



Howladar Yunus & Co.

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AUDITORS' REPORT TO THE SHAREHOLDERS OF JUTE SPINNERS LIMITED

Introduction

We have audited the accompanying Financial Statement of Jute Spinners Limited, which comprise the statement of financial position as at June 30, 2010 and 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 information.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; we consider 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.

Opinion

In our opinion, the financial statements present fairly, in all material respect, the financial position of Jute Spinners Limited as at June 30, 2010 and its financial performance and its cash flows for the year ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

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 purposes of our audit and made due verification thereof;
- b) 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;
- c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of accounts and returns.

Dated : Dhaka
October 26, 2010

Howladar Yunus & Co.

HOWLADAR YUNUS & CO
Chartered Accountants

JUTE SPINNERS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2010

NET ASSETS:	Notes	2009 - 2010	2008 - 2009
Non - Current Assets:			
Tangible Fixed Assets (At cost less accumulated depreciation)	2	72,414,705	68,020,631
Deferred Tax Asset	3	1,188,161	1,217,102
Current Assets:		255,895,133	262,021,013
Inventories	4	197,565,052	205,145,196
Advances, deposits and pre-payments	5	16,261,106	12,966,399
Sundry debtors	6	19,585,582	30,985,430
Cash and cash equivalents	7	22,483,393	12,923,988
Current Liabilities and Provisions:		236,174,104	238,617,917
Short term loans	8	160,228,895	168,096,804
Creditors		53,576,585	54,172,040
Accrued expenses		13,778,783	11,879,298
Liabilities for other finance		1,854,842	793,193
Provision for Income Tax		6,436,750	3,436,750
Un-claimed Dividend		298,249	239,832
Net Current Assets		19,721,029	23,403,096
		Tk. 93,323,895	92,640,829
FINANCED BY:			
Shareholders' Equity:		13,977,531	11,599,493
Share capital	9	17,000,000	17,000,000
Deficit		(3,022,469)	(5,400,507)
Non-Current Liabilities		79,346,364	81,041,336
Deferred Liabilities	10	62,983,697	56,416,282
Long Term Loan	11	16,362,667	24,625,054
		Tk. 93,323,895	92,640,829

The annexed notes form an integral part of the Financial Statements.



Chairman



Chief Executive Officer



Chief Financial Officer

As per our annexed report of even date


Dated : October 26, 2010
Place : Dhaka

Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

JUTE SPINNERS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2010

	<u>Notes</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
TURNOVER	12	656,836,533	530,838,856
COST OF GOODS SOLD	13	(581,080,751)	(469,554,427)
GROSS PROFIT		75,755,782	61,284,429
		38,730,574	28,229,491
Administrative Expenses	14	21,677,436	17,778,950
Selling & Distribution Expenses	15	17,053,138	10,450,541
OPERATING PROFIT		37,025,208	33,054,938
Financila Expenses	16	27,561,947	25,469,923
PROFIT BEFORE OTHER INCOME, WPP & WF AND TAX		9,463,261	7,585,015
Other Income	17	381,017	200,765
PROFIT BEFORE WPP & WF AND TAX		9,844,278	7,785,780
Provision for Worker's Profit Participation and Welfare funds		(468,775)	(370,751)
NET PROFIT BEFORE TAX		9,375,503	7,415,029
Provision for Tax :			
Current Tax		(3,000,000)	(3,436,750)
Deferred Tax		(28,941)	(258,463)
NET PROFIT (AFTER TAX) FOR THE YEAR		TK. 6,346,562	3,719,816

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Chairman



Chief Executive Officer



Chief Financial Officer

As per our annexed report of even date


Dated : October 26, 2010
Place : Dhaka

Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

JUTE SPINNERS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2010

	<u>2009 - 2010</u>	<u>2008 - 2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from turnover and other income	707,431,530	560,885,500
Payments for costs and expenses	(641,761,306)	(591,206,788)
Interest paid on short term borrowings	(22,474,998)	(20,798,572)
Income Tax paid	(2,856,747)	(4,642,790)
Net Cash provided from operating activities	40,338,479	(55,762,650)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(12,368,844)	(5,238,802)
Net cash used in investing activities	(12,368,844)	(5,238,802)
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Bank loan (Decrease)/Increase	(16,130,296)	62,907,400
Dividend paid	(3,341,583)	(3,378,472)
Liabilities for other finance	1,061,649	41,905
Net cash Generated from financing activities	(18,410,230)	59,570,833
Increase/(Decrease) in cash & cash equivalents	9,559,405	(1,430,619)
Cash and cash equivalent on opening	12,923,988	14,354,607
Cash and cash equivalent on closing	Tk. 22,483,393	12,923,988

The annexed notes form an integral part of the Financial Statements.



Chairman



Chief Executive Officer



Chief Financial Officer

As per our annexed report of even date

Dated : October 26, 2010
Place : Dhaka

Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

JUTE SPINNERS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2010

Particulars	Share Capital	Retained Earnings	Proposed Dividend	Total
Balance on 1st July, 2009	17,000,000	(5,400,507)	-	11,599,493
Dividend for 2008-09	-	(3,400,000)	-	(3,400,000)
Short provision of Income Tax	-	(568,524)	-	(568,524)
Net Profit	-	6,346,562	-	6,346,562
Balance on 30th June, 2010 Tk.	17,000,000	(3,022,469)	-	13,977,531
Balance on 30th June, 2009 Tk.	17,000,000	(5,400,507)	-	11,599,493

The annexed notes form an integral part of the Financial Statements.



Chairman



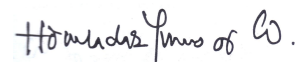
Chief Executive Officer



Chief Financial Officer

As per our annexed report of even date

Dated : October 26, 2010
Place : Dhaka


Howladar Yunus & Co.
Chartered Accountants

JUTE SPINNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2010

Forming integral part of the Financial Statements

1.0 NOTES - GENERAL

a) DISCLOSURE ON JUTE SPINNERS LIMITED

This is a Public Limited Company registered under the Companies Act, 1913. (now Companies Act, 1994) The Company was incorporated in Bangladesh on 26th July, 1979. The shares of the company are listed in the Dhaka Stock Exchange Limited of Bangladesh. The mill is located at BSCIC Industrial Estate, Shiromoni, Khulna.

The company owns and operates a Jute Spinning mill and producing Jute Yarn and Twine.

b) COMPONENTS OF THE FINANCIAL STATEMENTS

- i) Statement of Financial Position as at 30th June, 2010;
- ii) Statement of Comparative Income for the year ended 30th June, 2010;
- iii) Statement of Cash Flows for the year ended 30th June, 2010;
- iv) Statement of Changes in Equity for the year ended 30th June, 2010 and
- v) Notes to the Financial Statements for the year ended 30th June, 2010.

c) ACCRUAL BASIS OF ACCOUNTING

The financial statements have been prepared, except for cash flow information under the accrual basis of accounting.

d) COMPARATIVE INFORMATION

Comparative information have been disclosed in respect of the year 2008-2009 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

e) STATEMENT OF COMPLIANCE WITH LOCAL LAWS

The financial statements have been prepared in compliance with requirements of the Companies Act 1994, Securities & Exchange Rules 1987 and other relevant local laws as applicable. The cash flow from operating activities is computed under direct method as prescribed by the Securities and Exchange Rules, 1987.

f) STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

The financial statements have been prepared in compliance with requirements of the International Accounting Standards (IASs) approved by the International Accounting Standards Committee (IASC) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) termed as Bangladesh Accounting Standards.

g) STATEMENT OF MEASUREMENT BASIS

The financial statements have been prepared using the Historical cost basis.

h) TAXATION

i) Current Tax :

The company is a publicly traded company as per income tax law. The rate of Income Tax applicable for the company during the year under audit is 15% (SRO 206/Law/Income Tax/2008, dated 30.06.08. As per the aforesaid SRO the rate will be effective upto June 30, 2011).

ii) Deferred Tax :

The company calculates deferred tax during the year under review in compliance with the provisions of Bangladesh Accounting Standard (BAS-12) "Income Taxes". The company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or deductible) between the carrying amount(Book Value) of assets and liabilities for financial reporting purposes and its tax base, and accordingly, deferred tax income/expense has been considered to determine net profit after tax and Earnings Per Share (EPS).

i) REPORTING CURRENCY

The figures in the financial statements represent Bangladesh Taka currency, which have been rounded off to the nearest Taka except where indicated otherwise.

j) STATEMENT OF SPECIFIC ACCOUNTING POLICIES APPLIED

i) Revenue Recognition:

Sales are recognized as and when the bill of lading is made.

ii) Fixed Assets

These are stated at historical cost less accumulated depreciation.

iii) Depreciation

No depreciation is charged on land and land development.

Depreciation is charged on all other fixed assets on straight line method.

Full years depreciation is charged on additions.

The rates at which assets are depreciated per annum are given below :

01. Building and other construction	5%
02. Plant and Machineries	7.50%
03. Electric Installation	10%
04. Office Equipment	15%
05. Furniture and Fixture	6 & 15%
06. Vehicles	20%
07. Sundry Assets	25%

iv) Inventories:

Inventories are valued at lower of cost and net realisable value.

v) Employees Benefit Costs:

The Company operates an unfunded Gratuity Scheme and also a Group term Insurance scheme for its permanent employees.

vi) Transaction in foreign currencies:

Foreign currencies are converted into Bangladesh Taka at the exchange rate ruling on the date of transaction.

vii) Turnover:

Turnover comprises the following:

- (a) Export
- (b) Subsidy (Cash Basic)

viii) Cash and cash equivalents:

Cash in hand and cash at banks have been considered as the cash and cash equivalents for the preparation of these financial statements which were held and available for use by the company without any restriction as there was insignificant risk of changes in value of these current assets.

ix) Earning Per Share (EPS):

The company calculates Earning Per Share (EPS) in accordance with IAS-33 "*Earnings Per Share*".

Earnings - Basic:

This represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, minority interest and extra ordinary items, the net profit has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding During the year:

This represents the number of ordinary shares outstanding during the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific shares outstanding as a proportion of the total number of days in the period.

Earnings Per Share (EPS) - Basic:

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Diluted Earnings Per Share:

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

2.0 TANGIBLE FIXED ASSETS - Tk. 72,414,705 :

Particulars	ORIGINAL COST			Rate	DEPRECIATION			Written down value as on 30/06/2010
	As on 01/07/2009	Addn. during the year	Total on 30/06/2010		As on 01/07/2009	For the year	Total	
Land and Land Development	7,981,860	-	7,981,860	-	-	-	-	7,981,860
Building and Other Constructi	39,992,728	797,158	40,789,886	5%	25,972,284	1,097,490	27,069,774	13,720,112
Plant and Machineries	101,320,850	9,196,929	110,517,779	7.50%	61,303,611	4,734,246	66,037,857	44,479,922
Electric Installation	3,398,231	-	3,398,231	10%	1,662,330	339,823	2,002,153	1,396,078
Office Equipment	3,710,425	137,849	3,848,274	15%	3,111,367	299,534	3,410,901	437,373
Furniture and Fixture	3,414,422	74,220	3,488,642	6% & 15%	2,679,518	125,839	2,805,357	683,285
Vehicles	6,838,892	1,552,296	8,391,188	20%	4,168,095	1,113,870	5,281,965	3,109,223
Sundry Assets	2,229,436	610,392	2,839,828	25%	1,969,008	263,968	2,232,976	606,852
As on 30 June 2010	168,886,844	12,368,844	181,255,688		100,866,213	7,974,770	108,840,983	72,414,705
As on 30 June 2009	163,648,042	5,238,802	168,886,844		93,827,834	7,038,379	100,866,213	68,020,631

.01 Depreciation charged to:

		2010	2009
Manufacturing overhead	(Note 13.03)	7,549,397	6,788,209
Administrative overhead	(Note 14.01)	425,373	250,170
Total Tk.		7,974,770	7,038,379

3.0 DEFERRED TAX ASSET - Tk. 1,188,161 :

(a) Deferred tax assets are arrived at as follows :

	<u>2009 - 2010</u>	<u>2008 - 2009</u>	<u>2007 - 2008</u>
Taxable Temporary Difference			
Book Value of Depreciable Fixed Assets Less Land	64,432,846	60,038,772	61,838,349
Less : Tax Base	<u>(45,973,774)</u>	<u>(43,856,723)</u>	<u>(49,096,911)</u>
	<u>18,459,072</u>	<u>16,182,049</u>	<u>12,741,438</u>
Deductible Temporary Difference			
Book Value of Gratuity payable	26,380,145	24,296,061	22,578,540
Less : Tax Base	-	-	-
	<u>26,380,145</u>	<u>24,296,061</u>	<u>22,578,540</u>
Net Taxable Temporary Difference	<u>7,921,073</u>	<u>8,114,012</u>	<u>9,837,102</u>
Effective Tax Rate	15%	15%	15%
Deferred Tax Asset	<u>1,188,161</u>	<u>1,217,102</u>	<u>1,475,565</u>

(b) Deferred Tax Expenses/(Income) is arrived at as follows :

Closing Deferred Tax Asset	1,188,161	1,217,102	1,475,565
Opening Deferred Tax Asset	<u>1,217,102</u>	<u>1,475,565</u>	<u>1,985,266</u>
Deferred Tax Expenses	Tk. <u>28,941</u>	<u>258,463</u>	<u>509,701</u>

(c) Deferred Tax Expenses of 2009 Tk. 258,463

This represents the decrease in deferred tax asset in 2009 in comparison to 2008.

(d) Deferred Tax Expenses of 2010 Tk. 28,941

This represents the decrease in deferred tax asset in 2010 in comparison to 2009.

4.0 INVENTORIES - TK. 197,565,052 :

	<u>2009 - 2010</u>	<u>2008 - 2009</u>
This consists of as follows:		
Raw Jute	102,768,061	158,752,767
Work-in Process	17,569,064	16,866,337
Finished Goods	67,163,575	17,294,138
Stores and Spares (.01)	10,064,352	12,231,954
Tk.	<u>197,565,052</u>	<u>205,145,196</u>

a) Basis of valuation is stated in Note 1(j)(iv).

.01 STORES & SPARES - TK. 10,064,352:

This consists of as follows :

Construction materials	136,323	12,301
Mechanical spare parts	5,956,930	6,667,660
Electric equipment	348,149	312,122
Ball Bearing & bearing Block	563,943	655,083
Fuel, lubricants & chemical	1,562,214	1,516,495
Work-shop materials	196,900	298,872
Packing materials	1,024,972	2,461,462
Printing & stationery	253,367	290,691
Miscellaneous & general stores	21,554	17,268
Tk.	<u>10,064,352</u>	<u>12,231,954</u>

5.0 ADVANCES, DEPOSITS & PRE-PAYMENTS - TK. 16,261,106 :

This is considered good and consists of as follows:

Loans & Advances	15,667,777	12,459,528
Deposits	322,203	239,203
Pre-payments	271,126	267,668
Tk.	<u>16,261,106</u>	<u>12,966,399</u>

.01 There are no collateral securities against loans and advances.

.02 Loans and advances includes an aggregate sum of Tk. 3,704,089 (2009 - Tk. 2,969,100) lent out to the employees of the company of which Tk. 1,769,280 (2009 - Tk. 1,046,280) was due from officers. Maximum amount due from officers during the year under audit was Tk. 1,838,280 on 30-09-2009 (2009 - Tk. 1,049,735 on 31.10.2008).

.03 Loans and advances also includes an aggregate sum of Tk. 9,184,247 being payment of income tax against the assessment year 2006-2007, 2007-2008, 2008-2009, 2009-2010 & 2010-2011.

.04 No amount was due by the directors (including Chairman) of the company severally or jointly with any other person.

.05 No amount was due by the associated undertaking.

	<u>2009 - 2010</u>	<u>2008 - 2009</u>
6.0 SUNDRY DEBTORS - TK. 19,585,582 :		
This consists of as follows :		
Trade Debtors (.01)	3,233,793	14,633,641
Insurance claim receivable (.02)	16,351,789	16,351,789
Tk.	<u>19,585,582</u>	<u>30,985,430</u>

01. This is considered good.

02. This represents insurance claim receivable from United Insurance Co. Ltd. in respect of loss of Raw Jute, Finished Goods and Godown burnt by fire during the year 1989-90. The company filed a Money suit against the Insurance Company for non-payment of claim and the case is finalised by the Learned 3rd Sub-Judge Court, Dhaka (Case No.63/91) favouring the company. But the Insurance Company filed an appeal with the High court against the verdict.

7.0 CASH AND CASH EQUIVALENTS - TK. 22,483,393 :

This has been defined in the Note-1(j)(viii) above and consists of as follows:

In hand	2,351,923	388,323
<u>With Bank in:</u>		
Janata Bank Ltd. Local Office, Dhaka CD A/C. No. 8909	221,819	717,394
Janata Bank Ltd. Khulna Corporate Branch CD A/C. No.0732	17,511,532	11,315,452
Prime Bank Ltd. Motijheel Branch, Dhaka CD A/C. No. 0506	2,132,463	133,963
Prime Bank Ltd. Motijheel Branch, Dhaka CD A/C. No. 0530	131,693	62,605
Janata Bank Ltd. E.R.Q. A/C. No. 22	133,963	306,251
Tk.	<u>22,483,393</u>	<u>12,923,988</u>

8.0 SHORT TERM LOANS - TK. 160,228,895 :

This represents :

Secured Loan from Janata Bank Ltd. in:

.01 Hypothecation Account No. 37001967	151,143,792	159,968,804
.02 LTR A/C. No. 31004892	957,103	-
.03 Current Portion of Long Term Loans A/C. No. 37003815	8,128,000	8,128,000
Tk.	<u>160,228,895</u>	<u>168,096,804</u>

.01 This loan is secured against hypothecation of stock of Raw Jute, Work-in process, Finished Goods, Stores and Spares.

9.0 SHARE CAPITAL - TK. 17,000,000

Authorized:

350,000 ordinary shares of Tk.100/- each	<u>35,000,000</u>	<u>35,000,000</u>
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Issued, Subscribed and Paid-up:

170,000 ordinary shares of Tk.100/- each fully Paid-up in cash	<u>17,000,000</u>	<u>17,000,000</u>
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a) The break-up of share holding is as follows:

Shareholdings	2009 - 2010		2008 - 2009	
	Shares	Percentage	Shares	Percentage
Directors	61,555	36.21%	61,555	36.21%
ICB	26,299	15.47%	26,629	15.66%
Financial Institutions	40,455	23.80%	43,030	25.31%
General Public & Others	41,691	24.52%	38,786	22.82%
	170,000	100.00%	170,000	100.00%

- b) The distribution showing the numbers of shareholders and their share holdings in percentage on 30.06.2009 is as follows:

<u>Range of Holdings</u>	<u>Persons</u>	<u>Number</u>	<u>Percentage</u>
Less than 500	341	9,681	3.21%
501 - 5000	10	20,340	14.31%
5001 - 10000	1	8,015	4.71%
10001 - 20000	1	10,465	6.16%
20001 - 30000	3	79,084	46.66%
30001 - 40000	-	-	-
40001 - 50000	1	42,415	24.95%
	<u>357</u>	<u>170,000</u>	<u>100.00%</u>

- c) The shares are listed with Dhaka Stock Exchange Ltd. and quoted at Tk. 1,218.00 on 30.06.2010 (2009 - Tk. 733.00).

d) **Option on un-issued shares:**

There is no option regarding authorized capital not yet issued but can be issued to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contribution and bonus.

10. DEFERRED LIABILITIES - TK. 62,983,697 :

This consists of as follows :

	<u>2009 - 2010</u>	<u>2008 - 2009</u>
WPP and WF	36,599,776	32,116,445
Gratuity Payable	26,380,145	24,296,061
Provident Fund	3,776	3,776
	<u>Tk 62,983,697</u>	<u>56,416,282</u>

11. LONG TERM LOANS - TK. 16,362,667: (2009-Tk. 24,625,054)

This represents part of cash credit loan from Janata Bank Ltd. Local Office, Dhaka under A/C. No. 37003815 which has been blocked with a fresh repayment schedule. According to the new repayment schedule, the loan will be repaid in 10 years with a grace period of 2 (two) years from July, 2005. The rate of interest on loan is 3% per annum.

12. TURNOVER - TK. 656,836,533 :

This consists of as follows :

	<u>Qty/MT</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
a) Foreign Sales	8,959.11	645,541,204	502,663,600
Less: Ocean Freight	-	37,673,732	39,584,961
	<u>8,959.11</u>	<u>607,867,472</u>	<u>463,078,639</u>
Less : Sales Commission	-	1,140,400	974,780
	<u>8,959.11</u>	<u>606,727,072</u>	<u>462,103,859</u>
Add: Subsidy earned	-	50,109,461	68,734,997
Total Tk. (a+b)	<u>8,959.11</u>	<u>656,836,533</u>	<u>530,838,856</u>

13.00 COST OF GOODS SOLD - TK. 581,080,751 :

This is made up as follows :

<u>Particulars</u>	<u>Qty/MT</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
Work-in Process (Opening)	436.14	16,866,337	13,543,748
Raw Jute Issued	10,287.58	486,682,485	330,146,524
Other Direct mat.consumed		29,889,793	27,499,095
		<u>533,438,615</u>	<u>371,189,367</u>
Work-in Process (Closing)	389.23	(17,569,064)	(16,866,337)
		<u>515,869,551</u>	<u>354,323,030</u>
Manufacturing overhead		115,774,500	106,380,425
COST OF PRODUCTION:	9,783.72	631,644,051	460,703,455
Finished Goods (Opening)	310.32	17,294,138	26,145,110
		<u>648,938,189</u>	<u>486,848,565</u>
Adjustment (Damaged Goods)	14.32	(693,863)	-
Finished Goods (Closing)	1,115.97	(67,163,575)	(17,294,138)
		Tk. <u>581,080,751</u>	<u>469,554,427</u>

.01 RAW JUTE ISSUED - TK. 486,682,485 :

This is made up as follows:

<u>Particulars</u>	<u>Qty/MT</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
Opening Stock	4,754.240	158,752,767	62,414,260
Add: Purchase	7,768.390	430,697,779	426,485,031
	12,522.630	589,450,546	488,899,291
Less: Closing Stock	2,235.050	102,768,061	158,752,767
	<u>10,287.580</u>	<u>486,682,485</u>	<u>330,146,524</u>

.02 OTHER DIRECT MATERIALS CONSUMED - TK. 29,889,793 :

This is made up as follows:

<u>Particulars</u>			
Opening Stock		2,842,524	1,076,803
Purchase		27,912,225	29,264,815
Closing Stock		(864,956)	(2,842,523)
		Tk. <u>29,889,793</u>	<u>27,499,095</u>

Consumption represents 100% locally procured materials.

.03 MANUFACTURING OVERHEAD - TK. 115,774,500 :

	<u>2009 - 2010</u>	<u>2008 - 2009</u>
This consists of as follows :		
Salary, wages, allowances etc.	68,890,097	63,328,562
Spare's Consumed & repairs	17,373,486	15,758,119
Depreciation	7,549,397	6,788,209
Insurance	2,369,017	2,213,854
Power and fuel	16,819,093	15,942,623
Rent, rates and taxes	506,656	441,470
Handling and carrying	587,024	551,409
Utilities	203,684	173,175
Welfare expenses	159,596	81,394
Travelling and conveyance	264,719	256,251
Telephone, fax, postage & e-mail	97,016	123,231
Entertainment	296,667	144,792
Printing and stationery	263,437	255,512
Stores carrying	394,611	321,824
Tk.	<u>115,774,500</u>	<u>106,380,425</u>

a) Salary, wages and allowances includes the following :

Bonus	5,412,464	4,267,956
Gratuity	2,756,268	2,402,172

b) Category-wise information in respect of salary/wages of employees/workers:

Below Tk. 3,000	1,253 Nos	1,270 Nos
Tk. 3,000 and above	160 Nos	156 Nos

14. ADMINISTRATIVE EXPENSES - TK. 21,677,436:

This consists of as follows :

Directors' remuneration	2,520,000	2,520,000
Salary and allowances	9,190,462	7,461,045
Printing and stationery	350,905	301,115
Depreciation	425,373	250,170
Travelling and conveyance	5,046,904	3,050,649
Telephone, fax, postage & e-mail	512,111	488,052
Entertainment	244,026	232,952
Car maintenance	784,220	739,413
Licence renewal fees etc.	448,808	969,319
Audit fees (Statutory) including VAT	83,600	57,475
Cost Audit Fees	50,000	50,000
Advertisement	225,650	137,560
AGM Expenses	165,195	147,276
Rent, rates and taxes	241,909	234,000
Group Insurance Premium	217,981	202,824
Computer expenses	101,425	77,300
Repairs and maintenance	429,941	300,159
Utilities	357,395	346,843
Training Expenses	12,000	-
Welfare expenses	269,531	212,798
Tk.	<u>21,677,436</u>	<u>17,778,950</u>

	<u>2009 - 2010</u>	<u>2008 - 2009</u>
a) Salary and allowances include the following :		
Bonus	630,480	511,108
Gratuity	827,100	659,376
b) Category-wise information in respect of Salary of employees:		
Below Tk. 3,000	4 Nos.	3 Nos
Tk. 3,000 and above	38 Nos.	38 Nos

15. SELLING & DISTRIBUTION EXPENSES - TK. 17,053,138 :

This consists of as follows :

Inland freight	926,526	908,381
C&F expenses	2,040,736	1,396,332
FCC and collection expenses	1,834,372	1,137,615
Truck hire on export of finished goods	7,718,418	4,482,320
Overdue interest	3,498,285	2,026,155
Govt. Revenue on export	624,797	467,518
Marine Insurance	380,574	-
Custom & Excise	29,430	32,220
Tk.	<u>17,053,138</u>	<u>10,450,541</u>

16. FINANCIAL EXPENSES - TK. 27,561,947 :

This consists of as follows :

Interest on Cash Credit (Hypo)	21,613,323	19,696,048
Interest on Cash Credit (Blocked) A/C	861,675	1,102,524
Bank & other charges	1,009,292	1,077,549
Int.on Profit Participation Fund	4,014,556	3,527,302
VAT on P.O. commission	63,101	66,500
Tk.	<u>27,561,947</u>	<u>25,469,923</u>

17. OTHER INCOME - TK. 381,017 :

This consists of as follows :

Sale of various rejected goods	381,017	200,765
Tk.	<u>381,017</u>	<u>191,662</u>

18. EARNINGS PER SHARE (EPS) - Basis

EPS and it's components have been defined in note 1(j)(ix).

The computation of EPS is given below:

a) Earning attributable to the ordinary shares	Tk.	6,346,562	3,719,816
b) Weighted average number of ordinary shares outstanding during the year		170,000	170,000
c) EPS - Basic	Tk.	37.33	21.88

19. PAYMENT/PERQUISITES TO DIRECTORS & OFFICERS

a) The aggregate amount paid/provided during the year in respect of Directors and Officers are disclosed below:

Particulars	2009 - 2010		2008 - 2009	
	Directors'	Officers'	Directors'	Officers'
Basic	1,560,000	3,523,200	1,560,000	3,120,000
Bonus	-	459,200	-	456,000
House Rent allowance	720,000	1,719,600	720,000	1,548,000
Conveyance allowance	-	330,852	-	267,735
Medical allowance	-	283,392	-	204,492
Allowance	240,000	-	240,000	-

b) The rate of Board meeting attendance fees is Tk.100/- per Director per meeting but no such amount was drawn by any director of the company during the year under review.

20. PRODUCTION CAPACITY & ACTUAL PRODUCTION

Particulars	2009 - 2010	2008 - 2009
	<u>MT</u>	<u>MT</u>
Production Capacity	10,605.00 MT	10,605.00 MT
Actual Production	9,783.72 MT	9,190.16 MT

Reason of short fall i) Power failure.
 ii) Light Count production

21. CAPITAL EXPENDITURE COMMITMENT

- a) There is no capital expenditure contracted but not incurred or provided for at 30th June, 2010.
b) There was no material capital expenditure authorized by the Board but not contracted for at 30th June, 2010.

22. There was no sum for which the company is contingently liable as on 30th June, 2010.

23. There were no credit facilities available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30.06.2010.

24. No payments have been made in foreign currency for royalty, technical experts and professional advisory fee, interest etc.

25. There were no non-resident shareholders.

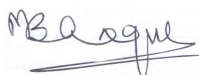
26. FOREIGN EXCHANGE EARNING

The company earned Tk. 645,541,204 in foreign currency through export.

27. PROPOSED DIVIDEND - Tk. 3,400,000

This represents dividend of Tk. 20/= (twenty) per share recommended by the Board of Directors subject to the approval of the Share Holders in the annual general meeting.

28. Net Operating Cash Flow Per Share (NOCFPS) is Tk. 237.29



Chairman



Chief Executive Officer



Chief Financial Officer