

Annual Report 2019-20

NJMCL Northern Jute Manufacturing Co. Ltd.

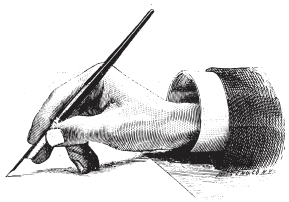


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Letter of Transmittal

To,
All Shareholders of Northern Jute Mfg. Co. Ltd (NJMCL)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSCF) &
Dhaka Stock Exchange Ltd. (DSE)

Sub : Annual Report of Northern Jute Mfg. Co. Ltd for the year ended 30th June, 2020.

Dear Sir(s),

It is our immense pleasure to present before you the Annual Report of Northern Jute Manufacturing Company Ltd. along with the Audited Financial Statements for the year ended on June 30, 2020. Financial Statements along with notes to the Accounts of the Company comprise the statements of Financial Position, statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period which ended on June 30, 2020.

Best regards,
Yours sincerely,

(Shahadat Hossain Patwary)
Company Secretary

Corporate Information

Basic Information

Full Name	:	Northern Jute Manufacturing Company Ltd
Incorporation date	:	17.09.1980
Registration No	:	C - 8350
Company type	:	Public Limited
Registered Office		Navana DH Tower, Level – 14, 6, Panthapath , Dhaka-1215. Phone : 55013506, Fax : 55013507 E mail : northernjute@yahoo.com Web : www.northernjute.com
Factory	:	BSCIC Industrial Estate, Kushtia, Bangladesh Tel : 071 611884-5
Authorised Capital	:	100,000,000
Issued & paid up Capital	:	21,420,000
No. of Shares	:	2,142,000
Face value	:	10
Year end	:	30 June
Listing	:	Dhaka Stock Exchange Ltd Company No. 16357 Trading code : NORTHERN

Board of Directors

Mr. Uzzal Kumar Nandi	Chairman
Mr. Amitav Adhikary	Nominee Director of Earthscope Ltd.
Mr. Prince- Al- Masud,AAG	Independent Director (Court Appointed)
Mr. Taisir Mahmud,Barrister-at Law	Independent Director (Court Appointed)
Mr. Arun Kumar Kundu,FCA	Independent Director

Audit Committee

Mr. Arun Kumar Kundu,FCA, Independent Director	Chairman
Mr. Amitav Adhikary, Non Executive Director	Member
Mr. Swapan Kumar Mistry, Non Executive Director	Member
Mr. Shahadat Hossain Patwary	Member Secretary

Nomination and Remuneration Committee

Mr. Arun Kumar Kundu,FCA, Independent Director	Chairman
Mr. Amitav Adhikary, Non Executive Director	Member
Mr. Shahadat Hossain Patwary	Member Secretary

Statutory Position

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

Auditors

Malek Siddiqui Wali
Chartered Accountants

Governance Compliance Auditor

Pinaki & Company
Chartered Accountants

Bankers

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

Insurers

Eastland Insurance Company Ltd

Notice of the Fortieth Annual General Meeting

NOTICE is hereby given that the Fortieth Annual General Meeting of Northern Jute Manufacturing Company Limited will be held on Sunday the 27th December, 2020 at 10.00 A.M. in digital platform to transact the following business:

A G E N D A

01 To receive, consider and adopt the Audited Accounts for the year ended 30th June, 2020 together with the Directors and Auditors Reports thereon.

02 To approve 5% Cash Dividend (only for general shareholders) as recommended by the Board of Directors for the year ended 30th June, 2020.

03 To elect/re-elect of Directors and to approve the appointment of Directors.

04 To appoint statutory and compliance Auditors for the year 2020-2021 and fix their remuneration.

05 To discuss any other matter with the permission of the chair.

By Order of the Board



(Shahadal Hossain Patwary)
Company secretary

The 13th December, 2020

Note:

a. 27.11.2020 was the Record Date. The Shareholders, whose names appeared in the share register/depository register on that date, will be eligible to attend the Annual General Meeting.

b Pursuant to the Bangladesh Security and Exchange Commission's Order No. SEC/SRMIC/94-231/25 dated 08 July,2020 the AGM will be virtual meeting of the Members, which will be conducted via live webcast by using digital platform .

c A shareholders entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his/her place. The proxy form, stamped with a revenue stamp of Tk. 20.00, shall be submitted at the Corporate Office of the Company or through email at northernjute@yahoo.com 48 hours before the meeting.

d The Members will be able to submit their questions/comments 24 hours before commencement of the AGM and during the AGM. For logging into the system, the Members need to put their 16 digit Beneficial Owners (BO) ID number/Folio number and other credential as proof of their identity by visiting the link **http://njmclagm40.janos.com.bd**

e We encourage the Members to login to the system prior to the meeting start of 10.00 A.M. (BST) on December 27,2020. Please allow ample time to login and establish your connectivity. The webcast will start at 9.00 A.M. (BST).

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

Some moments of 39th AGM



A view of 39th AGM



Shareholders entering to AGM



Speech of Chairman



A Shareholder Delivering Speech



A section of Shreholders



Message from Chairman

Dear Shareholders,

I would like to take this opportunity to welcome you all, on behalf of the members of the Board of Directors of the Northern Jute Manufacturing Company Limited in it's 40th Annual General Meeting and to present the Annual Report for the Year Ended 30th June, 2020.

Despite of various industrial and economic challenges such as high inflation rate, fluctuation of raw jute prices, infrastructural deficiencies, various global activities, instability of yarn/twine price and more importantly, COVID-19, felt the whole jute sector in uncertainty. Yet in this critical situation, the company achieved considerable level of growth in production and revenues due to the sound and prudent management effort. Beginning with excellent progress , as our revenue has been settled around 40.00 crore in first 6 months , but we couldn't continue it last 6 month as our factory was completely closed for almost 3 months for pandemic COVID-19. Truly it's a disastrous situation and no doubt it's an economic tsunami beyond our control. As I believe the coming year promises to be an ever-changing environment for this sector as we try to regain our footing amidst continued volatility in costs and policy decisions.

Though revenue has been decreased slightly but there was a negative growth of Net Profit by 51.37% in the year 2019-20 compared with previous year. This is why cost of Raw Jute gradually increased by 20% -25% over the year. We are taking various diversification plans aiming to reach the untapped market. Maximizing Shareholder's benefits will be our prime focus like before and hope it will be continuing in coming days. Our efficient management and skilled labors are the backbone of the company. We are confident about our ability and team spirit. I am confident to able continous support from our shareholders, employees and other stakeholders, we would also be able to develop our company to greater heights in the coming year.

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

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

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

Thank You,

Uzzal Kumar Nandi
Chairman



Message from Managing Director

Distinguished Shareholders,

Northern Jute Manufacturing Company Ltd is completing its 40th year of incorporation on 17th September, 2020. By this time **Northern Jute Manufacturing Company Ltd** has been able to establish as one of the country's foremost manufactures of 100% export oriented international quality yarn/twin. This distinction comes from its dedication to providing its customers with finest product and services, at the highest quality and on timely delivery. **Northern Jute Manufacturing Company Ltd** asserts its commitment to its customers by producing high quality yarn/twin through embracing contemporary quality principles and practices. These principles has induced an environment that stimulates one as a product innovator, a creator of consistent and reliable high quality comprehensive product.

During this journey, despite several barriers, difficulties and complexities we were focused to our organization goals and the interest of shareholders as well. It's not possible to be successful to achieve the goals without the special gift of creativity, without the courage and determination needed to deal with obstacles and difficulties, and confidence in being able to overcome.

Being one of the biggest export earner of Bangladesh, the jute Industry plays a vital role for the economy. The future prospect of the jute industry in Bangladesh is very positive. Though the jute industries have been going through struggles during the last couple of years due to high price of raw jute which have been increasing the cost of production of yarns but the sound and prudent effort of the management helped the company achieve considerable level of Production and Sales after considering the economic disaster by COVID-19 .

By the grace of the Almighty, management integrity and professionalism, relentless effort of our team, sustainable implementation of our policies, continuous monitoring, we were able to keep the wheel moving towards a normative leverage.

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

Ananga Mohan Roy
Managing Director



Financial Calendar

Wednesday, 30th October,2019
Quarter One

Adoption of unaudited first quarter financial statement ended 30th September,2019

Wednesday, 29th January,2020
Quarter Two

Adoption of unaudited second quarter financial statement ended 31st December,2019

Wednesday, 17th June,2020
Quarter Three

Adoption of unaudited third quarter financial statement ended 31st March,2020

Wednesday, 28th October,2020
Annual

Adoption of audited financial statement for the year ended 30th June,2020

Thursday, 26th November,2020
Record Date

Record date in lieu of Book Closure

Sunday, 13th December,2020
AGM Notice

Notice of 40th Annual General Meeting

Thursday, 10th December,2020
Annual Report

Issuance of Annual Report

Sunday, 27th December,2020
AGM Day

40th Annual General Meeting

Tuesday,26th January,2021
Dividend Payment

Payment of dividend to the shareholders whose Name would appear in the register of members Of the Company on the record date.

Northern Jute Manufacturing Company Limited

Five years statistics

Operating Result :
Figure In Taka

Particulars	2020	2019	2018	2017	2016
Result of operation:					
Revenue	549,103,219	564,219,402	567,889,918	438,855,516	278,713,167
Gross Profit	143,450,101	164,053,410	68,385,253	90,536,472	53,403,746
Operating Profit/(loss)	28,281,648	57,621,272	(33,741,845)	12,186,903	1,922,033
Net Profit/(loss)after tax	24,263,602	49,895,771	(36,741,845)	9,151,273	1,280,029
Basic Earning per share (In Taka)	11.33	23.29	(17.15)	5.13	0.72
Dividend Paid /recommended	5% - Cash (Only for Gen. Shareholders)	100% - Cash	-	20%- Stock 20% - Cash	5 % Cash
Income tax paid	5,126,583	4,522,853	4,632,610	3,002,443	2,052,971

Financial Position:

Particulars	2020	2019	2018	2017	2016
Total Assets	916,526,664	831,473,827	684,444,367	589,130,793	444,042,387
Fixed Assets-Net	424,293,655	348,936,360	360,802,050	367,520,438	281,146,115
Reserve & Surplus	153,497,157	150,653,555	100,757,784	144,639,392	135,547,287
Net Working capital	(199,704,340)	(151,373,115)	(152,130,595)	(50,532,552)	8,708,686
Authorized capital	1000,000,000	1000,000,000	1000,000,000	1000,000,000	1000,000,000
Share holder's Equity	174,917,157	172,073,555	122,177,784	162,489,392	153,397,287
Paid up Capital	21,420,000	21,420,000	21,420,000	17,850,000	17,850,000
Total Long Term Loan	168,818,333	162,705,381	175,827,712	196,290,936	200,000,000
Deferred Tax Assets/ (liability)	5,314,191	3,751,885	2,802,503	1,971,558	1,908,733

Key Financial Ratio, Figures and Market Data:

Current Ratio	0.69	0.72	0.65	0.81	1.09
Debt Equity Ratio	4.24	3.83	4.60	2.63	1.89
Share Holder's Equity per share (in Taka)	81.66	80.33	57.04	91.03	85.94
Market value per share (in Taka)	324.90	1,123.20	348.10	466.80	214.70
Price Earning Ratio (based on DSE price)	28.68	48.23	-	90.99	298.19

Other:

Number of shares	2,142,000	2,142,000	2,142,000	1,785,000	1,785,000
Number of shares holders	4,460	1,696	3,017	926	961
Production (Qty in MT)	6,980.86 MT	7,757.88 MT	7,987.62 MT	5,921.64 MT	3,841.98 MT
Export (Qty in MT)	6,935.50 MT	8,061.00 MT	7,332.44 MT	5,663.00 MT	3,929.00 MT

Total Employees:

Officers	25	51	49	43	40
Staff	23	25	27	25	28
Workers	512	632	453	320	252

Report of the Audit Committee
For the year ended 30th June,2020

Under Condition No.5 (7) of the Corporate Governance Code as adopted on 3 June 2018 by Bangladesh Securities and Exchange Commission (BSEC)

Audit Committee in Northern Jute Manufacturing Company Limited is a sub-committee of the Board of Directors, assists the Board in fulfilling its oversight responsibilities. The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee be and is responsible to the Board of Directors. The jurisdiction of the Audit Committee extends over the Company covering risk management with special emphasis on ensuring compliance with all applicable legislation and regulation.

The Audit committee of the company comprises of three Directors, nominated by the Board of Directors of the Company, Headed by the Independent Director Mr. Arun Kumar Kundu, FCA. The other members of the committee are, Mr.Amitav Adhikary and Mr.Swapan Kumar Mistry. The Company Secretary acted as the secretary of the Committee.

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

The committee normally meets in the next month of every quarter. During the year 2019-20, four Audit Committee meeting were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of the Member	Number of Audit Committee Meeting held	Attended
Mr. Arun Kumar Kundu, Chairman	4	4
Mr. Amitav Adhikary, Member	4	4
Mr. Swapan Kumar Mistry, Member	4	3
Mr. Shahadat Hussain Member Secretary	4	4

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

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principals.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Sufficient effectiveness of the internal financial controls.
- Compliance of all applicable legal and regulatory rules and regulations.
- Various reports of operational activities and streamlined the operations of the Company.
- The committee reviewed the audit plan for the year 2018-19 and oversees the performance of external auditors.
- Reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.
- The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Mr. Arun Kumar Kundu
Chairman
Audit Committee
Date: 28th October, 2020

Report of the Nomination and Remuneration Committee

In accordance with the directives of the Bangladesh Securities and Exchange Commission through its Corporate Governance Code under notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 the Nomination and Remuneration Committee (NRC) of Northern Jute Manufacturing Company Ltd. was constituted and two members were appointed by the Board of Directors of the Company to adhere the directives as follows:

Name of Members	Position in Company	Position in committee
Mr. Arun Kumar Kundu,FCA	Independent Director	Chairman
Mr. Amitav Adhikary	Nominee Director	Member
Mr. Shahadat Hussain	Company Secretary	Member Secretary

During the period under review the Independent Director of this Company Mr. Arun Kumar Kundu, FCA discharged the duties of the Chairman of the NRC and Mr. Amitav Adhikary, Nominee Director performed as the Member of the NRC as per the BSEC Corporate Governance Code.

Qualifications of the committee Members

The NRC members possess adequate knowledge on business management and corporate governance issues, financially literate able to analyze, understand and interpret corporate laws, finance and financial statements and have business acumen.

Roles and Responsibilities

The roles and responsibilities of the NRC have been clearly mentioned in the Terms of Reference of the Committee as approved by the Board of Directors of Northern Jute Manufacturing Company Ltd.
The Committee discharged its responsibility by holding a meeting in the FY-2019-2020 and provided required advices and suggestions to the Board of Directors to execute those duly.
In the meeting the committee it considered and assisted the Board in formulation of the nomination criteria and determining of the qualifications of the prospective candidates attributes, experiences etc. of the directors and top level executives and the remunerations of directors, top level executive of the company as well as.

Succession planning

The Committee reviewed the drafted succession plan designed for the executive and non-executive appointments to the Board, taking into account the objectives of the Company and the rotation of directors. In this process the Committee also considered the business skills, commitment and knowledge as to be required for operation of this Company.

Appointment/ Rotation of Non-Executive Director(s)

During the year under review the Committee has evaluated for recommendation of 02 (two) non executive directors- Mr. Amitav Adhikary and Mr. Arun Kumar Kundu who were to resign by rotation and eligible for their re-elections/appointments as per the provisions of the Article of Association of the Company and BSEC's notification.

Meeting Attendance by the Members

The Committee held 01 (one) no. of meeting during the period ended on 30 June 2020. The Committee has placed its report to the Board of Directors in due course.

The attendance status of the NRC Committee Meeting is appended below:

Name of Members	No. of meeting held	Attendance in the meeting
Mr. Arun Kumar Kundu,FCA	1	1
Mr. Amitav Adhikary	1	1
Shahadat Hossain Patwary	1	1

During the FY 2019 - 2020 the NRC accomplished the following:

- Reviewed the status of the Board composition along with their experience and track record of Board members, and made recommendation to the Board in this regard;
- Identified and nominated candidates for appointment/reappointment to the Board based on their knowledge experience and aptitude for attainment of the objectives of the company;
- Considered and accommodated various issues in connection with appointments, retirements and changes in the Board of Directors;
- Reviewed the issues including the company's requirement for employees as to be placed at different levels and determine their selection procedures and criteria;
- Reviewed the performance of the top-level executives of the Company and placed the recommendation on their findings;
- Reviewed the company's human resources status and the development and training policies of the Company aimed for the employees;
- Overseen other issues within the Code of Conduct of the NRC.

The Nomination and Remuneration Committee expressing its of the view that the nomination, re election and remuneration as well as internal control were procedures are adequate to present a true and fair view of the Administration, HR activities and internal governance status of the Company.

Arun Kumar Kundu,FCA
Chairman,
Nomination and Remuneration Committee

Shahadat Hossain Patwary
Member Secretary,
Nomination and Remuneration Committee

Directors' Report
Northern Jute Manufacturing Company Ltd
For the year ended 30th June,2020

Dear Shareholders:

On behalf of the Board of Directors and Management of Northern Jute Manufacturing Company Limited, I welcome you to the 40th Annual General Meeting of the Company. I have the pleasure to enclose herewith the Directors' Report together with the Audited Financial Statements of the Company for the year ended June 30, 2020 along with the Auditors' Report thereon. These were approved by the Board of Directors on 28th October, 2020 which has been prepared in compliance with section 184 of the Companies Act, 1994 and Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018 and other applicable laws.

Industry outlook and future prospects

The Jute industry has payed an important role in the national economy at different times despite facing several problems. The jute sector contributes 0.26 percent to GDP and 1.4 percent to agriculture GDP. In the 2017-18 fiscal year, Bangladesh earned the US$ 1.02 billion from this sector, though in the fiscal year 2018-10, the export earnings were US$ 816.3 million . Again , Export earnings from jute and jute products increased by 8.10 percent to the US$ 882.35 million in the fiscal year 2019-20. Even in the corona-epidemic, the jute sector has demonstrated positive growth compared to other export sectors throughout the fiscal.

Jute-once a vibrant industry, has lost much of its shinetoday. Still the sector provides direct & indirect employment to about 5 million people. Many private jute mills are making profits with lower production capacity than government mills by diversifying their products. According to several market research, the global market of bags alone will be US$ 3.1 billion by 2024. Since the world's best jute is produced in Bangladesh, it is possible to go a long way .

Global Economy Overview

The IMF predicted that the global economy would grow by 3.0 per cent this year down from 3.6 per cent the previous year (2018). It also predicted that global economy would achieve a growth rate of 3.4 per cent in 2020. This estimation has been placed before COVID -19. COVID-19 has triggered the deepest global recession in decades. While the ultimate outcome is still uncertain, the pandemic will result in contractions across the vast majority of emerging market and developing economies. Growth forecasts for all regions have been severely downgraded. Many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support. Despite these measures, per capita incomes in all regions are expected to go down in 2020, likely causing many millions to fall back into poverty.

Bangladesh Economy Overview

Bangladesh recorded one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities. Though GDP growth was estimated to have reached 7.9% in 2019-20 but actual GDP growth rate was 5.4% due to the outbreak of the COVID-19 and expected to pick up to 9.5% in 2021, according to the updated IMF forecasts. The post-pandemic global economic recovery and the private consumption boosted by strong remittance flows from the Bangladeshi diaspora around the world are expected to be the key drivers of growth in 2021.

The state of the Company's affairs

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

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

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

Description	2019-20	2018-19	2017-18	2016-17
Production Capacity (In M.Ton.)	9,200.00	9,200.00	9,200.00	7,200.00
Actual Production (In M.Ton.)	6,980.86	7,757.88	7,987.62	5,921.64
Capacity utilized	75.87%	84.32%	86.82%	82.25%

Risks and Concerns

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

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

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

Operational performance

Capacity/ Production

In this year 2019-20, Northern Jute Mfg. Co. Ltd isn't producing steady quantity as previous year resulted as COVID-19 has devastating impact on the production. Now the mill is running on a 3 shift basis. Total production capacity of Northern Jute Manufacturing Co. Ltd. is 9,200 (M.T) where as during this year the production was 6,980.86 (M.T). It is 75.87% of total production capacity.

Product wise performance

Northern Jute manufacturing company limited manufacture Jute Yarn and Twine only. Total sales during the year was 6,935.50 M. Ton.

Cost of production

The average cost of production per M. Ton has been increased as compared to the last year. Cost of raw jute was higher than previous year as in the wake of less than expected harvest of raw jute this season due to late cultivation and flooding. Total cost of production during the year is Tk. 44,40,90,342 .

Sales performance

Status of sales is being decreased as expected as resulted of 2 months lockdown period for Covid 19 . Total sales during the year ended 30 June, 2020 was Tk. 54,91,03,219 against Tk. 56,42,19,402 in 2018-19.

Capital expenditures

The company made additional capital expenditure of Tk. 38.20 million to further development of its storage facilities for raw jute, work in progress and jute yarn. This will enable the company to procure raw jute in rainy season at a reasonable price and store the raw jute properly. At the same time, work in progress and finished jute material can also be stored in well condition.

Foreign Exchange Earned

The Company contributed substantially to the Foreign Exchange Reserve of the Country during the reporting year through its export marketing operation. Total Export earning during 2019-2020 was $ 65,63,912.00.

Highlights of Financial Performance in 2019-20

The Company's before and after tax profit for the year 2019-20 are 32.58 million and 24.26 million compared to Tk 60.28 million and Tk 49.90 million respectively in the previous year.

The financial result is summarized below

Particulars	2019-20 (Tk.)	2018-19 (Tk.)
Revenue	549,103,219	564,219,402
Cost of Goods Sold	405,653,118	400,165,992
Gross Profit/(Loss)	**143,450,101**	**164,053,410**
Operating Expenses	115,168,452	106,432,139
Operating Profit/(Loss)	**28,281,648**	**57,621,272**
Other Income	4,299,921	2,667,245
Net Profit/(Loss) before provision	**32,581,569**	**60,288,517**
Net Profit / (Loss) after provision	**24,263,602**	**49,895,771**
Earning Per Share (EPS)	**11.33**	**23.29**

Significant events relating to financial operating results

Gross Profit in the year 2019-20 is decreased due to COVID 19. Due to COVID 19 the factory was completely closed for almost 3 months. Moreover, the availability of raw jute in the local market was not adequate to the demand during this year. Purchase price of raw jute was higher than the previous year. As a result, cost of finished goods went upper. So that, net profit has been decreased compared to the previous year.

Retirement and re-election of Directors

Mr. Swapan Kumar Mistry voluntarily resigned from the Board on 19-12-2019 due personal reason. After discussion, the Board accepted his the voluntary resignation.

In pursuant to Article 125 of the Articles of Association of the Company, Mr. Amitav Adhikary retired at the meeting by rotation and is being eligible himself for re-election in pursuant under Article 127 of the Articles of Association.

Mr. Arun Kumar Kundu, Independent Director, retired as per BSEC's notification dated 07.08.12 under condition 1.2 (VI) and is being eligible for re-election for another term & same conditions.

On 02-03-2020, the Honorable High Court Division of the Supreme Court of Bangladesh appointed Mr. Margub Kabir, Barrister-at-Law, an Advocate of the court and learned Assistant Attorney General Mr. Prince-Al-Masud as independent Director vide order No.-22 dated 02-03-2020 and made them authorized signatories of all Bank Accounts of the Company. Subsequently, on 10.03.2020, the Honourable Court appointed Mr. Taisir Mahmud as Independent Director of the Company in place of Mr. Margub Kabir, Barrister-at-Law.

Thereafter, the Court appointed Mr. Margub Kabir, Barrister-at-Law, an Advocate of the Court as the Chairman of the company as per Order No. 49 dated 01.09.2020 and the Court also empowered him to preside over all kinds of meetings including the AGM/EGM to be held in order to appoint additional and/or new set of directors.

In pursuant to Article 125 of the Articles of Association of the Company, Mr. Uzzal Kumar Nandi retired at the meeting by rotation and is being eligible himself for re-election in pursuant under Article 127 of the Articles of Association.

Mr. Arun Kumar Kundu, Independent Director, retired as per BSEC's notification dated 07.08.12 under condition 1.2 (VI) and is being eligible for re-election for another term & same conditions.

On 02-03-2020, the Honorable High Court Division of the Supreme Court of Bangladesh appointed Mr. Margub Kabir, Barrister-at-Law, an Advocate of the court and learned Assistant Attorney General Mr. Prince-Al-Masud as independent Director vide order No.-22 dated 02-03-2020 and made them authorized signatories of all Bank Accounts of the Company. Subsequently, on 10.03.2020, the Honourable Court appointed Mr. Taisir Mahmud as Independent Director of the Company in place of Mr. Margub Kabir, Barrister-at-Law.

Subsidiary Company

The Company has no subsidiary companies.

Interim Dividend

No Bonus share or stock dividend has been declared as interim dividend by the Board of Directors.

Remuneration to Directors

Remuneration was paid by the company to the Managing Director of the Company. No amount of money was expended by the Company for compensating any member of the Board or special services rendered except Board meeting attendance fee which was Tk. 5,000/- and these were drawn by the respective Directors.

Appointment of Auditors:

In 39th Annual general Meeting, shareholders appointed M/s. Malek Siddique Wali & Company, Chartered Accountants, as the external auditors for the auditing financial statements of the Company for the year ended 30th June,2020 until the conclusion of 40th Annual General Meeting.

Corporate Social Responsibility:

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

Corporate governance:

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

Board of Directors

In line with the concept of good corporate management practice and the provisions of the Articles of Association, The Board of Directors, the top Management tier is responsible for overall control and supervision of the entire affairs of the Company primarily through strategic planning & budgetary control mechanisms. To this end, The Board of Directors holds periodic meetings to resolve issues of policies and strategies, correctly recording the minutes/ implementation of the decisions taken by the Executive Management. During the year under review the board held 4 (Four) meetings to transact various agendas.

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

Separate role of the Chairman and Managing Director

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

Audit Committee of Board

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

Communication with the Shareholders

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

Statement of Corporate Governance

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

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

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

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

Northern Jute considers that its corporate governance practices comply with all the aspects of the BSEC notification No. SEC/CMRRCD/2006-158/207/admin/80 dated 3rd June, 2018 are depicted/disclosed in the Annexure-I, II, III, and IV respectively.

Management appreciation:

The Board of Directors firmly believes that NJMCL has the necessary strengths, resources and commitments to further propel the Company to newer heights. The performance of the Company during the period under review, even with so many challenges confronted, demonstrates the resolve and determination of the Board and the employees in the Company. In this occasion, the Board expresses on record their appreciation to the shareowners, suppliers, customers, bankers, media and all other well-wishers for their support and patronage to bring the company to this level. We value their continued support to fulfill our mission to improve the lives of people. Finally, and most importantly, we, on behalf of the Board of Directors thank the employees of NJMCL in factory and office for their untiring efforts. They have worked hard, against all odds, uncertainties and adversities and built a stronger NJMCL that can create a greater positive impact on the quality of life of the people.

Once again thank you all.

On behalf of the Board of Directors,



(Uzzal Kumar Nandi)
Chairman

ANNEXURE-I

The Directors also report that:

1. Related Party Transactions are depicted in Note no. 34 in the Notes of Account.
2. Remuneration of Directors, including Independent Director have been shown in Note no. 33 in the Notes of Account.
3. The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
4. Proper books of accounts as required by the prevailing law have been maintained.
5. Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
6. The financial statement was prepared in accordance with IAS/BAS/IFRS/BFRS.
7. The internal control system is sound in design and is effectively implemented and monitored.
8. There is no significant doubt about the company's ability to continue as a going concern.

ANNEXURE-II

As per condition no.1 (5) (xxii) of the Corporate Governance Code 2018 issued by Bangladesh Security and Exchange Commission, the number of Board Meetings held and the Attendance by each Director during the Financial Year 2019-20.

Name of Directors	Position in Board	Meeting Held	Attended
Mr. Uzzal Kumar Nandi	Chairman	4	4
Mr. Amitav Adhikary	Nominee Director of Earthscope Ltd	4	4
Mr. Swapan Kumar Mistry	Director	4	3
Mr. Arun Kumar Kundu,FCA	Independent Director	4	4

- The Board granted leave of absence to the member who was unable to attend Board meeting as per laws

ANNEXURE-III

As per condition no.1 (5) (xxiii) of the Corporate Governance Code 2018 issued by Bangladesh Security and Exchange Commission, the pattern of shareholding along with name wise details as on 30 June, 2020

Condition No.	Name of the Shareholders	Status	Shares held	%
1(5) (xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties	-	-	-
1(5) (xxiii) (b)	**Directors:**			
	Mr. Uzzal Kumar Nandi	Chairman	2,13,600	9.97%
	Mr. Amitav Adhikary	Nominee Director of Earthscope Ltd	87,600	4.09%
	Mr. Arun Kumar Kundu,FCA	Independent Director	-	-
			3,01,200	14.06%
	Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children:			
	Mr. Ananga Mohan Roy	Managing Director	-	-
	Mr. Ujjal Kanti Dhar	CFO	-	-
	Mr. Shahadat Hossain Patwary	Company Secretary	-	-
	Mr. Khondakar Shakhawatul Islam	Head of Internal Audit	-	-
1(5) (xxiii) (c)	**Executives (Other than Directors, CEO, CFO, CS and Head of Internal Audit and Compliance)**		-	-
1(5) (xxiii) (d)	**Shareholders Holding 10% or more voting interest in the company:**		-	-

ANNEXURE-IV

Brief Resume of the Directors

Retirement of Directors and re- appointment :

Mr. Amitav Adhikary, Nominee Director of Earthscope Ltd.

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

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

Mr. Arun Kumer Kundu, Independent Director

Mr.Arun Kumer Kundu has joined as an Independent Director in the Board of Northern Jute Manufacturing Co. Limited on 07.02.2018.

Mr. Kundu is a proipertor of Arun & Co., Chartered Accountants. He worked as head of finance in Premier Bank Ltd., AVP in ICB Islamic Bank Ltd and The City Bank Ltd. He has participated various international courses, seminars, workshops and training in different countries on financial matters, especially in the area of Banking & Auditing. He has excellent experience in information technology.

Annexure-V
[As per condition No. 1(5)(xxvi)]
Declaration by CEO and CFO

Date: 28.10.2020
The Board of Directors
Northern Jute Manufacturing Company Ltd

Subject: Declaration on Financial Statements for the year ended 30th June,2019

Dear Sirs,
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3rd June,2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Northern Jute Manufacturing Company Limited for the year ended 30th June,2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed the financial statements for the year ended on 30.06.19 and that to the best of our knowledge and belief:

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

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its member.

Sincerely yours,

Ananga Mohan Roy
Chief Executive Officer (CEO)

Ujjal Kanti Dhar
Chief Financial Officer (CFO)

Certificate of Compliance to the Shareholders

পিনাকী এন্ড কোম্পানী
Pinaki & Company
Chartered Accountants

REANDA
A correspondent firm of Reanda International

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES

We have examined the compliance status to the Corporate Governance Code by [Issued under condition # 1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018]

We have examined the compliance status to the Corporate Governance Code by **"Northern Jute Manufacturing Company Limited"** for the year ended on 30 June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as specify in compliance status checklist;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company is satisfactory.

Place: Dhaka
02 November, 2020

Pinaki Das, FCA
Senior Partner
Pinaki & Company
Chartered Accountants

Registered Office: AIDA/CELL, 2/A, Hyeranmoyi Road (2nd Floor), Shantibag, Dhaka-1000, Bangladesh
Tel: +8802-955-0944, +8802-966-9095, Cell: +8801711-106302, +8802534-120758, E-Mail: pinaki_cs@yahoo.com website: www.pinaki.com.bd

Compliance Status on BSEC Notification on Corporate Governance
[(AS PER CONDITION NO. 1(5) (XXVII)]

Status of compliance for the year ended 30th June, 2019 with conditions imposed by the Commission's Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	**Board of Directors**			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than5 (five) and more than 20 (twenty).	✓		
1(2)	**Independent Directors**			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the Company's board of director shall be independent directors.	✓		
1(2)(b)	'Independent director' means a director			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the company's any sponsor or director or nominated director or share holder of the company or any of its as societies, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(vi)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies.	✓		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank Or A Non-Bank Financial Institution (NBFI);	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days	✓		
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	✓		
1(3)	**Qualification of Independent Director**			
1(3)(a)	Independent director shall be a Knowledgeable in dividable with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)	**Independent Director shall have following Qualification.**			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	Audit Committee, who shall be an independent director;			
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, which ever is higher, where presence of an independent director is a must.	✓		
5(5)	**Role of Audit Committee**			
	The audit committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly Financial Statements	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	before submission to the Board for approval.			
5(5)(h)	Review the adequacy of internal audit function.	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			N/A
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a)(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-**			
5(6)(a)(ii)(a)	Report on conflicts of Interests.			
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			
5(6)(a)(ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
5(6)(b)	**Reporting to the Authorities:** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, which ever is earlier.			
5.(7)	**Reporting to the Shareholders and General Investors:-** Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	
6.	**Nomination and Remuneration Committee (NRC).**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set for thin writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or other wise, other than Director's fees or honorarium from the company.	✓		
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓		
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**	✓		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5) (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	**External or Statutory Auditors.**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	linked with the website of the stock exchange.			
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	**Reporting and Compliance of Corporate Governance.**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.		✓	
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not	✓		

মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউনটেন্টস
৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
9-G, Motijheel C/A, 2nd Floor, Dhaka-1000, Bangladesh.
Extension Office : Property Heights, 1st Floor
12, R.K. Mission Road, Dhaka-1000.

PHONE : 9513471, 9569867
PABX: 9576118-9, 9576128
FAX: +88-02-9516236
Email: wali@satcombd.com
Web: www.msw-bd.com

Independent Auditor's Report
To the Shareholders of Northern Jute Manufacturing Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion:

We have audited the financial statements of Northern Jute Manufacturing Company Limited which comprise the financial position as at June 30, 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except the effect described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, of the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Security and Exchange Rules 1987 and other applicable law and regulations.

Basis for Qualified Opinion

1. As per paragraph 234(b) of Bangladesh Labour Act 2006 Company should pay Workers Profit Participation Fund within nine month after the year end. But management didn't pay WPPF to the members of the fund, which is violation of the Bangladesh Labour Act 2006.

2. According to our calculation deferred tax liability will be 6,523,925 so the deferred tax liability and deferred tax expenses understated by 1,209,733. But we could not able to confirm opening balance of deferred tax liability due to shortage of documents.

As per Paragraph 64 of IAS 12, Income Taxes entity should transfer excess depreciation net of deferred tax on revalued amount, from revaluation surplus to equity after considering deferred tax. But entity transferred excess depreciation from revaluation surplus to equity without considering deferred tax and no deferred tax was maintained in respect of revaluation surplus. So deferred tax liability understated and equity overstated by same amount.

3. Company constructed four dormitories with total area of sixteen thousand square feet and cost of total construction is taka 88,780,594 (taka 5,549 per square feet). According to the nature & area of the structure this amount of construction is not justifiable. Furthermore we observed that no depreciation was charged on this addition, so depreciation expenses are undercharged by 369,919 and profit overstated by same amount.

4. Capital Work - in – Progress balance at the yearend stood of taka 38,291,367 which is 4% of total asset and material to the financial statements. We could not physically verify the nature and type of Capital Work - in – Progress.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Emphasis of Matter Paragraph

1. During our audit we have not been provided the third party confirmation in relation to the loan balances, bank balances. So we were not able to confirm the loan and bank balance.

2. In reference to the BSEC directive no. SEC/CMRRCD/2009-193/120/Admin/35, dated December 07, 2011, the directors of the listed security must hold jointly 30% of paid up capital. But the directors of the company just hold 15.09% paid-up capital.

Key Audit Matters

Risk	Our response
Revenue recognition	
At the year ended, the company's reported total revenue of Tk. 549,103,219 Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. The revenue may overstated for the early recognition of revenue to achieve the desire result.	We have tested the design and operating effectiveness of key controls focusing on the following: ▪ Policy of revenue recognition: ▪ Issuance of VAT challan; ▪ Segregation of duties in invoice creation and modification; and ▪ Timing of revenue recognition. ▪ Our substantive procedures in relation to the revenue recognition comprises the following: ▪ Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; ▪ VAT is correctly dealt with; ▪ Critically assessing manual journals posted to revenue to identify unusual or irregular items; and ▪ Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
Please see the note 20 in this financial statements.	
Valuation of inventory	
The balance of inventory of the Company at the year-end was Tk. 197,718,652 held in the company's warehouse. Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.	We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by: ▪ evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; ▪ to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; ▪ to review the inventory costing procedures and methodology. ▪ comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;

Risk	Our response
Please see the note 6 in this financial statements.	
Measurement and recognition of deferred tax	
The balance of reported deferred tax liability of the company was Tk. 5,314,191 as on June 30, 2020. The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAs 12: Income Tax.	■ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax. ■ We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base. ■ We have also assessed the rate of deferred for each temporary difference. ■ Also, we examined the accounting treatment of deferred tax.
Please see the note 15 in this financial statements.	

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred was for the purposes of the Company's business.



Md. Waliullah
Chartered Accountants

Dated, Dhaka
November 22 , 2020

Northern Jute Manufacturing Company Limited

Statement of Financial Position

as at 30 June 2020

Figure in Taka

Particulars	Notes	30-06-2020	30-06-2019
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	424,293,655	348,936,360
Capital Work - in - Progress	5	38,291,367	86,262,576
Total Non-Current Assets		**462,585,022**	**435,198,936**
Current Assets			
Inventories	6	197,718,652	215,028,126
Investment		11,613,690	10,492,500
Loan to related party		10,950,000	-
Account Receivables	7	35,889,190	18,452,412
Advance, Deposit & Prepayment	8	159,200,616	128,549,269
Cash Subsidy Receivable	9	30,682,573	21,223,405
Cash & Cash Equivalents	10	7,886,921	2,529,179
Total Current Assets		**453,941,642**	**396,274,891**
Total Assets:		**916,526,664**	**831,473,827**
EQUITY & LIABILITIES			
Shareholder's Equity			
Share Capital	11	21,420,000	21,420,000
Tax Holiday Reserve		638,498	638,498
Revaluation Reserve	12	213,141,574	213,800,341
Retained Earnings	13	(60,282,915)	(63,785,284)
Total Shareholder's Equity		**174,917,157**	**172,073,555**
Non-Current Liabilities			
Long Term Loan	14	82,649,333	108,000,381
Deferred Tax Liabilities	15	5,314,191	3,751,885
Total Non-Current Liabilities		**87,963,524**	**111,752,266**
Current Liabilities and Provision:			
Trade Payable	16	2,365,787	716,060
Liabilities for Other Expenses	17	25,441,509	9,838,394
Other Liabilities	18	20,343,150	11,384,534
Working Capital Loan	19	519,326,536	471,004,018
Current Portion of Long Term Loan	14	86,169,000	54,705,000
Total Current Liabilities		**653,645,982**	**547,648,006**
Total Liabilities		**741,609,507**	**659,400,272**
Total Capital and Liabilities		**916,526,664**	**831,473,827**
Net Assets Value (NAV)		**81.66**	**80.33**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 28, 2020 and were signed on it's behalf by.

Chairman	Director	Managing Director
NJMCL	NJMCL	NJMCL

Signed in terms of our separate report of even date annexed.

Dhaka,
Dated: 22th November, 2020

Malek Siddiqui Wali
Chartered Accountants

Northern Jute Manufacturing Company Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2020

Figure in Taka

Particulars	Notes	2019 - 2020	2018- 2019
Revenue	20	549,103,219	564,219,402
Cost of Goods Sold	21	(405,653,118)	(400,165,992)
Gross Profit/(Loss)		**143,450,101**	**164,053,410**
Operating Expenses			
Administrative Expenses	22	(14,898,255)	(14,514,860)
Selling & Distribution Expenses	23	(13,536,209)	(12,073,138)
Finance Overhead	24	(86,733,988)	(79,844,141)
Total		**(115,168,452)**	**(106,432,139)**
Operating Profit/(Loss)		**28,281,648**	**57,621,271**
Add: Other Income	26	4,299,921	2,667,245
Net Profit/(Loss) Before Provision and Tax		**32,581,569**	**60,288,516**
Less: Provision			
Workers profit participation fund		1,629,078	3,014,426
Net Profit/(Loss) Before Tax		**30,952,491**	**57,274,090**
Income Tax	27	5,126,583	6,428,938
Deferred Tax		1,562,306	949,382
Total Income Tax Expenses		**6,688,889**	**7,378,320**
Net Profit / (Loss) after Tax		**24,263,602**	**49,895,771**
Other Comprehensive Income		-	-
Total Comprehensive Income		**24,263,602**	**49,895,771**
Earning Per Share (EPS)	28	**11.33**	**23.29**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 28, 2020 and were signed on it's behalf by.

Chairman	**Director**	**Managing Director**
NJMCL	NJMCL	NJMCL

Signed in terms of our separate report of even date annexed.

Dhaka,
Dated: 22th November, 2020

Malek Siddiqui Wali
Chartered Accountants

Northern Jute Manufacturing Company Limited

Statement of Changes in Equity

For the year ended 30 June 2020

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total
Balance as on 01-07-2019	21,420,000	213,800,341	638,498	(63,785,284)	172,073,555
Net profit after provision	-	-	-	24,263,602	24,263,602
Dividend (For 2018-19)		-	-	(21,420,000)	(21,420,000)
Adjustment against Depreciation	-	(658,767)	-	658,767	-
Balance as on 30-06-2020	**21,420,000**	**213,141,574**	**638,498**	**(60,282,915)**	**174,917,157**

Northern Jute Manufacturing Company Limited

Statement of Changes in Equity

For the year ended 30 June 2019

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earning	Total
Balance as on 01-07-2018	21,420,000	214,508,543	638,498	(114,389,257)	122,177,784
Net profit after provision	-	-	-	49,895,771	49,895,771
Dividend	-	-	-	-	-
Adjustment against Depreciation	-	(708,202)	-	708,202	-
Balance as on 30-06-2019	**21,420,000**	**213,800,341**	**638,498**	**(63,785,284)**	**172,073,555**

The annexed notes are integral part of these financial statement.
These financial statements were approved by the Board of Directors on October 28, 2020 and were signed on it's behalf by.

Chairman
NJMCL

Director
NJMCL

Managing Director
NJMCL

Signed in terms of our separate report of even date annexed.

Dhaka,
Dated: 22th November, 2020

Malek Siddiqui Wali
Chartered Accountants

Northern Jute Manufacturing Company Limited

Statement of Cash Flows

for the year ended 30 June, 2020

Figure in Taka

Particulars	Notes	2019 - 2020	2018 - 2019
A. Cash Flow from Operating Activities			
Collection from Turnover & Others	30	500,320,579	568,038,045
Payment to suppliers & Employees	31	(402,283,110)	(611,918,395)
Finance cost paid		(70,384,787)	-
Cash Payment for Income Tax		(8,431,107)	(4,659,957)
Net Cash generated /(used) in Operations		**19,221,575**	**(48,540,307)**
B. Cash Flow from Investment Activities			
Capital Work in Progress		-	(37,890,031)
Related party loan		(10,000,000)	-
FDR		-	(10,492,500)
Acquisition of Fixed Assets		(40,839,935)	(2,331,635)
Net Cash generated /(used) in Investment		**(50,839,935)**	**(50,714,166)**
C. Cash Flow from Financing Activities:			
Long Term Loan Received / (Repaid)		6,112,952	(13,122,331)
Working Capital Loan Received		48,322,518	110,772,228
Short Term Loan Repaid		-	(25,586)
Dividend Paid		(17,459,368)	(1,383)
Net Cash generated /(used) in Financing		**36,976,102**	**97,622,928**
D. Net Cash Flow (A+B+C)		**5,357,742**	**(1,631,545)**
E. Opening Cash and Cash Equivalents		**2,529,179**	**4,160,724**
F. Closing Cash and Cash Equivalents (D+E)		**7,886,921**	**2,529,179**
Net Operating Cash Flow Per Share		**8.97**	**(22.66)**

The annexed notes are integral part of these financial statement.
These financial statements were approved by the Board of Directors on October 28, 2020 and were signed on it's behalf by.

Chairman	**Director**	**Managing Director**
NJMCL	NJMCL	NJMCL

Signed in terms of our separate report of even date annexed.

Dhaka,
Dated: 22th November, 2020

Malek Siddiqui Wali
Chartered Accountants

NORTHERN JUTE MANUFACTURING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
FORMING INTEGRAL PART OF THE ACCOUNT

1. Status of the company

1.1 Legal form of the company:

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

1.2 Address of Registered Office and Principal place of Business:

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

1.3 Nature of Business Activities:

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

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

2.1 Basis of Accounting:

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

2.2 Reporting Framework and Compliance thereof:

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

2.3 Component of Financial Statements:

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

- A Statement of Financial position as at June 30, 2020.
- A Statement of Comprehensive Income for the year ended June 30, 2020.
- A Statement of Cash Flow Statement for the year ended June 30, 2020.
- A Statement of Changes in Equity.
- Notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Reporting Period:

Financial Statements of the company cover one calendar year from 1st July, 2019 to 30th June, 2020.

2.5 Responsibility for Preparation and Presentation of Financial Statements:

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

2.6 Reporting Currency and Level of Precision:

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

2.7 Comparative Information:

Comparative Information has been disclosed in respect of the year 2019 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current period Financial Statements.

The figure of the year 2019 has been re-arranged whenever considered necessary to ensure comparatively with the current period.

3. Significant Accounting Policies:

3.1 Recognition of Fixed Assets & Depreciation:

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

The annual depreciation rates applicable to the principal categories are:

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

Maintenance activities:

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

Subsequent Expenditure:

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

Disposal of Fixed Assets:

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

3.2 Inventories:

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

3.3 Financial Instruments:

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

Financial Assets:

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

Accounts Receivable:

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

Advances and Deposits:

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

Cash and Cash Equivalent:

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

3.4 Impairment:

Financial Assets:

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

Non-financial Assets:

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

3.5 Financial Liability:

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

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

3.6 Creditors and Accruals:

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

3.7 Provision:

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

3.8 Revenue Recognition:

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

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

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

3.9 Income Tax Expense:

Current Tax:

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

Deferred Tax:

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

3.10 Borrowing Costs:

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

3.11 Employee Benefits:

The company's employee benefits include the following:

Short-term employee benefits:

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

Contribution to Workers' Participation/Welfare Funds:

This represents 5% of net profit before tax to be contributed by the Company as per provisions of Bangladesh Labor Law, 2006 and is payable to workers as defined in the said law. But this is a problem for us to distribute this fund to workers who are truly entitled as by surprisingly, there are huge turnover, especially in workers level, in this sector so that we could not find those workers at the time of distributing fund. As a result we didn't pay to the members'.

3.12 Proposed Dividend:

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

The Board Proposed dividend @ 5% cash dividend for the year ended 30th June, 2020 only for the general shareholders.

3.13 Earning Per Share (EPS):

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

Basic Earnings:

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

Basic Earnings per Share:

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

Diluted Earnings Per Share:

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

3.14 Cash Flow Statement:

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

3.15 Foreign Currency Translation:

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

3.16 Use of Estimates and:

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

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

3.17 IAS 10 " Event After Balance Sheet Date":

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

3.18 Transaction with Related Parties:

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

3.19 Financial risk management:

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

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

Credit risk:

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

Liquidity risk:

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

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

Market risk:

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

(a) Currency risk:

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

(b) Interest rate risk:

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

Operational risk

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

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

4.00 Property, Plant and Equipment

Figure in Taka

Assets Category	Cost				Rate (%)	Depreciation				Written down value	
	As on 01.07.2019	Addition this year	Disposal this year	As on 30.06.2020		As on 01.07.2019	Adjustment	Charge this year	Total as on 30.06.20	As on 30.06.2020	As on 30.06.2019
Unit-1											
Land and Land Development	1,000,468	-	-	1,000,468	0%	-	-	-	-	1,000,468	1,000,468
Building	33,247,026	88,780,594	-	122,027,620	5%	12,845,406	-	1,020,081	13,865,487	108,162,133	20,401,620
Godown	6,349,150		-	6,349,150	5%	642,918	-	285,312	928,230	5,420,920	5,706,232
Electric Installation	7,712,512	-	-	7,712,512	15%	4,076,598	-	545,387	4,621,985	3,090,527	3,635,914
Plant and Machinery	159,845,121	-	-	159,845,121	10%	73,282,868	-	8,656,225	81,939,093	77,906,028	86,562,253
Generator	3,300,000		-	3,300,000	15%	945,554	-	353,167	1,298,721	2,001,279	2,354,446
Furniture & Fixtures	1,584,847	14,050	-	1,598,897	15%	834,302	-	106,177	940,479	658,418	750,545
Office Equipment	2,952,803	-	-	2,952,803	15%	840,101	-	316,905	1,157,006	1,795,797	2,112,702
Vehicle	4,080,946		-	4,080,946	20%	2,290,268	-	358,136	2,648,404	1,432,542	1,790,678
Forklift	750,000		-	750,000	20%	364,209	-	77,158	441,367	308,633	385,791
Sundry Assets	2,604,839	16,500	-	2,621,339	15%	901,197	-	240,640	1,141,837	1,479,502	1,703,642
Total Unit-1 Taka	**223,427,712**	**88,811,144**	**-**	**312,238,856**		**97,023,421**	**-**	**11,959,188**	**108,982,609**	**203,256,247**	**126,404,291**
Unit-2											
Building	5,896,369	-	-	5,896,369	5%	2,512,346	-	169,201	2,681,547	3,214,822	3,384,023
Electric Installation	1,148,043	-	-	1,148,043	15%	689,069	-	68,846	757,915	390,128	458,974
Plant and Machinery	29,038,129	-	-	29,038,129	10%	23,059,651	-	597,848	23,657,499	5,380,630	5,978,478
Total Unit-2 Taka	**36,082,541**	**-**	**-**	**36,082,541**		**26,261,066**	**-**	**835,895**	**27,096,961**	**8,985,580**	**9,821,475**
Sub Total	**259,510,253**	**88,811,144**	**-**	**348,321,397**		**123,284,487**	**-**	**12,795,083**	**136,079,570**	**212,241,827**	**136,225,766**

Assets Category	Revaluation Surplus				Rate (%)	Depreciation				Written down value	
	As on 01.07.2019	Addition this year	Disposal this year	As on 30.06.2020		As on 01.07.2019	Adjustment	Charge this year	Total as on 30.06.20	As on 30.06.2020	As on 30.06.19
Unit-1											
Land and Land Development	202,053,032	-	-	202,053,032	0%	-	-	-	-	202,053,032	202,053,032
Building	11,849,842	-	-	11,849,842	5%	6,912,190	-	246,883	7,159,073	4,690,769	4,937,652
Electric Installation	100,367	-	-	100,367	15%	94,661	-	856	95,517	4,850	5,706
Plant and Machinery	16,067,355	-	-	16,067,355	10%	13,560,993	-	250,636	13,811,629	2,255,726	2,506,362
Total Unit-1 Taka	**230,070,596**	**-**	**-**	**230,070,596**	**-**	**20,567,844**	**-**	**498,375**	**21,066,219**	**209,004,377**	**209,502,752**
Unit-2											
Building	7,743,313	-	-	7,743,313	5%	4,535,470	-	160,392	4,695,862	3,047,451	3,207,843
Total Unit-2 Taka	**7,743,313**	**-**	**-**	**7,743,313**	**-**	**4,535,470**	**-**	**160,392**	**4,695,862**	**3,047,451**	**3,207,843**
Sub Total	**237,813,909**	**-**	**-**	**237,813,909**	**-**	**25,103,314**	**-**	**658,767**	**25,762,081**	**212,051,828**	**212,710,595**
Grand Total 2020	**497,324,162**	**88,811,144**	**-**	**586,135,306**	**-**	**148,387,801**	**-**	**13,453,850**	**161,841,651**	**424,293,655**	
Grand Total 2019	**494,992,527**	**2,331,635**	**-**	**497,324,162**	**-**	**134,190,477**	**-**	**14,197,325**	**148,387,802**	**-**	**348,936,361**

Depreciation Charged on unit 1 & 2

Depreciation charged to Factory Overhead	=	13,030,768
Depreciation charged to Administrative Expenses	=	423,082
		13,453,850

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019
5.00	**Capital Work in Progress**		
	Building	38,291,367	86,562,576
		38,291,367	**86,562,576**
6.00	**Inventories :**		
	Inventories (Stock & Stores) Comprises the following balances:		
	A. Direct Materials:		
	Raw Jute (6.01)	57,686,647	59,253,308
	Jute Batching Oil	3,403,900	2,403,900
	Sub - Total	**61,090,547**	**61,657,208**
	B. Consumable Stores :		
	Machinery Spares	10,056,478	10,785,420
	Electric Goods	2,925,420	2,801,579
	Loose Tools	952,478	1,481,563
	Oil & Lubricant	1,495,278	1,842,375
	Printing	188,457	207,850
	Construction Materials	200,120	301,200
	Sundry Stores	1,601,504	1,625,478
	Stationery	38,113	53,858
	Sub - Total	**17,457,848**	**19,099,323**
	C. Packing Materials:		
	Hessian Bag	723,769	1,740,887
	Polythene	1,392,996	740,932
	Conical Spool	182,177	498,933
	Dyes & Chemical	137,075	21,091
	P.P Tape and Slyver Can	188,825	610,840
	Bottom Plete	141,225	459,495
	Bobbin	2,369,495	465,880
	Bindig clip	459,521	294,100
	Pallet	413,810	1,554,870
	Corrugated paper and others	8,151	96,574
	Sub - Total	**6,017,044**	**6,483,602**
	D. Work in Process	49,035,634	66,256,840
	E. Finished Goods (6.2)	64,117,579	61,531,153
	Sub - Total	**113,153,213**	**127,787,993**
	GRAND TOTAL	**197,718,652**	**215,028,126**

6.01 Raw Jute Inventory

Jute Grading	Quantity (Mon)	Average Price/mond (Tk.)	Total (Taka)
BTC	4,055.50	2,510	10,179,305
BDT-1	2,251.00	2,230	5,019,730
BDT-2	4,125.00	2,122	8,753,308
BTE	2,650.00	2,080	5,512,000
SMR	1,632.00	1,810	2,953,920
Cutting	8,645.00	1,417	12,245,643
Uncut	5,613.25	2,320	13,022,740
Total	**28,971.75**		**57,686,645**

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019

6.02 Finished Goods Inventory

Count	Quantity (MT)	Average Price/MT ($)	Total (Taka)
7/1 CB	32.00	1,360.00	3,633,920
8/1 CB	198.60	1,320.00	21,889,692
14/1 Sacking	52.30	990.00	4,323,380
16/2 Sacking	48.50	970.00	3,928,258
14/1 Hessian	12.00	1,000.00	1,002,000
14/2 Hessian	47.00	1,030.00	4,042,235
13/1 CB	162.60	1,100.00	14,934,810
28/1 Sacking	112.56	770.00	7,237,045
28/3 Sacking	52.00	720.00	3,126,240
Total	**717.56**		**64,117,579**

7.00 Account Receivable

Abdul Hasan Kaine	6,595,030	-
Kailash Traders	-	4,331,250
Int. Trade Exc.	9,502,080	-
Vicar International		355,710
J.K.Sons	3,074,400	-
Netra International	-	1,180,690
Sarvamangla	2,646,000	2,041,800
Phoc Son Production	-	750,750
Pat Bangla	-	5,477,537
G. Traders	7,250,040	-
Clifton	6,821,640	4,314,675
	35,889,190	**18,452,412**

Ageing of Account Receivable

Not more than 30 Days	26,387,110	18,452,412
30 Days to 60 Days	9,502,080	-
60 Days to 90 Days	-	-
Over 90 Days	-	-
Total	**35,889,190**	**18,452,412**

8.00 Advance, Deposit and Prepayment :

ADVANCE:		
Advance to Employees	367,900	335,400
Advance Rent	10,000	10,000
Advance to Suppliers	149,702,285	117,880,383
Interest receivable-FDR	398,737	355,308
Advance against Godown Rent	-	200,000
Advance Income Tax	7,674,294	7,550,864
Sub- Total	**158,153,216**	**126,331,955**
SECURITY DEPOSIT:		
Power Development Board	603,250	603,250
Custom	1,000	1,000
Telephone	5,150	5,150
G4S Secute Solution Bd.Ltd	329,750	329,750
Central Depository Bangladesh Ltd.	100,000	100,000
Sub-Total	**1,039,150**	**1,039,150**
PRE-PAYMENTS:		

Northern Jute Manufacturing Company Limited
Notes to the Financial Statement
as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019
	Insurance		1,169,914
	VAT	8,250	8,250
	Sub- Total	**8,250**	**1,178,164**
	GOODS IN TRANSIT:	**-**	**-**
	GRAND TOTAL	**159,200,616**	**128,549,269**

Advance to Suppliers were adjusted during the audit period and Advance to Employees will adjust by June 2021. Advance does not related to any Director of the Company.

9.00 Cash Subsidy Receivable:

Opening Balance	21,223,405	16,086,115
Receivable during the year	38,437,224	39,495,358
	59,660,629	55,581,473
Less: Received during the year	28,978,056	34,358,068
Total Taka	**30,682,573**	**21,223,405**

10.00 Cash and Cash Equivalents :

CASH IN HAND:		
i) Head Office	485,439	347,770
ii) Factory Office	62,347	184,144
Sub- Total	**547,786**	**531,914**
CASH AT BANK:		
a) Current Account # 33011458, Janata Bank, L/O, Dhaka.	58,490	63,635
b) Current Account # 111-251,Shahjalal Islami Bank, Kushtia.	31,537	32,288
c) Current Account # 15692,Mercantile Bank Ltd., Kawran Bazar Br.	2,333,936	162,359
d) Current Account # 13175,Mercantile Bank Ltd., Kawran Bazar Br.	215,034	-
e) Dutch Bangla Bank Ltd., Elephant Road Br	23,402	24,093
f) Current Account #111-11587, Shahjalal Islami Bank, Kawran Bazar B	294,313	65,964
g) Sonali Bank Ltd., Local Office. A/C No. 33145604	75,788	75,788
h) Sonali Bank Ltd., Kurigram Br. A/C No. 33014858	96,650	96,650
i) Sonali Bank Ltd., Kawran Bazar Br. A/C No. 2000892	38,472	41,807
j) SND no.1310000819, SJIBL, KawranBazar Branch for Dividend	4,139,537	1,377,905
k) Mercantile Bank Ltd.,Kushtia Br.,A/C No. 6126	31,976	56,776
Sub- Total	**7,339,135**	**1,997,265**
Closing Balance of Cash & Cash Equivalents	**7,886,921**	**2,529,179**

The Bank Balances were confirmed and reconciled with Bank statements and found in order.

11.00 Share Capital :

This represents:

a) Authorized: 10,000,000 Ordinary Shares of Tk. 10.00 each	**100,000,000**	**100,000,000**
Composition of Share holding:		
Issued, Subscribed and Paid - up: (%)		
b) Sponsors: 323,147 Ordinary Shares of Tk. 10.00 each (15.09%)	3,231,470	3,231,470
c) Gen. Public: 1,818,853 Ordinary Shares of Tk. 10.00 each(84.91%)	18,188,530	18,188,530
TOTAL TAKA	**21,420,000**	**21,420,000**

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

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019

Range of holding in number of Shares	No. of Share Holders	% of Share Holder	No. of Share	% of Share Capital
1 to 500	3,784	84.84%	416,824	19.46%
501 to 5,000	631	14.15%	794,620	37.10%
5,001 to 10,000	26	0.58%	175,292	8.18%
10,001 to 20,000	10	0.22%	133,098	6.21%
20,001 to 30,000	5	0.11%	129,453	6.04%
30,001 to 40,000	-	0.00%	-	0.00%
40,001 to 50,000	-	0.00%	-	0.00%
50,001 to 1,00,000	2	0.04%	167,342	7.81%
Over 1,00,000	2	0.04%	325,371	15.19%
TOTAL	**4,460**	**100.00%**	**2,142,000**	**100.00%**

d) Detailed break up of paid up capital - as per notification no. BSEC/CMRRCD/2006-158/208/Admin/81

Year	Status	% of Bonus Share	Addition of Share	Paid up Share	Paid up Capital Amount
2012-13	After IPO			1,700,000	17,000,000
2013-14	Bonus	5.00	85,000	1,785,000	17,850,000
2014-15	-			1,785,000	17,850,000
2015-16	-			1,785,000	17,850,000
2016-17	Bonus	20.00	357,000	2,142,000	21,420,000
2017-18	-			2,142,000	21,420,000
2018-19	-			2,142,000	21,420,000

12.00 Revaluation Reserve :

Particulars	Amount	Amount
Revaluation Reserve Balance (As on 01-07-2019)	**213,800,341**	**214,508,543**
Addition of Revaluation Reserve-Land (Current Year)	-	-
	213,800,341	**214,508,543**
Less: Transfer of depreciation on revaluation on tangible assets to the Retained Earnings	**658,767**	**708,202**
Revaluation Reserve Balance (As on 30-06-2020)	**213,141,574**	**213,800,341**

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

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019

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

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

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

13.00	**Retained Earnings:**		
	Profit/(Loss) Brought Forward	(63,785,284)	(114,389,257)
	Net Profit/(Loss) during The Year	24,263,602	49,895,771
	Previous Year Adjustment	-	-
	Adjustment of Revaluation Reserve	658,767	708,202
	Dividend during the year	(21,420,000)	
	Retained Earning Carried Forward	**(60,282,915)**	**(63,785,284)**
14.00	**Long Term Loan:**		
	Opening Balance	162,705,381	175,827,712
	Received during this year	-	-
		162,705,381	175,827,712
	Add: Interest during this period	18,412,952	19,700,669
		181,118,333	195,528,381
	Less : Repayment during this year	12,300,000	32,823,000
		168,818,333	162,705,381
	Less : Current Portion of Long Term Loan	86,169,000	54,705,000
		82,649,333	**108,000,381**

Non financial disclosure :

Nature of facility	:	Term Loan
Amount	:	200.00 Million
Purpose	:	For talking over Term Loan liability from International leasing and Financial Services Ltd.
Validity	:	7 Years
Rate of Interest	:	13.00%
Installament size	:	36,47,000/-
Security	:	Hypothecation of Factory machinery, equipments,

Northern Jute Manufacturing Company Limited
Notes to the Financial Statement
as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019

raw materials, work in process & finished goods.

Personal guarantee : All directors of Northern Jute Mfg. Co. Ltd.

Mode of adjustment : By depositing 84 equal monthly installments

15.00 Deferred Tax Liabilities

Particulars	Carrying Value (Cost -Acc. Depreciation)	Tax base (Cost-Acc. Capital Allowance)	Temporary Difference	Deferred Tax
Opening balance (excluding land and land development)	135,225,298	103,311,455	31,913,843	3,751,885
Addition during the year	88,811,144	88,811,144	-	-
Depreciation charge/capital allowance	(13,453,850)	(29,076,913)	15,623,064	1,562,306
Closing Balance	**210,582,592**	**163,045,686**	**47,536,907**	**5,314,191**

16.00 Trade Payable

Liabilities for goods consist of following balance:		
Jutob Impex	17,000	10,400
Nahar Enterprise	-	16,129
Nodi Electric	38,720	-
Sumon Spool	-	98,988
Boishakhi Enterprise	19,195	10,662
Hazi Enterprise	52,613	64,743
Kanaipur Bobbin	23,734	88,174
M.K. Traders	12,868	33,218
Moin International	447,460	-
Monno Jute Stafflers Ltd	152,535	92,169
Navana Industries Ltd	-	39,904
Alauddin Engineering Workshop	161,711	92,001
Nayem Traders	349,769	8,709
A.K. C & F Ltd	26,035	365
Shafath Traders	142,919	-
SM Engineering	485,871	160,598
Lubricant Asia	273,800	-
Shoyeb Corp	115,557	-
Swan Enterprise	46,000	-
TOTAL TAKA	**2,365,787**	**716,060**
	25,441,509	**9,838,394**

17.00 Liabilities For Expenses :

Liabilities for expenses consists of following balances:

Electricity bill	865,998	1,291,552
Salary	1,066,550	1,407,337
Telephone	516	261
Audit Fee	120,000	100,000
Interest ag Loan from ILFSL	23,388,445	7,039,244
	25,441,509	**9,838,394**

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019
	TOTAL TAKA	**25,441,509**	**9,838,394**
18.00	**Other Liabilities:**		
	Provision for Income Tax (Note: 18.01)	3,234,171	6,415,265
	Workers profit participation fund	5,299,600	3,670,522
	Advance from Buyers	6,550,000	-
	Unclaimed Dividend	5,259,379	1,298,747
	TOTAL TAKA	**20,343,150**	**11,384,534**
18.01	**Provision for Income Tax**		
	Opening Balance	6,415,265	4,632,610
	Adjust against Return	4,522,853	4,646,283
	Short/Excess Provision	(1,892,412)	(13,673)
	Provision made during the year (Note 27.00)	5,126,583	6,428,938
	Closing Balance	**3,234,171**	**6,415,265**
19.00	**Working Capital Loan**		
	Mercantile Bank Ltd., Kawran Bazar Br.	410,331,791	362,009,273
	International Leasing & Financial Ser. Ltd	108,994,745	108,994,745
	TOTAL TAKA	**519,326,536**	**471,004,018**

19.01 Non financial disclosure :

		M B L	ILFSL
Nature of facility	:	Working Capital Loan	Working Capital Loan
Amount	:	350.00 Million	300.00 Million
Purpose	:	Working Capital	Working Capital
Validity	:	1 Years	1 Years
Rate of Interest	:	13.00%	15.00%
Security	:	Hypothecation of Factory machinery, equipments, raw materials, work in process & finished goods.	-
Personal guarantee	:	All directors of Northern Jute Mfg. Co. Ltd.	
Mode of adjustment	:	By depositing export proceeds	

20.00 Revenue (Turnover From Sales) :		
Export Sales	549,103,219	564,219,402
Local Sales	-	-
TOTAL TAKA	**549,103,219**	**564,219,402**

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019

Sales Quantity :

Particulars	2019-20 Qty. in M. ton	2018-19 Qty. in M.ton
Work in Process (Opening)	753.63	394.46
Add :Raw Jute input	5,649.33	6,449.56
Cutting	1,554.48	1,836.54
Jute Batching Oil	138.54	146.05
Total	**8,095.98**	**8,826.61**
Less: Process loss	223.45	212.58
Sewing yarn	56.45	60.38
Colour yarn	46.88	42.14
Work in Process (Closing)	788.34	753.63
Total	**1,115.12**	**1,068.73**
Production during the year	6,980.86	7,757.88
Add: Finished Goods (Opening)	672.20	975.32
Goods available for Sales	7,653.06	8,733.20
Less: Finished Goods (Closing)	717.56	672.20
Sales during the year	**6,935.50**	**8,061.00**

21.00 Cost of Good Sold :

Work - in - Process (Opening)	66,256,840	39,401,094
Raw Jute consumed (21.01)	322,048,553	325,036,217
Other Direct Materials (21.02)	20,825,456	23,000,939
Work - in - Process (Closing)	(49,035,634)	(66,256,840)
Total Consumption	**360,095,215**	**321,181,410**
Factory Overhead (21.03)	86,581,554	102,066,449
Cost of Production	**446,676,769**	**423,247,859**
Finished Goods (Opening)	61,531,153	77,944,643
Goods available for Sale	**508,207,922**	**501,192,502**
Finished Goods (Closing)	(64,117,579)	(61,531,153)
Total Cost of Goods Sold	**444,090,342**	**439,661,349**
Less: Cash Subsidy	38,437,224	39,495,358
Net Cost of Goods Sold	**405,653,118**	**400,165,991**

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

Particulars	Unit	Quantity	Value in Taka
Stock as on 30-06-2019	M. Ton	1,048.39	59,253,308
Stock as on 30-06-2020	M. Ton	1,158.87	57,686,647

21.01 Raw Jute Consumed :

Particulars	Quantity in M. Ton	2019-20 Amount in Taka	2018-19 Amount in Taka
Raw Jute Consumption	5,649.33	252,802,773	264,187,115
Cutting Consumption	1,554.48	69,245,780	60,849,102
TOTAL	**7,203.81**	**322,048,553**	**325,036,217**

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019
	Medical Expenses	31,683	45,278
	Staff Quarter Expenses	80,818	91,286
	Guest House Expenses	255,165	303,248
	Vehicle Repairs	86,264	127,422
	Fees & Renewals	41,695	1,403,671
	Vehicle Running Expenses	90,530	115,611
	Overtime	152,500	132,550
	Printing & Stationery	89,557	68,616
	Security Services	4,663,359	5,606,670
	Miscellaneous Expenses	6,140	4,430
	Fire Extinguisher Refilling Charge	38,873	-
	Insurance Premium	909,191	2,430,039
	Depreciation	13,030,768	13,872,875
	Godown Rent	112,000	864,000
	TOTAL TAKA	**86,581,554**	**102,066,449**
22.00	**Adminstrative Expenses :**		
	Break up of the above amount is given below :		
	Managing Director Remuneration	1,575,000	1,650,000
	Remuneration (Ind. Director)	200,000	-
	Salary & Allowance	5,520,684	5,763,260
	Bonus	442,320	909,940
	Office Rent	651,598	1,306,415
	Audit fee	137,250	100,000
	Travelling Expenses	88,805	125,422
	Conveyance	142,745	161,598
	Postage & Stamp	21,610	33,896
	Telephone	11,415	22,967
	Entertainment	565,009	244,109
	Eid Tips	91,700	53,700
	Overtime	97,200	82,100
	Vehicle Repairs	321,579	218,403
	Fees & Renewals	180,222	212,006
	Vehicle Running Expenses	531,065	459,076
	Mobile Allowances	174,066	143,901
	Printing	32,439	50,510
	Bank Charges & Commission	254,232	221,776
	Board Meeting expenses	90,500	166,750
	AGM expenses	354,210	198,687
	Newspaper	11,040	13,390
	Advertisement & Publicity	132,900	226,650
	Medical Expenses	130,800	-
	Subscription	59,800	50,840
	Computer Servicing Expenses	2,350	86,130
	Contribution to PF	282,729	-
	CDBL Expenses	-	10,240
	Office Maintenance	248,216	199,770
	WASA	13,574	29,344
	Professional Fee	82,000	90,000

Northern Jute Manufacturing Company Limited
Notes to the Financial Statement
as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019
	Legal Expenses	435,500	180,500
	Electricity Bill (Office)	119,800	298,736
	Gift	125,630	-
	Internet Expenses	275,287	344,874
	Stationery	96,091	188,244
	Repair & Maintenance	82,156	-
	Uniform & Liveries	-	32,600
	Miscellaneous Expenses	659,600	160,200
	Donation	56,000	86,500
	Business Development	178,051	67,876
	Depreciation	423,082	324,450
	TOTAL TAKA	**14,898,255**	**14,514,860**
23.00	**Selling & Distribution Expenses :**		
	The above amount details as follows:		
	Salary & Allowances	563,063	570,000
	Advertisement	40,000	45,000
	Travelling	26,725	122,712
	Commission	1,067,730	586,048
	Compensation	579,700	-
	Bonus	31,500	57,000
	Bank Charges and Commission	2,768,066	3,693,207
	C&F Bills	2,404,203	2,059,588
	Freight	611,819	
	Inspection Cost	79,195	
	Documentation	228,708	402,983
	Carriage Outward	5,135,500	4,536,600
	TOTAL TAKA	**13,536,209**	**12,073,138**
24.00	**Financial Overhead:**		
	Interest on Long Term Loan	18,387,952	19,700,669
	Interest on Short Term Loan	68,346,036	60,091,872
	Loan Processing Fee	-	51,500
	TOTAL TAKA	**86,733,988**	**79,844,041**
25.00	**Auditors Remuneration :**	**120,000**	**80,000**
	The above amount is fixed for statutory audit fees approved in the last Annual General Meeting and includes no other remuneration.		
26.00	**Other Income :**		
	This is arrived at as follows :		
	Sale of Caddies		202,322
	Int. ag. Loan to Sister Concern	950,000	-
	Sale of Scrap Material	26,754	132,860
	Interest on FDR	1,302,127	905,308
	Interest received	94,992	40,632
	DEDO	1,865,293	1,372,775
	Foreign Exchange Rate Fluctuation	60,755	13,348
	TOTAL TAKA	**4,299,921**	**2,667,245**

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019

27.00 Provision for Income Tax

A. Required provision (As per Tax Rate)

	2019-20	2018-19		
Business Income	11,029,506	57,621,271	1,102,951	5,762,127
Income from other sourch	4,299,921	2,667,245	1,074,980	666,811
Total	**15,329,427**	**60,288,516**	**2,177,931**	**6,428,938**
B. AIT deducted at source			**5,126,583**	**4,522,853**
C. Tax bases on Turnover			**3,294,619**	**3,385,316**
Minimum Tax higher of A B C			**5,126,583**	**6,428,938**
Add/Less: Short/Excess provision			-	
Provision during the period			**5,126,583**	**6,428,938**

Tax Rate

Income from Operation	10%	10%
Other Income	25%	25%

27.01 Calculation of effective tax rate

Particulars	Income in BDT	Effective Tax Rate	Tax
Business Income	26,652,570	10%	2,665,257
Other Income	4,299,921	25%	1,074,980
	30,952,491	12.08%	**3,740,237**
Minimum Tax Effect		9.53%	2,948,652
Effective tax rate		**21.61%**	**6,688,889**

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

Net profit from core business	24,263,602	49,895,771
Total Number of Shares outstanding as on 30.06.2020	2,142,000	2,142,000
Earning Per Share	11.33	23.29

Net profit in the year 2019-20 is decreased due to COVID-19. Due to COVID-19 the factory was completely closed for almost 3 months. Moreover, the availability of raw jute in the local market was not adequate to the demand during the year. Purchase price of raw jute was higher than the previous year. As a result, cost of finished goods was increased during the year. So that, net profit has been decreased compared to the previous year.

29.00 Net Asset Value (NAV) per Share

Total Shareholders Equity	174,917,157	172,073,555
Total Number of Shares outstanding as on 30.06.2020	2,142,000	2,142,000
Net Asset Value (NAV) per Share	81.66	80.33

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.

Northern Jute Manufacturing Company Limited
Notes to the Financial Statement
as at 30 June 2020

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019

c) During the year under review there was four no. of board meeting. The rate of the board meeting attendance fee per meeting per member was Taka 5,000 and these were drawn by the respective directors.
d) There was no imported raw materils or spares etc. used during the year under audit.
e) The company is subject to foreign currency fluctuation as the local currency (Taka) varies with US Dollars and other foreign currencies.
f) Total Export earning during 2019-2020 was $ 65,63,912.
g) Miscellaneous Expenses in 2019-2020 was Tk. 6,65,740.
h) Payment/ perquisites to Directors :

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

Managerial Remuneration	1,500,000	1,500,000
Bonus	75,000	150,000
Perquisites:		
Medical	-	-
Others	-	-
	1,575,000	**1,650,000**

Notes No.	Particulars	Amount in Taka	
		30-06-2020	30-06-2019
30.00	**Net Operating Cash Flow Per Share (NOCFPS)**		
	Net cash flow from operating activities	19,221,575	(48,540,307)
	Total Number of Shares outstanding as on 30.06.2020	2,142,000	2,142,000
	Net Operating Cash Flow Per Share (NOCFPS)	8.97	(22.66)

Net operating cash flow per share (NOCFPS) during the year is Tk. 8.97 as compared to last year (22.66).This is because we had made payment slower than other time and production had been closed for pandemic in COVID-19 period.

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

31.00 Reconciliation from net profit to net operating cash flow :

	30.06.2020
Net Profit/(Loss) Before Tax	30,952,491
Finance Overhead	86,733,988
Other Income	(4,299,921)
Operating Profit	**113,386,558**
Depreciation	13,453,850
Other Income	2,185,302
Inventories (Increase)/Decrease	17,309,474
Account Receivables (Increase)/Decrease	(17,436,778)
Advance, Deposits & Prepayments (Increase)/Decrease (Except AIT and FDR receivable)	(30,484,488)
Cash Subsidy Receivable (Increase/Decrease)	(9,459,168)
Trade Payable (Increase/Decrease)	1,649,727
Liabilities for Other Expenses (Increase/Decrease) (Except Interest against loan)	(746,086)
Other Liabilities (Increase/Decrease) (Provision for Income Tax and Unclaimed Dividend)	8,179,078
	98,037,469
Finance Overhead	
Tax paid	(70,384,787)
	(8,431,107)
Net Cash generated /(used) in Operations	**19,221,575**

32.00 Key Management Benefits :

	For the year ended June 30, 2020	
	Directors	**Executives**
Basic	900,000	2,097,393
House Rent	375,000	820,689
Medical Allowances	150,000	349,565
Conv. Allowances	75,000	174,793
Bonus	75,000	195,000
Total	**1,575,000**	**3,637,440**

33.00 Attendance Fee (Audit Committee) for the year ended June 30, 2020

Name	Meeting attended	Amount
Mr. Arun Kumar Kundu	4	5,000
Mr. Amitav Adhikary	4	5,000
Mr. Swapon Kumar Mistry	3	5,000
Total		**15,000**

Attendance Fee (Board Meeting) for the year ended June 30, 2020

Name	Meeting attended	Amount
Mr. Uzzal Kumar Nandi	4	20,000
Mr. Arun Kumar Kundu	4	20,000
Mr. Amitav Adhikary	4	20,000
Mr. Swapon Kumar Mistry	3	15,000
Total		**75,000**

Northern Jute Manufacturing Company Limited

Notes to the Financial Statement

as at 30 June 2020

34.00 THE RELATED PARTY DISCLOSURES UNDER BAS - 24

The company, in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24. Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and business with them as at 30 June 2020 were as follows :

Company Name	Relationship	Nature of transation	Opening Balance (Amount in taka)	GIven during the year(Amount in taka)	Refunded during the year(Amount in taka)	Balance Debit/ (Credit) Amount in Taka
FAS Finance & Investment Limited	Common Control	FDR	10,492,500	1,121,190	-	11,613,690
International Leasing and Financial Services Ltd	Common Control	Working Capital Loan	(108,994,745)	-	-	(108,994,745)
Rahman Chemicals Ltd	Common Director	Short Term Loan	-	10,000,000	-	10,000,000

NB Loan given to Rahman Chemicals Ltd as Short Term with applicable rate of interest 15%

35.00 Number of Employees

The number of Employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 or above were 432.

36.00 Proposal of dividend

The Board of Directors in its 161th Board Meeting recommended 5% cash Dividend to the General Shareholders of the Company.

37.00 Contingent Liabilities

There is no contingent Liabilities of the Company as on June 30, 2020.

38.00 Contribution to Workers' Profit Participation Funds :

Payment against workers' Profit Participation Fund couldn't be paid due to huge labor turnover. Major respective labours normally are not available at the time of distributing the fund. Hence, the total payment has not been made.

39 Event after Reporting Date

There is no significant event after the end of the period that has to be reflected in the Financial Statement for the year ended 30th June, 2020.

NJMCL Northern Jute Manufacturing Company Limited

DH Tower, Level-14, 6 Panthapath, Dhaka-1215, 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 40th Annual General Meeting (AGM) of the Company to be held on Sunday the 27h December, 2020 at 10.00 A.M digital platform. As witness my hand this ..... day of 2020

(Signature of the Proxy)

Revenue Stamp Tk: 20.00

(Signature of the Shareholder)

Date: .....

Register Folio/BO No.....

No.....

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.

NJMCL Northern Jute Manufacturing Company Limited

DH Tower, Level-14, 6 Panthapath, Dhaka-1215, Bangladesh.

SHAREHOLDER'S ATTENDENCE SLIP

I/We hereby record my attendance at the 40th Annual General Meeting (AGM) of the Company to be held on Sunday the 27th December, 2020 at 10.00 A.M . in digital platform.

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 Jute Manufacturing Co. Ltd.

Registered Office

DH Tower, Level-14, 6 Panthapath, Dhaka-1215, Bangladesh

Tel: +88 02 55013506, Fax: +88 02 55013507

E-mail:northernjute@yahoo.com,Web: www.northernjute.com

Factory

BSCIC Industrial Estate, Kushtia, Bangladesh

Tel: +88 071-61884-85