

## DIRECTORS' REPORT TO THE SHAREHOLDERS

**Dear valued Shareholders,  
Ladies and Gentlemen,**

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987, BSEC Notification dated 7th August, 2012 and BAS-1 (Bangladesh Accounting Standards-1) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June, 2021.

### THE COMPANY AT A GLANCE:

**Queen South Textile Mills Limited** (hereinafter referred to as "The Company") was incorporated on 15 June 2003 vide Registration No. C-49529(1513)/2003 as a private limited company in Bangladesh under the Companies Act, 1994. The company was converted into a Public Limited Company on 25 January 2017. The company floated its shares to the public through IPO in February 2018 and the company listed in both Dhaka and Chittagong Stock Exchange on 07 January 2018 and started trading 13 March 2018. The registered office and principal place of business of the company is located at Plot No:85-88 Extension Area, Dhaka EPZ, Ganak bari, Savar, Dhaka-1349, Bangladesh and its factory located at Plot No:85-88 Extension Area, Dhaka EPZ, Ganak bari, Savar, Dhaka-1349, Bangladesh.

### NATURE OF BUSINESS:

Queen South Textile Mills Limited runs the business as a 100% export oriented backward linkage Textile Industry and producing & selling different types of knitted, dyed and finished cotton, Nylon, Polyester, Viscose, Carded, combed, Acrylic etc. yarn in a single business segment.

Industry outlook and possible future developments in the industry:

Queen South Textile Mills Limited (QSTML) is a 100% export-oriented yarn dyeing Industry located in Dhaka Export Processing Zone, Savar, Dhaka capital of Bangladesh. The company is engaged in dyeing of different counts of Cotton, Polyester, Viscose, Acrylic, Nylon and Blended yarn to market the processed yarn as deemed exporter. The company was established in 2003 and started operation in mid-2005 with daily capacity of dyeing of 25 MT yarn per day and subsequently increased to 65 MT yarn per day.

QSTML has passed the Grade of "BSCI" social compliance audit, ISO Certificate-14000(1) and obtained the "Oeko-Tex Standard 100" certificate for Yarn, and Dyes, as well as Sewing and Embroidery, Threads of QSTML. QSTML is also the only dyeing factory to obtain the "W.S.T." environmental certificates.

Not only the dyeing of yarn quality remains one of the highest satisfactions in the market, QSTML is also capable of providing huge production with very short lead time to meet customers' delivery deadlines. QSTML's production machineries are equipped with the State-of-the-art technology, including Central Controlling and Monitoring System, Laboratory is equipped with computer matching machine and dispensing machines, monitored by qualified expert technicians. QSTML has installed an "ERP" system in 2017 and this allows QSTML'S valued customers to place and track their orders online with real time information, to ensure punctual delivery and convenient production planning in our clients' factories.

Overseas sales led by garments in the first four months of the fiscal year increased 22.62 percent to \$15.75 billion from the same period a year earlier, according to data released by the Export Promotion Bureau on Tuesday, November 02, 2021.

"Readymade garment (RMG) exports from Bangladesh gained 11.48 per cent year-on-year in the July-September quarter, according to the provisional data released by the Export Promotion Bureau. However, increasing prices of coal, raw material supply disruption from China due to power crisis there and other factors may put a break in October-December.

The price of cotton, the main raw material to produce 30-count yarn used for making knitwear, is currently at a decadal high in international market. Bangladesh being the second-largest importer of cotton, may feel a pinch of this price hike.

Secondly, the price of yarn is currently high in Bangladesh compared to its competing countries like India and Pakistan. Further, its imports of yarn and fabric from China, the key raw material supplier to Bangladesh's textile and garment industry, are likely to face delay owing to the current electricity shortage there.

Around 95 per cent of man-made fibre yarn that Bangladesh uses for making the final products are imported from China. Bangladesh also does not produce viscose, synthetic fabrics for outerwear, and specialised fabrics for garments. It imports all these from China. Moreover, Bangladesh textile mills are equipped to supply yarn for knitwear and denim fabric, but not for woven apparel.

In October-December 2020, Bangladesh imported \$446.322 million of yarn, of which \$203.241 million of yarn came from China, according to data from TexPro, Fibre2Fashion's market analysis tool. Likewise, Bangladesh's fabric imports were valued at \$1.693 billion during the quarter under discussion, with China alone accounting for \$1.180 billion.

Considering the all consequences, your company runs business with confident. The company is now more comfortable of completing regular order in time. The efficiency could have been better if uninterrupted power supply and gas pressure are ensured. However, the company expects that all adverse to be eradicated soon. Having long experiences in this trade, the company is confident and believe to run the business with the fast-changing customers fashion and hold the position with reputation.

Having all those odds, however, the management team maintained strong cost control procedures, developing production procedure, modernization machines to reduce energy costs as well as high efficiency of production along with robust internal control to keep the maximum margin from the revenue.



## INFORMATION ABOUT CORPORATE GOVERNANCE

### Board of Directors, Chairman & CEO

The Board of Directors has been formed with 5 members including 1 Independent Director.

#### The Board structure is as follows:

Sl.	Particulars	Status
1	Mr. Wong Kwok Chuen	Chairman, Director
2	Mr. Wong Jammy Kwok Chan	Managing Director, Director
3	Ms. Wong Elisa Dai Wah	Director
4	Ms. Lee Hung Chun	Director
5	Mr. Maqbul Ahmed, FCA	Independent Director

### Audit Committee

The Audit Committee, as a sub-committee of the Board has been constituted consisting with 2 (Two) Directors, 1 (One) of whom is an Independent Director, The Company Secretary acts as Secretary to the Audit Committee. The Committee assists the Board in ensuring that the Financial Statements reflect a true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

#### The Committee structure is as follows:

Name	Designation
Mr. Maqbul Ahmed, FCA	Chairman
Ms. Wong Elisa Dai Wah	Member
Ms. Lee Hung Chun	Member
Mr. Massum Rana	Secretary

### Audit Committee Meeting Held

Name	Designation	Total Meeting Held	Attended	% of Attended
Mr. Maqbul Ahmed, FCA	Chairman	8	8	100%
Ms. Wong Elisa Dai Wah	Member	8	8	100%
Ms. Lee Hung Chun	Member	8	8	100%
Mr. Massum Rana	Secretary	8	8	100%

**Number of Board Meetings held during the year and attendance:**

During the year ended 30 June 2021, there were 8 Board of Directors Meeting hold and the presence was as follows:

Name	Designation	Total Attendance
Mr. Wong Kwok Chuen	Chairman	8
Mr. Wong Jammy Kwok chan	Managing Director	8
Ms. Wong Elisa Dai Wah	Director	5
Ms. Lee Hung Chun	Director	4
Mr. Maqbul Ahmed, FCA	Independent Director	4
Mr. Goutam Chandra Roy	Chief Financial Officer	8
Mr. Massum Rana	Company Secretary	8
Mr. Narayan Roy, FCS, FCA	HIAC	4

**Pattern and Number of Shareholdings as on 30 June 2021:**

Shareholding Range	Number of Shareholders	No. of shares	Percentages of Share
1-499	1,219	198,993	0.15%
500-5000	2,990	5,860,239	4.48%
5001-10000	613	4,890,463	3.74%
10001-20000	423	6,306,825	4.82%
20001-30000	133	3,402,330	2.60%
30001-40000	87	3,134,098	2.40%
40001-50000	69	3,277,489	2.50%
50001-100000	100	7,395,570	5.65%
100001-1000000	74	19,778,308	15.11%
1000001-Above	6	76,631,705	58.55%
<b>Total</b>	<b>5,714</b>	<b>130,876,020</b>	<b>100%</b>

Sl.	Particulars	Designation	No. of Shares Holding	Holding %
1	Parent/Subsidiary/Associated Companies and Other Related Companies	-	No such holding	-
2	Directors, CEO, CS, CFO, Head of Internal Audit & their spouse and minor children:	-	No such holding	-
2.1	Mr. Wong Kwok Chuen (Representative of Gainplus Agents Limited)	Chairman, Director	39,418,968	30.12%
2.2	Mr. Wong Jammy Kwok Chan	Managing Director, Director	22,918,005	17.51%
2.3	Ms. Wong Elisa Dai Wah	Director	3,666,880	2.80%
2.4	Ms. Lee Hung Chun	Director	3,666,880	2.80%
2.5	Mr. Massum Rana	Company Secretary	18	0%
2.6	Mr. Goutam Chandra Roy	CFO	360	0.003%
2.7	Head of Internal Audit & their spouse and minor children		No such holding	-
3	Executives:	-	No such holding	-



Shareholders holding Ten percent (10%) or more voting interest in the company:

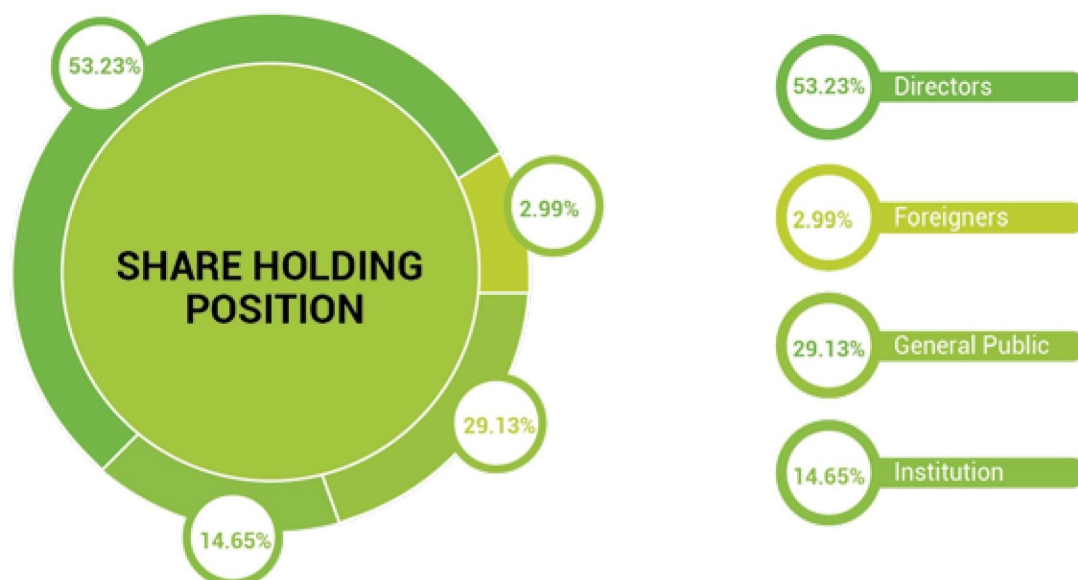
Sl.	Particulars	Designation	No. of Shares Holding	Holding %
1	Mr. Wong Kwok Chuen	Chairman, Director	39,418,968	30.12%
2	Mr. Wong Jammy Kwok Chan	Managing Director, Director	22,918,005	17.51%

Share Holding by Directors

Sl.	Particulars	Designation	Holding %	No. of Shares Holding
1	Mr. Wong Kwok Chuen	Chairman, Director	30.12%	39,418,968
2	Mr. Wong Jammy Kwok Chan	Managing Director,	17.51%	22,918,005
3	Ms. Wong Elisa Dai wah	Director	2.80%	3,666,880
4	Ms. Lee Hung Chun	Director	2.80%	3,666,880

Shareholding Pattern

Sl.	Particulars	No. of Shares Holding	Holding %
1	General Public	38,118,756	29.13%
2	Directors	69,670,733	53.23%
3	Institution	19,173,337	14.65%
4	Foreigners	3,913,193	2.99%
<b>Total</b>		<b>130,876,020</b>	<b>100%</b>



**Re-Appointment of Directors:**

As per Memorandum and the Articles of Association of the Company, paragraph no. 90 one third no. of Directors will retire and re-appoint in every Annual General Meeting. The Board hereby has been recommended Ms. Lee Hung Chun and Ms. Wong Elisa Dai wah will retire and be reappointed as Director of the Company.

**Directors Expertise in Specific functional area:**

Name of Directors	Expertise
Mr. Wong Jammy Kwok Chan	All Business functional areas, specially Production and Operational activities
Mr. Wong Kwok Chuen	Oversee all activities
Ms. Wong Elisa Dai Wah	Commercial Function
Ms. Lee Hung Chun	Strategic Business function, internal control and analytical review

**Holding of Directorship and membership of the committees of the board other than this company:**

There is no holding of Directorship and membership of the committees of the board other than this company.

**Appointment of Auditors:**

As per companies Act 1994 section 210 (1) and Bangladesh Securities and Exchange Commission Order Ref. No. SEC/CMRRCD/2009-193/174/Admin/61, dated 08/07/2015, the present Auditor of the Company, Pinaki & Company, Chartered accountants are enlisted as panel auditors will retire and the board has decided to appoint Ahmed Zaker & Co., Chartered accountants at 19th Annual General Meeting.

**Financial Highlights**

Particulars	Amount in Taka				
	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Property, Plant & Equipment	903,084,791	881,739,686	761,683,380	748,831,082	700,314,214
Current Assets	3,315,985,981	3,082,918,508	3,015,245,491	2,753,771,012	2,313,004,252
Total Assets	4,268,379,492	3,964,658,194	3,776,928,871	3,502,602,094	3,013,318,466
Equity attributable to the shareholders	2,135,130,716	2,016,305,364	1,941,287,864	1,775,195,260	1,463,101,279
Non-current Liabilities	677,518,772	683,866,360	495,711,388	490,720,219	480,169,603
Current Liabilities	1,455,730,006	1,264,486,470	1,339,929,619	1,236,686,615	1,070,047,584
Total liabilities and Equities	4,268,379,492	3,964,658,194	3,776,928,871	3,502,602,094	3,013,318,466
Revenue	3,586,046,413	3,072,519,860	4,198,684,068	3,871,439,935	3,637,391,178
Cost of Goods Sold	3,152,102,086	2,709,870,123	3,715,525,955	3,460,765,908	3,274,758,759
Gross Profit	433,944,327	362,649,737	483,158,113	410,674,027	362,632,419
Operating Profit	300,814,731	234,965,737	355,319,755	296,896,542	245,894,453
Net Profit after Tax	164,162,602	116,233,180	198,877,804	177,178,736	145,942,929



**Key Operating Performances:**

Particulars	Amount in Taka				
	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Basic Earnings per Share (EPS)	1.25	0.89	1.64	1.96	1.85
Gross Profit Margin	12.10%	11.80%	11.51%	10.61%	9.97%
Operating Profit Margin	8.39%	7.64%	8.46%	7.67%	6.76%
Net Profit Margin	4.58%	3.78%	4.74 %	4.58%	4.01%
Fixed Assets Turnover Ratio	3.77	3.484	5.51	5.17	5.19
Total Assets Turnover Ratio	0.84	0.775	1.11	1.11	1.21
Inventory Turnover Ratio	1.894	1.936	2.64	2.32	2.42
Current Ratio	2.28	2.438	2.25	2.23	2.16
Quick Ratio	1.08	1.183	1.06	1.02	0.90
Return on Equity (ROE)	7.69%	5.76%	10.24 %	9.98%	9.97%
Face value per share (Taka)	10	10	10	10	10
Number of Ordinary Shares(weighted)	130,876,020	121,181,500	110,165,000	90,204,795	78,944,521
Net Assets value per Share	16.31	16.64	17.62	17.73	17.18

**Contribution to National Exchequer:**

The Company contributed an amount of Taka 53.14 million in 2020-2021 to the National Exchequer consisting of the following:

Particulars	2020-2021 (Tk.)	2019-2020 (Tk.)
AIT & Tax	24,529,218	37,185,238
VAT, Customs & Excise Duties, etc.	28,615,543	12,850,952
<b>Total Taka</b>	<b>53,144,761</b>	<b>50,036,190</b>

### Capital Expenditures

During the financial year of 2020-2021, the company made investment Tk. 23.597 crore in the form of capital expenditure from its own generation of fund with the approval of the Board of Directors the company procured some Capital machineries for synchronizing the production flow and to get maximum output and Some other modern hi efficiency assets have also been procured for smooth functioning. These are as follows:

SL	Particulars	Amount Taka
1	Electrical Installation	
2	Plant Machinery	222,721,551
3	Other Assets	13,251,943
	<b>Total</b>	<b>235,973,494</b>

### Revenue

During this year, the company has reached to its revenue Taka 3,586.05 million compared with the last year Taka 3,072.52 million representing 16.71% increasing of gross revenue. As the company 100% export oriented, the company's revenue growth fully depends on orders from buyers.

### Financial Results and Appropriation of Profit

Particulars	2020-2021	2019-2020
Net Profit for the year (After Tax)	164,162,602	116,233,180
Add: Previous year's Surplus	662,207,914	688,257,184
Profit available for appropriation	826,370,516	804,490,364
Cash and stock -Dividend Declared in % on number of Shares	10% cash & 10% (stock)	8% cash & 8% (stock)
Cash and Stock Dividend Declared in Taka	19,20,81,305	17,22,82,450
Un-appropriation Profit	63,42,89,211	63,22,07,917

### Discussion on Cost of Goods Sold, Gross Profit Margin, Net Profit Margin

During this reporting year, Revenue is increased by Tk. 51.35 crore from last year. Cost of Goods Sold has also been increased by Tk. 44.22 crore. Though revenue has increased which was not as expected, the company tries to control cost and profit margin by establishing strong internal control system. Proper supervision of internal Audit Committee in every operational activities and timely report and recommendation to the management committee to take appropriate plan and action, keep the cost in right profile. Management is also maintaining robust inventory system and raw materials purchase policy to keep production cost competitive with market. Comparative performances have been shown to the next page:



**Financial Results and Appropriation of profit:**

Particulars	2020-2021		2019-2020	
	Amount in Taka	In Percentage	Amount in Taka	In Percentage
Cost of Goods Sold	3,152,102,086	87.91%	2,709,870,123	88.20%
Gross Profit	433,944,327	12.10%	362,649,737	11.80%
Net Profit after Tax	164,162,602	4.58%	116,233,180	3.78%

**Gross Profit Margin**

Financial metrics used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. Gross profit margin serves as the source for paying additional expenses and future savings.

During the year under review Gross profit margin was increased by Tk. 71.29 million from last year, reasons of positive growth was the impact of higher revenue attained during the year.

**Net Profit Margin**

Net profit margin is one of the most closely followed numbers in finance. Shareholders look at net profit margin closely because it shows how good a company is at converting revenue into profits available for shareholders.

During the year 2020-2021 Net profit was increased to Tk.164.16 million from Tk.116.23 million representing 41.24% upward compared to the last year. This was possible by implementing strong internal control system modernization of machineries to reduce energy costs and reducing Dyes and chemical consumptions even though sales decreased like anything due to worldwide pandemic of COVID-19.

**Basic Earnings per Share (EPS)**

The EPS for the reporting period is Tk. 1.25 per share. In the previous year the EPS was TK. 0.89. EPS increased by 40.45 % in reporting year still the company taking constant dividend declaration decision.

**Investment in securities:**

The Company does not have any investment in securities during reporting period.

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30.06.2021 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance	Transaction Dr./ (Cr.)	Closing Balance Dr./ (Cr.)
Gain Plus Agents Limited	Common Management	Trade Payable	(93,995,575)	(39,520,425)	(133,516,000)
Gain Plus Agents Limited	Common Management	Loan from Shareholders	(452,334,655)	904,669	(451,429,986)
Ideal Fastenar BD Limited	Common Management	Trade Receivable/ Payable	(20,998,891)	5,396,102	(15,602,789)
Kingpro Manufacturing Co. Limited	Common Management	Trade Receivable/ Payable	8,449,283	1,354,867	9,804,150
Kingpro Trading Limited	Common Management	Trade Payable	(74,431,705)	12,190,543	(62,241,162)
Queensin Ltd	Common Management	Trade Payable	(10,685,035)	(9,928,625)	(20,613,660)
Master Knitwear Ltd	Common Management	Trade Payable	(46,158,139)	42,208,253	(3,949,886)
Winpro Textile Mills Ltd	Common Management	Trade Payable	(26,481,775)	(23,307,473)	(49,789,248)
BHK Textile Mills Ltd	Common Management				

There was no extra-ordinary gain or loss in the Financial Year 2020-2021.

**Basis for related party transaction:**

Related party transaction has been shown in notes to the Financial Statements Notes no. 35.01

**Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements:**

Our turnover growth decreased about 6% compare with July to September 2020 quarter over the corresponding months of last year and there was significant variance between Quarterly and Annual Financial Statements due to decrease of our orders and sales price.

**Remuneration to Directors including Independent Directors**

No remuneration was paid to board of directors. The Company paid taka 120,000/- as remuneration to the Independent Directors in the financial year 2020-2021.

**Maintenance of Proper Books of Accounts:**

The Directors endeavor to ensure that the company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the company and to be able to ensure that the financial statements of the company meet the requirements of the Companies Act, Bangladesh Accounting Standards, and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd.



**Adaptation of appropriate accounting policies and estimates:**

Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgments.

**Followed IAS, BAS, IFRS and BFRS in preparation of Financial Statements:**

The financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) and BFRS as applicable in Bangladesh and provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd.

**Soundness of Internal Control Systems:**

The system of internal control is robust in design and has been effectively implemented and monitored by Internal Audit Team and also reviewed by Audit Committee.

**Ability to Continue as going concern:**

As per BAS-1 paragraph 26 'In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The degree of consideration depends on the facts in each case. When an entity has a history of profitable operations and ready access to financial resources, the entity may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

On the above circumstances it can be said that there is no doubt that the company has the ability to continue as going concern.

**Significant deviation from last years:**

During the reporting period, there is no significant deviation from last year.

**Dividend:**

The Company has declared 10% Cash and 10% Stock dividend for the year ended 30 June 2021 whose names appear into the CDBL register as per record date 25 November 2021 subject to approval of 19th AGM.

**Communication to Shareholders & Stakeholders:**

The company always keeps proper communication with the Shareholders & stakeholders of the company. The Company response to the Shareholders and stakeholders as per compliance with Company's Act 1994, Bangladesh Securities & Exchange Commission rules and regulations, Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Rules and other rules and regulation where applicable.

**Risks and Governance:**

Risk and uncertainties are the indispensable elements of business. The company is not exceptional. The Risk in investment within the national and international perception relating to invention, Govt. Regulation, Global warming, recession in world economy affects market demand and prices and by strong marketing policy, developing production with Brand Buyers, Fiscal investment policy, product quality and due time supply would help the company to minimize the market risks.

### Environment Related Initiatives

Queen South Textile Mills Limited is always conscious about the environment as well as social welfare relating to environment pollution and green effect. The Company is always maintaining appropriate practice in discharging its waste to keep the nature free from any contamination. With this objective, the company Join CETP conducting by BEPZA under DEPZ an Effluent Treatment Plant (ETP), maintaining continuous tree plantation program in free areas in the factory premises and also testing from concern authority by government like as Indoor Air (Work Place Air), Stack Emission Quality Test Report for Boiler and Generator, Eminent Noise Quality Test, Temperature level quality, Environment Impact Assessment, Humidity test, Light level quality Quality Test Report

### Statement of Utilization from IPO proceeds:

The company raised tk.15.00 crore by issuing 1,50,00,000 ordinary shares of Tk. 10 each from the capital market in order to meet up the fund requirement for the purpose as given below:

- 1) Repayment of Short Term Bank Loan of Tk. 63, 43,916/= and IPO Expenses of Tk. 1, 30, 00,000/= which are fully utilized where actual IPO expenses was tk.15,084,755/-net of tax and It was initially shown at our profit or loss and other comprehensive income for the year 01 July 2017 to 31 March 2018 and finally we have shown in the statement of changes in equity.
- 2) Acquisition & Installation of Machineries for modernization of existing factory of Tk. 5,60,12,034/= among this Tk. 4,67,69,034/= has already utilized and rest of Tk. 92,43,000/= which was utilized during the 1st. quarter of 20-21 according to the utilization report.
- 3) Construction of Automatic warehouse System of Tk. 7,46,44,050/= which was utilized during the 1st. quarter of 20-21 according to the utilization report. The said construction and our construction of civil part already completed and some of steel structured already imported for installation process. The Utilization of IPO fund has been audited by Rahman Mostafa Alam & Co. Chartered Accountants.

We like to inform that we are grateful to all shareholders for utilized the IPO Proceeds by paying our best afford and on going to achieve of business goal.

### RESPONSIBILITIES TOWARDS STAFF:

The company frequently arrange training and awareness program among the workers' by engaging medical officer for keeping them abreast on maintaining sound health, about the food habit, other seasonal disease and first aid treatment. The company keeps the sound first aid team management in factory and also provide them medicine and other emergency treatment in case of need through our trained medical officer.

### HUMAN CAPITAL:

The quality of Human Resource is a vital factor for the success of an organization. The company believes that the excellence of employees can increase the value of the organization. The Company employed a total of 874 employees as of 30, June 2021. To get high performance from the employees the Company arrange department wise training program like as lean manufacturing to implement KPI System for each Process, 5S and Kanban (Visual) management, Work Efficiency Evaluation and Re-layout, Training System and Fluent Logistics/Storage System when necessary.



**WORKERS PROFIT PARTICIPATION FUND:**

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 15, Section 232 the company does not maintain Workers Profit Participation Fund (WPPF) for their workers as because Now the company operating EPZ labour ACT 2019, February 28 and as per clause no.174, Section XV we don't need to maintain WPPF until government enforce and instruct to comply the rules. Once government instructs us to deduct @0.03% to maintain the fund the company shall follow accordingly.

**EMPLOYEE'S PROVIDENT FUND:**

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 17, Section 264 and Now the company operating EPZ labour ACT 2019, February 28 and as per clause no.164, Section XIII the company established Provident Fund for their workers from December 2006 which certified by NBR ref. আ-৪/কঃ অঃ-৪/২০০৭-২০০৮ under income tax ordinance 1984 (XXXXVI of 1984) of the first schedule part B under section 2 under sub section 1.

**GROUP INSURANCE:**

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 8, Section 99, "Compulsory Group Insurance," and Bangladesh Textile Mills Association Order Ref. No. BTMA.593.992, Dated. November 09, 2014, the company introduced Group Insurance cont. No. 1899/2020 according to the prevalent Insurance Law with BTMA nominated Insurance Company of Pragati Life Insurance Ltd. for the workers of the company.

**SAFETY COMMITTEE:**

As per Labour Law 2006, amendment 2013, Chapter 8, Section 90 (A), The Company established a strong, efficient and well-trained Safety Committee by the trainer of Bangladesh Fire Service and Civil Defense team, Dhaka. The safety committee comprising with 208 members from different departments workers and employees of Factory, and the safety committee divided into 3 teams likely Fire Protection Team 85 persons, Rescue Team 62 persons and First Aid Team 61 persons.

**MANAGEMENT APPRECIATION**

On behalf of the Board of Directors, I take this opportunity to thank all our Shareholders heartiest cooperation and active support in assisting us to effectively discharge our duties despite various adverse factors prevailed in 2020-2021 both from nationally and internationally.

We would also like to express our gratitude and acknowledge for unflinching support and cooperation received from Bangladesh Securities Exchange commission, RJSC, National board of Revenue, Stock exchanges, Bank/Financial Institutions and other business associates. We would also like to thank our Auditor, Pinaki & Company, Chartered Accountants for their efforts for timely completion of the Audit.

Lastly, we would like to express our deepest appreciation for the services and the loyalty of all of our officers, staffs and workers whose continuous support at all levels, without whom it would have been impossible to have delivered such performance despite adverse market situation.

Now, I request the valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Financial Statements for the year 2020-2021 and Directors Report place before you and expect our shareholders unswerving trust to the management to run the business effectively.

Thank you all,



Wong Kwok Chuen  
Chairman