

DIRECTORS' REPORT 2018-2019

Dear Shareholders:

Assalamu Alaikum,

It gives me immense pleasure to announce the Annual Report 2018-2019. On behalf of the Board, I take the privilege to thank all the Shareholders to keep confidence on the Management. As a result we were inspired to put our best effort in doing business. I would like to present before you the Audited Financial Statements and the Auditor's and Director's Report of the company for the year ended on 30th June, 2019.

Operational Performance

Alhamdulillah, I am pleased to inform you that our productions are increasing in conformity with previous year. It is a fact that textile industry in Bangladesh are facing hard days in current year because fall of demand in the International Market and low price in the local market. In spite of that we are producing good quality yarn boldly and strictly follow the schedule of our customers' requisition with the help of our efficient and dedicated technician, marketing and management team.

The statistical data of the company for the year ended 30.06.2019 are shown with comparative figures of last year. Our production increased by 10.87% from 1,02,54,635 Kgs in 2017-2018 to 1,13,69,276 kgs in 2018-2019. Sales went up by 4.27% from Tk. 231,47,32,145.00 in 2017-2018 to Tk. 241,35,83,451.00 in 2018-2019. The resultant effect was a rise of 8.98 % in gross profit from Tk. 41,96,46,478.00 in 2017-2018 to Tk. 45,73,23,920.00 in 2018-2019 and net profit increased by 93.60% from Tk. 1,47,67,753.00 in 2017-2018 to Tk. 2,85,91,090.00 in 2018-2019.

Financial Operating Result

The financial results of the company for the year ended 30.06.2019 are shown below with comparative figures of last year:

Taka :

Particulars	As on 30.06.2019	As on 30.06.2018
Turnover	241,35,83,451.00	231,47,32,145.00
Cost of goods sold	195,62,59,531.00	189,50,85,667.00
Gross profit	45,73,23,920.00	41,96,46,478.00
Operating Expenses	40,05,91,750.00	38,87,28,545.00
Operating Profit	5,55,77,970.00	2,98,75,783.00
Workers profit Participation Fund	26,46,570.00	14,22,656.00
Profit before tax	5,29,31,401.00	2,84,53,128.00
Provision for tax	2,43,40,311.00	1,36,85,375.00
Net profit after tax	2,85,91,090.00	1,47,67,753.00

You may kindly observe that financial result of the company for the year ended 30.06.2019 are aggregately good compared with previous year. In future it is expected that the company will be able to achieve target production and sufficient profit to allow more dividend for everybody associated.

Audit Committee

The Board of Directors has constituted an Audit Committee consisting of three Members. Chairman of the Audit Committee is Independent Director, Ausafur Rahman , renowned businessman and had huge experience in administration, accounting and finance, procurement, marketing and sales. Other members are Mr. Md. Shohel Rana and Monjur Ahmed Mohan. The Audit Committee carried out its responsibilities as per the provisions of rules and regulations of BSEC and submitted its report to the Board of Directors from time to time. The Audit Committee also audited first quarter, half-yearly, third quarter financial statements of Financial Year 2018-2019 and annual accounts ended June 30, 2019 along with auditors' report on the annual accounts.

Future

Tamijuddin Textile Mills Limited is going ahead to obtain its main objectives. To meet our main objectives, we have prepared ourselves and are taking preparation to bring new technology to face coming days challenges so that we are not lagging behind in the market competition. We are putting our continuous efforts to introduce on our proven strengths of new products and diversifications to increase market share.

Risks and Concerns

During last few months, Bangladesh spinning and fabric mills are facing severe competition with some foreign countries and thus the local companies are not being able to compete with. The price fall in International Market came in such a time when Bangladesh has enforced new wage policy pushing the worker's salary up to 60%. We are deeply observing and following business circumstances and we have made successful strategy to compete to sustain in the market.

Remuneration to Directors

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by Nomination and Remuneration Committee. Remuneration to Directors has been shown in the note No. 31.00 to the financial statement.

Board of Directors and Election

The following persons were the members of the Board of Directors of the company at the closing of the reporting year. The number and amount of shares held by each continuing Director at the beginning and end of the reporting financial year are also furnished in the following statement as per Stock Exchange Listing Regulation.

Name of Directors	Designation	Share held 01.07.2018	Amount Taka	Share held 30.06.2019	Amount Taka
Md. Shohel Rana	Chairman	3,78,840	37,88,400	4,73,550	47,35,500
Salma Chowdhury	MD	99,12,272	9,91,22,720	1,23,90,340	12,39,03,400
Monjur Ahmed Mohan	Director	3,78,840	37,88,400	4,73,550	47,35,500
Md. Amran Pervege	Director	3,78,840	37,88,400	4,73,550	47,35,500

In accordance with the requirement of the Company's Act, 1994, Salma Chowdhury, Managing Director of the company is due to retire from the Board of Directors and expressed her desire for re-appointment as she is eligible. As per Article 107 of the Articles of Association of the company Mr. Amran Pervege retires from his present position and being eligible, offer himself for re-election as per Article 109 of the Article of Association. This is placed for your approval.

Mr. Sikder Zakir Hossain, Independent Director, retired after completion of 2nd tenure for 3 years on 01.06.2019. Mr. Ausafur Rahman appointed as Independent Director for 03 years w.e.f 02.06.2019 as per BSEC regulations and seek your approval.

Corporate Governance Compliance Status Report

Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to deliver good governance and exercise best practice in all respects. Good governance is about managing the business effectively and responsibly and in a way which is honest, transparent, showing accountability and abiding by the laws of the land. "**Mohammad Ata Karim & Co.**" Chartered Accountants, compliance auditor audited compliance report of the company for the year 2018-2019 and seek for re-appointment as compliance auditor for the year 2019-2020 which requires shareholders approval.

In accordance with the requirement of the Bangladesh Securities and Exchange Commission notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued "Compliance Status of the above mentioned Code" is annexed.

Dividend

The company earned a net profit of Tk. 2,85,91,090.00 (Taka Two crore eighty-five lac ninety-one Thousand ninety) during the year 2018-2019 whereas earned that of Tk. 1,47,67,753.00 (Taka One crore forty-seven lac sixty-seven Thousand seven hundred fifty-three) in 2017-2018. This profit supports the company to declare dividend for shareholders. Considering interest of the shareholders, the Board of Directors has recommended for declaration of dividend at the rate of 27% (stock) which is 2 % higher than the previous year for the shareholders which is placed for your approval.

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. 1,13,17,108.00 (Taka one crore thirteen lac seventeen thousand one hundred eight) was given to the government exchequer during the year in the form of duties, taxes, VAT etc.

Loan Repayment

Financing is very much important for every organization. In that we have received loan from different banks to finance different projects to facilitate the production process. We are so much grateful to our finance partners those who kept their believe on us and accompany with our journey. It is our moral obligation to keep our promise to pay back their money in time. A total of Tk. 7,05,56,321.00 (Taka seven crore five lac fifty-six thousand three hundred twenty-one) was paid to Banks against long-term loans during 2018-2019.

Auditors

The Board of Directors appointed the auditor "ATA KHAN & CO" Chartered Accountants, 67, Motijheel C/A, (1st floor) Dhaka-1000 who audited the financial accounts of Tamijuddin Textile Mills Ltd. for the year 2018-2019 in place of Auditor M/S "AHMED & AKTAR", 30, BCIC Bhaban, 31 Dilkusha C/A, Dhaka-1000, who was approved in the 35th AGM held on 24th December, 2018, delisted as per order of BSEC's auditors panel on 16.07.2019. Auditor "Ata Khan & Co" also delisted from BSEC's auditors panel on 12.11.2019.

Auditor "M/S Islam Quazi Shafique & Co." Chartered Accountants, Al-Haj Shamsuddin Mansion (4th Floor) 17, New Eskaton Road, Maghbazar, Dhaka-1000; expressed their interest and applied in the company for audit financial accounts for the year 2019-2020. The proposal is placed for your approval.

Conclusion

I will draw the conclusion here that based on the success of 2018-2019, on behalf of the Board of Directors, I would express my sincere acknowledgement on the contribution made by the management team and employees of all levels for their relentless efforts. I also would like to express my heartfelt gratitude to our valued Shareholders, Customers, Bankers, Suppliers, Bangladesh Textile Mills Association, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Central Depository Bangladesh Limited (CDBL), Register of Joint Stock Companies and Firms (RJSC), National Board of Revenue (NBR), Government Agencies and all concerned for their continued support and co-operation.

On behalf of the Board of Directors,



Salma Chowdhury
Managing Director.