

ANNUAL REPORT

2018-2019



MONNO JUTE STAFLLERS LTD.

Monno Jute Stafflers Ltd.

BOARD OF DIRECTORS :

MRS. AFROZA KHAN

Chairman

MR. MOYNUL ISLAM

Vice Chairman

MRS. HURON NAHAR RASHID

Managing Director

MR. RASHEED MYMUNUL ISLAM

Director

MR. RASHEED RAFIUL ISLAM

Director

DR. MD. ANWAR HOSSAIN

Independent Director

MRS. MINARA HAI

Independent Director

MR. BENOY PAUL ACS

Company Secretary

(Appointment on 20.08.2019)

AUDITORS :

Messrs. A. Wahab & Co.,
Chartered Accountants,
Hotel Purbani, Annex-2, 4th floor,
1 Dilkusha Commercial Area,
Dhaka-1000.

BANKER :

Islami Bank Bangladesh Limited,
Manikgonj Branch,
Manikgonj.

FACTORY :

Islampur, Dhamrai,
Dhaka.

REGISTERED OFFICE :

Islampur, Dhamrai,
Dhaka-1350.

LIAISON OFFICE :

9, Wyre Street, Wari,
Dhaka-1203.

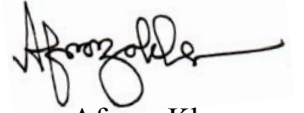
Monno Jute Stafflers Ltd.

NOTICE OF THE FORTY FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty First Annual General Meeting of the shareholders of Monno Jute Stafflers Limited will be held on Thursday the 5th December 2019 at 10:30 a.m. at Registered Office of the Company at Islampur, Dhamrai, Dhaka-1350, to transact the following businesses:

1. To confirm the proceedings of the Fortieth Annual General Meeting held on Thursday the 6th December 2018.
2. To receive, consider and adopt the Audited Financial Statement for the year ended on June 30, 2019 together with Report of the Directors' and Auditors' thereon.
3. To declare 20% Stock Dividend to the shareholders for the year ended on June 30, 2019.
4. To elect Directors.
5. To appoint Auditors for the year ending the 30th June 2020 & to fix their remuneration and also appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2020 & to fix their remuneration.

By order of the Board,



Afroza Khan
Chairman

Dated : Dhaka, the 23rd October 2019.

Notes:

1. November 14, 2019 is scheduled as Record Date. Shareholders whose names would appear in the Register of Members/CDS Record on the Record Date would be entitled to Stock Dividend.
2. Any member of the Company entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, with duly affixed revenue stamps of Tk.20.00, should be submitted at the Liaison office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48 hours before the time fixed for the meeting.
3. Members are requested to notify change of address, if any, to the Company.
4. Admission to the meeting will be strictly on production of the attendance slip attached with the proxy form.

Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/উপহার কুপন/খাবার/যাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।

Monno Jute Stafflers Ltd.

Vision We see business as a means to the well-being of the shareholders and all other stakeholders, society as well as the national interest as a whole.

Mission Our Mission is to provide world class quality products to our valued customers, strictly maintain ethical standard in business operation.

Objectives Our objectives are to conduct transparent business operation within the legal & social frame work with aims to attain the mission with a quantitative/qualitative target in business operation.

Corporate Focus Our vision, our mission and our objectives are to emphasise on the continuous development in making value addition to our products for producing the higher quality products, to keep well prepared for competitive world market.

Financial Management Policy

All financial policies like investments policy, dividend policy and financing policy is to maximise the value of the organisation.

Corporate Governance:

Top Management : Board of Directors

As per provisions of the Article of Association, Board of Directors hold periodic meetings to resolve issue of policies and strategies, recording minutes/decisions for implementation by the Executive Management.

Executive Management:

The Executive Management is headed by the Managing Director, the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management. The Executive Management is responsible for preparation of segment plans/sub-segment plans for every profit centres with budgetary targets for every items of goods & services and are held accountable for deficiencies with appreciation for exceptional performance.

WE STRIVE FOR

- ◇ Protection of shareholders' capital as well as to ensure maximise the value of the organisation.
- ◇ Best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company through a pay-package composing salary/wages, allowances, bonuses, profit participation and leave salary as per Company rules.

Monno Jute Stafflers Ltd.

- ◇ The best co-operation of the suppliers by timely payment of their bills, the banks & financial Institutions by repayment of loan before due date and the authority relating to utilities-power, gas etc. by regular payment of their bills.
- ◇ Fulfillment of our responsibility to the Government through regular payment of taxes, VAT and duties etc.
- ◇ As responsible citizen, for a social order devoid of malpractices, anti-environmental behaviours, unethical and immoral activities and corruptive dealings.
- ◇ Practicing good-governance in every sphere of activities covering full disclosure & reporting to shareholders, holding AGM and distribution of dividends and other benefits to shareholders in time, reporting/dissemination of price sensitive information, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees and the government.
- ◇ Regular repayment of loan and lease installments to the financial institutions is the ideology of Monno.

Monno Jute Stafflers Ltd.

FIVE YEARS FINANCIAL STATISTICS

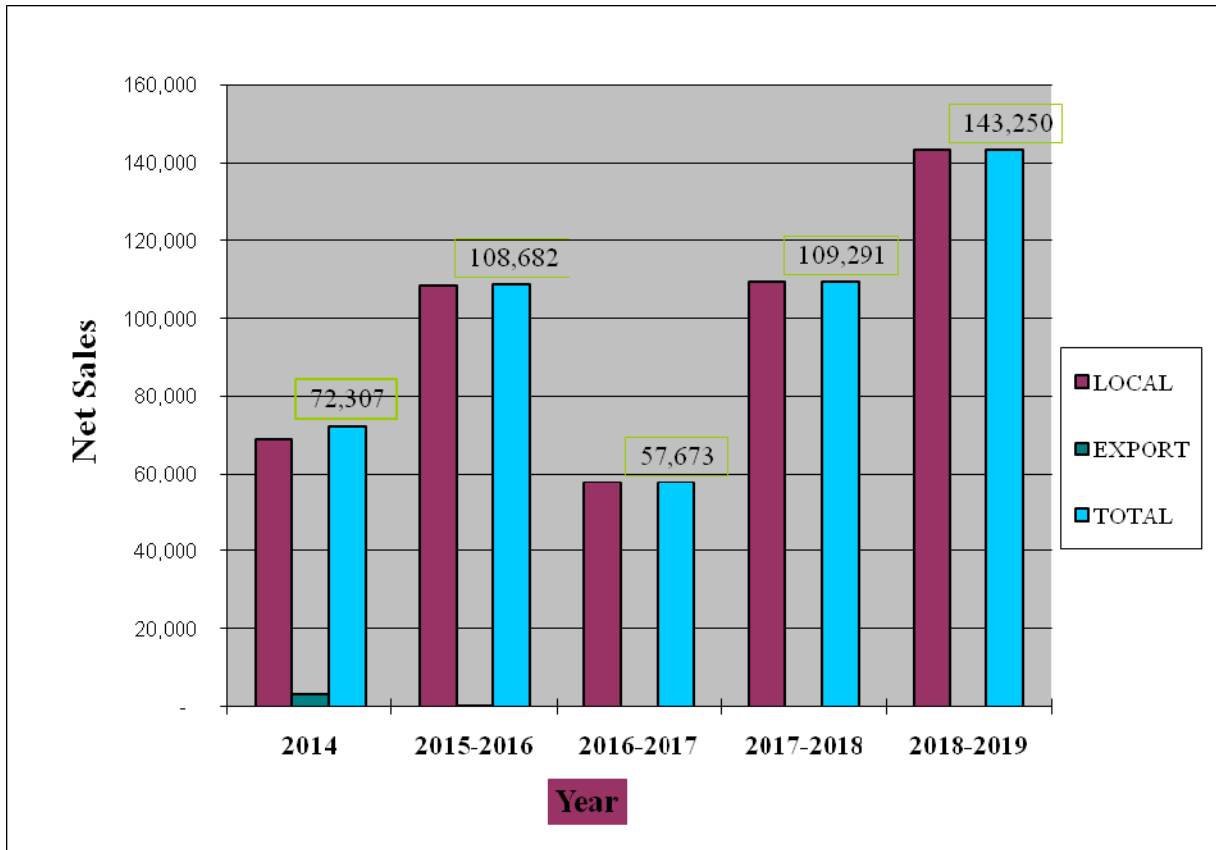
(Figures in '000 taka)

PARTICULARS	2018-2019	2017-2018	2016-2017	2015	2014
Authorised capital	1,000,000	10,000	10,000	10,000	10,000
Paid-up capital	20,700	4,600	4,000	4,000	4,000
Revenue reserves & surplus	9,496	19,918	16,500	16,448	15,785
Shareholders equity	30,196	24,518	20,900	20,448	19,785
Fixed assets (gross)	59,747	59,694	29,110	29,017	28,844
Fixed assets (net)	25,981	30,500	3,889	4,892	5,643
Revenue (net)	143,250	109,291	57,673	76,884	72,307
Gross margin	24,256	18,495	9,718	12,312	11,592
Net profit before income tax	9,232	5,358	305	1,416	1,373
Net profit after income tax	5,678	4,019	229	1,062	1,012
Surplus available for appropriation	5,702	13,174	9,755	9,703	9,041
Amount of cash dividend	-	-	-	400	400

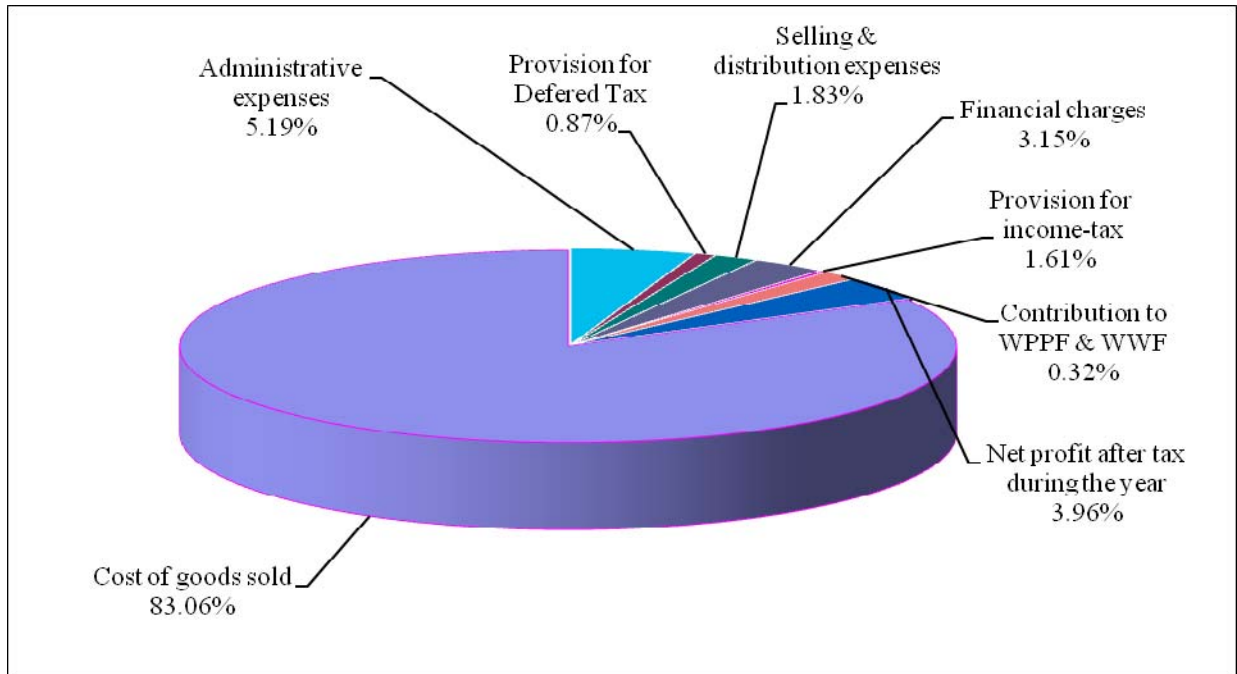
Number of shares	2,070,000	460,000	400,000	400,000	400,000
Shareholders equity per share	15	53	52	51	49
Return on paid-up capital	27%	9%	6%	27%	25%
Rate of dividend	20% stock	350% stock	15% stock	10%	10%
Earning per share	2.74	8.74	0.57	2.66	2.53
Net asset value per share	14.59	53.30	52.25	51.12	49.46
Payout ratio	-	-	-	31.06%	39.53%
Net operating cash flow per share	11.06	69.68	(96.16)	7.82	0.67
Number of shareholders	6,329	838	429	428	482

Monno Jute Stafflers Ltd.

STATISTICS OF FIVE YEARS NET SALES



Cost & Profit for the year ended on June 30, 2019



Monno Jute Stafflers Ltd.

CHAIRMAN'S REPORT

Dear shareholders,

First of all let me welcome you all to the Forty First Annual General Meeting of Monno Jute Stafflers Limited. It gives me immense pleasure to share the moments we all had been waiting for. On behalf of the Board of Directors of our Company, I have the privilege to present to you the Auditor's Report which includes the Audited Financial Statements and the Directors Report for the year ended the 30th June 2019.

TURNOVER

Dear shareholders,

You will be glad to know that by the grace of Almighty Allah and with all our untiring efforts we have been able to reach an increase turnover of the Company. I am happy to report that 2018-2019 is also a year of success of your Company. You will be happy to know that during the year under review we achieved an increased turnover of Tk.143.25 million which is about 31.07% more over the preceding year's turnover of Tk.109.29 million. We achieved a profit before tax of Tk.9.23 million representing a substantial growth over the previous year. The net profit after tax of the Company is Tk.5.68 million against Tk.4.02 million of previous year. It is to be noted that Cost/Expenses control initiatives has been taken by the Company throughout the year contributed improvement in the profitability of the Company.

সভাপতির প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

প্রথমে আমি মুনু জুট স্ট্যাফলার্স লিমিটেডের ৪১তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে স্বাগত জানাচ্ছি। দীর্ঘ প্রতীক্ষার পর এই মুহূর্তে আপনাদের সঙ্গে একত্রিত হতে পেরে আনন্দবোধ করছি। আপনাদের কোম্পানীর পরিচালকমন্ডলীর পক্ষ থেকে কোম্পানীর ৩০শে জুন ২০১৯ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন আপনাদের নিকট উপস্থাপন করছি।

বিক্রয়

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনারা জেনে আনন্দিত হবেন যে সর্বশক্তিমান আল্লাহ তায়লার দয়ায় এবং আমাদের সকলের ঐকান্তিক প্রচেষ্টায় আমরা আলোচ্য বছরে বিক্রয় বৃদ্ধিতে সক্ষম হয়েছি। আমি আনন্দের সাথে জানাচ্ছি যে ২০১৮-২০১৯ সাল আপনাদের কোম্পানীর জন্য একটি সাফল্যের বছর। আপনারা জেনে আনন্দিত হবেন যে, আলোচ্য বছরে বিক্রয় বৃদ্ধি পেয়ে ১৪৩.২৫ মিলিয়ন টাকায় দাঁড়ায় যা গত বছরের ১০৯.২৯ মিলিয়ন টাকা বিক্রয়ের বিপরীতে এই বৃদ্ধির হার শতকরা প্রায় ৩১.০৭ ভাগ। আলোচ্য বছরে কোম্পানী ৯.২৩ মিলিয়ন টাকা কর পূর্ব মুনাফা অর্জন করেছে যা গত বছরের তুলনায় উল্লেখযোগ্য হারে বৃদ্ধি পেয়েছে। আলোচ্য বছরে কোম্পানীর কর বাদ নীট মুনাফা ৫.৬৮ মিলিয়ন টাকা যা গত বছরে ছিল ৪.০২ মিলিয়ন টাকা। এখানে উল্লেখ্য যে, বছর ব্যাপী আপনাদের কোম্পানী যে খরচ/ব্যয় নিয়ন্ত্রণ উদ্যোগ গ্রহণ করেছে তা কোম্পানীকে আরও লাভজনক প্রতিষ্ঠানে পরিণত করতে সহায়তা করেছে।

Monno Jute Stafflers Ltd.

DIVIDEND

Maintaining sound liquidity—to finance the proper working capital requirements for smooth and uninterrupted production, to pay timely installments of term loan, to reallocate internal funds for modernization of the factory according to the need of time, to consistently maintain the rate of dividend and to meet any unforeseen circumstances—is the dividend policy of Monno.

The Board of Directors is always candid about its concern for your interest and it is evident from its activities over the years. In view of the availability of net operational results have been better during the year under review in comparison to the previous year, the Board of Directors has recommended 20% stock dividend i.e. 0.20 bonus share for every 1(one) ordinary share for the year under review, which requires your approval. We are confident that you will stand by this decision in the interest of long term prospects of the Company.

Please note that the shares of the Company listed with Dhaka Stock Exchange Limited and the Company's share of a nominal value of Tk.10.00 was quoted @ Tk.1,031.40 per share as on 30th June 2019.

লভ্যাংশ

আর্থিক তহবিল তারল্য বজায় রেখে প্রয়োজনীয় চলতি মূলধনের মাধ্যমে স্বচ্ছন্দ ও নিরবচ্ছিন্ন উৎপাদন, যথা সময়ে মেয়াদী ঋণের কিস্তি পরিশোধ, সময়ের চাহিদা অনুযায়ী কারখানা আধুনিকীকরণে অভ্যন্তরীণ তহবিলকে পূনর্বিদ্যস্ত করা, লভ্যাংশ প্রদানের হারে সামঞ্জস্যতা বজায় রাখা এবং যে কোন অনাকাঙ্ক্ষিত পরিস্থিতি মোকাবেলা করা মুন্সুর লভ্যাংশ প্রদানের নীতি।

কোম্পানীর পরিচালনা পর্ষদ আপনাদের স্বার্থ রক্ষায় সর্বদাই আন্তরিক এবং পূর্ববর্তী বছর সমূহের কার্যক্রম তার স্বাক্ষর বহন করে। পূর্ববর্তী বছরের তুলনায় আলোচ্য বছরে কোম্পানীর কার্যক্রমের নীট ফলাফল খুবই ভাল হওয়ায়, আলোচ্য বছরে পরিচালনা পর্ষদ ২০% স্টক ডিভিডেন্ড অর্থাৎ ১ (এক) টি সাধারণ শেয়ারের বিপরীতে ০.২০টি স্টক ডিভিডেন্ড প্রদানের সুপারিশ করেছেন যা আপনাদের অনুমোদনের অপেক্ষায় রয়েছে। কোম্পানীর ভবিষ্যৎ বিবেচনা করে পরিচালনা পর্ষদের সাথে আপনারাও এ বিষয়ে একমত হবেন বলে আমাদের বিশ্বাস।

এখানে উল্লেখ্য যে কোম্পানীর শেয়ার ঢাকা স্টক এক্সচেঞ্জ লিমিটেড-এ তালিকাভুক্ত রয়েছে এবং আপনাদের কোম্পানীর ১০.০০ টাকা মূল্যের প্রতিটি শেয়ার ঢাকা স্টক এক্সচেঞ্জ লিমিটেডে ২০১৮ সালের ৩০শে জুন তারিখে ১,০৩১.৪০ টাকায় ক্রয় বিক্রয় হয়েছে।

Monno Jute Stafflers Ltd.

NAME CHANGE & ALTERATION CLAUSES

You will also be glad to know that the Board of Directors has decided to change the name of the Company Monno Jute Stafflers Limited into in the name & style of Monno Agro & General Machinery Ltd. as well as change necessary objectives clauses by amending clauses of the MOA & AOA subject to the approval of the shareholders in the Extra-Ordinary General Meeting (EGM) of the Company and the Honourable High Court. In view of BMRE, modernization, EPC (Engineering Procurement Construction) & expansion of business in future, the Company shall produce new products namely agro industries, construction machineries, general machineries, agro & general laboratory instruments and other spares for the different Industries.

Conclusion

Dear shareholders,

With a view to meeting the new challenges in this free and competitive market environment and world wide economic recession all our efforts and activities are aimed at efficient management, reduction of operational cost and to increase more profitability of the Company. The most important is price competitiveness with our competitors compared to high local cost. We will do all our best to make the Company more profitable, value added and reputed enterprise. I seek all your co-operation.

I take this opportunity to express my sincere thanks and gratitude to our business associates, financial Institutions and everyone the Company interacted with, in conducting its business and our regulators as well including Bangladesh Securities and Exchange Commission. Our main strength is our dedicated and sincere human resources. I thankfully acknowledge their contribution to the Company.

নাম পরিবর্তন এবং ধারা সংযোজন

আপনারা জেনে আরও আনন্দিত হবেন যে পরিচালনা পর্ষদ মুন্সু জুট স্ট্র্যাফলার্স লিমিটেড-এর নাম পরিবর্তন করে মুন্সু এগ্রো ও জেনারেল মেশিনারী লিঃ হিসাবে নাম করণ করেন একই সাথে কোম্পানীর স্বারক ও সংঘ-বিধিতে প্রয়োজনীয় সংযোজক করার সিদ্ধান্ত নিয়েছেন যা অতিরিক্ত সাধারণ সভার (ইজিএম)-এ আপনাদের ও সম্মানিত হাইকোর্টের অনুমোদনের অপেক্ষায়। বিএমআরই, আধুনিকরণ, ইপিসি ও ভবিষ্যতে ব্যবসা ব্যাপক বিস্তার লক্ষ্যে কোম্পানী বিভিন্ন শিল্পের নতুন ধরনের যেমন এগ্রো ইন্ডাস্ট্রিজ, নির্মাণ শিল্পের যন্ত্রপাতি, সাধারণ যন্ত্রপাতি, এগ্রো ও সাধারণ পরীক্ষাগারের যন্ত্রপাতি এবং অন্যান্য যন্ত্রাংশ উৎপাদন করবে।

উপসংহার

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বর্তমান মুক্ত ও প্রতিযোগিতামূলক বাজার পরিবেশের নতুন প্রতিদ্বন্দ্বিতা এবং বিশ্বব্যাপী অর্থনৈতিক মন্দা মোকাবেলায় আমাদের সকল কর্মক্ষমতা এবং কর্মতৎপরতার উদ্দেশ্য একটি দক্ষ ব্যবস্থাপনা, পরিচালনা ব্যয় কমানো এবং অধিক মুনাফা বৃদ্ধিকরণ। আমাদের প্রতিযোগীদের সাথে মূল্য প্রতিযোগিতায় স্থানীয় উচ্চ মূল্য বৃদ্ধি তুলনা করে প্রতিযোগিতামূলক মূল্য নির্ধারণ করা হচ্ছে বিশেষ গুরুত্বপূর্ণ। কোম্পানীকে লাভজনক, উচ্চ মূল্যমান সম্পন্ন পণ্য উৎপাদন এবং সুনাম অক্ষুণ্ন রাখতে আমরা যথাসাধ্য চেষ্টা করবো। আমি আপনাদের সার্বিক সহযোগিতা কামনা করছি।

আমাদের ব্যবসায়িক সহযোগী, আর্থিক প্রতিষ্ঠানসমূহ এবং আমাদের ব্যবসায়িক কর্মকর্তাদের সাথে সংশ্লিষ্ট প্রত্যেককে এবং বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন সহ অন্যান্য নিয়ন্ত্রণকারী কর্তৃপক্ষকে আমার আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। আমাদের অন্যতম শক্তি হচ্ছে উৎসর্গীকৃত সচেতন ও দায়িত্বসম্পন্ন কর্মীবাহিনী। আমি কৃতজ্ঞতার সাথে তাঁদের অবদানের প্রশংসা করছি।

Monno Jute Stafflers Ltd.

Finally, we are very grateful to our shareholders for extending their valuable support and co-operation at all times to bring the Company to the level it has needed to-days. The success we have achieved so far was only possible because of the collective efforts of all concerned. Let us pray to Almighty Allah that He may guide us in all our endeavours.

Thanking you everybody.

Sd/- Afroza Khan
Chairman
Dated : 23rd October 2019

পরিশেষে, আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দের মূল্যমান সহযোগিতা এবং সমর্থনে কোম্পানী আজকের অবস্থানে পৌঁছাতে সক্ষম হয়েছে এ জন্য আমরা তাঁদের সকলের নিকট গভীরভাবে কৃতজ্ঞ। এ পর্যন্ত আমাদের যে সাফল্য তা সকলের সম্মিলিত প্রচেষ্টার ফসল। আসুন আমরা সর্বশক্তিমান আল্লাহ তায়লার নিকট প্রার্থনা করি তিনি যেন আমাদের সকল প্রচেষ্টায় সঠিক দিক নির্দেশনা প্রদান করেন।

আপনাদের সকলকে ধন্যবাদ।

স্বাক্ষর/- আফরোজা খান,
সভাপতি
২৩শে অক্টোবর ২০১৯

Monno Jute Stafflers Ltd.

MANAGING DIRECTOR'S STATEMENT

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements as per condition no. 1.5(XXV) of Corporate Governance Code dated June 03, 2018:

Accounting policies and estimation for preparation of financial statements:

The Financial Statements prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange Ltd. and the International Accounting Standards (IASs) as well as those standards, disclosures recommended by IASs and as applicable to the company.

Changes in accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons:

(Figures in '000 taka)

Particulars	2018-2019	2017-2018	2016-2017	2015	2014	2013
Turnover	143,250	109,291	57,673	76,884	72,307	94,374
Cost of goods sold	118,994	90,796	47,955	64,572	60,715	79,246
Gross profit	24,256	18,495	9,718	12,312	11,592	15,128
Operating profit	14,195	10,313	2,529	2,247	2,108	3,149
Profit before tax	9,232	5,358	305	1,416	1,373	2,283
Profit after tax	5,678	4,019	229	1,062	1,012	1,660
Shareholders equity	30,196	24,518	20,900	20,448	19,785	19,173
Total asset	86,904	92,234	78,019	39,958	38,585	42,809
Total current assets	60,923	61,734	74,130	35,066	32,942	39,865
Total current liabilities	56,708	67,716	57,119	19,510	18,800	23,636
Current ratio (Time)	1.07	1.07	1.30	2.05	1.75	1.69
Shareholders equity per share	15	53	52	51	49	48
Earning per share	2.74	8.74	0.57	2.66	2.53	4.15
Net asset value per share	14.59	53.30	52.25	51.12	49.46	47.93
Net operating cash flow per share	11.06	69.68	(96.16)	7.82	0.67	13.09

Briefly explain the financial and economic scenario of the country and the globe:

The economy of Bangladesh is largely agro-based with just under 50% of the total labour force still employed in the sector and more than 70% of the population involved directly or indirectly in agricultural activities. In broad terms of sectoral contribution to GDP, the share of agriculture is now less than 20% as service sectors have thrived which now account for about 52%, while the remaining 28% is mostly accounted for by employment in the industrial sector.

In the first quarter of 2019, Bangladesh's was the world's seventh fastest growing economy with a rate of 7.3% real GDP annual growth. Dhaka and Chittagong are the principal financial centres of the country, being home to the Dhaka Stock Exchange and the Chittagong Stock Exchange. The financial sector of Bangladesh is the second largest in the subcontinent. Bangladesh is one of the world's fastest growing economy.

Monno Jute Stafflers Ltd.

Healthy growth momentum continues in the Bangladesh economy amid tepid global growth environment, with 8.13 percent real GDP growth estimated by BBS forFY19 against global growth projection averaging 4.1percent for 2019 in emerging market and developing economies. The strong 8.13 percent FY19 real GDP growth was broad based across economic sectors, supported both by strong domestic demand and by external demand reflected in 10.5 percent export growth.

Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

Company's management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks. Besides, the power/gas problem has slightly eased off but more uninterrupted power supply needs to be ensured throughout the year to run the industries efficiently.

Future plan:

The Board of Directors has decided to change the name of the Company Monno Jute Stafflers Limited into in the name & style of Monno Agro & General Machinery Ltd. as well as change necessary objectives clauses in view of BMRE, modernization, EPC (Engineering Procurement Construction) & expansion of business in future. The Company shall produce new products namely agro industries, construction machineries, general machineries, agro & general laboratory instruments and other spares for the different Industries.

Sd/-

Huron Nahar Rashid
Managing Director

Dated : October 23, 2019

Monno Jute Stafflers Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have the pleasure in submitting their report and the audited accounts of the Company for the year ended on June 30, 2019 along with the Auditors' Report thereon.

FINANCIAL RESULTS

Particulars	2018-2019	2017-2018
Net turnover including other income	143,259,457	109,300,468
Cost and expenses	(15,033,451)	(103,942,376)
Net profit before tax	9,232,276	5,358,092
Provision for Income-tax & Deferred tax	(3,554,094)	(1,339,523)
Net profit after tax	5,678,182	4,018,569
Add : surplus and adjustment brought forward from previous year	23,770	9,155,201
Surplus available for appropriation	5,701,952	13,173,770

APPROPRIATION OF AVAILABLE SURPLUS

To maintain sound liquidity, to finance the proper working capital requirements for smooth and uninterrupted production, to re-allocate internal funds for modernisation of the factory according to the needs of time, to consistently maintain the rate of dividend, and to meet any unforeseen circumstances, to the dividend policy of Monno and as such a conservative dividend policy is extremely necessary. After due consideration of the above factors, the Board recommends 20% Stock Dividend for the year ended on June 30, 2019 for your approval.

DIRECTORS

Mrs. Afroza Khan and Mr. Rasheed Rafiul Islam retire from the Board of Directors by rotation in accordance with the provisions of articles 142 and 143 of the Articles of Association of the Company and, being eligible, offer themselves for re-election as per article 144.

AUDITORS

The retiring auditors of the Company, Messrs. A. Wahab & Co., Chartered Accountants, being eligible for re-appointment, expressed their willingness to continue in office for the next term and offered themselves for re-appointment as auditors for the year ending the 30th June 2020.

In compliance of the condition no. 9.2 of Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, Chowdhury Bhattacharjee & Co., Chartered Accountants, offer themselves to appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2020.

Monno Jute Stafflers Ltd.

Brief Resume of the Directors

Directors who seek re-appointed

MRS. AFROZA KHAN

Mrs. Afroza Khan, wife of Mr. Moynul Islam & Daughter of Mr. Harunar Rashid Khan & Mrs. Huron Nahar Rashid of House No. 9 (new), Road No. 16 (new), Dhanmondi R/A, Dhaka. She is the Chairman of Monno Jute Stafflers Limited, Monno Ceramic Industries Limited, Managing Director of Monno Fabrics Limited and Chairman of other concern of Monno Group of Industries. Mrs. Afroza Khan is an Honours Graduate and Masters Degree holder of the University of Dhaka has gathered commendable experience in the field of Industrial and Business management.

Mrs. Afroza Khan travelled most of the countries of the world in connection with international trade and business of the group.

MR. RASHEED RAFIUL ISLAM

Mr. Rasheed Rafiul Islam, is a Director of the Company, Son of Mr. Moynul Islam & Mrs. Afroza Khan of House No. 9 (new), Road No. 16 (new), Dhanmondi R/A, Dhaka. He is an energetic young man having a Bachelor's degree in International Politics & a Master's degree in Healthcare Management from City University, London, UK. Mr. Rasheed Rafiul Islam is also the Director of Monno Ceramic Industries Limited. Due to his dynamic effort and sincere services in administration and human resource management, the group has received much success and is becoming a five star employer.

Mr. Rasheed Rafiul Islam has travelled throughout Europe & America to meet with international customers and participate in foreign exhibitions.

Monno Jute Stafflers Ltd.

BOARD MEETINGS AND ATTENDANCE :

The number of Board Meetings and the attendance of Directors for the year ended on June 30, 2019 were as follows:-

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended
Mrs. Afroza Khan Director	9	9
Mr. Moynul Islam Vice Chairman	9	9
Mrs. Huron Nahar Rashid Managing Director	9	9
Mr. Rasheed Mymunul Islam Director	9	9
Mr. Rasheed Rafiul Islam Director	9	9
Dr. Md. Anwar Hossain Independent Director	9	7
Mrs. Minara Hai Independent Director	9	9

AUDIT COMMITTEE

Mrs. Minara Hai	Chairman
Mr. Moynul Islam	Member
Mr. Rasheed Mymunul Islam	Member
Mr. Benoy Paul ACS	Member Secretary

NOMINATION & REMUNERATION COMMITTEE (NRC)

Mrs. Minara Hai	Chairman
Mr. Moynul Islam	Member
Mr. Rasheed Mymunul Islam	Member
Mr. Benoy Paul ACS	Member Secretary

Monno Jute Stafflers Ltd.

SHAREHOLDING STRUCTURE

Number of shares held by the Directors of the Company, Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children as on June 30, 2019 are as follows :

Name of the Directors	Designation	Number of shares	% of shareholding
Mrs. Afroza Khan	Chairman	320,449	15.48
Mr. Moynul Islam	Vice Chairman	42,174	2.04
Mrs. Huron Nahar Rashid	Managing Director	48,352	2.34
Mr. Rasheed Mymunul Islam	Director	41,917	2.03
Mr. Rasheed Rafiul Islam	Nominee of MWF	436,714	21.10
Dr. Md. Anwar Hossain	Independent Director	-	-
Mrs. Minara Hai	Independent Director	-	-
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children.	-	-	-

Shareholders holdings ten percent (10%) or more in the Company as on June 30, 2019 is as follows:

Name of shareholder	Number of shares	% of shareholding
Mrs. Afroza Khan	320,449	15.48
Monno Welfare Foundation	436,714	21.10

The Director's also report that

- The Financial Statements of the Company present a true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates were reasonable and prudent.
- The Financial Statements was prepared in accordance with International Accounting Standard (IAS)/BAS/IFRS/BFRS as applicable in Bangladesh.
- The Internal Control System is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of last year.
- Bangladesh Securities and Exchange Commission's Corporate Governance Code is enclosed herewith.

Monno Jute Stafflers Ltd.

KEY OPERATING AND FINANCIAL DATA

(Figures in '000 taka)

Particulars	2018-2019	2017-2018	2016-2017	2015	2014
Turnover	143,250	109,291	57,673	76,884	72,307
Cost of goods sold	118,994	90,796	47,955	64,572	60,715
Gross profit	24,256	18,495	9,718	12,312	11,592
Operating expenses	10,061	8,182	7,189	10,065	9,484
Operating profit	14,195	10,313	2,529	2,247	2,108
Finance cost	4,511	4,697	2,215	789	753
Profit before tax	9,232	5,358	305	1,416	1,373
Profit after tax	5,678	4,019	229	1,062	1,012
Shareholders equity	30,196	24,518	20,900	20,448	19,785
Total asset	86,904	92,234	78,019	39,958	38,585
Total bank borrowings	16,608	39,377	41,690	6,577	4,680
Total current assets	60,923	61,734	74,130	35,066	32,942
Total current liabilities	56,708	67,716	57,119	19,510	18,800

Current ratio (Time)	1.07	1.07	1.30	2.05	1.75
Shareholders equity per share	15	53	52	51	49
Return on paid-up capital	27%	9%	6%	27%	25%
Rate of dividend	20% stock	350% stock	15% stock	10%	10%
Earning per share	2.74	8.74	0.57	2.66	2.53
Net asset value per share	14.59	53.30	52.25	51.12	49.46
Pay out ratio	-	-	-	31.06%	39.53%
Net operating cash flow per share	11.06	69.68	(96.16)	7.82	0.67
Number of shareholders	6,329	838	429	428	482

Monno Jute Stafflers Ltd.

Industry outlook and possible future developments in the industry

Monno Jute Stafflers Limited is to produce spare parts and accessories of Jute and Textile Mills, which the Company sells in the local and foreign markets. This sector in the country witnessed a moderate growth during the year. The Company could not attained optimum growth during the period. It is expected that the growth trend will be increased under the prevailing market conditions. The growth is expected to the better level in the next year

Segment-wise or product-wise performance

As Monno Jute Stafflers Limited produces only spare parts and accessories of Jute and Textile Mills. It is very difficult to separation of Product wise performance reporting. However, details are given in notes 30.02 of the Annual Report 2018-2019.

Risks and concerns

Company's management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks. Besides, the power/gas problem has slightly eased off but more uninterrupted power supply needs to be ensured throughout the year to run the industries efficiently.

Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin

<u>Particulars</u>	Amount in Taka	
	<u>2018-2019</u>	<u>2017-2018</u>
Cost of Goods Sold	118,993,730	90,796,026
Gross Profit	24,255,906	18,494,780
Net Profit after Tax for the year	5,678,1825	4,018,569

The Jute Sector of the country has not made any market progress both at home and in global context As a result, we could not reach the maximum sales target during the year.

Extra-Ordinary gain or loss

During the year there was no realized extra-ordinary gain or loss made by the company.

Related party transactions

During the year related parties transactions shown Note 28.00 in the normal course of business

Utilization of proceeds from public issues and/ or rights issues:

There was no public issues and/or right issue offered during the year.

Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made on June 12, 1982. Since then the company is performing well.

Remuneration to directors including independent directors:

The remunerations of Directors have been shown in the note 25.00 of the Annual Report 2018-2019 and Independent Directors have not taken any remunerations/perquisites from the Company during the year.

Monno Jute Stafflers Ltd.

Other Information

The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of account of the issuer company have been maintained.

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

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the issuer company's ability to continue as a going concern.

Dividend

The Board of Directors has recommended 20% Stock Dividend for the year ended on June 30, 2019 which is subject to approval by the shareholders in the next annual general meeting. Upon your approval in this General Meeting, the Stock Dividend will be paid to the Shareholders whose names would appear in the Register of Members/CDS Record on November 14, 2019 at the close of office.

FAIRNESS OF THE ACCOUNTS

As per Companies Act 1994, it is the responsibility of the Directors to prepare financial statements for each year to be presented before the shareholders in the general meeting. The financial statements and other financial information included in this report fairly present in all material respects, the financial conditions, results of operations, cash flow and changes in equity of company as of and for the year ended June 30, 2019.

REPORTING ON THE CORPORATE GOVERNANCE COMPLIANCE

Pursuant to the condition no. 9 of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, we attach the Corporate Governance Code on compliance with the conditions in prescribed format.

On behalf of the Board of Directors,

Sd/-Afroza Khan,
Chairman

Dated : 23rd October 2019.

Monno Jute Stafflers Ltd.

AUDIT COMMITTEE REPORT

For the year ended on June 30, 2019

The Audit Committee is a sub-committee of the Board of Directors of the Company and the Audit Committee assist the Board of Directors in ensuring that the financial statements for the year ended on June 30, 2019 reflect true and fair view of the state of the affairs of the Company and in assuring a good monitoring system within the business.

Composition of the Audit Committee

In accordance with the requirements of Corporate Governance Code of BSEC, the Audit Committee of Monno Jute Stafllers Limited consists of the following members :

Sl. No.	N a m e	Status of the Company	Status of the Committee
1.	Mrs. Minara Hai	Independent Director	Chairman
2.	Mr. Moynul Islam	Vice Chairman	Member
3.	Mr. Rasheed Mymunul Islam	Director	Member
4.	Mr. Benoy Paul	Company Secretary	Member Secretary

The scope of Audit Committee was defined as under:

- (a) Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- (b) Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- (c) Review statement of significant related party transactions submitted by the management. Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- (d) Review and consider the report of internal auditors and statutory auditors' observation on internal control.

Activities carried out during the year ended on June 30, 2019

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and financial status of the Company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Acknowledgements

The Audit Committee would like to express their thanks to the members of the Board, Managements and the Auditors for their support in carrying out its duties and responsibilities effectively.

Sd/-
Chairman
Audit Committee
Dated : October 23, 2019

Monno Jute Stafllers Ltd.

চৌধুরী ভট্টাচার্য্য এন্ড কোং

CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/8, Indira Road, (Gr. Floor), Dhaka-1215
Ph : 48110567, E-mail: bimal_cbc@yahoo.com

CTG. OFFICE : 922, Jubilee Road, Ctg.-4000
Ph : 031-614907 (O) 624228 (R)

**Report to the Shareholders of Monno Jute Stafflers Limited on
compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Monno Jute Stafflers Limited** for the year ended on 30 June, 2019 This Code relates to the Notification No. BSEC/ CMRRCD/2016-158/207/Admin/80 dated 03 June, 2018 of the Bangladdsh Securities and Exchange Commission.

Such compliance with the Corporate. Governance Code is the responsibiliy of the Company. Our eximination 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 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;
- (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 the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governancs of the company is highly satisfactory.

Place: Dhaka
Dated: 27 October, 2019



B.K Bhattacharjee, FCA
Partner
Chowdhuree Bhattacharjee & Co.
Chartered Accountants

Monno Jute Stafflers Ltd.

Declaration by CEO and CFO

Dated : October 23, 2019

The Board of Directors,
Monno Jute Stafflers Limited,
Islampur, Dhamrai,
Dhaka-1350.

Subject: Declaration on Financial Statements for the year ended on June 30, 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 June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Monno Jute Stafflers Limited for the year ended on June 30, 2019 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 June 30, 2019 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 members.

Sincerely yours,

Sd/-
(Huron Nahar Rashid)
Chief Executive Officer

Sd/-
(Md. Shaminur Rahman Shamin)
Acting Chief Financial Officer

Dated : October 23, 2019

Monno Jute Stafflers Ltd.

Corporate Governance Code

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange 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:

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
1.00	Board of Directors			
1.(1)	Board Size (minimum - 5 and maximum - 20)	√		
1.(2)	Independent Director			
1.2.(a)	1/5th of total as Independent Director (ID)	√		
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	√		
1.2(b) (ii)	Not a Sponsor of the Company	√		
1.2 (b)(iii)	Who has not been an executive of the company	√		
1.2 (b)(iv)	Does not have other relationship	√		
1.2 (b)(v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		
1.2 (b)(vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2 (b)(vii)	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.	√		
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	√		
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		
1.2 (b)(x)	Not convicted for a Criminal Offence	√		
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	√		
1.2 (d)	Post cannot remain vacant more than 90 days.	√		
1.2 (e)	Tenure of the Independent Director.	√		
1.3	Qualification of Independent Director			
1.3(a)	Independent Director shall be a knowledgeable individual.	√		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.	√		
1.3(b)(ii)	Should be a Corporate Leader/Business Leader.	√		
1(3)(b)(iii)	Former official of government.	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	√		
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.	√		
1 (3) (c)	The independent director shall have at least 10(ten) years of experiences.	√		
1 (3) (d)	Relaxation in special cases.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or	Chief Executive	Officer	
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of Chairperson of the Board etc.	√		
1(5)	The Directors' Report to Shareholders :			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factor.	√		
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	√		
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			N/A
1(5)(x)	Remuneration to Directors including Independent Director.	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		

Monno Jute Stafflers Ltd.

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	√		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)	Executives	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and	√		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting de analysis of the company's position and			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flew for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior.....	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.	√		
2(b)	Independent Director of holding company also in the subsidiary company.	√		
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		
3(1)(b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position with approval of the Board and be disseminated to the commission and exchange.	√		
3.2	Requirement to attend Board of Directors' Meetings			
3(2)	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		

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Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1)(a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1)(c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2	Constitution of the Audit committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2)(b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold	√		
5(2)(e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	√		
5.3	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	√		
5.5	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5(5)(d)	Performance of external auditors.	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	The review 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 Mgt.	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	√		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			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.	√		
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.	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.	√		
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			
5.7	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	√		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		
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.	√		

Monno Jute Stafflers Ltd.

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
6(2)(d)	Board have authority to remove and appoint any member of the committee.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	√		
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 any remuneration/advisory, other than Director's fees or honorarium form the company.	√		
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
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.	√		
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	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)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
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.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
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 at a glance in its annual report.	√		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:			
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 service related to the account ion records.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that 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 exchanges.	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate.	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
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.	√		

Monno Jute Stafflers Ltd.

Independent Auditor's Report To the Shareholders of Monno Jute Stafflers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Monno Jute Stafflers Limited (the "Company"), which comprise the Statement of Financial Position as at June 30, 2019, and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue recognition	
<p>At year end the Company reported total revenue of BDT 143,249,635.</p> <p>Sales made during the year are material and consider to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimation.</p> <p>There is a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none">• Segregation of duties in invoice creation and modification and• Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none">• 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;• Collecting all VAT Return to assess & calculation of total Local sales and• Finally assess the appropriateness and presentation of disclosures against relevant accounting standards.
See note no. 16.00 to the financial statements	

Monno Jute Stafflers Ltd.

Legal and regulatory matters	
<p>We focused on this area because the company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the company's best estimate for existing legal matters that have a probable and estimable impact on the company's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the company's provisions and contingent liabilities disclosure.</p>

Reporting to other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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.

Monno Jute Stafflers Ltd.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 auditor's 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 statements of profit or loss and other 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.

For, A. Wahab & Co.
Chartered Accountants

Sd/-
Md. Showkat Hossain FCA
Partner

Dated, Dhaka, October 30, 2019

Monno Jute Stafflers Ltd.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

<u>Particulars</u>	<u>Notes</u>	<u>30.06.2019</u>	<u>30.06.2018</u>
ASSETS			
Non-Current Assets			
Property, Plant & Equipment etc.-At cost less depreciation	3.00	25,981,360	30,500,194
Current Assets			
Inventories	4.00	19,579,889	24,715,517
Trade & Other Receivables	5.00	21,289,319	17,546,909
Advance, Deposits & Prepayments	6.00	15,604,088	15,100,784
Group Current Account	7.00	1,637,263	1,637,263
Cash & Cash Equivalents	8.00	2,812,149	2,733,521
TOTAL ASSETS	Taka	86,904,068	92,234,188
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Equity			
Share Capital	9.00	20,700,000	4,600,000
Dividend Equalization Reserve		-	2,950,000
General Reserve		3,794,368	3,794,368
Retained Earnings		5,701,951	13,173,770
Current Liabilities and Provisions			
Short Term Borrowings	10.00	16,607,674	39,377,171
Liabilities for Other Finance	11.00	73,750	677,555
Provisions and Others	12.00	28,198,751	19,743,341
Provisions for Income Tax	13.00	9,375,377	7,067,308
Provisions for Deferred Tax	14.00	1,246,026	-
Unclaimed Dividend	15.00	1,206,171	850,675
TOTAL EQUITY AND LIABILITIES		86,904,068	92,234,188
Net Asset Value Per Share (Restated)	22.00	14.59	11.84

The annexed Notes from 1.00 to 30.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 23-10-2019 and were signed on its behalf by:

SD/-
(BENOY PAUL ACS)
COMPANY SECRETARY

SD/-
(HURON NAHAR RASHID)
MANAGING DIRECTOR

SD/-
(AFROZA KHAN)
CHAIRMAN

Subject to our separate report
of even date.

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, October 30, 2019

Monno Jute Stafflers Ltd.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Notes	30.06.2019	30.06.2018
Revenue	16.00	143,249,635	109,290,806
Cost of Goods Sold	17.00	(118,993,730)	(90,796,026)
Gross Profit		24,255,905	18,494,780
Operating Expenses:		(10,061,249)	(8,181,544)
Administrative	18.00	(7,442,051)	(6,317,452)
Selling & Distribution	19.00	(2,619,198)	(1,864,092)
Profit from Operations		14,194,656	10,313,236
Financial Charges	20.00	(4,511,079)	(4,697,384)
Other Income	21.00	9,822	9,662
Profit before Contribution to WPPF & WWF		9,693,399	5,625,514
Contribution to Workers Profit Participation Fund and Workers Welfare Fund	12.05	(461,123)	(267,422)
Net Profit before Tax		9,232,276	5,358,092
Provision for Income Tax	13.00	(2,308,069)	(1,339,523)
Provisions for Deferred Tax	14.00	(1,246,026)	-
Net Profit after Tax for the year		5,678,181	4,018,569
Earnings per share (Restated)	23.00	2.74	1.94

The annexed Notes from 1.00 to 30.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 23-10-2019 and were signed on its behalf by:

SD/-
(BENOY PAUL ACS)
COMPANY SECRETARY

SD/-
(HURON NAHAR RASHID)
MANAGING DIRECTOR

SD/-
(AFROZA KHAN)
CHAIRMAN

Subject to our separate report
of even date.

Dated: Dhaka, October 30, 2019

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Monno Jute Stafflers Ltd.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Share Capital	Dividend Equalisation Reserve	General Reserve	Retained Earning	Total
Opening Balance July 01, 2018	4,600,000	2,950,000	3,794,368	13,173,770	24,518,138
Bonus Share for the year 2017-2018	16,100,000	(2,950,000)	-	(13,150,000)	-
Net profit after tax for the year 2018 – 2019	-	-	-	5,678,181	5,678,181
Balance as on 30.06.2019	20,700,000	-	3,794,368	5,701,951	30,196,319

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Share Capital	Dividend Equalisation Reserve	General Reserve	Retained Earning	Total
Opening Balance July 01, 2017	4,000,000	2,950,000	3,794,368	9,755,201	20,499,569
Bonus Share for the year 2016-2017	600,000	-	-	(600,000)	-
Net profit after tax for the year 2017 – 2018	-	-	-	4,018,569	4,018,569
Balance as on 30.06.2018 Taka	4,600,000	2,950,000	3,794,368	13,173,770	24,518,138

The annexed Notes from 1.00 to 30.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 23-10-2019 and were signed on its behalf by:

SD/-
(BENOY PAUL ACS)
COMPANY SECRETARY

SD/-
(HURON NAHAR RASHID)
MANAGING DIRECTOR

SD/-
(AFROZA KHAN)
CHAIRMAN

Subject to our separate report
of even date.

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, October 30, 2019

Monno Jute Stafflers Ltd.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Notes	30.06.2019	30.06.2018
Cash Flows from Operating Activities:		22,900,925	32,052,150
Cash receipts from Customers	5.00	139,507,225	115,064,193
Cash Receipts from Others	21.00	9,822	9,662
Cash paid to Suppliers	26.00	(106,149,894)	(75,101,006)
Cash paid to Employees and Others	27.00	(5,426,093)	(1,830,855)
Interest paid on Short Term Borrowings & Bank Charge	20.00	(4,511,079)	(4,697,384)
Income tax paid	6.01	(529,056)	(1,392,460)
Cash Flows from Investing Activities:		(52,800)	(30,584,300)
Acquisitions of Property, Plant & Equipment	3.00	(52,800)	(30,584,300)
Cash Flows From Financing Activities:		(22,769,497)	(2,713,070)
Short Term Loan (Payment)/Received	10.00	(22,769,497)	(2,313,070)
Dividend paid		-	(400,000)
Increase/(Decrease) in Cash & Cash Equivalents		78,628	(1,245,220)
Cash and Cash Equivalents at Beginning of the year	8.00	2,733,521	3,978,741
Cash and Cash Equivalents at closing of the year		2,812,149	2,733,521
8.00			
Net Operating Cash Flow per share (Restated)	24.00	11.06	15.48

The annexed Notes from 1.00 to 30.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 23-10-2019 and were signed on its behalf by:

SD/-
(BENOY PAUL ACS)
COMPANY SECRETARY

SD/-
(HURON NAHAR RASHID)
MANAGING DIRECTOR

SD/-
(AFROZA KHAN)
CHAIRMAN

Subject to our separate report
of even date.

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, October 30, 2019

Monno Jute Stafflers Ltd.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

1.00. COMPANY AND ITS ACTIVITIES:

1.01. Corporate History of the Reporting Entity

Monno Jute Stafflers Limited (the “Company”) was incorporated in Bangladesh on 16th June, 1978 as a Public Limited Company under the Companies Act, 1913. The shares of the Company are traded at Dhaka Stock Exchange Limited.

The registered office of the company is situated at Islampur, Dhamrai, Dhaka-1350.

1.02. Corporate Business

The principal objective of the Company is to produce spare parts and accessories of Jute and Textile Mills, which the Company sells in the local and foreign markets.

2.00. SIGNIFICANT ACCOUNTING POLICIES & OTHER MATERIAL INFORMATION:

2.01. Corporate Financial Statements

Financial Statements comprise of the followings:

- a) Statement of Financial Position,
- b) Statement of Profit or Loss and Other Comprehensive Income,
- c) Statement of Changes in Equity,
- d) Statement of Cash Flows and
- e) Notes & explanatory materials covering accounting policies.

The Financial Statements prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange Ltd. and the International Accounting Standards (IASs) as well as those standards, disclosures recommended by IASs and as applicable to the company.

The Management is responsible for preparing and presenting the Financial statements including adequate disclosures, who approved and authorized for issue of these financial statements.

The following IASs are applicable for the Financial Statements under audit:

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statements of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 12 Income Taxes
- IAS 16 Property, Plant and Equipment
- IAS 19 Employee Benefits

Monno Jute Stafflers Ltd.

IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 7	Financial Instruments : Disclosures
IFRS 15	Revenue from contracts with customers

2.02. Fundamental Accounting Concepts/Assumption

The Financial statements have been prepared based on Going concern, Consistency, Accrual and such other concepts and conventions as required by IAS-1 for fair presentation of financial statements.

2.03. Net Profit Before Tax

Net profit before tax for the year were not materially affected by:

- (a) transactions of a nature not usually undertaken by the company;
- (b) circumstances of an exceptional or non-recurring nature;
- (c) charges of credits relating to prior years; and
- (d) changes in accounting policies.

2.04. Reporting Currency and Level of Precision

The Financial statements are presented in Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate subtractions.

2.05. Reporting Period

Financial statements cover one year from 1st July 2018 to 30 June, 2019.

2.06. Comparative Information

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Comparative information is reclassified and rearranged, wherever necessary, to conform to the current presentation.

2.07. Historical Cost Profit and Loss

There was no extraordinary item, hence there was no difference in profit on ordinary activities before taxation and the net profit before tax. In addition, there was no revaluation of fixed assets in previous years and during the year under review. Therefore, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets, etc. Accordingly, no separate note of historical cost profit and loss has been presented.

Monno Jute Stafflers Ltd.

2.08. Principal Accounting Policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place. The recommendation of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

2.09. Recognition of Property, Plant & Equipment

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Interest during construction period have been capitalized as required by IAS-23. Expenditure incurred after the assets have been put into operation, Repairs & maintenance is normally charged as revenue expenditure in the period in which it is incurred. In situation 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. During the year there was no such addition of fixed assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any 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 assets and the net sales proceeds.

2.10. Depreciation on Property, Plant & Equipment

Property, Plant & Equipment are valued at cost less accumulated depreciation. Depreciation has been charged on additions from the date when the related assets are put into use. No depreciation has been charged on land and land development during the year. Depreciation on Property, Plant & Equipment is computed using the Reducing Balance Method.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

	2019	2018
Building and other constructions	20%	20%
Plant, machinery and equipment	12% to 25%	12% to 25%
Furniture and fixtures	10%	10%
Vehicles	20%	20%
Other assets	10% to 25%	10% to 25%

Monno Jute Stafflers Ltd.

2.11. Impairment of Assets

Property, Plant & Equipment have been reviewed and it was confirmed that no such Property, Plant & Equipment have been impaired during the year. For this reason no provision has been made for impairment of assets.

2.12. Revenue Recognition

Revenue are recognized when goods are delivered from the Factory Godown and Delivery Challan is issued.

2.13. Inventories

Inventories comprises of Raw Materials, Work-in-process, Finished goods, Stores & Spares and Materials-in-transit. Raw materials and Stores & Spares have been valued at average cost. Materials-in-transit have been valued at the cost incurred up to the date of Statement of Financial Position. Work-in-process have been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at the lower of cost and net realizable value.

2.14. Taxation

The Company qualifies as a "Publicly Traded Company" as per Income Tax Ordinance, 1984. The income tax assessment of the company have been completed up to the Accounting year 31.12. 2010 (Assessment year 2011-2012). The details of tax provision for the year is shown in note no.13.

2.15. Cash and Cash Equivalents

Cash in hand and Cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by the Company without any restriction and there was no significant risk of changes in value of these current assets.

2.16. Cash Flow Statement

Cash flow statement is prepared principally in accordance with IAS-7 "Cash Flow Statements" and the cash flows from the operating activities have been presented under direct method as required by the Securities and Exchange rules 1987 and considering the provisions of paragraph-19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method". Reconciliation of items shown in cash flow from operating activities have been shown in notes.

2.17. Transactions in Foreign Currencies

Transactions in foreign currencies are converted into Bangladesh Taka at the exchange rate ruling on the dates of transactions.

2.18. Finance Costs

Finance Cost (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with the requirements of IAS 23 "Borrowings Costs".

Monno Jute Stafflers Ltd.

2.19. Earning Per Share (EPS)

The company calculates Basic Earnings per share (EPS) in accordance with International Accounting Standards (IAS-33). Diluted earning per share is not applicable for the company as it has no such convertible securities.

Sales Revenue of the Company has increased from the last year as such the Net Profit after tax has increased. Therefore, The Earnings Per Share (EPS) has increased from the last year.

2.20. Net Asset Value Per Share (NAVPS)

The company has paid short term loan during the year, as a result current liabilities of the company has reduced significantly. Therefore, Net Asset Value per share (NAVPS) increased from the last year.

2.21. Net Operating Cash Flows Per Share (NOCFPS)

Cash Flows of the Company has decreased due to payment to the supplier and Employees & Others has increased from the last year. Therefore, Net Operating Cash Flows Per Share (NOCFPS) has decreased.

SCHEDULE OF PROPERETY, PLANT & EQUIPMENT FOR THE YEAR ENDED JUNE 30, 2019

3.00. PROPERTY, PLANT & EQUIPMENT:

The movement in property, plant & equipment is as under:

Particulars	Cost				Rate	Depreciation				Written down value as on 30.06.2019	Written down value as on 30.06.2018
	Balance as on 01.07.2018	Addition during the period	Adjustment during the period	Balance as on 30.06.2019		Balance as on 01.07.2018	Charged for the period	Adjustment during the period	Balance as on 30.06.2019		
Land & Land Development	602,323	-	-	602,323	-	-	-	-	-	602,323	602,323
Building & other Constructions	3,390,743	-	-	3,390,743	20%	3,362,615	5,625	-	3,368,240	22,503	28,128
Plant & Machinery and Equipments	51,334,234	-	-	51,334,234	12%-25%	22,993,419	4,254,582	-	27,248,001	24,086,233	28,340,815
Furniture & Fixtures	178,377	-	-	178,377	10%	128,579	4,979	-	133,558	44,819	49,798
Vehicles	3,979,000	-	-	3,979,000	20%	2,546,147	286,570	-	2,832,717	1,146,283	1,432,853
Air Conditioner	122,570			122,570	10%	111,965	1,060		113,025	9,545	10,605
Computers & Others	86,605	52,800	-	139,405	25%	50,933	18,818	-	69,751	69,654	35,672
Total:	59,693,852	52,800	-	59,746,652	-	29,193,658	4,571,634	-	33,765,292	25,981,360	30,500,194

Allocation of Depreciation:

		<u>30.06.2019</u>	<u>30.06.2018</u>
a) Conversion cost	(Note-17.02)	4,545,206	3,951,939
b) Administrative expenses	(Note-18.00)	26,428	21,163
		-----	-----
	Total	<u>4,571,634</u>	<u>3,973,102</u>

Monno Jute Stafflers Ltd.

4.00. INVENTORIES

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
a) Raw materials (Note-16.01)	4,338,489	6,190,234
b) Finished goods (Note-16.00)	13,041,961	16,375,511
c) Work-in-process (Note-16.00)	1,201,020	1,268,276
d) Stores & spares	998,419	809,852
e) Materials-in-Transit	-	71,644
	-----	-----
Taka	19,579,889	24,715,517
	=====	=====

Inventories have been valued and certified by the management.

5.00. TRADE & OTHER RECEIVABLES

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Opening Balance	17,546,909	23,320,296
Add: Sales during the year	<u>143,249,635</u>	<u>109,290,806</u>
	160,796,544	132,611,102
Less: Collection during the year	139,507,225	115,064,193
	-----	-----
Closing Balance	Taka 21,289,319	17,546,909
	=====	=====

6.00. ADVANCES, DEPOSITS & PREPAYMENTS

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
i) Advances:	14,841,853	14,384,797
Advance payment of income tax (Note-6.01)	14,401,853	13,872,797
Other advance	440,000	512,000
ii) Deposits:	366,032	366,032
Earnest money deposits	2,118	2,118
Security deposits	186,500	186,500
Value added tax	177,414	177,414
iii) Prepaid Insurance	396,203	349,955
	-----	-----
Taka	15,604,088	15,100,784
	=====	=====

6.01. The advance income tax represents the income tax paid and deducted at source relating to the following year.

Monno Jute Stafflers Ltd.

Accounting Year	Assessment Year	30-06-2019	30-06-2018
2018 - 2019	2019-2020	529,056	-
2017 – 2018	2018-2019	1,392,642	1,392,642
2016 – 2017	2017-2018	814,813	814,813
2015 – 2016	2016-2017	1,389,313	1,389,313
2014	2015-2016	1,724,757	1,724,757
2013	2014-2015	1,580,377	1,580,377
2012	2013-2014	1,561,449	1,561,449
2011	2012-2013	1,507,253	1,507,253
2010	2011-2012	1,083,053	1,083,053
2009 and earlier years	2010-2011	2,819,140	2,819,140
	Taka	14,401,853	13,872,797

7.00. GROUP CURRENT ACCOUNT

The details break-up is made up as follows:

	30.06.2019	30.06.2018
a) Monno Bone China Ltd.	2,600,000	2,600,000
b) Monno Ceramic Industries Limited	(962,737)	(962,737)
	-----	-----
Taka	1,637,263	1,637,263
	=====	=====

8.00. CASH AND CASH EQUIVALENTS

The details break-up is made up as follows:

	30.06.2019	30.06.2018
a) Cash in Hand (Note-8.01)	4,280	142,012
b) Cash at Bank (Note-8.02)	2,807,869	2,591,509
	-----	-----
Taka	2,812,149	2,733,521
	=====	=====

8.01 Cash in Hand:

The cash in hand Tk.4,280 has been Certified by the management.

8.02. Cash at Bank:

The details break-up is made up as follows:

	30.06.2019	30.06.2018
In Current accounts	1,489,815	1,632,251
In SND account	111,883	108,583
In Dividend account (Note-14.00)	1,206,171	850,675
	-----	-----
Taka	2,807,869	2,591,509
	=====	=====

The above bank balances are in agreement with the respective bank statements.

9.00. SHARE CAPITAL

The details break-up is made up as follows:

	30.06.2019	30.06.2018
Authorised Share Capital		
1,00,000,000 Ordinary shares of Taka 10.00 each	Taka 1,000,000,000	10,000,000
	=====	=====

Monno Jute Stafflers Ltd.

Issued, Subscribed and Paid up Share Capital:

400,000 Ordinary shares of Taka 10.00 each paid up in full in cash	Taka	4,000,000	4,000,000
60,000 Ordinary shares of Taka 10.00 each fully paid as bonus for the year 2016-2017.		600,000	600,000
16,10,000 Ordinary shares of Taka 10.00 each fully paid as bonus for the year 2017-2018.		16,100,000	-
	Taka	20,700,000	4,600,000

i) The break-up of the share holdings as on 30.06.2019 is given below:

	30.06.2019		30.06.2018	
	No. of shares	%	No. of shares	%
Sponsors & Directors	889,606	42.98	257,135	55.90
Institutions	93,721	4.53	29,532	6.42
Non-resident investors (NRB)	207	0.01	230	0.05
General public	1,086,466	52.48	173,103	37.63
Total	2,070,000	100.00	460,000	100.00

ii) The distribution schedule showing the number of shareholders and their shareholdings in percentage as on 30.06.2019 are shown below:

Range of holdings in number of shares	No. of shareholders		No. of shares		Holding %	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Less than 500	5,809	739	466,860	57,532	22.55	12.51
500 to 5,000	490	90	505,084	109,512	24.40	23.81
5,001 to 10,000	19	4	111,962	31,715	5.41	6.89
10,001 to 20,000	5	3	74,088	33,538	3.58	7.29
20,001 to 30,000	1	-	22,400	-	1.08	-
30,001 to 40,000	-	-	-	-	-	-
40,001 to 50,000	3	-	132,443	-	6.40	-
50,001 to 100,000	-	1	-	71,211	-	15.48
100,001 to 1,000,000	2	1	757,163	156,492	36.58	34.02
	6,329	838	2,070,000	460,000	100.00	100.00

iii) Market Price:

The shares of the Company is listed in the Dhaka Stock Exchange Ltd. and was quoted at Tk.1,031.40 per share as on 30 June 2019.

10.00. SHORT TERM BORROWINGS

The details break-up is made up as follows:

Islami Bank Bangladesh Ltd.	30.06.2019	30.06.2018
	16,607,674	39,377,171
	Taka	
	16,607,674	39,377,171

Monno Jute Stafflers Ltd.

Particulars	<u>30.06.2019</u>	<u>30.06.2018</u>
Opening Balance	39,377,171	-
Add: Borrowing During the year	-	-
	-----	-----
	39,377,171	-
Less: Paid during the year	22,769,497	-
	-----	-----
Closing Balance	<u>16,607,674</u>	<u>39,377,171</u>

The short term borrowings balance represents working capital loans taken from Islami Bank Bangladesh Limited, Manikganj Branch. The loans are secured by the first charge on investment and collateral security on the Property, Plant & Equipment of the Company. The rate of interest applicable on the loan is governed by the interest policy of the bank which is subject to change from time to time.

11.00. LIABILITIES FOR OTHER FINANCE

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
i) Tax Deducted at Source	69,250	673,055
ii) Security Money Deposit	4,500	4,500
	-----	-----
Taka	<u>73,750</u>	<u>677,555</u>

12.00. PROVISION AND OTHERS

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Provision for Expenses (Note-12.01)	3,912,985	2,455,094
Creditors for Expenses (Note-12.02)	13,749,193	10,320,799
Creditors for goods supply (Note-12.03)	8,704,494	5,541,492
Provision for Leave Pay & Gratuity (Note-12.04)	940,156	995,156
Workers Profit Participation Fund & Workers Welfare Fund (Note 12.05)	891,923	430,800
	-----	-----
Taka	<u>28,198,751</u>	<u>19,743,341</u>

12.01. Provision for Expenses

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Opening Balance	2,455,094	3,285,656
Add: Addition During the year	<u>30,241,566</u>	<u>26,056,247</u>
	32,696,660	29,341,903
Less: Adjustment during the year	28,783,675	26,886,809
	-----	-----
Closing Balance	Taka <u>3,912,985</u>	<u>2,455,094</u>

Monno Jute Stafflers Ltd.

12.02. Creditors for Expenses

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Opening Balance	10,320,799	3,362,250
Add: Addition During the year	<u>4,790,732</u>	<u>7,785,537</u>
	15,111,531	11,147,787
Less: Adjustment during the year	1,362,338	826,988
Closing Balance	Taka <u>13,749,193</u>	<u>10,320,799</u>

12.03. Creditors for goods supply

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Opening Balance	5,541,492	1,057,583
Add: Addition During the year	<u>8,103,156</u>	<u>9,922,934</u>
	13,644,648	10,980,517
Less: Adjustment during the year	4,940,154	5,439,025
Closing Balance	Taka <u>8,704,494</u>	<u>5,541,492</u>

12.04. Provision for Leave Pay & Gratuity

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Opening Balance	995,156	995,156
Add: Addition During the year	-	-
	<u>995,156</u>	<u>995,156</u>
Less: Adjustment during the year	55,000	-
Closing Balance	Taka <u>940,156</u>	<u>995,156</u>

12.05. Workers Profit Participation Fund & Workers Welfare Fund

This represents 5% of Net profit after charging such contribution and provided as per Labour Act, 2006 and is payable to workers as defined in the said Act.

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Opening Balance	430,800	163,378
Add: Addition during the year	461,123	267,422
Closing Balance	Taka <u>891,923</u>	<u>430,800</u>

Monno Jute Stafflers Ltd.

13.00. PROVISION FOR INCOME TAX

The details break-up is made up as follows:		30.06.2019	30.06.2018
Opening Balance	Taka	7,067,308	5,727,785
Add: Provision for the year 2018-2019 (Note-13.01) (Assessment Year 2019-2020)		2,308,069	1,339,523
Closing Balance	Taka	<u>9,375,377</u>	<u>7,067,308</u>

13.01. The company is a Publicly Traded Company, the applicable tax rate is 25% on the net profit. The Company has an advance of Tk.14,401,853 (Note: 6.00) as shown under Advance, Deposit & Prepayments against the liabilities.

13.02. Year wise details of provision for income tax is as below:

Accounting Year	Assessment Year	30-06-2019	30-06-2018
2018 – 2019	2019-2020	2,308,069	-
2017 – 2018	2018-2019	1,339,523	1,339,523
2016 – 2017	2017-2018	76,359	76,359
2015 – 2016	2016-2017	354,089	354,089
2014	2015-2016	360,862	360,862
2013	2014-2015	622,777	622,777
2012	2013-2014	805,314	805,314
2011	2012-2013	399,821	399,821
2010	2011-2012	727,144	727,144
2009 and earlier years	2010-2011	2,381,419	2,381,419
	Taka	<u>9,375,377</u>	<u>7,067,308</u>

14.00. PROVISION FOR DEFERRED TAX

The details break-up is made up as follows:		30.06.2019	30.06.2018
Opening Balance		-	-
Add: Provision during the year		1,246,026	-
		<u>1,246,026</u>	-
Less: Adjustment during the year		-	-
Closing Balance	Taka	<u>1,246,026</u>	<u>-</u>

14.01. Deferred Tax Liability

Particulars		30.06.2019	30.06.2018
Carrying Value (As per Accounts)		25,981,360	-
Carrying Value (As per Tax Base)		20,997,258	-
Temporary Difference		<u>4,984,102</u>	-
Effective Tax Rate		25%	-
Deferred Tax Liability/(Assets)	Taka	<u>1,246,026</u>	<u>-</u>

Monno Jute Stafflers Ltd.

15.00. UNCLAIMED DIVIDEND

The details break-up is made up as follows:	<u>30.06.2019</u>	<u>30.06.2018</u>
Unclaimed Dividend	1,206,171	850,675
	-----	-----
Taka	<u>1,206,171</u>	<u>850,675</u>
	=====	=====

16.00. REVENUE

The details break-up is made up as follows:

Particulars	30.06.2019	30.06.2018
Local Revenue	143,249,635	109,290,806
Export Revenue	-	-
Total Revenue	<u>143,249,635</u>	<u>109,290,806</u>

17.00. COST OF GOODS SOLD

The details break-up is made up as follows:

Particulars	Notes	30.06.2019	30.06.2018
Opening work-in-process		1,268,276	1,602,188
Raw materials consumed	17.01	74,537,720	51,224,317
Other direct materials		3,661,242	3,119,577
		<u>79,467,238</u>	<u>55,946,082</u>
Add: Conversion cost	17.02	37,393,962	33,433,914
		<u>116,861,200</u>	<u>89,379,996</u>
Less : Closing work-in-process	4.00	1,201,020	1,268,276
Cost of production		<u>115,660,180</u>	<u>88,111,720</u>
Add: Opening stock of finished goods		16,375,511	19,059,817
		<u>132,035,691</u>	<u>107,171,537</u>
Less : Closing stock of finished goods	4.00	13,041,961	16,375,511
Cost of goods sold	Taka	<u>118,993,730</u>	<u>90,796,026</u>

17.01. Raw Materials Consumed

The details break-up is made up as follows:

Particulars	Notes	30.06.2019	30.06.2018
Opening stock of Raw Materials		6,190,234	7,810,340
Add : Purchase during the year		72,685,975	49,604,211
Less : Closing stock of Raw Materials	4.00	4,338,489	6,190,234

Raw materials consumed

74,537,720 51,224,317

Monno Jute Stafflers Ltd.

17.02. Conversion Cost

The details break-up is made up as follows:

Particulars	Notes	30.06.2019	30.06.2018
Salaries and wages		21,730,309	18,706,184
Consumable stores and spares		6,776,801	6,829,236
Insurance		405,116	59,101
Other direct expenses		1,907,705	2,045,520
Power & Fuel		1,735,188	1,595,193
Rent, Rates and Taxes		65,300	30,050
Travelling & conveyance		123,202	118,281
Entertainment Expenses		87,135	85,210
Postage, telegram and telephone		18,000	13,200
Depreciation	3.00	4,545,206	3,951,939
	Taka	37,393,962	33,433,914

18.00. ADMINISTRATIVE EXPENSES

The details break-up is made up as follows:

Particulars	Notes	30.06.2019	30.06.2018
Salaries and allowances		1,311,846	1,270,547
Repairs & Maintenance		13,690	7,389
Office & Printing Stationery		20,812	15,204
Power & Fuel (CNG)		40,855	39,351
Travelling & conveyance		65,390	63,105
Postage, telegram and telephone		12,855	12,500
Entertainment expenses		13,176	10,189
A.G.M. expenses		50,454	56,500
Audit fee		126,500	69,000
Registration, renewal & other fees		564,725	460,666
Membership fees		10,000	5,000
Advertisement & publicity		113,508	106,376
Directors remuneration	25.00	5,060,000	4,160,000
Depreciation	3.00	26,428	21,163
Insurance Premium-Admin		11,812	20,462
	Taka	7,442,051	6,317,452

19.00. SELLING & DISTRIBUTION EXPENSES

The details break-up is made up as follows:

Particulars	30.06.2019	30.06.2018
Salaries and allowances	1,845,516	1,640,300
Office stationery	8,600	5,000
Travelling & conveyance	105,303	97,830
Postage, telegram and telephone	29,400	30,400
Entertainment expenses	21,850	2,485
Delivery Charge	78,344	62,927

Sample Expenses	530,185	25,150
Taka	<u>2,619,198</u>	<u>1,864,092</u>

Monno Jute Stafflers Ltd.

20.00. FINANCIAL CHARGES:

The details break-up is made up as follows:

Particulars	30.06.2019	30.06.2018
Interest on Secured Loans	4,472,359	4,646,294
Bank Charges	38,720	51,090
	<u>4,511,079</u>	<u>4,697,384</u>

21.00. OTHER INCOME

The details break-up is made up as follows:

Particulars	30.06.2019	30.06.2018
Interest on S.T.D. account	9,822	9,662
	<u>9,822</u>	<u>9,662</u>

22.00. Net Assets Value Per Share (NAVPS)

The computation of net assts value per share is given below:

Particulars	30.06.2019	30.06.2018
Shareholder's Equity	30,196,319	24,518,138
Weighted average number of ordinary shares outstanding during the year	2,070,000	2,070,000
Net Assets Value Per Share (Restated)	<u>14.59</u>	<u>11.84</u>

23.00. EARNINGS PER SHARE (EPS)

The computation of EPS is given below:

Particulars	30.06.2019	30.06.2018
Current year's Earning attributable to the ordinary share	5,678,181	4,018,569
Weighted average number of ordinary shares outstanding during the year	2,070,000	2,070,000
Basic Earning Per Share (Restated)	<u>2.74</u>	<u>1.94</u>

24.00. Net Operating Cash Flow Per Share (NOCFPS)

The computation of net operating cash flow per share is given below:

Particulars	30.06.2019	30.06.2018
Net Cash Flow From Operating Activities	22,900,925	32,052,150
Weighted average number of ordinary shares outstanding during the year	2,070,000	2,070,000
Net Operating Cash Flow Per Share (Restated)	<u>11.06</u>	<u>15.48</u>

25.00. Payments of Remuneration/ Perquisites to Directors

The aggregate amount paid/provided for remuneration/benefit during the year to Directors of the Company as defined in Securities and Exchange Rules 1987 are disclosed below:

Particulars	30.06.2019	30.06.2018
Director's emolument	4,560,000	4,160,000
Bonus to Directors	500,000	-

Monno Jute Stafflers Ltd.

Other payments during the year:

No attendance fee for Board Meeting was paid to Directors.

No compensation was allowed by the Company to the Chief Executive Officer of the Company.

No amount of money was spent by the Company for compensating any member of the Board for special service rendered.

26.00. CASH PAID TO SUPPLIERS

The details break-up is made up as follows:

Particulars		30.06.2019	30.06.2018
Cost of Goods Sold	Note-17.00	118,993,730	90,796,026
Changes in Inventories	Note-4.00	(5,135,628)	(7,259,172)
)
Changes in Creditors for goods supply	Note-12.03	(3,163,002)	(4,483,909)
)
Depreciation on Conversion cost	Note-17.02	(4,545,206)	(3,951,939)
)
		<u>106,149,894</u>	<u>75,101,006</u>

27.00. CASH PAID TO EMPLOYEES AND OTHERS

The details break-up is made up as follows:

Particulars		30.06.2019	30.06.2018
Administrative Expenses	Note-18.00	7,442,051	6,317,452
Selling & Distribution Expenses	Note-19.00	2,619,198	1,864,092
Changes in Provision for Expenses	Note-12.01	(1,457,891)	830,562
Changes in Creditors for Expenses	Note-12.02	(3,428,394)	(6,958,549)
)
Changes in Provision for Leave Pay & Gratuity	Note-12.04	55,000	-
Depreciation of Administrative Expense	Note-18.00	(26,428)	(21,163)
Changes in Advance, Deposits & Prepayments (without AIT)	Note-6.00	(25,752)	489,808
Changes in Unclaimed Dividend	Note-15.00	(355,496)	(483,182)
Changes in Liabilities for Other Finance	Note-11.00	603,805	(208,165)
		<u>5,426,093</u>	<u>1,830,855</u>

28.00. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The company has entered into transaction with other related

entities in normal course of business that fall within the definition of related party as per International Accounting Standard (IAS) 24: “Related Party Disclosures”. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials do not involve more than a normal risk.

Monno Jute Stafflers Ltd.

Details of transactions with related parties and balances with them as at 30 June 2019 as follows:

Name of the related party	Relation ship	Nature of Transaction	Ref. Note No.	Balance as at July 01, 2018	Addition	Adjustment	Balances at June 30, 2019 receivable/ (payable)
					Taka	Taka	Taka
Monno Bone China Ltd.	Inter Company	Inter Company Current Account	7.00	2,600,000	-	-	2,600,000
Monno Ceramic Inds. Ltd.	Inter Company	Inter Company Current Account	7.00	(962,737)	-	-	(962,737)
Monno Power Generation & Distribution Co. Ltd.	Inter Company	Power & Fuel Expenses	7.00	(3,209,699)	(1,595,193)	3,209,699	(1,595,193)

29.00. Events After The Balance Sheet Date; (IAS # 10)

There is no major event that has occurred subsequent to the date of Statement of Financial Position and affecting the operating results significantly except that the Board in its meeting held on 23-10-2019 recommended 20% Stock Dividend for the year ended June 30, 2019 which is subject to approval by the shareholders in the next annual general meeting.

30.00. OTHER RELEVANT INFORMATION

30.01. Foreign Investors:

As on the date of Statement of Financial Position, there were no foreign investors and therefore no dividend was paid in foreign currency.

30.02. Production Capacity

A comparative information relates to the actual present Production Capacity in a 2/1 shift basis and actual production is shown as follows:

Particulars	Production Capacity	Production Actual
Staves	70,000 Pcs.	50,640 Pcs.
Card, Gill & Meta Pin	400,000,000 Pcs.	315,790,000 Pcs.
Shuttle Cover	40,000 Pcs.	27,266 Pcs.
Hackle Pin	20,000 Pcs.	5,100 Pcs.
Striching Needle	20,000 Pcs.	2,000 Pcs.
Matallic Stand (Big Size)	2,500 Pcs.	1,455 Pcs.
Matallic Stand (Small Size)	2,500 Pcs.	700 Pcs.

Faller Bar	15,000 Pcs.	10,000 Pcs.
Felt Blobs	2,000,000 Pcs.	517,800 Pcs.
Krishna Beater Bar	5,000 Pcs.	2,850 Pcs.
Ushaped pin	10,000 Pcs.	3,250 Pcs.
Spike Latise Bar	2,000 Pcs.	755 Pcs.

Monno Jute Stafflers Ltd.

The Production Capacity has been achieved during the Year 2018- 2019 as above to meet the demand of the market as well as availability of Raw Materials from the market.

30.03. Capital Expenditure Commitment/Credit Facility Not Availed

There was no capital expenditure commitment and no credit facilities availed by the company under any contract, other than trade credit available in the ordinary course of business as of 30 June, 2019.

30.04. Contingent Assets/Liabilities

There was no contingent Assets of the Company as on 30.06.2019. There was no sum for which the company was contingently liable as on 30.06.2019. There was no claim against the company not being acknowledged as debt as on 30.06.2019.

30.05. MAN POWER

As on 30 June, 2019 the total number of employees working in factory as well as in Head Office of the company was 135 (2018:116) Persons.

SD/-
(BENOY PAUL ACS)
COMPANY SECRETARY

SD/-
(HURON NAHAR RASHID)
MANAGING DIRECTOR

SD/-
(AFROZA KHAN)
CHAIRMAN

Dated: Dhaka, October 30, 2019

Monno Jute Stafflers Ltd.

9 Wyre Street, Wari, Dhaka-1203

PROXY FORM

I/We,.....

of

being shareholder(s) of MONNO JUTE STAFLLERS LIMITED, hereby appoint

Mr./Mrs./Miss.....

of.....

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Forty First Annual General Meeting of the Company to be held on Thursday the 5th December 2019 at 10.30 a.m. at Registered Office of the Company at Islampur, Dhamrai, Dhaka-1350, and at any adjournment thereof.

Shareholder's Folio/BO No. :

Number of shares held :

Affix
Tk.20.00
revenue
stamps

Signature of proxy

Signature of witness

Signature of shareholder(s)

Date :

FOR OFFICIAL USE

Received in the office on

Signature verified

Authorised Signatory

Note:

The proxy form duly filled in/signed and affixed with revenue stamps of Tk.20.00 must be submitted at the Liaison office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48 hours before the time fixed for the meeting.

MONNO JUTE STAFLLERS LIMITED

Shareholder's Attendance Slip

I/We,

Folio/BOID holding ordinary shares of Monno Jute Stafflers Limited, am/are recording my/our attendance at the Forty First Annual General Meeting of the Company for the year 2019 on Thursday the 5th December 2019 at 10.30 a. m. at Registered Office of the Company at Islampur, Dhamrai, Dhaka-1350.

Signature of shareholder(s)

Notes: (1) Please present this slip at the Reception Desk.

(2) Shareholders/proxies only are entitled to attend at the Annual General Meeting.