      |
|   | 38,582.00           | 32,987.00      |
| <b>D. Net Cash Flow (A+ B + C)</b>                  | (201.00)            | 202.00         |
| <b>E. Opening Cash and Cash Equivalents</b>         | 288.00              | 86.00          |
| <b>F. Closing Cash and Cash Equivalents (D + E)</b> | 87.00               | 288.00         |
| <b>Net Operating Cash Flow Per Share</b>            | <b>(22.81)</b>      | <b>(19.28)</b> |

Sd/-  
Chairman  
NJMCL

Sd/-  
Managing Director  
NJMCL

Sd/-  
**KAZI ZAHIR KHAN & CO.**  
CHARTERED ACCOUNTANTS

**Northern Jute Manufacturing Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 30-06-2013**

| PARTICULARS                | Share Capital  | Revaluation Reserve | Tax Holiday Reserve | Retained Earning | Total          |
|----------------------------|----------------|---------------------|---------------------|------------------|----------------|
|                            | Amount in Taka | Amount in Taka      | Amount in Taka      | Amount in Taka   | Amount in Taka |
| Balance as on 01-07-2012   | 17,000,000     | -                   | 638,498             | (88,378,572)     | (70,740,074)   |
| Net profit after provision | -              | -                   | -                   | (16,970,318)     | (16,970,318)   |
| Previous year Adjustment   | -              | -                   | -                   | (2,240,796)      | (2,240,796)    |
| Revaluation Reserve        | -              | 58,984,386          | -                   | -                | 58,984,386     |
| Balance as on 30-06-2013   | 17,000,000     | 58,984,386          | 638,498             | (107,589,686)    | (30,966,802)   |

**Northern Jute Manufacturing Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 30-06-2012**

| PARTICULARS                | Share Capital  | Revaluation Reserve | Tax Holiday Reserve | Retained Earning | Total          |
|----------------------------|----------------|---------------------|---------------------|------------------|----------------|
|                            | Amount in Taka | Amount in Taka      | Amount in Taka      | Amount in Taka   | Amount in Taka |
| Balance as on 01-07-2011   | 17,000,000     | -                   | 638,498             | (64,573,284)     | (46,934,786)   |
| Net profit after provision | -              | -                   | -                   | (23,451,734)     | (23,451,734)   |
| Previous year Adjustment   | -              | -                   | -                   | (353,554)        | (353,554)      |
| Revaluation Reserve        | -              | 60,218,338          | -                   | -                | 60,218,338     |
| Balance as on 30-06-2012   | 17,000,000     | 60,218,338          | 638,498             | (88,378,572)     | (10,521,736)   |

**Sd/-**  
**Chairman**  
**NJMCL**

**Sd/-**  
**Managing Director**  
**NJMCL**

**Sd/-**  
**KAZI ZAHIR KHAN & CO.**  
**CHARTERED ACCOUNTANTS**

**NORTHERN JUTE MANUFACTURING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**FORMING INTEGRAL PART OF THE ACCOUNT**

**1. ACCOUNTING POLICIES AND RELEVANT INFORMATION:**

**LEGAL FORM OF THE COMPANY:**

**NORTHERN JUTE MFG.CO.LTD.** Was incorporated under the company Act. 1913 as a Public Company Limited by share on September 17, 1980 and its share are listed in the Dhaka stock Exchange Limited in Bangladesh.

**ADDRESS OF REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS:**

The address of the registered office and principal place of the business is 70/1, purana paltan Line, kakrail, jatiya Scout Bhaban (9<sup>th</sup> Floor), Dhaka and the manufacturing place is located at BSCIC Industrial Estate, Kumargara, Kushtia.

**NATURE OF BUSINESS ACTIVITIES:**

The company is 100% export oriented Jute Yarn/ twine and sell them in the foreign market.

**2. ACCOUNTING POLICIES:**

**a. Basis of accounting:**

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

**b. Recognition of Fixed Assets & Depreciation:**

Fixed Assets are stated at their cost less accumulated depreciation in accordance with IAS 16 "property plant and equipment". Cost represents cost of acquisition of construction and revaluation. Revaluation represents revalued price of fixed assets, cost price less accumulated depreciation to the value of the assets at the date of balance sheet IAS 16 (30). 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.



**The annual depreciation rates applicable to the principal categories are:**

|                       |     |
|-----------------------|-----|
| Building              | 5%  |
| Plant & Machinery     | 10% |
| Office equipment      | 15% |
| Vehicles              | 20% |
| Electric Installation | 15% |
| Furniture & Fixture   | 15% |
| Sundry assets         | 15% |

c. **Inventories:**

Inventories comprise Raw Materials, Packing Materials, Work in Process, Finished Goods and Stock of Stationery and Spares and Accessories. They are stated 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. Cost of finished goods include 100% materials plus proportionate conversion cost. Cost of work in process include 100% materials cost plus 50% of conversion cost as per previous practice.

d. **Cash and cash Equivalent:**

According to IAS 7 "cash flow Statement cash" comprises of cash in hand and demand deposits. IAS 1 "presentation of financial Statement" provides that Cash and cash Equivalent are not restricted in use. Considering the provision of IAS 7 and IAS 1, Cash in hand and Bank Balances have been considered as cash and cash Equivalents.

e. **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.

f. **Taxation:**

The company is a publicly traded company as per the Income Tax Ordinance. The company does not make any payment of tax and create any provision for tax during the year in financial statement, as it has no business income (company) incurred loss during the year.

g. **Deferred Tax:**

Provision for deferred tax liabilities has been made up to 2005-06. we note that no provision has been made for deferred tax liabilities from 2006-07 to 2012-13.

- h. **Cash flow Statement:**  
Cash flow statement is prepared principally in accordance with IAS 7 "Cash Flow Statement" and in the cash flow the operating activities have been presented under direct method as prescribed by the Security and Exchange Rule 1987.
- i. **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"
- j. **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 IAS 18 "Revenue Recognition".
- k. **Earning Per Share (EPS):**  
The company calculates Earning per Share (EPS) in accordance with IAS-33 "Earnings Par Share" which has been shown on the face of profit and loss account and the computation of EPS is stated in Accounts.
- l. **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.
- m. **Basic Earnings Per Share:**  
This has been calculated by dividing the basic earnings by the number of ordinary shares issued by the company.
- n. **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. **ADDITIONAL INFORMATION ON FINANCIAL STATEMENTS:**

a. **Responsibility For Preparation And Presentation of Financial Statements:**

The Board of Directors 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).

b. **Component of Financial Statements:**

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

Balance Sheet as at June 30, 2013.

Income Statements (Profit and Loss Account) for the year ended June 30, 2013.

Cash Flow Statement for the year ended June 30, 2013.

Statements of Changes of Equity.

Accounting Policies and Explanatory Notes.

c. **Risk and Uncertainties For Use Estimates in Preparation of Financial Statements:**

The preparation of Financial Statements in conformity with the International Accounting Standards (ISA) requires management to make estimates and assumption that affect the reported amounts of Assets and Liabilities and disclose of contingent assets and liabilities at the date of the affect Financial Statements and revenue and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as long.

d. **Compliance With Local Laws:**

The Financial Statements have been prepared in compliance with requirements of the Companies Act. 1994, the Securities and exchange Rules 1987 and other relevant local laws and rules.



- e. **Compliance With International Accounting Standards (IAS):** The Financial Statements have been prepared in compliance with requirements of IAS's adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.
- f. **Reporting Period:**  
Financial Statements of the company cover one calendar year from 1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2013.
- g. **Reporting Currency and Level of Precision:**  
The Figures in the Financial Statements represents Bangladesh Currency (Taka) which have been rounded off to the nearest Taka except where indicates other wise.
- h. **Comparative Information:**  
Comparative Information have been disclosed in respect of the year 2012 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.  
Figure of the year 2013 have been re-arranged whenever considered necessary to ensure comparatively with the current period.
- i. **Subsequence Event Disclosure Under IAS 10 "Event After Balance Sheet Date":**  
There is no non-adjusting Balance Sheet of such importance, non-disclosure of which would affect the availability to the user of the Financial Statements to make proper evaluation and decision.
- j. **Transaction With Related Parties:**  
The company has carried on transaction with related parties in the normal course of Business.

**Northern Jute Manufacturing Company Limited**  
For the year ended 30 June, 2013

4.00 FIXED ASSETS- 84416034.00

| Assets Category | COST              |          |            | Rate<br>% | Depreciation      |            |                     | Written<br>down value<br>6/30/2013 | Written<br>down value<br>6/30/2012 |
|-----------------|-------------------|----------|------------|-----------|-------------------|------------|---------------------|------------------------------------|------------------------------------|
|                 | As on<br>7/1/2012 | Addition | Adjustment |           | As on<br>7/1/2012 | Adjustment | Charge<br>this year |                                    |                                    |
|                 |                   |          |            |           |                   |            |                     |                                    |                                    |

**UNIT-1**

|                              |                    |          |          |     |                   |          |                  |                   |                   |
|------------------------------|--------------------|----------|----------|-----|-------------------|----------|------------------|-------------------|-------------------|
| Land & Land Development      | 42,876,240         | -        | -        | 0%  | -                 | -        | -                | 42,876,240        | 42,876,240        |
| Building                     | 24,888,572         | -        | -        | 5%  | 13,827,136        | -        | 553,072          | 14,380,208        | 11,061,436        |
| Electric Installation        | 1,634,661          | -        | -        | 15% | 1,580,042         | -        | 8,192            | 1,588,234         | 54,619            |
| Plant & Machinery            | 77,476,210         | -        | -        | 10% | 66,158,813        | -        | 1,131,740        | 67,290,553        | 11,317,397        |
| Furniture & Fixtures         | 244,331            | -        | -        | 15% | 231,881           | -        | 1,868            | 233,749           | 10,582            |
| Office Equipment             | 209,669            | -        | -        | 15% | 122,528           | -        | 13,070           | 135,598           | 74,071            |
| Vehicle                      | 2,378,135          | -        | -        | 20% | 1,670,942         | -        | 141,438          | 1,812,380         | 565,755           |
| Sundry Assets                | 345,329            | -        | -        | 15% | 321,504           | -        | 3,574            | 325,078           | 20,251            |
| <b>Total Unit - 1 Taka =</b> | <b>150,053,147</b> | <b>-</b> | <b>-</b> |     | <b>83,912,846</b> | <b>-</b> | <b>1,852,954</b> | <b>85,765,800</b> | <b>64,287,347</b> |
|                              |                    |          |          |     |                   |          |                  |                   | <b>66,140,301</b> |

**UNIT-2**

|                                  |                    |          |          |     |                    |          |                  |                    |                   |                   |
|----------------------------------|--------------------|----------|----------|-----|--------------------|----------|------------------|--------------------|-------------------|-------------------|
| Building                         | 13,639,682         | -        | -        | 5%  | 4,233,916          | -        | 470,288          | 4,704,204          | 8,935,478         | 9,405,766         |
| Electric Installation            | 484,103            | -        | -        | 15% | 355,650            | -        | 19,268           | 374,918            | 109,185           | 128,453           |
| Plant & Machinery                | 29,038,129         | -        | -        | 10% | 16,722,547         | -        | 1,231,558        | 17,954,105         | 11,084,024        | 12,315,582        |
| <b>Total Unit - 2 Taka =</b>     | <b>43,161,914</b>  | <b>-</b> | <b>-</b> |     | <b>21,312,113</b>  | <b>-</b> | <b>1,721,114</b> | <b>23,033,227</b>  | <b>20,128,687</b> | <b>21,849,801</b> |
| <b>Grand Total 1&amp;2 Taka=</b> | <b>193,215,061</b> | <b>-</b> | <b>-</b> |     | <b>105,224,959</b> | <b>-</b> | <b>3,574,068</b> | <b>108,799,027</b> | <b>84,416,034</b> | <b>87,990,102</b> |

Depreciation charged on unit - 1 & 2 = 3474068.00  
 Depreciation charged to Direct Production Cost = 100,000.00  
 Depreciation charged to Administrative Expenses = 3574068.00

**5.00 Inventories : Tk. 82,729,895.98**

**Inventories (Stock & Stores) Comprises the following balances:**

**A. Direct Materials:**

Raw Jute

Jute Batching Oil

Lissapol

**Sub - Total**

**B. Consumable stores :**

Machinery Spares

Electric Goods

Loose tools

Oil & Lubricant

Printing

Construction Materials

Sundry stores

Stationery

**Sub - Total**

**C. Packing Materials:**

Hessian Cloth

Polythene

Conical Spool

Dyes & Chemical

P.P Tape

Corrugated paper

Binding clip

**Sub - Total**

D. Work in Process

E. Finished Goods

**Sub - Total**

**GRAND TOTAL**

| Amount in Taka       |                      |
|----------------------|----------------------|
| 30/06/13             | 30/06/12             |
| 27,349,757.53        | 33,827,223.73        |
| 222,665.00           | 24,155.25            |
| 308.40               | 7,566.00             |
| 27,572,730.93        | 33,858,944.98        |
| 3,684,892.50         | 6,008,775.69         |
| 225,018.55           | 220,988.74           |
| 10,526.95            | 11,256.54            |
| 13,667.83            | 4,298.45             |
| 36,345.23            | 38,960.62            |
| 9,572.63             | 10,065.92            |
| 34,732.96            | 32,578.75            |
| 1,643.37             | -                    |
| 4,016,400.02         | 6,326,924.71         |
| -                    | 25,139.00            |
| 45,577.25            | 49,177.25            |
| 44,129.93            | 23,329.93            |
| 433.77               | 31.19                |
| 1,902.43             | 1,902.43             |
| 11,800.00            | 11,800.00            |
| 325.00               | 325.00               |
| 104,168.38           | 111,704.80           |
| 12,923,874.48        | 4,307,917.55         |
| 38,112,722.17        | 25,073,436.79        |
| 51,036,596.65        | 29,381,354.34        |
| <b>82,729,895.98</b> | <b>69,678,928.83</b> |

**6.00 Advance, Deposit And Prepayment : Tk. 3,469,634.00**

**ADVANCE:**

Advance to workers against wage commission

Advance to Employees

Advance against purchase

Sub- Total

**OTHER ADVANCE:**

Port Authority, Mongla.

Jamuna Oil Co. Ltd.

Sub- Total

**SECURITY DEPOSIT:**

Power development Board

Custom

Telephone

Central Depository Bangladesh Ltd.

Sub-Total

**PRE-PAYMENTS:**

Insurance

Income Tax

VAT

License Fees

Sub- Total

**GRAND TOTAL**

| Amount in Taka      |                     |
|---------------------|---------------------|
| 30/06/13            | 30/06/12            |
| -                   | 3,800.00            |
| -                   | 97,521.00           |
| -                   | 1,089.00            |
| -                   | 102,410.00          |
| -                   | 10,448.40           |
| -                   | 10,448.40           |
| 143,250.00          | 143,250.00          |
| 1,000.00            | 1,000.00            |
| 3,000.00            | 3,000.00            |
| 100,000.00          | 100,000.00          |
| 247,250.00          | 247,250.00          |
| 194,086.01          | 191,503.47          |
| 3,010,297.99        | 2,934,797.99        |
| -                   | 2,086.00            |
| 18,000.00           | 73,000.00           |
| 3,222,384.00        | 3,201,387.46        |
| <b>3,469,634.00</b> | <b>3,561,495.86</b> |



**7.00 External Markrting Assistance Receivable: Tk. 1,184,650.00**

Opening Balance  
 Receiveable during the year  
  
 Less received during the year  
**Total Taka**

| Amount in Taka      |                     |
|---------------------|---------------------|
| 30/06/13            | 30/06/12            |
| 1,279,683.00        | 1,279,683.00        |
| 345,443.00          | -                   |
| 1,625,126.00        | 1,279,683.00        |
| 440,476.00          | -                   |
| <b>1,184,650.00</b> | <b>1,279,683.00</b> |

**8.00 Cash And Cash Equivalents : Tk. 87,216.33**

**CASH IN HAND:**

i) Head Office  
 ii) Factory office

**Sub- Total**

**CASH AT BANK:**

i) current Account # 33011458, Janata Bank, L/O, Dhaka.  
 ii) Current Account # 210035436, Janata Bank, Corporate Br., Kushtia.  
 iii) Current account # 694, Janata Bank, Chourhas Br., Kushtia.  
 iv) FC. Account # 10, Janata Bank L/O, Dhaka.  
 vi) Current Account # 13616-6, Agrani Bank, Principal Br., Dhaka  
 vii) Current Account# 100-112376-001, IFIC Bank Ltd. Motijheel C/A.

**Sub- Total**

**Closing Balance of Cash & Cash Equivalent**

| Amount in Taka   |                   |
|------------------|-------------------|
| 30/06/13         | 30/06/12          |
| 1,976.39         | 207,167.87        |
| 7,695.51         | 4,987.75          |
| 9,671.90         | 212,155.62        |
| -                | 378.31            |
| 21,746.94        | 21,448.44         |
| 16,519.49        | 2,910.00          |
| 32,408.00        | 32,408.00         |
| 5,960.00         | 7,110.00          |
| 910.00           | 12,057.00         |
| 77,544.43        | 76,311.75         |
| <b>87,216.33</b> | <b>288,467.37</b> |

**9.00 Loan (Secured) : Tk. 75,632,212.59**

Cash Credit Hypothecation Account

| Amount in Taka       |                      |
|----------------------|----------------------|
| 30/06/13             | 30/06/12             |
| 75,632,212.59        | 77,654,617.59        |
| <b>75,632,212.59</b> | <b>77,654,617.59</b> |

**10.00 Liabilities For Goods Supplied : Tk. 23,312,244.43**

Liabilities for goods consist of following balance:

M/S. Kushtia Store  
 MR. Rathindra Kumar Sikdar  
 Md. Liakat Ali  
 Mr. Raghunath Sikder  
 Md. Khaiber Ali  
 Mr. Ratan Kumar Sikder  
 M/s. Jui Enterprise  
 M/s. Abdul Baser & Sons  
 M/s. ZIM Traders  
 M/s. Khaleque Polythine Stores  
 Mr. Bimal Kumar Kunda  
 Mr. Karamat Ali  
 M/s. Sea Tax  
 M/s. Kanipur Bobbin Factory  
 M/s Janata Machinery  
 M/s. Peple Mill Store  
 M/s. Monowar Enterprise  
 Sree Sanjit Kumar Mitra  
 Mr. Sanjay Kumar Sikdar  
 Mr. Premendra Nath Saha  
 M/S. Adarsha Traders  
 Sree Hare Krishna Sarker  
**TOTAL TAKA**

| Amount in Taka       |                      |
|----------------------|----------------------|
| 30/06/13             | 30/06/12             |
| 413,898.00           | 567,676.00           |
| 5,334,267.63         | 4,370,898.38         |
| -                    | 1,575,193.75         |
| 3,837,618.71         | 6,391,911.71         |
| -                    | 285,842.86           |
| -                    | 3,295,500.88         |
| 32,340.00            | -                    |
| 38,500.00            | -                    |
| 27,858.35            | 27,858.35            |
| 8,200.00             | -                    |
| 6,902,239.13         | 9,885,981.26         |
| -                    | 230,048.03           |
| 88,500.00            | 54,300.00            |
| 32,000.00            | -                    |
| -                    | 9,850.00             |
| -                    | 17,649.00            |
| -                    | 84,600.00            |
| 336,698.00           | -                    |
| 566,017.38           | 939,535.38           |
| 5,640,701.73         | 7,974,549.73         |
| 53,405.50            | 16,975.50            |
| -                    | 252,086.38           |
| <b>23,312,244.43</b> | <b>35,980,457.21</b> |

**11.00 Liabilities For Expense : Tk. 15,126,698.78**

Liabilities for expenses consists of following balances:

M/s. Erba Ltd. (Interest free)  
 Provision for Income Tax (Employees)  
 Outstanding Salary  
 Outstanding Wages (Direct)  
 Outstanding Wages (Indirect)  
 PDB, Kushtia  
 Telephone (Head office)  
 Telephone (Factory office)  
 Audit Fee  
 M/s. Prince Shipping Lines Ltd.  
 Office Rent  
 M/s. Erba China Engineering Workshop  
 CBA (Subscription)  
 House rent  
 Attended Bonus  
**TOTAL TAKA**

| Amount in Taka       |                      |
|----------------------|----------------------|
| 30/06/13             | 30/06/12             |
| 6,961,583.00         | 6,964,083.00         |
| -                    | 6,149.00             |
| 4,507,545.18         | 3,934,855.18         |
| 70,328.21            | 60,467.28            |
| 27,484.26            | 20,721.24            |
| 512,173.13           | 75,000.00            |
| 3,247.00             | 2,544.00             |
| 1,470.00             | 1,338.00             |
| 25,000.00            | 50,000.00            |
| 58,295.00            | 58,295.00            |
| 1,728,543.00         | 1,565,919.00         |
| 426,920.00           | 343,490.00           |
| 610.00               | 370.00               |
| 800,000.00           | 680,000.00           |
| 3,500.00             | -                    |
| <b>15,126,698.78</b> | <b>13,763,231.70</b> |

**12.00 Liabilities For Finance : Tk. 795,294.67**

**Advance against sale**  
 Unclaimed Dividend  
 Unpaid Salary  
 Tax at source (Dividend)  
 Leave Pay  
**TOTAL TAKA**

| Amount in Taka    |                   |
|-------------------|-------------------|
| 30/06/13          | 30/06/12          |
| 400,000.00        | 400,000.00        |
| -                 | 271,568.00        |
| -                 | 48,707.35         |
| -                 | 9,073.00          |
| 395,294.67        | -                 |
| <b>795,294.67</b> | <b>729,348.35</b> |

**13.00 Short Term Loan: Tk. 81,887,798.00**

Mr.A. Ahmed Yusuf  
 M/s Erba Ltd.  
 M/S. Timberex (Bangladesh) Ltd.  
 Mr. M. Mahmood  
**TOTAL TAKA**

| Amount in Taka       |                      |
|----------------------|----------------------|
| 30/06/13             | 30/06/12             |
| 39,057,000.00        | -                    |
| 30,883,000.00        | 26,988,000.00        |
| 4,500,000.00         | 4,500,000.00         |
| 7,447,798.00         | 7,447,798.00         |
| <b>81,887,798.00</b> | <b>38,935,798.00</b> |

**14.00 Share Capital : Tk. 17,000,000.00**

This represents:

a) Authorized: 10,000,000 Ordinary Shares of taka 10.00 each  
 composition of share holding:  
 Issued, Subscribed and Paid - up: (%)

i) Sponsors: 850,000 Ordinary Shares of taka 10.00 each (50%)  
 ii) Public Quota : 510,000 Ordinary Shares taka 10.00 each  
 Issued to Islamic Development Bank, Jeddah (30%)  
 iii) General public: 340,000 Ordinary shares of taka 10.00 each (20%)  
**TOTAL TAKA**

|                      |                      |
|----------------------|----------------------|
| 8,500,000.00         | 8,500,000.00         |
| 5,100,000.00         | 5,100,000.00         |
| 3,400,000.00         | 3,400,000.00         |
| <b>17,000,000.00</b> | <b>17,000,000.00</b> |



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                             | 202                  | 71.13             | 47,800           | 2.81               |
| 501 to 5000                          | 59                   | 20.77             | 86,100           | 5.06               |
| 5001 to 10000                        | 4                    | 1.41              | 34,400           | 2.03               |
| 10001 to 20000                       | 8                    | 2.82              | 112,989          | 6.65               |
| 20001 to 30000                       | 2                    | 0.70              | 58,668           | 3.45               |
| 30001 to 40000                       | 2                    | 0.70              | 61,372           | 3.61               |
| 40001 to 50000                       | -                    | -                 | -                | -                  |
| 50001 to 100000                      | 4                    | 1.41              | 305,855          | 17.99              |
| Over 100000                          | 3                    | 1.06              | 992,816          | 58.40              |
| <b>TOTAL</b>                         | <b>284</b>           | <b>100.00%</b>    | <b>1,700,000</b> | <b>100%</b>        |

**15.00 Revaluation Resrve : Tk.58,984,386.00**

The company engaged and Independent valuer named " Asian Surveyors Ltd." 128, dilkusha C/A. Dhaka carried out the inspection and examination of the Fixed Assets located at the Factory premises vide letter No. NJM:MD:RE-VALUATION:2002-221. The management of the company thinks the value of the Fixed Assets is fair value and given effect in the Accounts of the company vide Board resolution dated 30 October, 2003. The above amount represents are as follows:

| Name of Assets               | Cost as on 01-07-2001<br>(a) | Accu-Dep. as on 1-7-01<br>(b) | Caring amount<br>(c = a - b) | Revaluation price<br>(d) | Revaluation reserve<br>(e = c - d) |
|------------------------------|------------------------------|-------------------------------|------------------------------|--------------------------|------------------------------------|
| Land & Land Development      | 649,228                      | -                             | 649,228                      | 42,525,000               | 41,875,772                         |
| Building Unit-1              | 12,823,929                   | 5,992,530                     | 6,831,399                    | 18,681,241               | 11,849,842                         |
| Building Unit-2              | 5,896,370                    | 550,715                       | 5,345,655                    | 13,088,968               | 7,743,313                          |
| Plant & Machinery Unit-1     | 56,331,108                   | 43,819,236                    | 12,511,872                   | 32,596,944               | 20,085,072                         |
| Electric Installation Unit-1 | 1,520,793                    | 1,351,660                     | 169,133                      | 269,500                  | 100,367                            |
| <b>TOTAL TAKA</b>            | <b>77,221,428</b>            | <b>51,714,141</b>             | <b>25,507,287</b>            | <b>107,161,653</b>       | <b>81,654,366</b>                  |

| Particulars   | Amount               |
|---|----------------------|
| <b>Revaluation Reserve Balance (As on 01-07-2012)</b>                 | <b>60,218,338</b>    |
| Adjustment of Revaluation Reserve against Depreciation (Current Year) | 1,233,952            |
| <b>Revaluation Reserve Balance (As on 30-06-2013)</b>                 | <b>58,984,386.00</b> |
|   | <b>60,218,338.00</b> |

**16.00 Long Term Loan: Tk. 1,924,283.00**

This represents as below:

Bangladesh Small & Cottage Industries Corporation (BSCIC)  
cash Credit (Segregation) account  
**TOTAL TAKA**

| Amount in Taka      |                     |
|---------------------|---------------------|
| 30/06/13            | 30/06/12            |
| 1,099,172.00        | 178,085.00          |
| 825,111.00          | 4,094,564.00        |
| <b>1,924,283.00</b> | <b>4,272,649.00</b> |

**17.00 Deferred Liability (Provision For Gratuity):Tk. 2,082,055.00**

This represents as below:

Opening Balance  
Add Provision during the year  
less : Paid during the year  
**TOTAL TAKA**

| Amount in Taka      |                     |
|---------------------|---------------------|
| 30/06/13            | 30/06/12            |
| 1,559,639.00        | 1,559,639.00        |
| 522,416.00          | -                   |
| -                   | -                   |
| <b>2,082,055.00</b> | <b>1,559,639.00</b> |



**18.00 Revenue (Turn Over From Sales) :Tk. 0.00**

Export sales  
Add External Marketing Assistance  
**TOTAL TAKA**

**Sales Quantity :**

| Particulars |
|-------------|
|-------------|

Work in Process (Opening)  
Add :Raw Jute input  
    Cutting  
    Jute Batching Oil  
    Lissapole  
Total  
Less: Process loss  
    Sewing yarn  
    Colour yarn  
    Work in Process (Closing)  
Total  
Production during the year  
Add Finished goods (Opening)  
Goods available for sales  
Less Finished goods (Closing)

**Sales during the year**

| Amount in Taka              |                             |
|-----------------------------|-----------------------------|
| 30/06/13                    | 30/06/12                    |
| -                           | -                           |
| -                           | -                           |
| -                           | -                           |
| 6/30/2013<br>Qty. in M. ton | 6/30/2012<br>Qty. in M. ton |
| 61.748                      | 61.746                      |
| 181.439                     | -                           |
| 23.794                      | -                           |
| 5.359                       | -                           |
| 0.092                       | -                           |
| 272.432                     | 61.746                      |
| 58.98                       | -                           |
| 2.6                         | -                           |
| 1.265                       | -                           |
| 131.202                     | 61.746                      |
| 194.047                     | 61.746                      |
| 78.385                      | -                           |
| 338.306                     | 338.306                     |
| 416.691                     | 338.306                     |
| 416.691                     | 338.306                     |
| -                           | -                           |

**19.00 Cost Of Good Sold : Tk. 0.00**

Work - in - Process (opening)  
Raw jute consumed (19.01)  
Other direct materials (19.02)  
Work - in - Process (closing)  
Total Consumption  
Factory Overhead (19.03)  
Cost of Production  
Finished Goods (Opening)  
Goods available for sale  
Finished Goods (Closing)  
**Total Cost of Goods of Sold**

| Amount in Taka       |                      |
|----------------------|----------------------|
| 30/06/13             | 30/06/12             |
| 4,307,917.55         | 4,307,917.55         |
| 10,444,227.83        | -                    |
| 574,859.27           | -                    |
| (12,923,874.48)      | (4,307,917.55)       |
| 2,403,130.17         | -                    |
| 10,636,155.21        | 6,977,249.02         |
| <b>13,039,285.38</b> | <b>6,977,249.02</b>  |
| 25,073,436.79        | 25,073,436.79        |
| <b>38,112,722.17</b> | <b>32,050,685.81</b> |
| 38,112,722.17        | (25,073,436.79)      |
| -                    | <b>6,977,249.02</b>  |

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

| Particulars |
|-------------|
|-------------|

Stock as on 30-06-2012  
Stock as on 30-06-2013

| Unit   | Quantity | Value in Taka |
|--------|----------|---------------|
| M. Ton | 673.020  | 33,827,223.73 |
| M. Ton | 577.233  | 27,349,757.53 |

**19.01 Raw Jute Consumed :Tk. 10,444,227.83**

| Particulars |
|-------------|
|-------------|

Cut jute Consumption  
Cutting Consumption  
**TOTAL**

| Quantity in<br>M. Ton | 30/06/13             | 30/06/12       |
|-----------------------|----------------------|----------------|
|                       | Amount in Taka       | Amount in Taka |
| 181.439               | 9,831,875.18         | -              |
| 23.794                | 612,352.65           | -              |
| <b>205.233</b>        | <b>10,444,227.83</b> | -              |

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

| Particulars                   | Quantity in    | 30/06/13            | 30/06/12       |
|-------------------------------|----------------|---------------------|----------------|
|                               | M. Ton         | Amount in Taka      | Amount in Taka |
| Opening stock                 | 673.502        | 33,827,223.73       | 21,088,378.63  |
| Add: purchase During the year | 85.170         | 3,763,051.12        | 12,735,745.10  |
| Add: assortment charges       | -              | 203,710.51          | 3,100.00       |
| Total                         | 758.672        | 37,793,985.36       | 33,827,223.73  |
| Less: Cutting consumption     | 23.794         | 612,352.65          | -              |
| Stock of Cutting              | 41.944         | 1,079,453.62        | -              |
| Handling loss                 | 3.717          | -                   | -              |
| Stock of Long jute            | 290.307        | 14,485,915.07       | -              |
| Stock of cut jute             | 217.471        | 11,784,388.84       | -              |
| Total                         | 577.233        | 27,962,110.18       | -              |
| <b>Cut Jute consumption</b>   | <b>181.439</b> | <b>9,831,875.18</b> | <b>-</b>       |

**19.02 Other Direct Materails :Tk. 574,859.27**

The above amount details as follows :

|                   | Amount in Taka    |          |
|-------------------|-------------------|----------|
|                   | 30/06/13          | 30/06/12 |
| Jute batching Oil | 350,490.25        | -        |
| Lissapole         | 7,257.60          | -        |
| Hessian Cloth     | 103,639.00        | -        |
| Polythene         | 19,225.00         | -        |
| Conical spool     | 93,600.00         | -        |
| Dyes & Chemicals  | 647.42            | -        |
| <b>TOTAL TAKA</b> | <b>574,859.27</b> | <b>-</b> |

**19.03 Factory Overhead : Tk. 10,636,155.21**

Break up of the above amount is given below :

|                                 |                      |                     |
|---------------------------------|----------------------|---------------------|
| Salary & Allowances             | 658,291.33           | 800,259.50          |
| Direct Wages (Production)       | 2,042,018.84         | 1,967,406.28        |
| Indirect Wages /Indirect Labour | 850,921.83           | 878,565.05          |
| Power & Fuel                    | 1,091,011.13         | 488,195.00          |
| Bonus                           | 134,460.00           | 170,750.00          |
| Repairs and Maintenance         | 569,216.58           | 391,262.27          |
| Rent, Rates & Taxes             | 46,305.00            | 39,000.00           |
| Ferry & tolls                   | 1,620.00             | -                   |
| Carriage & Cartage              | 17,590.00            | 4,375.00            |
| Traveling Expenses              | 4,669.00             | 2,355.00            |
| Conveyance                      | 1,060.00             | 2,533.00            |
| Postage & Telegram              | 2,980.00             | 5,768.00            |
| Telephone                       | 20,136.00            | 11,567.00           |
| Entertainment                   | 48,548.00            | 38,580.00           |
| Medical Expenses                | 3,500.00             | 5,150.00            |
| Water charges                   | 100.00               | -                   |
| Sanitary Expenses               | 4,655.37             | 3,100.00            |
| Vehicle Repairs                 | 9,415.00             | 4,140.00            |
| Fees & Renewals                 | 43,125.00            | 40,560.00           |
| Vehicle running expenses        | 152,332.00           | 134,907.84          |
| Overtime                        | 115,935.02           | 108,659.72          |
| Printing & Stationery           | 10,161.65            | 8,962.83            |
| Uniform & Liveries              | -                    | 6,400.00            |
| Miscellaneous Expenses          | 255.00               | 560.00              |
| Insurance premium               | 277,095.46           | 92,120.53           |
| Depreciation                    | 3,474,068.00         | 1,772,072.00        |
|                                 |                      | 9,579,470.21        |
| Service Charges(BSCIC)          | 663,320.00           | -                   |
| Gratuity                        | 393,365.00           | -                   |
| <b>TOTAL TAKA</b>               | <b>10,636,155.21</b> | <b>6,977,249.02</b> |



**20.00 Administrative Expenses : Tk. 4,734,696.89**

Break up of the above amount is given below :

|                                | Amount in Taka      |                     |
|--------------------------------|---------------------|---------------------|
|                                | 30/06/13            | 30/06/12            |
| Managing Director remuneration | 780,000.00          | 780,000.00          |
| Salary & Allowance             | 1,982,044.06        | 2,052,603.08        |
| Bonus                          | 134,570.00          | 154,300.00          |
| House rent                     | 240,000.00          | 240,000.00          |
| Office Rent                    | 162,624.00          | 162,624.00          |
| Traveling Expenses             | 31,280.00           | 23,800.00           |
| Conveyance                     | 12,629.00           | 26,045.00           |
| Postage & Telegram             | 2,593.00            | 1,625.00            |
| Telephone                      | 28,736.00           | 29,213.00           |
| Entertainment                  | 34,812.00           | 61,384.00           |
| Vehicle repairs                | 20,252.00           | 110,042.00          |
| Fees & Renewals                | 81,655.00           | 35,790.00           |
| Vehicle running expenses       | 62,815.00           | 74,334.00           |
| Overtime                       | 3,092.85            | -                   |
| Ferry & Tolls                  | 4,314.00            | 2,555.00            |
| Printing                       | 1,884.00            | 8,046.00            |
| Fax Expenses                   | -                   | 90.00               |
| Bank charges & Commission      | 256,672.31          | 438,143.00          |
| Directors attendance fee       | 1,500.00            | 12,000.00           |
| Board Meeting expenses         | 1,429.00            | 2,048.00            |
| AGM expenses                   | 97,885.00           | 129,875.00          |
| News paper & periodicals       | 5,352.00            | 5,512.00            |
| Advertisement & Publicity      | 29,300.00           | 25,000.00           |
| Books & Periodicals            | -                   | 216.00              |
| Subscription                   | 72,100.00           | 42,100.00           |
| Computer Servicing Expenses    | 5,300.00            | 1,080.00            |
| CDBL Expenses                  | 31,000.00           | 31,000.00           |
| V A T                          | 3,598.00            | 766.00              |
| Revenue Expenses               | 340.00              | 290.00              |
| Legal Expenses                 | 5,000.00            | 10,000.00           |
| Office Maintenance             | 5,088.00            | 26,467.00           |
| Email Expenses                 | 8,800.00            | 10,400.00           |
| Stationery                     | 1,165.00            | -                   |
| Leave pay                      | 395,294.67          | -                   |
| Gratuity                       | 129,051.00          | -                   |
| Photo copy expenses            | 2,521.00            | 3,547.00            |
| Depreciation                   | 100,000.00          | 100,000.00          |
| <b>TOTAL TAKA</b>              | <b>4,734,696.89</b> | <b>4,600,895.08</b> |



**21.00 Selling & Distribution Expenses : Tk. 317,875.00**

The above amount details as follows:

Salary & Allowances

Fees & Renewals

Printing & Stationery

Bonus

Fork Lift Rent

V A T

**TOTAL TAKA**

| Amount in Taka    |                   |
|-------------------|-------------------|
| 30/06/13          | 30/06/12          |
| 184,440.00        | 192,250.00        |
| 34,000.00         | 33,000.00         |
| 30.00             | 5,000.00          |
| 15,400.00         | 14,500.00         |
| 84,000.00         | 84,000.00         |
| 5.00              | -                 |
| <b>317,875.00</b> | <b>328,750.00</b> |

**22.00 Financial Overhead: Tk. 11,899,934.00**

Interest on C.C. Hypo. Account

Interest on C.C.Seg.Account

Other Interest (BSCIC)

**TOTAL TAKA**

|                      |                      |
|----------------------|----------------------|
| 11,571,336.00        | 11,336,991.00        |
| 79,547.00            | 187,521.00           |
| 249,051.00           | -                    |
| <b>11,899,934.00</b> | <b>11,524,512.00</b> |

**23.00 Auditors Remuneration : Tk. 25,000.00**

The above amount is fixed for statutory audit fees approved in the last annual general meeting and includes no other remuneration.

**24.00 Other Income : Tk. 7,187.65**

This is arrived at as follows :

Sale of caddies

Other

**TOTAL TAKA**

| Amount in Taka  |                 |
|-----------------|-----------------|
| 30/06/13        | 30/06/12        |
| 2,109.00        | -               |
| 5,078.65        | 4,672.00        |
| <b>7,187.65</b> | <b>4,672.00</b> |

**25.00 Retained Earnings: Tk. (107,589,686.16)**

Net Profit/(Loss) After Provision During The Year

Profit/(Loss) Brought Forward

Previous Year Adjustment

Adjustment of Revaluation Reserve

Adjustment against Tax on Turnover

**Retained Earning Carried Forward**

|                         |                        |
|-------------------------|------------------------|
| (16,970,318.24)         | (23,451,734.10)        |
| (88,378,571.79)         | (64,573,284.00)        |
| (3,474,748.13)          | (1,554,508.69)         |
| 1,233,952.00            | 1,336,069.00           |
| -                       | (135,114.00)           |
| <b>(107,589,686.16)</b> | <b>(88,378,571.79)</b> |

**26.00 Earning Per Share (EPS) Disclosure under IAS 33" Earning Per Share"**

The computation of EPS is furnished below:

| Particulars  | Amount in taka  |                 |
|--|-----------------|-----------------|
|  | 30/06/13        | 30/06/12        |
| a) Earning attributable to the ordinary shareholders net profit/loss | (16,970,318.24) | (23,451,734.10) |
| b) weighted average number of ordinary shares outstanding            | 1,700,000       | 1,700,000       |
| c) Basic EPS   | (9.98)          | (13.79)         |

**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 two no. of board meeting the rate of the board meeting
- d) There was no imported raw materials 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
- f) Payment/ perquisites to directors and officers :
- i) Directors:  
Remuneration and house rent 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
- ii) Officers:

|                         | Amount in Taka      |                     |
|-------------------------|---------------------|---------------------|
|                         | 30/06/13            | 30/06/12            |
| Managerial remuneration | 881,220.00          | 927,660.00          |
| Bonus                   | 143,870.00          | 154,610.00          |
| <b>Perquisites:</b>     |                     |                     |
| Medical                 | 21,600.00           | 25,200.00           |
| Others                  | 731,724.00          | 648,252.00          |
|                         | <b>1,778,414.00</b> | <b>1,755,722.00</b> |

**Plant Capacity & Capacity Utilization:**

| Particulars                                | Utilization capacity of |           | Utilization |           |
|--|-------------------------|-----------|-------------|-----------|
|  | 2012-2013               | 2011-2012 | 2012-2013   | 2011-2012 |
| Capacity of Production (M.T) 3,52          | 78.385                  | -         | 2.22%       | 0.00%     |
| Total Capacity = 3528.00 (M.T)             |                         |           |             |           |
| During This Year Production = 78.385 (M.T) |                         |           |             |           |
| Percentage Of Production = 2.22%           |                         |           |             |           |

Total production capacity of Northern Jute Manufacturing Co. Ltd. Is 3528.00 (M.T) but during this year they produced only 78.385 (M.T). It is 2.22% of total production capacity. In our audit period we verify that their working capital is insufficient against their demand.

**27.00 THE RELATED PARTY DISCLOSURES UNDER BAS - 24**

| Name of the related party      | Relationship | Nature of transati | Payment durin the year(Amount in taka) | Balance Debit/(Credit) Amount in Taka |
|--------------------------------|--------------|--------------------|--|---------------------------------------|
| M/S. Erba Limited              | Associate    | Short term loan    | -                                      | 30,883,000.00                         |
| M/S. Erba Limited              | Associate    | Sales Commissio    | 2,500.00                               | 6,961,583.00                          |
| M/S. Erba China Engi: Work Sho | Associate    | Rent of Fork lift  | 570.00                                 | 426,920.00                            |
| M/S. Timberex (BD) Ltd.        | Associate    | Short term loan    | -                                      | 4,500,000.00                          |
| Mr.A. Ahmed Yusuf              | Chairman     | Short term loan    | -                                      | 39,057,000.00                         |
| Mr. M. Mahmood                 | M.D.         | Short term loan    | -                                      | 7,447,798.00                          |

- N a) Loan taken from M/S. Erba Ltd. taka 30,883,000.00 as short term loan.
- b) The sales commission of Erba Ltd. Is stoped since July, 2006. The amount shown is balance of commission due to them.
- c) The monthly rent of Fork lift is taka 7,000.00 including maintence and cost of spares.
- d) Loan taken for establishing unit-2 was taka 70.00 lacs of which taka 25.00 lacs have already been paid.
- e) Loan taken from Mr. A. Ahmed Yusuf taka 39,057,000.000 as short term loan.
- f) Loan taken from Mr. M. Mahmood taka 7,447,798.00 as short term loan.
- g) Loan taken from M/S Timberex (BD) Ltd. 4500000 as short term loan .
- h) Preliminary expenses , deffered revenue expenses adjusted as per board minutes.



# Northern Jute Manufacturing Company Limited

Jatiya Scout Bhaban (9<sup>th</sup> Floor), 70/1, Purana Paltan Line, Kakrail, Dhaka-1000, Bangladesh

## Proxy Form

I/We.....of (address).....  
..... being a member of Northern Jute  
Manufacturing Company Limited hereby appoint Mr/Mrs/Miss .....  
..... as my proxy to attend and vote for me and my behalf at the 33<sup>rd</sup> Annual General  
Meeting (AGM) of the Company to be held on Sunday the 22<sup>nd</sup> December 2013 at 3.00 P.M.

As witness my hand this .....day of .....2013

(Signature of the Proxy)

Date:.....

Revenue

Stamp

Tk:20.00

Signature of the Shareholder(s)

Register Folio /BO No.....

No of Share held .....

Date: .....

Signature verified

Authorized Signature

### Notes:

- (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 3<sup>rd</sup> December 2013.

# Northern Jute Manufacturing Company Limited

Jatiya Scout Bhaban (9<sup>th</sup> Floor), 70/1 Purana Paltan Line, Kakrail, Dhaka-1000, Bangladesh

## SHAREHOLDER'S ATTENDANCE SLIP

I/We hereby record my attendance at the Annual/Extra Ordinary General Meeting of the  
..... 2013

Name of Shareholders:.....

Shareholder's Folio/BO No:..... Signature:.....

Name of Proxy (in Block): ..... Folio / BO No:.....

Signature of Proxy

N.B: Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and hand it over at the entrance of the meeting.

# Northern Lute Manufacturing Co., Ltd.