



DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Respected Shareholders,
Assalamualikum.

On behalf of the Board of Directors of your company and on my own behalf, I extend my heartiest greetings to all of you and a warm welcome for your presence in the 39th Annual General Meeting of the Company. It also gives me immense pleasure to place before you the Annual Report along with the Audited Balance sheet, Income Statement, Statement of changes in equity and Cash Flow Statement for the year ended on 30 June 2022 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.

Overcoming the hurdles posed by the COVID 19 pandemic, the economy witnessed some relief during FY2021- 22. With revival of economic activities across the world, although less than the pre-COVID-19 level, the textile industry has also seen revival of growth in terms of capacity utilization and earnings as well. These trends are visible in the performance of the segments of yarns in textile industry. We registered a steady financial performance, recording consolidated sales revenue of 418.65 crore. Our EBIT stood at 24.10 crore in FY 22 as compared to 9.07 crore in FY 21. Our net profit after tax grew from 6.17 crore in FY 21 to 19.87 crore in FY 22.

The revival in manufacturing activities came with sharp increase in commodity prices, which was manageable to some extent as we were able to pass on the rise in raw material and other input cost to consumers. However the Russia-Ukraine conflict, energy crisis and increasing inflation are likely to rein in Bangladesh's present textile sector and have somewhat watered down the strong business recovery.

We are hopeful about coping with the situation on the back of our rich experience, industry knowledge and our core values of customer-centricity, transparency, environment stewardship and societal empowerment.

INFRASTRUCTURE & FACILITIES:

The factory is 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, etc. The total area is about 5,41,199 Square Feet. Among these Structures, most of the building are ripe based and also some of them are steel and pre-fabricated structure.

OUR BUSINESS:

Incorporated with the endeavor to achieve excellence through innovation, Tamijuddin Textile Mills Limited is one of the leading textile manufacturers offering greatest quality yarn. Our manufacturing lines are designed to cater to the growing needs of our consumers with the flexibility to produce a wide range of products. We partner with our customers to design and manufacture sophisticated and new products.

Tamijuddin Textile Mills Limited has over 05 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.

With efficient integrated operations and a clear vision for the future, we have successfully executed our strategic growth plan in line with evolving need for textile products to drive sustainable development. Our regular endeavor is maintaining sustainable growth and attract buyer by providing highest quality yarn with full faith and satisfaction on our product.

Productive work environment, Corporate Governance, Healthy business ethics, continuous improvement and dynamic employee engagement have been the key to our excellence.

FINANCIAL PERFORMANCE

During this year company achieved its highest ever sales turnover stood at BDT 418.65 Crores showing an Increase of 53.42% as compared to the previous year. The net profitability of the Company was stood at BDT 19.87 Crores as against amount of BDT 6.17 Crores with the increase of 221.69% in the previous year. The retained earnings stand at BDT 54.75 crores as on June, 2022. The Russian invasion of Ukraine has happened at a time when the world just started to recover from the fallout caused by more than two years of Covid-19 pandemic.

But the recovery is facing inflationary pressure due to supply shortages in the face of higher demands as countries are beginning to expand economic activities. The ongoing war has created a new shock for the world. Supply disruptions and financial sanctions pose serious economic challenges. With no signs of reconciliation between Russia and Ukraine, the global economic implications will be much more severe.

To tackle this situation your Company is 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, In last financial year 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 more than BDT 18.07 Crore machinery LC has already opened in different commercial banks.

Your management is looking into the continuing sustainable 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:

Tamijuddin Textile Mills Limited took BMRE investment for up gradation of facilities and efficiency of production capabilities. We decided to invest BDT 50 Crore among them we have already opened L/C of approximately BDT 18.07crore.Among them some of the Capital Machineries of this project are ready for erection and others are under process. We hope that the project will help to increase the production competency and efficiency by optimum utilization of our capabilities and resources.

TEXTILE SECTOR:

Worldwide, the textile sector contributes significantly to the economy. The textile business produces important goods for people all around the world.As we approach a new decade and continue to feel the consequences of the COVID-19 pandemic, the textile industry has evolved new trends. The textile business, like the rest of the world, is adjusting to the modern era by implementing new methods of production and distribution. The future of the textile industry and its impact on the global economy are revealed by these tendencies.

Entrepreneurs in this sector said that due to the increase in global inflation due to the impact of the

Russia-Ukraine war, the garment traders have to go towards an overall uncertain situation. Meanwhile, Western consumers have also become more mindful of their personal spending. Due to which it is estimated that the number of work orders in Bangladesh's garment sector has decreased.

Europe has seen the highest inflation in 25 years while it high in the US in last 40-year. Besides, the price of everything starting from fuel oil is on the rise. Production cost is increasing every day. Bangladesh's garment sector is facing danger from two sides. First, the cost of making garments for garment traders has increased. Second, demand has decreased.

Even before the Russian-Ukraine war, the price of the key textile raw material had surged in the international market for pent-up demand following the reopening of economies after the pandemic-led lockdowns.

Because of the drought in some cotton-growing regions in the US, petroleum price hikes in the global markets, and the high volume of cotton purchased by China pushed up the price of the white fiber.

As a result, the cost of production for garment manufacturers and The local spinning sector was running with world heated cotton prices because of the sudden surge in price hikes in the international markets at the time of business recovery from the severe fallouts of the Covid19 since August last year.

ECONOMIC OUTLOOK:

Economic outlook, which was recovering from the third wave of corona virus and had grown in remarkable percent in 2021 is likely to slow down in 2022 due to headwinds caused by geopolitical developments such as Ukraine crisis and by rising commodity prices fueling inflation expectations across the countries. To combat the rising inflationary risk, central banks across the world are adopting tight monetary policies resulting in overall increase in interest rate and consequentially dramatic swing in global financial markets. In this context, the future outlook of the world economy look uncertain till the world is able to tide over geopolitical tensions; softening of commodities prices; and buoyancy in consumer expectations for next couple of years.

RISK AND OPPORTUNITIES:

Each and every Risk and adversity contains in it, the seeds of advantages and opportunities. While we remain vigilant and prepared for risk, we try to see each and every challenge as an opportunity to enhance and create value. We also consistently scan



the business environment to prospect for opportunities and leverage them for growth.

The Company has a great risk Management framework which enables it to take certain risks to remain competitive and achieve higher growth and at the same time mitigate other risks to maintain sustainable results. Under the framework, the Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Risk Management Committee reviews the identified Risks and its mitigation measures annually.

The major risk and challenge attributed to the textile sector after the pandemic recovery is the impact of reducing demand, supply chain disruptions, inflation and surging the price of raw cotton due to the Ukraine - Russia war and Global geopolitical unrest. The year under review we have achieved great operating performance by converting the pandemic threat to opportunity and now we hope the we will overcome the pressure of Ukraine war and continue our growth.

However, 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: 36.00 of Financial Statement.

FUTURE OUTLOOK OF TEXTILE SECTOR

As the world is facing the consequences of supply chain disruptions, post the Covid-19 and rising commodity prices including food and fuel, especially due to the Ukraine war, small economies like Bangladesh are facing challenges to sustain requisite growth in their leading Textile sector.

The country's garment industry is facing an acute shortage of power affecting production on one hand while its major markets are postponing shipments due to surging inflation.

Local spinners and garment manufacturers held several meetings to settle the price of yarn for the local markets as the higher prices of yarn eat up the profitability of the local garment exporters.

Another round of price hikes because of the cotton price surge following the outbreak of the Russia - Ukraine war also dent further the profitability of the local spinners.

Ultimately, the local garment export will be affected due to high yarn prices and low offer of prices from the international retailers and brands as they are not ready to pay more although the cost of production is increasing with cotton price hike and expensive shipping charges.

Bangladesh has 450 spinning mills which are engaged to produce yarn from imported cotton. If the Russia - Ukraine war continues for a long time the prices of cotton yarn may rise in the local markets.

Nearly 80 percent of the yarn produced at the mill is purely cotton yarn, while the remaining 20 percent is mixed yarn from cotton and artificial fibre yarn.

Chinese purchase of cotton in bulk quantity and crop loss in the USA is also responsible for price hikes of cotton in the international markets.

In the next two years, Bangladesh's yarn production capacity will see an addition of 2.5 million spindles. Currently, 13.5 million spindles are used to manufacture textile raw materials, according to Bangladesh Textile Mills Association (BTMA). Bangladesh will miss a good emerging market of Russia if the war is not stopped.

Retailers in both European and US markets are either deferring the shipments of finished products or delaying orders due to soaring inflation. The energy crisis has increased the cost of doing business in the country.

Slow recovery in China and US economy due to pandemic-related disruptions and Russia Ukraine war would directly affect Bangladesh, especially the textile sectors.

Bangladesh's textile and RMG industry still have huge potential to capture the global textile and garments market. The global textile and garments industry is now worth about \$ 3 trillion. Bangladesh's textile and RMG industries contribute only 6-7% of the total market. Bangladesh export 7-8 types of garments items. Whereas, Bangladesh can diversify to functional textiles, medical textiles, protective textiles.

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 2021-22 overall cost of goods sold raise 53.44% due to the high cotton price, increase the sales volume and other administrative expense. Overall Gross Profit margin increase 53.32% and also Net profit margin increase 221.69%.

COST OF GOODS SOLD:

Details disclosure of Cost of Goods Sold has shown in Note: 18.00 in Financial Statement.

PRODUCTION CAPACITY & UTILIZATION:

Type of Machines	2021-22
Spindle	70,728
Rotor Machine	2x208 = 416
Auto Conner	21

EXTRA ORDINARY GAIN/LOSS

During the period of 2021-22 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: 33.00 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

In the year of 2021-22, EPS has been increased due to higher rate of yarn selling price as well as increase of sales volume and also Collection from customers has significantly enhanced compare to the previous year which helps to increase the NOCFPS.

DIRECTORS REMUNERATION

Directors remuneration has disclosed during the period from 01 July 2021 to 30 June 2022 in the note No 33.00.

APPOINTMENT OF INDEPENDENT DIRECTOR

As per provision of Corporate Governance Guidelines Notification No: BSEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), Mr. Md. Zakir Hossain, was appointed by the Board of Directors in its Board Meeting held on 25th April, 2022 as an Independent Director in place of Mr. Ausafur Rahman of the Company with the effect from 1st June, 2022 for a period of 3 (three) years and his appointment will be approved by the Shareholders in its 39th Annual General Meeting. Short bio-data of the said Director is enclosed herewith in the section of Director's Profile Page: 09.

RE-CONSTITUTION OF COMMITTEE & APPOINTMENT OF THE BOARD

Mr. Ausafur Rahman completed his tenure of Independent Director and hence Chairman of Audit Committee and NRC Committee remained vacant. In accordance with Corporate Governance Code dated on 3 June, 2018; No. BSEC/CMRRC-D/2006-158/207/Admin/80- 5 (2) and 6 (3), Audit Committee and NRC Committee is newly formed shown in below:

Audit Committee Members:

Sl. No.	Name	Designation
1.	Md. Zakir Hossain	Chairman of the Committee
2.	Mr. Amran Pervege	Member
3.	Mr. Shohel Rana	Member

NRC Committee Members:

Sl. No.	Name	Designation
1.	Dr. Santus Kumar Deb	Chairman of the Committee
2.	Mr. Amran Pervege	Member
3.	Mr. Shohel Rana	Member

The current composition of the Board		
Name	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
Md. Zakir Hossain	Independent Director	Non-Executive Director
Dr. Santus Kumar Deb	Independent Director	Non-Executive Director

RETIREMENT BY ROTATION

In accordance with 108 of the Articles of Association of the company, Monjur Ahmed Mohan and Sabiha Sultana 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.

DIRECTORS REMUNERATION

Directors remuneration has disclosed during the period from 01 July 2021 to 30 June 2022 in the note No 32.00.

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

APPOINTMENT OF STATUTORY AUDITOR

"M/S Islam Quazi Shafique & Co." Chartered Accountants the present statutory auditor of the company Retired at this Annual General Meeting, not being eligible for re-appointment in accordance with DSE Listing Regulations, 2015, 15 (2) as they completed their consecutive three years. Audit Committee recommended **"M/S Ahmed Zakir & Co."**, Chartered Accountants, to be the next Auditor for the financial year 2022-2023 and fixed their remuneration at Tk. 1,60,000 (one lac sixty thousand) and then placed it to the Board meeting for approval held on 17th October, 2022 . Appointment of Statutory Auditor will be finalized in 39th Annual General Meeting of the Company.

COMPLIANCE AUDITOR

"LSF & Co" a Cost Management Firm to be appointed as a compliance auditor subject to the approval in forthcoming Annual General Meeting of the company in accordance with the Corporate Governance Code-2018.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit Department with adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department also engages external audit firms, wherever deemed necessary. The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

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 2021 to 30 June 2022 there were total 05 Board Meeting and the meeting attendance was as under:

Name of Directors	Position	No. of Meeting Held	Attendance
Chowdhury Mohammed Hanif Shoeb	Chairman	05	05
Salma Chowdhury	Managing Director	05	05
Md. Shohel Rana	Director	05	05
Monjur Ahmed Mohan	Director	05	05
Md. Amran Pervege	Director	05	05
Sabiha Sultana	Director	05	00
Ausafur Rahman (retired on 1st June, 2022)	Independent Director	05	05
Dr. Santus Kumar Deb	Independent Director	05	05

THE SEGMENT/PRODUCT WISE PERFORMANCE:

Details disclosure of products performance has shown in Note: 17 in Financial Statement.

DIVIDEND

The Board recommended 30% Cash Dividend for all shareholders except Directors & Sponsors for the financial period ended on 30th June 2022 (subject to approval of the shareholders) and Record Date declared on 14th November, 2022 to join the forthcoming AGM.

UNPAID DIVIDEND

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

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. 4,21,75,049 (Taka Four crore twenty one lac seventy five thousand forty nine) was given to the government exchequer during the year in the form of duties, taxes, VAT etc.

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 2022-	19,87,42,507.00
b) Proposed 30% Cash Dividend	(9,0194301.00)
C) Profit Carried Forward	10,85,48,206.00

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.

ENHANCING SHAREHOLDERS' VALUE

Your Company believes that its Members are its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your



Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socioeconomic and environmental dimensions and contribute to sustainable growth and development.

ACKNOWLEDGMENT

We The Directors of Tamijuddin Textile Mills Limited are expressing our appreciation for the sincere cooperation and assistance of Government authorities and Regulatory Bodies –BSEC,DSE,CSE,CD-BL, BAPLC,NRB,RJSC,bankers, customers, suppliers and business associates. We also wish to place on record our deep sense of appreciation for the committed services, dedication and hard work and

trust by your Company's employees. We acknowledge with gratitude, the encouragement and support extended by our valued Members.

On Behalf of the Board

Sd/-

Chowdhury Mohammed Hanif Shoeb

Chairman

17 October, 2022