

# DIRECTORS REPORT TO THE SHAREHOLDERS

Dear Shareholders,

**Assalamualaikum**

In terms of provisions of section 184 of the Companies Act 1994, Rule 12 (and the schedule thereunder) of the Securities and Exchange Rules 1987, BSEC Order No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and IAS – 1 (International Accounting Standards – 1) as adopted by the ICAB (The Institute of Chartered Accountants of Bangladesh), it is a pleasure of the Board of Directors to submit its report to the Shareholders for the year ended 30 June 2025 in the following paragraphs:

## **A) Company operations:**

### **Principal activities:**

The principal activities of the company continued to be manufacturing and marketing of readymade garments to its foreign customers. Besides that the Company also carried out knitting & dyeing facilities business as well.

#### **1. Capacity / Production:**

The company has been trying to enhance its production capacity through diversifying its investment. The comparative production capacity last three years is given below

Particulars	2024-25	2023-24	2022-23
<b>Knitting (Ton Per day):</b>			
Installed Capacity	12.00 ton	12.00 ton	12.00 ton
Actual Production	7.25 ton	6.79 ton	7.99 ton
Utilization	60%	57%	67%
Over/ (Under-utilized)	(4.75 ton)	(5.21 ton)	(4.01 ton)
<b>Dyeing (Ton Per day):</b>			
Installed Capacity	27.00 ton	27.00 ton	27.00 ton
Actual Production	18.51 ton	18.36 ton	20.14 ton
Utilization	69%	68%	75%
Over/ (Under-utilized)	(8.49 ton)	(8.64 ton)	(6.85 ton)
<b>Sewing Basic T-shirts (Pcs Per day):</b>			
Installed Capacity	65,000 Pcs	65,000 Pcs	65,000 Pcs
Actual Production	33,002 Pcs	31,228 Pcs	32,311 Pcs
Utilization	51%	48%	50%
Over/ (Under-utilized)	(31,998 Pcs)	(33,772 Pcs)	(32,688 Pcs)

\* 300 days have been considered as working days for the period of 1 year.

#### **2. Cost of Production:**

The cost of production has fluctuated in recent years due to several factors beyond the control of management. These include the political regime change following the mass uprising in August 2024, the ongoing Gaza-Israel conflict, the Russia-Ukraine war, rising import prices, the dollar crisis leading to higher financing costs, exchange rate fluctuations, increased freight charges, and other global adverse developments. The levels of costs and their specific incidences are detailed below:

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
<b>a) Volume of Production:</b>					
Knitting (Ton)	2,175	2,039	2,397	2,832	1,900
Dyeing (Ton)	5,554	5,510	6,043	7,341	5,759
Sewing (Pcs)	9,900,744	9,368,695	9,693,331	11,554,380	12,573,920
<b>b) Cost of Major Items (BDT in Million)</b>					
Raw Material Consumed	2,941.49	2,393.87	3,138.06	3,299.98	1,671.78
Gas & Fuel	224.19	214.48	160.78	77.92	58.28
Electricity	24.85	20.52	37.99	91.98	80.00
Wages and Allowance	470.61	358.95	302.13	367.52	279.16
Bonus Festival	59.70	53.67	41.70	51.77	29.98
Other Factory Overhead	834.82	788.35	1,041.52	982.27	648.75
<b>Total Cost of Production</b>	<b>4,555.66</b>	<b>3,829.84</b>	<b>4,722.18</b>	<b>4,871.44</b>	<b>2,767.95</b>

## B) Marketing operations:

### Market Exposure

The Company's marketing operations continued its emphasis on export sales over the years as depicted below:

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
a) Sales Volume:					
RMG (Pcs)	9,545,207	9,376,221	11,793,302	13,984,951	13,937,760
Export of RMG (BDT in Million)	4,018.69	3,172.38	3,901.30	4,046.94	2,660.25
Deemed Export (BDT in Million)	1,007.84	1,529.91	1,208.02	858.79	346.90
b) Sales Revenue (BDT in Million)	<b>5,026.54</b>	<b>4,702.29</b>	<b>5,109.32</b>	<b>4,905.73</b>	<b>3,007.15</b>

## C) Financial results and appropriation of profit (BDT in Million)

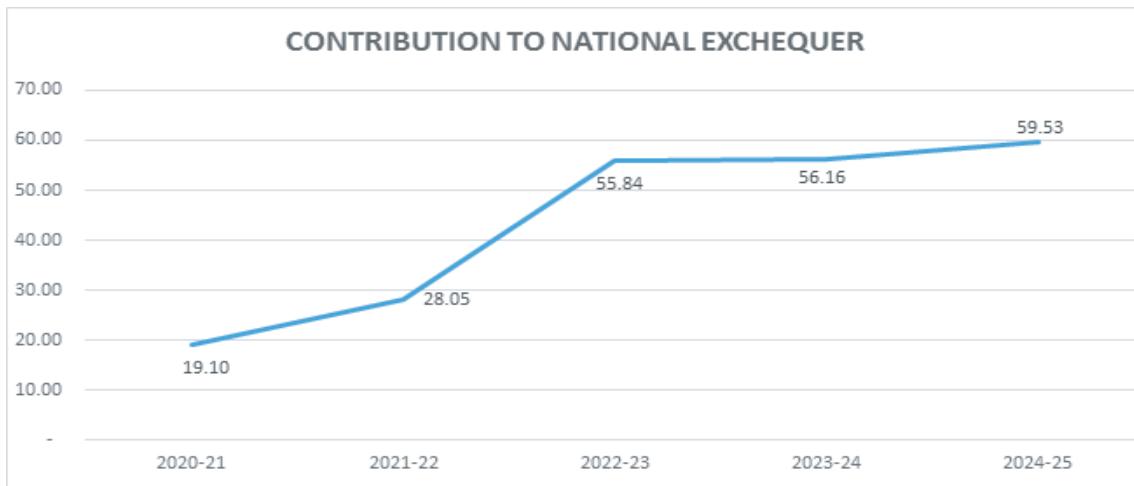
Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Profit before tax	107.67	103.84	134.50	162.11	81.08
Less: Income tax expenses	56.69	54.26	63.70	52.81	38.30
Profit after tax	50.97	49.58	70.80	109.30	42.78
<b>Add:</b>	<b>485.66</b>	<b>457.23</b>	<b>391.00</b>	<b>314.86</b>	<b>272.08</b>
Un-appropriated profit b/d	485.66	457.23	391.00	314.86	272.08
<b>Profit available for appropriation</b>	<b>536.63</b>	<b>506.81</b>	<b>461.80</b>	<b>424.16</b>	<b>314.86</b>
<b>Less:</b>	<b>23.79</b>	<b>23.79</b>	<b>20.39</b>	<b>33.16</b>	-
Proposed Dividend	23.79	23.79	20.39	33.16	-
Transfer from Revaluation surplus to Retained earnings	2.57	2.64	15.82	-	-
<b>Un-appropriated profit</b>	<b>515.41</b>	<b>485.65</b>	<b>457.23</b>	<b>391.00</b>	<b>314.86</b>

## D) Contribution to National Exchequer:

The Company contributed Tk. 59.53 million during 2024-2025 to the National Exchequer. Last five years comparative data are as follows (figures in million BDT):

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Contribution to National Exchequer (Current tax expense)	59.53	56.16	55.84	28.05	19.10

The contributions to the national exchequer by the company are shown graphically:



## **E) Reserves:**

In FY 2024-25 total reserves of the company stood at BDT 1,463.06 million whereas Share Premium of the Company stood at BDT 433.06 million, Retained earnings stood at BDT 515.40 million and Revaluation surplus stood at BDT 514.60 million against BDT 433.06 million, BDT 485.65 million and BDT 517.17 million respectively as on the corresponding previous period.

## **F) Declaration of Dividend:**

The board of directors has recommended 4% cash dividend in its meeting October 26, 2025 for the shareholders for the year ended June 30, 2025 (subject to the final approval in the forthcoming AGM) whose names will be appear in depository Register of CDBL as on Record date i.e. November 20, 2025.

## **G) Declaration on Dividend Distribution:**

Directive Dated 13 July 2025, No. BSEC/CMRRCD/2009- 193(Part-07)/91 Cash Dividend transfer must be completed atleast 01 (one) day prior to the date of AGM. Provided that After transfer the fund to separate Bank Account issuer shall collect bank confirmation certificate and said certificate shall be attested by the MD, CFO & CS and submit to Stock Exchange. Tosrifa pay off the dividend to the shareholders within 30 days of approval and submit a compliance report to the Exchanges and to the Commission in respect of dividend payment within 7 (seven) working days.

## **H) Credit Rating:**

The Company promoted to "AA-" rating in long term and "ST-3" for short term with stable outlook which is rated by Credit Rating Information and Services Ltd (CRISL) valid up to December 23, 2025.

## **I) Contribution to CSR:**

Social responsibility is an ethical framework and suggest that an entity, be it an organization or individual, has an obligation to act for the benefits of society at large. Social responsibility is a duty every individual has to perform so as to maintain a balance between the economy and ecosystem. Corporate Social responsibility (CSR) is tantamount with responsible business practices of a body corporate. An active CSR practice shall put emphasis and focus on social, environmental and economic sustainability of a body corporate. It is a form of corporate self-regulation which reflects the responsibility of it towards the impact on the society and its own prosperity. Since the inception of Tosrifa Industries Limited has taken a various activities for the betterment of the people as well as society.

## **J) Human Resources:**

As a part of commitment to have a well trained work force, the Company has given more emphasis to develop management skills to suit today's business environment.

## **K) Compliance with laws and regulations:**

The Company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance with the provision in various laws and regulations did so within the stipulated time.

## **L) Principles of disclosure of material information and price sensitive information:**

To protect the interest of minority shareholders and other stakeholders getting them notified with the significantly changed information as disclosure, the Board of Directors of Tosrifa Industries Limited has formulated "Principles of Disclosure of Material Information and Price Sensitive Information" pursuant to the Bangladesh Securities and Exchange Commissions' (BSEC) rule vide ref: BSEC / CMRRCD / 2021-396 / 52 / Admin / 140, dated: 28.12.2022. This is disclosed in the Company's website at [www.til.com.bd](http://www.til.com.bd) as a guiding framework for the shareholders to allow the Stakeholders making them informed about the principles of disclosure policy of material information and price sensitive information.

Material information and price sensitive information means those significantly changes information relating to decision, occasion, circumstances, situation, conditions, events, financials or otherwise, any other changes in the affairs of the Company and its defined insiders that can have impact on investment decision of the holders of the securities or potential investors or otherwise users of such material information/significant changes.

#### **M) Appointment of Statutory Auditors:**

The Chairman was informed that the existing Auditors of the Company K.M. Hasan & Co. , Chartered Accountants having registered address at Home Town Apartments 8th & 9th Floor, 87 New Eskaton Road, Dhaka-1000 audited the accounts for the year 2024-25 as Statutory or External Auditors of the Company. K.M. Hasan & Co, Chartered Accountants retire at this meeting. As per law, the existing auditors are eligible for re-appointment as Statutory Auditors. K.M. Hasan & Co has given their expression of interest to be re-appointed Statutory Auditors for the year 2025-26.

The Audit Committee reviewed the performance of audit completed in the last year and profile of the said Audit Firms and recommended in favor of K.M. Hasan & Co. having registered address at Home Town Apartments 8th & 9th Floor, 87 New Eskaton Road, Dhaka-1000, Chartered Accountants for re-appointment as Statutory Auditors of the Company for the next financial year.

Being eligible as per law, the Board of Directors has concurred with the recommendation of the audit committee to be re-appointed K.M. Hasan & Co., Chartered Accountants having registered address at Home Town Apartments 8th & 9th Floor, 87 New Eskaton Road, Dhaka-1000 as Statutory Auditors of the Company for the financial year 2025-26 and recommended same remuneration of Tk. 450,000/- (Taka four lac fifty thousand) only exclusive of VAT but including AIT; subject to approval by the Shareholders in the AGM of the Company.

Moreover Statutory Auditors didn't engage with the company to perform any services which are laid down on condition No.-7 on Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80.

#### **N) Appointment of Compliance Auditors:**

As per Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), Podder & Associates, Cost and Management Accountants, compliance auditors of the company audited the compliance status of the company for the year 2024-25. Podder & Associates, Cost and Management Accountants retire at this AGM. Being eligible as per Corporate Governance Code, the existing Auditors offered themselves to be re-appointed as Compliance Auditors for the year 2025-26. The Board of Directors has concurred with the recommendation of the Audit Committee to re-appoint Podder & Associates, Cost and Management Accountants as Compliance Auditors of the Company for the year 2025-26 with a remuneration of Tk.30,000/- (Taka Thirty Thousand ) only subject to approval at this AGM of the Company.

#### **O) Directors Responsibilities for Financial Statements:**

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect as a part of good governance and to that end the Directors' confirm to the best of their knowledge that:

- The Financial statements prepared by the management for the year ended 30 June 2025 give a true and fair view of the state of the Company about the result of its operation, cash flows and changes of equity.
- Proper books of accounts as required by the prevailing laws have been maintained.
- Appropriate accounting policies have been consistently applied in preparing the financial statement and that the accounting estimates are based on reasonable prudent judgment.
- The financial statements have been prepared in accordance with applicable IAS/IFRS.
- The system of internal control and check are in effect and maintained properly.
- The company has sound and strong operational strengths and ability to continue as a going concern. As such, there is no doubt of its continuity.
- There is no deviation from last year operating results.

The key operating and financial data for the proceeding five years have been shown in the Five years Financial Highlights: herewith page no. 11.

#### **P) Appointment of Independent Scrutinizer:**

Pursuant to the provisions of BSEC Directive No. BSEC/CMRRD/2009-193/08 dated 10th March, 2021, the Board has appointed Hadisul Alam & Associates, Chartered Secretaries as an Independent Scrutinizer to observe the 23rd AGM of the Company to be held on December 28, 2025 through physical presence & virtual platform ensuring the facility to exercise the shareholders voting rights on the resolution proposed to be considered at the general meeting.

The due process of election and the detailed information of voting results shall be authenticated by Independent Scrutinizer and reported the same to BSEC within 48 hours of concluding the AGM.

**Q) Independent Service Provider:**

SATCOM IT Ltd. will provide the service for conducting the upcoming AGM in Digital Platform as an Independent Service provider as per Bangladesh Securities and Exchange Commission's Guideline.

**R) Corporate Governance:**

Tosrifia Industries Ltd. is pledge bound to adopt necessary measures of good governance abiding by all prevailing Rules and Regulations. Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of Securities and Exchange Ordinance, 1969 is annexed herewith page no.36.

**S) Duties of Managing Director and Chief Financial Officer:**

As per condition 3(3) of the Corporate Governance Code, the Managing Director and Chief Financial Officer has certified to the Board that to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2025 and that to the best of their knowledge and belief:

- the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- the financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- there were, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

**T) Sponsor and Directors all the time jointly holding of minimum 30% (thirty percent) shares of the paid-up capital of the Company:**

In compliance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21st May 2019, jointly shareholdings of the Sponsor and Directors of the Company is 30% of the paid-up capital.

**U) Management Appreciation:**

The Board of Directors appreciate the performance of management, the officers, staff and workers whose efforts helped to maintain the desired level of productivity as well as net profit despite the natural and unnatural adverse factors of production and marketing during the year. It is expected that employees and management will continue to improve the results in the interest of shareholders whose unwavering trust in management has always been an inspiration to the Board of Directors. The Directors express their gratitude and acknowledge with keen interest the cooperation and unflinching support received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, CDBL, RJSC, National Board of Revenue and other agencies of the public and private sector.

Thanking you,

For and on behalf of the Board of Directors



**Lyra Rizwana Quader**  
Chairman

Additional statements by the Board of Directors as per the Corporate Governance Code dated 3 June 2018 from the Bangladesh Securities and Exchange Commission:

**(i) Industry outlook and possible future developments in the industry:**

Bangladesh's economy has seen remarkable growth over recent decades, largely driven by the ready-made garment (RMG) industry. This sector alone accounts for well over 80 per cent of the country's export earnings, employs millions, and has established Bangladesh as a global manufacturing hub.

The RMG sector has undeniably played a central role in Bangladesh's development. It has provided significant employment opportunities, especially for women, lifted millions of families out of poverty, and contributed to improved social indicators across the country. However, the overwhelming reliance on a single industry has also created vulnerabilities. The economy is currently experiencing pressure on foreign exchange reserves. Import of non-essential products is being discouraged to prioritize the uninterrupted supply of fuel and food items.

World Bank cuts FY25 growth forecast to 4 percent. The World Bank has slashed its forecast for Bangladesh's economic growth by 1.7 percentage points to 4 percent for FY25 due to "significant uncertainties following recent political turmoil" and "data unavailability."

The global economic situation has become unstable and difficult due to the continuation of Russia-Ukraine war, Gaza-Israel war & unsteady of middle-east situation which is also affecting Bangladesh. Bangladesh's economy has faced challenges in recent years, including political instability, corruption, and poor infrastructure. The country has also experienced high inflation, food and fuel shortages, and import restrictions.

The Bangladesh Ready-Made Garment (RMG) industry indeed faced severe challenges in 2024-2025 due to a combination of domestic strains and global economic pressures, including an energy crisis, a dollar liquidity crunch, labor unrest, and global inflation.

Bangladesh's RMG exports in fiscal year (FY) 2024–25 reached approximately \$39.35 billion, a growth of 8.84% from the previous year. In contrast, FY 2023–24 exports were reported at around \$36.15 billion after a revision by the new regime, a decline of 5.22% from the earlier, unrevised figures. RMG exports to non-traditional markets grew by 6.79% to \$1.14 billion in the July-May period of FY25, though the growth rate for July-June FY25 was slower at 0.77%. Japan, Australia, and South Korea all experienced notable growth, while exports to Turkey and the UAE also saw significant increases. According to the latest data released by the Export Promotion Bureau (EPB), knitwear exports in outgoing fiscal year were \$21.16 billion, with a growth of 9.73 percent. At the same time, woven garments exports were \$18.19 billion, with a growth of 7.82 percent.

Additionally, increased automation and technological advancements in garment manufacturing pose challenges as developed countries and competitors like Vietnam and Cambodia continue to invest in robotics, artificial intelligence, and more efficient manufacturing technologies.

These advancements could diminish Bangladesh's cost advantage in the coming years, pushing the country to rethink its economic strategy. To reduce its dependence on the RMG industry, Bangladesh must diversify its export basket and explore other sectors that can drive future economic growth. One potential area is the information technology and digital services sector, which holds considerable promise.

The readymade garments (RMG) industry is a cornerstone of Bangladesh's economy, with its contribution to GDP projected to increase to over 16% by 2026 from its current share of around 11-13%. The sector is demonstrating remarkable resilience and adaptability, with future growth driven by several strategic factors.

The sector's prospects for future growth are shaped by a combination of factors, including Technological Advancements, Sustainability Initiatives, Market and Product Diversification, Strategic Export Goals, Competitive Advantages.

The companies are focused on diversified product offerings and introduction of premium products with enhanced features, technology driven solutions and sourcing new buyers, delivered highest quality product within shorter lead time at a very competitive price compared to other exporting company.

**(ii) Segment-wise or Product-wise performance:**

The Company is producing and marketing high quality of ready-made garments for its buyers export to different foreign countries. Beside from this the company also produces knitting & dyeing facilities business as well.

Revenue are generating from different sources but core revenue coming from export RMG to foreign buyers against Master LC.

**Segment-wise performance:**

Particulars	2024-25		2023-24		2022-23		2021-22		2020-21	
	Growth	Tk.(MM)								
Export of RMG	27%	4,018.70	-19%	3,172.39	-4%	3,901.30	52%	4,046.94	75%	2,660.25
Deemed Export	-34%	1,007.84	27%	1,529.91	41%	1,208.02	148%	858.79	-21%	346.90
Total	7%	5,026.54	-8%	4,702.29	4%	5,109.32	63%	4,905.73	54%	3,007.15

**Product-wise performance:**

Particulars	2024-25		2023-24		2022-23		2021-22		2020-21	
	Growth	Tk.(MM)								
Polo Shirt	384%	675.07	-20%	139.38	-13%	174.26	9%	199.44	-58%	182.34
T-shirt	-6%	757.13	5%	801.79	-14%	762.47	4%	891.52	62%	854.21
Tank Top	61%	128.26	-21%	79.65	93%	100.26	-10%	52.07	-68%	57.64
Others	14%	2,458.23	-25%	2,151.59	-1%	2,864.31	85%	2,903.91	314%	1,566.06
Deemed Export	-34%	1,007.84	27%	1,529.91	41%	1,208.02	148%	858.79	-21%	346.90
Total	7%	5,026.54	-8%	4,702.29	4%	5,109.32	63%	4,905.73	54%	3,007.15

**Segment-wise revenue:**

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Export of RMG	80%	67%	76%	82%	88%
Deemed Export	20%	33%	24%	18%	12%
Total	100%	100%	100%	100%	100%

**(iii) Risk and Concerns:**

The major risk factors and concerns for the company are as follows:

#### Macro Economy

The level of activity within the general economy is of fundamental importance given its influence on buyer's consumption, fashion, and other activity levels, which in turn are key market segments for the RMG manufacturing industry.

#### External factors

The Company's results may be affected by factors outside its control such as political unrest, workers strike, civil commotion, dollar crisis and act of terrorism.

#### Changes in income tax and value added tax

Changes in income tax and VAT laws and sudden unpredictable changes in other business related laws may adversely impact results of operations and cash flows.

#### Changes in environmental, health and safety laws and regulations

In line with global practice, the government has been initiating notable changes in environmental, health and safety laws and regulations. The Company may require additional investment and expenditure to ensure conformity with future changes.

#### Exchange rate fluctuation

Since a major proportion of RMG raw materials are imported through given BTB LC, changes in currency exchange rates influence the result of the Company's operations.

#### Management perception of the risks

While many of the risk areas are beyond control of any single company, TIL (Tosrifa Industries Ltd.) is closely watching the trends and developments in each of the risk areas and takes the best possible measures to mitigate them through product and market diversification, efficient sourcing of materials, use of latest technology and investment in research and development to gain sustained competitive advantage. Being a strictly compliant company, Tosrifa is aware of the global best practices in environment friendly manufacturing process. TIL played pioneer role installing Effluent Treatment Plant and Incinerator of global standard at its plants in conformity with environment related regulation. There is no threat to the sustainability of the business.

#### (iv) Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Cost of Goods Sold	4,538.94	4,200.11	4,631.05	4,428.57	2,660.03
Gross Profit	487.59	502.18	478.27	477.16	347.12
Net Profit	50.97	49.59	70.80	109.30	42.78

The Costs of Goods Sold increased by 8.07% compare to last year due to increase of production. Moreover, the Gross Profit also has decreased by 2.90% due to increase of raw material purchase and use of inventory during the period. Net Profit after Tax has increased by 2.79% compare to last year thus NPAT stood at BDT 50.97 million.

#### (v) Discussion on continuity of any Extra-ordinary gain or loss:

There was no extraordinary gain or loss in the financial statements under report.

#### (vi) Basis of Related party transactions:

Related party transactions are depicted in the Note-36 of the notes to the Financial Statements.

#### (vii) Current status and utilization of proceeds from public issue:

The Company's IPO was issued in the year 2015. No further issue of any instrument was made in the FY 2024-25.

#### (viii) Explanation if the financial result deteriorate after the company goes for IPO:

No IPO was made in the financial year 2024-2025.

#### (ix) An explanation on any significant variance that occurs between quarterly financial performances and annual financial statements:

Particulars	Q1	Q2	Q3	Annual Financial Statements
Profit after tax (BDT in million)	50.28	17.92	31.77	50.97
EPS	0.07	0.26	0.47	0.75
Net Asset Value (BDT in million)	2,120.76	2,109.87	2,123.72	2,142.92
NAV Per Share	31.19	31.03	31.24	31.52
NOCFPS	2.12	-3.10*	2.86**	6.21

#### \* NOCFPS Q2 -Half-yearly shown \*\*NOCFPS Q3 -9 month shown Clarification regarding significant deviation:

**Q1:** EPS has decreased due to sales decrease & increase financial expenses of the company. NOCFPS has been decreased during the period over earlier period due to sales decrease as well as collection of export proceeds decrease and increase of finance cost during the period. NAVPS has been increased due to making profit during the period.

**Q2:** EPS has been increased due to increase of sales revenue of the company as compared to the same period of last year. NOCFPS has been decreased during the period over earlier period due to increase of supplier's payment during the period for procurement of raw material. NAVPS has been decreased due to cash dividend payment to respective shareholders during the period.

**Q3:** EPS has increased due to increase of sales revenue. NOCFPS has been decreased during the period over earlier period increase the supplier's payment & finance cost. NAVPS has been increased due to making profit during the period.

#### Annual Financial Statements: Reasons for deviation in EPS, NOCFPS and NAVPS:

EPS has increased due to sales revenue increase & increase other non-operating income. NOCFPS has been decreased during the period over earlier period due to more amount paid to suppliers & increased finance cost. NAVPS has been increased due to making profit during the period.

#### (x) Remuneration to Directors including Independent Directors:

Remuneration of Directors has been shown in Note- 38 in the Notes to the financial statements of the Report. No such remuneration is given to the Independent Directors.

#### (xi) Fairness of Financial statements:

The financial statements prepared by the management of the Company present fairly its state of affairs, result of its operations, cash flows, and changes in equity.

#### (xii) Maintenance of proper books of accounts:

Proper books of account of the Company have been maintained.

**(xiii) Adoption of appropriate accounting policies and estimates:**  
Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

#### (xiv) Compliance with IAS and IFRS in preparation of financial statements:

International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

#### **(xv) Soundness of internal control system:**

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.

#### **(xvi) Minority shareholders interest:**

The interests of the minority shareholders are duly protected in the company.

#### **(xvii) Ability to continue as a Going concern:**

There are no significant doubts upon the Company's ability to continue as a going concern.

#### **(xviii) Significant deviations in operating results compared to last year:**

Operating result showing in net profit after tax to BDT 50.97 million during 2024-25 from BDT 49.59 million for the year 2023-24 are mainly due to reducing of profit margin by 2.79% over the last year.

#### **(xix) Key operating & financial data of at least preceding 5 (five) years:**

The Company's operating financial results as compared to the previous years are summarized below. Numbers presented in SL# 1-12 are in "BDT in Million.

SL	Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
1	Revenue	5,026.54	4,702.29	5,109.32	4,905.73	3,007.15
2	Cost of Sales	4,538.94	4,200.11	4,631.05	4,428.57	2,660.03
3	Gross Profit	487.59	502.18	478.27	477.16	347.12
4	Operating Expenses	268.91	242.88	249.88	246.62	202.32
5	Finance Cost	240.98	203.67	134.25	100.25	111.38
6	Operating Profit	218.68	259.30	228.39	230.54	144.81
7	Other Income	135.35	53.40	47.09	39.93	51.71
8	Profit before WPPF	113.04	109.03	141.23	170.22	85.14
9	Worker's profit participation	5.38	5.19	6.73	8.11	4.05
10	Profit before income tax	107.67	103.84	134.50	162.11	81.08
11	Income Tax	56.69	54.25	63.70	52.81	38.30
12	Profit (loss) after income tax	50.97	49.59	70.80	109.30	42.78
13	Gross Profit Margin (%)	9.70	10.68	9.36	9.73	11.54
14	Net Margin after tax (%)	1.01	1.05	1.39	2.23	1.42
15	Outstanding Shares	67,985,120	67,985,120	67,985,120	67,985,120	66,326,946
16	Face Value per share (Taka)	10.00	10.00	10.00	10.00	10.00
17	Earnings per share	0.75	0.73	1.04	1.61	0.63
18	Return on Equity (%)	2.38	2.34	3.39	5.36	2.20

#### **(xx) Reasons for not Declaring Dividend:**

Not applicable.

#### **(xxi) Interim Dividend:**

No bonus or stock dividend was declared during the period under review as interim dividend.

#### **(xxii) Number of Board meetings held during the year and attendance:**

This has been narrated in Note-41 in the notes to the Financial Statements.

#### **(xxiii) Shareholding Pattern:**

Pattern of Shareholding as on 30 June 2025:

Sl. No.	Particulars	Status	Share holding	Percentage (%)
(a)	Parent/ Subsidiary/Associated Companies and other related parties	-	N/A	-
(b) (i)	Shares held by Directors & their Spouses and Minor Children			
	Mrs. Lyra Rizwana Quader	Chairman	6,127,501	9.01%
	Mr. Mohim Hassan	Managing Director	3,326,681	4.89%
	Mr. Naim Hassan	Director	6,339,990	9.33%
	Mrs. Raisa Hassan	Director	2,321,900	3.42%
	Mr. Hasibuddin Ahmed	Nominated Director	10,637,762	15.65%
	Mr. Shafiqul Islam	Independent Director	Nil	-
	Mr. Md. Aminul Islam	Independent Director	Nil	-
	Mr. Sayeed Hassan	Sponsor Shareholder	562,162	0.83%
	& The Minor Children of all the Directors and spouses	-	Nil	-
(b) (ii)	Company Secretary, CFO, Head of Internal Audit & Compliance & their Spouses & Minor Children			
	Mr. Hayder Ali	Company Secretary	Nil	-
	Mr. ABM Farhad Uddin Chowdhury FCMA	CFO (CC)	Nil	-
	Mr. Md. Khaleuzzaman Khan	HIAC	Nil	-
	& Their Spouses & Minor Children	-	Nil	-
(c)	Executives (Top 5 Salaried Employees)			
	Mr. Md. Ataur Rahman	GM-Fab. Division	Nil	-
	Mr. Md. Forkan Hossain	GM- M & M	Nil	-
	Mr. Md. Jakir Hossain	AGM M &PD	Nil	-
	Mr. Md. Zaid Al Refai	AGM SCM	Nil	-
	Mr. Mohammad Nazrul Islam	Compliance	Nil	-
(d)	Shareholders holding 10% (Ten Percent) or more voting interest in the Company			
	Northern Corporation Ltd.	Director	10,637,762	15.65%

#### **(xxiv) Directors appointment, retirement & re-appointment:**

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association & the Companies Act, 1994 and other related Rules & Regulations issued time to time by various Regulators. Accordingly, Mr. Naim Hassan, Director and Mr. Hasibuddin Ahmed , Nominated Director of the Company retired at this AGM as per Article No. 129 of Articles of Association of the Company and abide by Company Act 1994 under section 91 (2) and being eligible they offered themselves for re-election in the ensuing 23rd AGM of the Company. A brief resume of the director's has been provided in the "Directors Profile" section.

#### **(xxv) Management discussion and analysis:**

Management's discussion and analysis has been highlighted in the Managing Director's Statement and in the Director's Report.

#### **(xxvi) Declaration by the CEO and the CFO:**

Declaration by the Managing Director and CFO has been given on page 51 [Annexure-A].

#### **(xxvii) Report on compliance of the Corporate Governance Code:**

TIL adheres to appropriate good Corporate Governance practices, as described on pages 53 to 60 [Annexure-C].

The Company also complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission (BSEC). In accordance with the BSEC Notification Corporate Governance Compliance Report is shown in Annexure - B & C.

Further in compliance with the BSEC notification dated June 3, 2018 Podder & Associates, Cost and Management Accountants in practice issued the Corporate Governance Compliance Certificate which is shown on page 52 of this report [Annexure-B].

#### **(xxviii) Directors' compliance on Corporate Governance:**

This has been narrated in Statement on Corporate Governance part of the Annual Report.



**Lyra Rizwana Quader**  
Chairman of the Board