

## DIRECTORS' REPORT 2019-2020

**Dear Shareholders:**

**Assalamualikum,**

I am very much grateful to almighty Allah for blessings on us to come so far. On behalf of the Board, I thank all our valued shareholders, our local and foreign buyers, regulatory authorities and bankers who have supported us throughout the journey and who makes us energetic to keep going further. I cordially congratulate all of them for having confidence on us and on the company. I also take the privilege to thank you all from my own behalf and on behalf of the members of the Board for attending the 37th Annual General Meeting of the Tamijuddin Textile Mills Limited. I would like to present before you the Audited Financial Statements and the Auditor's and Directors' Report thereon for the year ended on 30th June, 2020.

### **Operational Performance**

As we know we have been passing hard time since the beginning of this year 2020. Due to the daily increase in the number of COVID-19 patients in Bangladesh & all over the world, the Government of Bangladesh declared a state of lockdown (closure of all public and private offices & industries) from the 26 March 2020, which continued until 31st May 2020 which had tremendous adverse affects on our operational performance. As a result of the lockdown, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) closed their factories in line with the government's lockdown instruction. As a result, working people returned to their village. In addition, shipment processes became problematic due to the increasing global lockdown impacted by COVID-19. Above all our yearly production failed to meet our expectation what we depicted beginning of the year 2019-2020.

Alhamdulillah, it is of great pleasure to inform you that we are overcoming this pandemic situation with the help of our present government supports and our internal strength of management team. Without their supports, it is quite impossible to resume our production process. You will be happy to know that we are one of them in the top ten listed yarn exporter during 2019-2020 declared by BKMEA (Bangladesh Knit Ware Manufacturing Export Association).

The statistical data of the company for the year ended 30.06.2020 are shown with comparative figures of last year. Our production increased by 10.95 % from 1,13,69,276 Kgs in 2018-2019 to 1,27,68,645 kgs in 2019-2020. Sales went up by 0.48% from 241,35,83,451.00 in 2018-2019 to 242,52,68,970.00 in 2019-2020. The resultant effect was a down of 2% in gross profit from Tk. 45,73,23,920.00 in 2018-2019 to Tk. 44,83,16,613.00 in 2019-2020 and net profit increased by 19.53% from Tk. 28,591,089.00 in 2018-2019 to Tk. 355,30,392.00 in 2019-2020.

### Financial Operating Result

The financial results of the company for the year ended 30.06.2020 are shown below with comparative figures of last year:

**Taka :**

Particulars	As on 30.06.2020	As on 30.06.2019
Turnover	242,52,68,970.00	2,413,583,451.00
Cost of goods sold	197,69,52,357.00	195,62,59,531.00
<b>Gross profit</b>	44,83,16,613.00	45,73,23,920.00
Operating Expenses	38,81,98,197.00	40,05,91,750.00
Operating Profit	5,91,46,977.00	5,55,77,970.00
Workers profit Participation Fund	28,16,523.00	26,46,570.00
Profit before tax	5,63,30,455.00	5,29,31,400.00
Provision for tax	2,08,00,063.00	2,43,40,311.00
<b>Net profit after tax</b>	3,55,30,392.00	2,85,91,089.00

You may kindly observe that financial result of the company for the year ended 30.06.2020 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 2019-2020 and annual accounts ended June 30, 2020 along with auditors' report on the annual accounts.

### Nomination and Remuneration Committee (NRC)

This committee was established on 25th October 2018 under condition #6 of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 3 June 2018. The Nomination and Remuneration Committee is a sub-committee of the Board, NRC assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors, top level executives. Presently, NRC is constituted with the following members:

SL. No	Name	Position in Nomination and Remuneration Committee	Position in Board
01.	Ausafur Rahman	Chairman	Independent Director
02.	Md. Shohel Rana	Member	Director
03.	Md. Amran Pervege	Member	Director

### Future

Textile Sector in Bangladesh is a booming industry. We have a bright future. We have specific goal and objectives. We firmly believe that if we adhere to our specific goal and objectives under the supervision of visionary leadership, we will be the one of the amongst leading companies. For that 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 working new product development and diversification to increase market share. We always give first priority to our respected shareholders so that every effort in future will be in favor of their interest.

### Risks and Concerns

Any investment is always associated with some risk factors i.e. Exchange Rate Risk, Natural Calamities, Market Price, Financial Risk etc. Some of which can be solved and others are beyond our control. Just like pandemic situation is totally beyond our control but quick awareness in the factory regarding rules & regulation regarding health and sanitation made by WHO (World Health Organization) helps to recover our loss. I would like to thank all of my dedicated management team for taking appropriate steps to run the factory successfully.

### 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 01.07.2019	Amount Taka	Share held 30.06.2020	Amount Taka
Md. Shohel Rana	Chairman	4,73,550	47,35,500	6,01,408	60,14,080
Salma Chowdhury	MD	1,23,90,340	12,39,03,400	1,51,00,731	15,10,07,310
Monjur Ahmed Mohan	Director	4,73,550	47,35,500	6,01,408	60,14,080
Md. Amran Pervege	Director	4,73,550	47,35,500	6,01,408	60,14,080

In accordance with Article 107 of the Articles of Association of the company Mr. Monjur Ahmed Mohan 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.

### 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 Accounts, Compliance auditor audited compliance report of the company for the year 2019-2020 and seek for re-appointment as compliance auditor for the year 2020-2021 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. 3,55,30,392.00 (Taka Three Core Fifty-Five Lac Thirty Thousand Three Hundred Ninety-Two) during the year 2019-2020. This profit supports the company to declare dividend for shareholders. Considering interest of the shareholders, the Board of Directors has recommended 10% cash dividend to all public shareholders excluding directors which is placed for your approval.

And it is with great pleasure to inform our valuable shareholders who keeps confidence on us that we are going to main market sooner to fulfill everybody's wishes.

### 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. 73,75,734.00 (Taka Seventy-Three Lac Seventy-Five Thousand Seven Hundred Thirty-Four) 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 believe us and accompany with our journey. It is our moral obligation to commit our promise to pay back their money in time. I recall with reverence the monetary incentive policy steps taken by the government during covid-19 in favor of textile industry to sustain in the market. A total of Tk. 1,03,30,568.00 (Taka One Core Three Lac Thirty Thousand Five Hundred Sixty-Eight) was paid to Banks against long-term loans during 2019-2020.

**Auditors**

Auditors of the Company "**Islam Quazi Shafique & Co.**", Chartered Accountant, Al-Haj Shamsuddin Mansion, 4th Floor, Room # C,17, New Eskaton Road, Mogbazar, Dhaka-1000 audited the financial accounts for the first time for the year 2019-2020 and they expressed their interest for reappoint as auditor and applied in the company for audit financial accounts for the year 2020-2021.

The proposal is placed for your approval.

**Conclusion**

I will conclude by saying that based on the success of 2019-2020, on behalf of the Board of Directors, I would express my sincere acknowledgement to the contribution made by the management team and employees of all levels for their tireless 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.