



DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors of Tamijuddin Textile Mills Ltd (TTML) takes the pleasure to welcome you to the 38th Annual General Meeting of the Company. In this year your company Tamijuddin Textile Mills Limited equity shares have relisted in countries two premier bourses and respectably started its trading from June 10, 2021 in Dhaka Stock Exchange (DSE) and August 12, 2021 in Chittagong Stock Exchange (CSE) with the anticipation to meet your expectation in the coming days with better financial performance. Now, we are presenting the Audited Balance sheet, Income Statement, Statement of changes in equity and Cash Flow Statement for the year ended on 30 June 2021 along with auditors' report thereon.

The Directors' report has been prepared in compliance with the Section 184 of the Companies Act 1994, Securities and Exchange Rules, 2020; Bangladesh Securities and Exchange Commission Notification no. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 03 June 2018 and other relevant notification/directive/order time to time issued by the commission.

In Post Covid19 time, the whole world is now improving from unprecedented situation where European & USA based retail shops reopened again after lockdown and RMG based products demand growing significantly higher due to the movement of the peoples. In such connection, Bangladeshi RMG Companies yarn consumption is higher compare to as usual.

INFRASTRUCTURE & FACILITIES:

The factory situated at Konabari, Gazipur Sadar, Gazipur. The area of total land is about 811.75 Decimal. It consists with the Factory Building, officer's residence building, Female workers quarter, Utility Building, Humidification plants, Warehouses, Utility Building etc. The total area is about 5,41,199 Square Feet. Among this Structures, most of the building are ripe based and also some of them are steel and pre-fabricated structure.

OUR BUSINESS

We would like to inform you that Company operates in a single segment i.e. "TEXTILE YARN BUSINESS" and before reviewing the operational performance, we would like to inform you that slowdown in the global trade, trade dispute between U.S. and China and other geo political uncertainty impacted the performance of the textile industry. The economic slowdown coupled with higher price cotton inventory severally impacted Company's performance too. Tamijuddin Textile Mills Limited (TTML) has over 03 decades of experience in the field of spinning sector. The Company is currently manufacturing different types of Polyester, PC- Kard Yarn, CVC-Kard Yarn, CVC(Rotor)-Open End, Melange- Card Yarn. We focus

on sustainable and ecofriendly facility that definitely attract our buyers to purchase our products. All internationally recognized apparel Brands have kept their continuous faith and satisfaction in our yarn quality. We believe our strength give us the competitive advantage to position ourselves as one of the Leading Textile Company in our Country. We have long standing relationship with our clients and our track records in delivering high quality yarn product across the entire Textile industry help us to solidify these relationships and gain increased business from existing clients. The customer base of the Company spread all across the country and regions which reduces dependability on specific buyers.

FINANCIAL PERFORMANCE

During the year under review, company achieved a total income from sales stood at BDT 272.28 Crores showing an Increase of 12.52% as compared to the previous year. The net profitability of the Company was stood at BDT 6.18 Crores as against amount of BDT 3.55 Crores with the increase of 73.88% compare to previous year. The retained earnings stand at BDT 38.58 crores as on June, 2021. We would also like to share with you the prevailing textile scenario in the current year. The outbreak of COVID-19, a Global Pandemic and subsequent lockdown all over the world have started impacting and disrupting the business and operations of the Company. Though, the company stopped its operations with the instruction was coming from Bangladesh Government in the month of April, 2021 after seeking necessary approvals / permissions from the Government Authorities but prevailing economic scenario is still improving continuously. Your Company is planning its production based on its estimate of demand in the domestic as well as export markets and also utilizing the available resources optimally. We are delighted to inform that Company's Spinning Unit are running on its maximum capacities with the large volume of order. Considering this current and future business prospect of scenario of yarn business, The Board of Directors of TTML has decided to invest in Balancing, Modernization, Rehabilitation & Expansion (BMRE) with an estimated cost of BDT 50.00 Crore where financing mode would be own equity and Bank Loan.

Your management is looking into the continuing future growth of the company where all associated stakeholder's expectation meets by our state-of-the-art yarn manufacturing facility, dedicated and committed workforce aligning to reach the company's objective.

CAPITAL EXPENDITURE:

Tamizuddin Textile Mills Limited (TTML) Board already took the decision to make an additional Investment under BMRE (Balancing, Modernization, Rehabilitation and Expansion) with the amount of BDT 50 Crore in order to Upgrade production facilities by the way of replace/addition the machineries. Some of the machineries Letter of Credit (LC) has already opened and some are in process. This Investment will enable the company to sustain the rate of Production efficiency with state-of-the-art technology in the coming year. The entire amount will be expensed mainly out of its internal generation of fund and Bank borrowings.

TEXTILES SECTOR:

At present, the RMG industry acts as a catalyst for the development of Bangladesh. The "Made in Bangladesh" tag has also brought glory for the country, making it a prestigious brand across the globe. In recent Years, Primary Textile Sector (PTS) or spinning business has grown in Bangladesh as a backward linkage support for the apparel manufacturing. Bangladesh spinning mills primarily dependent on local apparel manufacturing sector for its growth. In the same time being backward Linkage Facility, the growth of spinning industry contributed positively to the overall growth of apparel export business.

India, Pakistan, China and Indonesia are key competitors for the Bangladesh spinning industry. India, China and Pakistan enjoy their own source of raw material, technology and government incentives. Other yarn manufacturing companies are supplying diversified products due to technological advancement and worldwide market. Considering the main inputs (raw materials, labor, energy, capital and technology), Bangladeshi spinners enjoyed the benefit of low lead-time for customer, incentive, income tax exemptions, economic energy and economic labor force over last two decades. But today spinning industry in Bangladesh is facing cost burden of expensive energy, no income tax exemption, expensive labor, burden of low productive old technology and least product diversity.

THE SEGMENT/PRODUCT WISE PERFORMANCE:

Details disclosure of products performance has shown in Note: 16.00 in Financial Statement.

ECONOMIC OUTLOOK

The economic and health crisis created by the coronavirus pandemic hit all types of business around the world and fashion industry faces the same.

Some reputed fashion Brand were declared as Bankrupt and some Brands are continuing their operation in limited way but it will require some time to return back to the normal. Bangladesh's RMG export goes mostly in the American and European countries where the COVID-19 has disrupted billions of lives and stop the development progress. Now, the pandemic situation is continuously improving after the mass vaccination initiatives was taking by the Government and expecting will better in coming days. After a long period of time, we have returned to our normal operation after lockdown and also hopeful that demand of yarn is likely to return to pre-covid level.

RISKS AND CONCERNS:

There are some risks are always associated with the Business-like Exchange Rate Risk, Raw Material Risk, Natural Calamities, Market Price, Financial Risk, Unfavourable fiscal & Monetary policies, international trade barriers, lack of Infrastructural support etc. Some of which can be solved and others are beyond our control. However, Current Bangladesh Government has already taken some initiative to solve some matters through various activities as a result of this ease of "Doing Business" progress in World Bank ranking.

The Company is aware of the various risks & concerns during the period to meet the systematic way.

Other Risks & Concerns have also disclosed in Note: 35.00 of Financial Statement.

FUTURE OUTLOOK OF TEXTILE SECTOR IN BANGLADESH:

Amidst so many unknowns and uncertainty, the industry people would like to think of 2021 as a new beginning, to do things in a better way ahead with the arrival of a Covid-19 vaccine that would save both lives and businesses.

Besides, 2021 is going to be a significant year for Bangladesh as it will celebrate its 50th year of independence and graduate from a least developed country (LDC). 2021 should be a year where promoting the country's export competitiveness will be a top priority.

Industry people are hoping that business will be more stable and increase in the coming year if no major side effects of the vaccine and new COVID wave are exposed. This sector offers great scope of

expansion and many of the Bangladeshi textile companies are now implementing the expansion plan to meet the growing demand of spinning sector.

DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN & NET PROFIT MARGIN:

Cost of yarn manufacturing are varied during the past years primarily due to fluctuations in the price of raw cotton, freight cost, Inventory Cost, fuel & power and other considerable matters which beyond the control of the management. In the year of 2020-21 overall cost of goods sold raise 12.50% due to the high cotton price, increase the sales volume and other administrative expense. Overall Gross Profit margin increase 12.60% and also Net profit margin increase 73.88%.

COST OF GOODS SOLD:

Details disclosure of Cost of Goods Sold has shown in Note: 17.00 in Financial Statement.

PRODUCTION CAPACITY & UTILIZATION:

Type of Machines	2020-21
Spindle	70,728
Rotor Machine	2x208 = 416
Auto Conner	21

EXTRA ORDINARY GAIN/LOSS

During the period of 2020-21 there is no extraordinary gain/loss has occurred.

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements in Note: 32.00 in accordance with relevant International Accounting Standards (IAS).

UTILIZATION OF IPO PROCEEDS

Initial Public offering (IPO) of Tamijuddin Textile Mills Limited was made in 1991 and the fund raised thereby has already been utilized as per purposes stated in the prospectus and reported to the regulators. No other issues of any instrument including right share was made during the year.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND PERIOD ENDED REPORT

No significant difference between quarterly performance and overall period ended on 30 June, 2021 performance of the Company. Throughout this period, the Company was able to maintain judicious performance both in operational and financial perspective.

DIRECTORS REMUNERATION

Directors remuneration has disclosed during the period from 01 July 2020 to 30 June 2021 in the note No 32.00.

AUDIT COMMITTEE:

Audit Committee has been already formed & reconstituted as per provision of Corporate Governance Guidelines Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC) and also its details discussion has presented in Annexure – V.

NOMINATION & REMUNERATION COMMITTEE (NRC):

Nomination and Remuneration Committee (NRC) has been already formed as per provision of Corporate Governance Guidelines Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC) and details discussion has presented in Annexure – IV.

MINORITY SHAREHOLDERS PROTECTION:

The Board is and shall be committed to respect the rights of the minority shareholders to voting, right to information, dividends and appraisal of any alteration in Memorandum and Articles.

REAPPOINTMENT OF STATUTORY AUDITOR

"M/S Islam Quazi Shafique & Co." Chartered Accountants the present statutory auditor of the company Retired at this Annual General Meeting, being eligible and offered themselves for re-appointment. In recommendation of Audit Committee, The Board in its meeting held on October 26, 2021 and recommended to re-appoint for existing M/S Islam Quazi Shafique & Co Chartered Accountants as statutory auditor of the company for the year 2021-22 at remuneration fixed at TK. 1,60,000.00 for the financial year 2021-22.

COMPLIANCE AUDITOR

The 38th AGM held on 23rd December 2021 approved the appointment of Haruner Rashid & Associates", Chartered Secretary Firm, as the compliance auditor of the company to audit the "Corporate Governance Code" for the year 2021-22.

APPOINTMENT OF INDEPENDENT DIRECTOR

As per provision of Corporate Governance Guidelines Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), Dr. Santus Kumar Deb, was appointed by the Board of Directors in its Board Meeting held on 14 July, 2021 as an Independent Director of the Company with the effect from 14 July, 2021 for a period of 3 (three) years and his appointment will be approved by the Shareholders in its 38th Annual General Meeting. Short bio-data of the said Director is enclosed herewith in the section of Director's Profile Page: 10.

RE-CONSTITUTION & APPOINTMENT OF THE BOARD

Chowdhury Mohammed Hanif Shoeb elected as a Chairman of the Board in its 236th Board Meeting held on 26 October, 2021. Chowdhury Mohammed Hanif Shoeb and Sabiha Sultana was appointed as a Shareholder Director of the company in its 235th Board Meeting Meeting held on 23 August, 2021.

In addition to this, Dr. Santus Kumar Deb a renowned academician appointed as an Independent Director. All of their appointment will be approved in forthcoming Annual General Meeting of the Company. The Current Board has been re-constituted as per the following manner:

Name of Directors	Designation to the Board	Director Type
Chowdhury Mohammed Hanif Shoeb	Chairman	Non-Executive Director
Salma Chowdhury	Managing Director	Executive Director
Md. Shohel Rana	Director	Non-Executive Director
Monjur Ahmed Mohan	Director	Non-Executive Director
Md. Amran Pervege	Director	Non-Executive Director
Sabiha Sultana	Director	Non-Executive Director
Ausafur Rahman	Independent Director	Non-Executive Director
Dr. Santus Kumar Deb	Independent Director	Non-Executive Director

In accordance with 108 of the Articles of Association of the company, Md. Shohel Rana and Md. Amran Pervege retires from their present position and being eligible, offer themselves for re-election as per Article 109 of the Article of Association. This is placed for your approval in the Annual General Meeting. Brief Resume of appointee/reappointed Directors are enclosed as Page No: in accordance to the BSEC/CMMCD/2009-193/09/Admin/117-Notification dated on 22 March,2021 from Bangladesh Securities and Exchange Commission.

DIVIDEND

The Board recommended 20% Cash Dividend for the financial period ended on 30th June 2021 (subject to approval of the shareholders) and Record Date declared on 23 November, 2021 to join the forthcoming AGM

CONTRIBUTION TO GOVERNMENT EXCHEQUER

In its role on accountability to the government, the Company is to ensure payments of all dues to government in the form of import duty, custom duty, port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations. This has enabled the Company to enhance its contribution to the National Exchequer

on a progressive rate year after year. A total of Tk. 1,44,53,455 (Taka one crore forty four lac fifty three thousand four hundred fifty five) was given to the government exchequer during the year in the form of duties, taxes, VAT etc.

THE SYSTEM OF INTERNAL CONTROL

The Board of Directors assures the Shareholders that the Company has a robust risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

APPROPRIATION OF PROFIT

After the considerations of financial results of the Company during the year and free reserve carried over, the Directors recommended appropriation of net profit as follows:

	(Amount in Taka)
a) Net Profit after Tax for the year ended 30 June 2021	61,781,445.00
b) Proposed Cash Dividend (20%)	(60,129,534.00)
c) Profit Carried Forward	1,651,911.00

UNPAID DIVIDEND

In accordance with the order No: BSEC/SR-MIC/2021-198/254 dated on 19th October, 2021, the Company has disclosed unpaid Dividend history in the Note No: 14.01.

DIRECTORS REMUNERATION

The remuneration of directors has been presented in note: 31.00 in the financial statements.

BOARD MEETINGS

The Company conducts its Board meetings and

record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. Additional meetings are also be scheduled as and when required. During the year from 01 July 2020 to 30 June 2021 there were total 09 Board Meeting and the meeting attendance was as on 30.06.2021:

Name of Directors	Position	No. of Meeting Held	Attendance
Chowdhury Mohammed Hanif Shoeb (Newly Appointed after conclusion of the financial year 2020-21)	Chairman	00	00
Salma Chowdhury	Managing Director	09	05
Md. Shohel Rana (Immediate resigned Chairman)	Director	09	09
Monjur Ahmed Mohan	Director	09	09
Md. Amran Pervege	Director	09	09
Sabiha Sultana (Newly Appointed after conclusion of the financial year 2020-21)	Director	00	00
Ausafur Rahman	Independent Director	09	09
Dr. Santus Kumar Deb (Newly Appointed after conclusion of the financial year 2020-21)	Independent Director	00	00

GOING CONCERN

The Directors after making necessary inquiries and reviews including reviews of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and such other matters required to be addressed in the Code of Best Practice on latest Corporate Governance issued by the Bangladesh Securities and Exchange Commission. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements. It is the responsibility of the management of a company to determine whether the going concern assumption is appropriate in the preparation of financial statements. If the going concern assumption is considered by the management to be invalid, the financial statements of the entity would need to be prepared on break up basis. TTML has adequate resources to continue operations into the foreseeable future.

ACKNOWLEDGMENT

We thank our customers, vendors, investors, business associates and bankers for their continued support during the years. We place on record our appreciation of the contribution made by workers and employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support. We thank the Government of Bangladesh, and Government Agencies and Regulatory Bodies-BSEC, DSE, CSE, CDBL, RJSC, NBR and others related parties for their support and look forward to their continued support in the future.



On Behalf of the Board
Chowdhury Mohammed Hanif Shoeb
 Chairman
 26 October, 2021