

DIRECTORS' REPORT

Dear Shareholders:

Assalamualikum,

By grace of Almighty Allah whose blessing and kindness has made us strong enough to contribute towards our economic growth especially in Textile Sector. This occasion returns once again to announce our 35th Annual General Meeting of Tamijuddin Textile Mills Limited, on behalf of the Board, to present before you the Audited Financial Statements and the Auditor's and Directors' Report thereon of the company for the year ended on 30th June, 2018.

Operational Performance

Alhamdulillah, I am pleased to inform you that our productions are increasing day by day. We are producing high quality product and strictly follow the schedule of our customers' requisition with the help of our efficient technician and management team. Our factory production now has been reaching a high level at standard because of close supervision, good maintenance and quality raw materials. If all the factors are in favor of us, it is not far way to reach our destination and make our stakeholders delighted.

The statistical data of the company for the year ended 30.06.2018 are shown with comparative figures of last year. Our production increased by 5.89% from 96,84,277 Kgs in 2016-2017 to 1,02,54,635 kgs in 2017-2018. Sales went up by 17.36% from 197,21,87,556.00 in 2016-2017 to 231,47,32,145.00 in 2017-2018. The resultant effect was a rise of 9% in gross profit from Tk.38,49,86,091.00 in 2016-2017 to Tk. 41,96,46,478.00 in 2017-2018 and net profit increased by 25% from Tk. 1,18,48,127.00 in 2016-2017 to Tk. 1,47,67,753.00 in 2017-2018.

Financial Operating Result

The financial results of the company for the year ended 30.06.2018 are shown below with comparative figures of last year:

Taka :

Particulars	As on 30.06.2018	As on 30.06.2017
Turnover	2,314,732,145	1,972,187,556
Cost of goods sold	1,895,085,667	1,587,201,465
Gross profit	419,646,478	384,986,091
Operating Expenses	388,728,545	356,777,609
Operating Profit	29,875,783	28,371,682
Workers profit Participation Fund	1,422,656	1,351,032
Profit before tax	28,453,128	27,020,650
Provision for tax	13,685,375	15,172,523
Net profit after tax	14,767,753	11,848,127

You may kindly observe that financial result of the company for the year ended 30.06.2018 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 of the Board consisting of three Members. Chairman of the Audit Committee is Independent Director, Sikder Zakir Hossain, 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 SEC 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 2017-2018 and annual accounts ended June 30, 2018 along with auditors' report on the annual accounts.

Nomination and Remuneration Committee (NRC)

This committee was established in 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 will assist 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.	Sikdar Zakir Hossain	Chairman	Independent Director
02.	Md. Shohel Rana	Member	Director
03.	Md. Amran Pervege	Member	Director

DISCLAIMER

The newly promulgated Corporate Governance Code (Notification no. BSEC/CMRRCD/2016-158/207/Admin/80; dated: 3 June, 2018) issued by the Bangladesh Securities & Exchange Commission whereby they directed to implement the codes before 31 December 2018. Accordingly, as per the decision of the Board, during the year ended on 30 June 2018, Tamijuddin Textile Mills Limited has complied with most of the points of said Code and full compliance of the code to be reflected in the next annual Report.

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 building on our proven strengths of new product development and diversification to increase market share.

Risks and Concerns

Any investment is always associated with some risk factors i.e. Exchange Rate Risk, Political Unrest, Natural Calamities, Market Price, Financial Risk etc. Some of which can be solved and others are beyond our control.

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 01.07.2017	Amount Taka	Share held 30.06.2018	Amount Taka
Md. Shohel Rana	Chairman	3,15,700	31,57,000	3,78,840	3,788,400
Salma Chowdhury	MD	83,02,310	8,30,23,100	99,12,272	99,122,720
Monjur Ahmed Mohan	Director	3,15,700	31,57,000	3,78,840	3,788,400
Md. Amran Pervege	Director	3,15,700	31,57,000	3,78,840	3,788,400
Sabiha Sultana	Director (appointed on 14.05.2018)	-----	-----	3,80,236	3,802,360

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.

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. 14,767,753.00 (Taka One core forty-seven lac sixty-seven Thousand seven hundred fifty-three) during the year 2017-2018 whereas earned that of Tk. 11,848,127.00 (Taka One core eighteen lac forty-eight thousand one hundred twenty-seven) in 2016-2017. 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 25% (stock) which is 5% 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 and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer on a progressive rate year after year. A total of Tk. 14,204,504.00 (Taka one core forty-two lac four thousand five hundred 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. A total of Tk. 223,710,739.00 (Taka twenty-two core thirty-seven lac ten thousand seven hundred thirty-nine) was paid to Banks against long-term loans during 2017-2018.

Auditors

The existing Auditors of the Company M/S. Mahfel Huq & Co., Chartered Accountant, audited the financial accounts and retired at this Annual General Meeting on completion of consecutive three years, they are not eligible for re-appointment and did not apply. Auditor M/S "AHMAD & AKHTAR" Chartered Accountants, 30-31 Dilkusha C/A, BCIC Bhaban (3rd Floor), Dhaka; expressed their interest and applied in the company for audit financial accounts for the year 2018-2019. The proposal is placed for your approval.

Conclusion

I will draw the conclusion here to recall with reverence that the staffs, workers, shareholders, customers, bankers of the company and governments institutions have contributed greatly in every steps of our journey in this year. I expect that you will keep your continuous support to our organizational growth. I hope this company grows and shines in the coming years with your effective efforts.

On behalf of the Board of Directors,



Salma Chowdhury
Managing Director.