

JUTE SPINNERS LIMITED

Head Office : House No. 98, Road No. 9A (New)
Dhanmondi R/A, Dhaka-1209, Web : www.jsl.shamsbd.com

REPORT OF THE DIRECTORS

for the year ended 30th June 2010

Respected Shareholders,

The Directors have the pleasure in submitting their report and the audited accounts of the Company for the year ended 30th June 2010 together with the Auditor's Report thereon.

DIRECTOR

Mr. Muhammad Shams-ul Haque, Chairman & Mr. Muhammad Shams-ul Huda, Chief Executive Officer retires by rotation as per Articles 126 and 127 of the Articles of Association of the Company and being eligible offer themselves for re-election.

FINANCIAL RESULTS AND APPROPRIATION

	(in million taka)	
	2010	2009
Turnover	656.83	530.84
Less : Cost of Goods Sold	581.08	469.56
Gross Profit	75.75	61.28
Less: Expenses	66.29	53.70
Profit from Operation	9.46	7.58
Other Income	0.38	0.20
	9.84	7.78
Less: Contribution to Workers Profit Participation/Welfare Funds	0.47	0.37
Net Profit before tax	9.37	7.41
Less: Income tax	3.00	3.43
Deferred Tax	0.03	0.26
Net Profit after tax	6.34	3.72
The Directors recommended the following appropriations:		
Proposed dividend		
For 2010 20% (in 2009 : 20%)	3.40	3.40
Retained earnings	2.94	0.32

CORPORATE & FINANCIAL REPORTING

The Company has complied with all the requirements of Corporate Governance as required by the Securities and Exchange Commission. Accordingly the Directors are pleased to confirm the followings :

(a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.

(b) Proper books of accounts of the Company have been maintained.

(c) Appropriate Accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

(d) The International Accounting Standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.

(e) The systems of internal control are sound and have been effectively implemented and monitored.

(f) There are no significant doubts upon the Company's ability to continue as a going concern.

(g) There are no significant deviation in operating result of the Company compared to last year.

(h) The key operating and financial data for the last five years is Annexed.

(i) **DIVIDEND**

The Board of Directors is pleased to recommend Final Dividend @ Tk. 20/= (twenty) only per share of Tk. 100/= each on paid-up capital.

(j) **BOARD MEETING AND ATTENDANCE**

During the year, Six Board Meetings were held. The attendance record of the Directors is as follows :

<u>Name of Directors</u>	<u>Meeting attended</u>
Mr. Muhammad Shams-ul Haque	6
Mr. Muhammad Shams-ul Huda	4
Mr. Muhammad Shams-uz Zoha	6
Mr. Muhammad Shams-ul Kadir	5
Mr. A.K.M. Shahjahan	5

(k) The pattern of shareholding is as follows :

<u>Item</u>	<u>Share held</u>
(i) Parent/Subsidiary/Associate companies and other related parties :	Nil
(ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children :	
Mr. Muhammad Shams-ul Haque Chairman	42,415
Mr. Muhammad Shams-ul Huda Chief Executive Officer	8,030
Mr. Muhammad Shams-uz Zoha Director	10,480
Mr. Muhammad Shams-ul Kadir Director	660
Chief Financial officer, spouse and minor children	Nil
Company Secretary, spouse and minor children	Nil
(iii) Executives	Nil
(iv) Shareholders holding ten percent (10%) or more voting in interest in the company	
Mrs. Hasina Begum	30,000
ICB Dhaka	24,519
NIFCO	22,685

CORPORATE GOVERNANCE COMPLIANCE REPORT

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Status Compliance Report" is annexed.

AUDITORS

M/S Howladar Yunus & Co., Chartered Accountants, 67 Dilkusha C/A (2nd floor), Dhaka-1000, will retire at the 31st AGM. A proposal has been received from Mr. Delwar Hossain, Folio No. B4-139 to appoint M/S. M.J Abedin & Co. Chartered Accountants, National Plaza (3rd floor), 109 Bir Uttam C.R Datta Road, Dhaka as auditors for the year 2010-2011. This proposal will be placed before the shareholders at the AGM.

On behalf of the Board,



Muhammad Shams-ul Haque

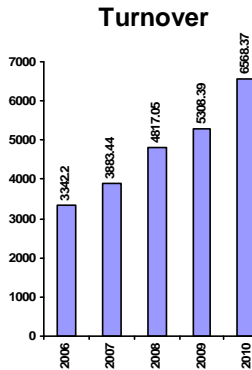
Chairman

26th October 2010

Dhaka.

Five Years Statistics

Figures in Lac Taka



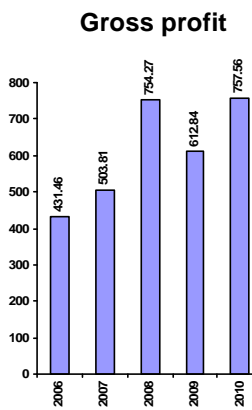
Particulars	2010	2009	2008	2007	2006
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Result of Operations :

Turnover	6,568.37	5,308.39	4,817.05	3,883.44	3,342.20
Gross Profit	757.56	612.84	754.27	503.81	431.46
Operating Profit	370.25	330.55	276.72	264.77	208.43
Net Profit After Tax	63.47	37.20	55.73	59.05	52.75
Basic Earning per Share (inTaka)	37.33	21.88	32.78	34.74	31.03
Dividend Paid	34.00	34.00	34.00	34.00	34.00
Income Tax Paid	28.57	48.43	28.25	22.94	16.04

Financial Position :

Total Assets	3,283.10	3,266.05	2,270.43	2,315.49	3,001.56
Fixed Assets-Gross	1,812.56	1,688.87	1,636.48	1,533.34	2,297.25
Fixed Assets-Net	724.15	680.21	698.20	670.60	1,494.60
Financial Assets	420.69	439.09	346.26	287.85	362.83
Reserve & Surplus	3.78	-20.00	-29.64	-86.34	887.25
Gross Working Capital	2,558.95	2,620.21	1,572.24	1,644.88	1,506.96
Net Working Capital	197.21	234.03	307.54	345.00	534.61
Authorized Capital	350.00	350.00	350.00	350.00	350.00
Share Holders' Equity	139.78	115.99	106.35	83.66	37.05
Paid up Capital	170.00	170.00	170.00	170.00	170.00
Total Long Term Debt	793.46	810.41	914.14	951.80	1,001.19
Deferred Tax Assets/(Liability)	11.88	12.17	14.76	19.85	29.22

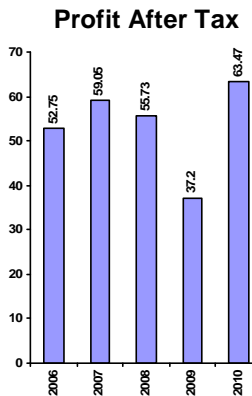


Key Financial Ratio, Figures and Market Data :

Current Ratio	1.08	1.10	1.17	1.28	1.55
Debt Equity Ratio	22.57	27.55	20.49	26.91	1.93
Return on Investment	6.80%	4.02%	5.93%	6.61%	2.70%
Shareholders Equity per Share (in Tk.)	82.22	68.23	62.56	49.21	621.91
Market Value per Share (in Tk.)	1,218.00	733.00	860.00	330.00	335.00
Price Earning Ratio (Based on DSE Price) (Time)	32.63	33.50	24.04	8.20	10.40

Other :

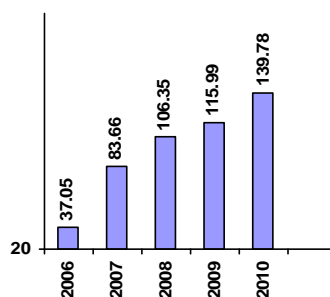
Number of shares	170,000	170,000	170,000	170,000	170,000
Number of shareholders	357	304	294	294	288
Production (Qnty in MT)	9,784	9,190	9,582	8,013	7,034
Export (Qnty in MT)	8,959	9,452	10,211	7,234	6,341



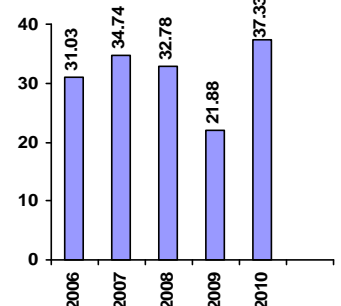
Total Employees :

Officers	52	55	59	48	44
Staff	128	112	112	103	97
Workers	1,275	1,295	1,301	1,179	965

Shareholders' Equity



Earnings Per Share



Corporate Governance Compliance Status Report

Status of compliance with the conditions imposed by the
Commission's Notification No. SEC/CMRRCD/2006/158/Admin/02-08 dated 20th February 2007 issued
under section 2CC of the Securities and Exchange Ordinance, 1969. (Report under Condition No. 5.00)

Condition No.	Title	Compliance status		Explanation for non-compliance
		complied	Not complied	
1.1	Board's Size	✓		
1.2(l)	Independent Directors	✓		
1.3	Chairman & Chief Executive officer	✓		
1.4(a)	Directors Report on financial Statements	✓		
1.4(b)	Books of Accounts	✓		
1.4©	Accounting Policies	✓		
1.4(d)	IAS Applicable in Bangladesh	✓		
1.4(e)	System of Internal Control	✓		
1.4(f)	Going Concern	✓		
1.4(g)	Deviation in Operating Results	✓		
1.4(h)	Key Operating and Financial Data	✓		
1.4(i)	Declaration of Dividend	✓		
1.4(j)	Number of Board Meetings	✓		
1.4(k)	Pattern of Shareholdings	✓		
2.1	CFO & CS Appointment	✓		
2.2	Board Meeting Attendance	✓		
3.00	Audit Committee	✓		
4.00	External / Statutory Auditors	✓		

AUDIT COMMITTEE REPORT

Constituted as under :

- | | |
|---------------------------------|------------|
| 01. Mr. Muhammad Shams-Uz Zoha | - Chairman |
| 02. Mr. Muhammad Shams-UI Kadir | - Member |
| 03. Mr. A.K.M Shahjahan | - Member |

Altogether 4 meetings of the Audit Committee were held in 2009-2010.

The following matters were discussed in the meetings and decisions taken were communicated to the Board of Directors.

01. Review of the annual financial statement of 2009-2010.
02. Review of the half-yearly report of half year ended on 31st December 2009.
03. Review of the 1st & 3rd Quarter report for the period ended 30th September, 2009 and 31st March,2010 respectively.
04. Review of internal audit reports.

Dated, Dhaka
26th October,2010.



Chairman
Audit Committee

Value Added Statement

For the year ended 30th June 2010

PARTICULARS	2009-2010		2008-2009	
	Taka	%	Taka	%
VALUE ADDED				
Turnover	695,650,665		571,398,597	
Bought-in materials and services	(570,618,652)		(457,385,455)	
Other Income	381,017		200,765	
	125,413,030	100.00%	114,213,907	100.00%
APPLICATIONS				
To Directors as Remuneration	2,520,000	2.01%	2,520,000	2.36%
To Employees-as Salaries,Wages & Benefit	78,549,334	62.63%	71,160,358	62.49%
To Providers of Loan-as interest & Charges	27,561,947	21.98%	25,469,923	20.07%
To Govt. Fund as Income Tax	3,000,000	2.39%	3,402,758	2.63%
To Providers of Capital as Dividend	3,400,000	2.71%	3,400,000	3.71%
	115,031,281	91.72%	105,953,039	91.26%
Retained for Business & Depreciation	10,381,749	8.28%	8,260,868	8.74%
	125,413,030	100.00%	114,213,907	100.00%