DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

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 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

1] Capacity/Production

Below table represents last five years production capacity, actual production and capacity utilization ratios:

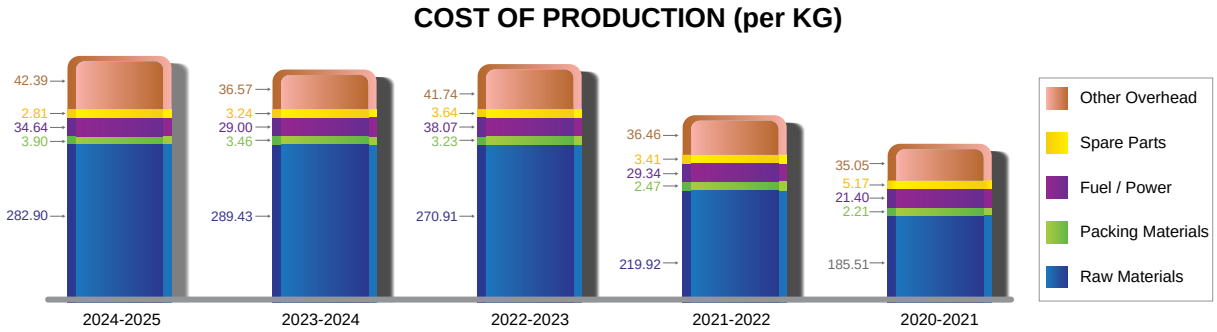
Particulars	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
[1.1] Spindles					
a) No. of Spindles installed	88,400	88,304	88,304	73,184	73,184
b) No. of Spindles in operation	79,805	82,746	77,761	69,248	65,900
[1.2] Production Capacity ('000 Kg):					
At Equivalent 28s Count (Ring Yarn)	22,576	21,968	21,919	18,185	18,257
[1.3] Actual Production ('000 Kg):					
At Equivalent 28s Count (Ring Yarn)	17,913	18,567	16,377	14,772	14,799
[1.4] Capacity Utilization (%)	**79.35%**	**84.52%**	**74.72%**	**81.24%**	**81.06%**

2] Cost of Production

The overall cost of production increased by Tk. 4.94 per kg yarn compared to the previous year mainly due to increase in Fuel/Power, Packing Material and other overhead cost by 19.45%, 12.71% and 15.91% respectively. On the contrary, Raw Material and Spare Parts consumption cost decreased by 2.26% and 13.37% respectively. Price fluctuation being an external factor was beyond the control of Management. The level of costs and their impacts for last five years are given below:

Particulars	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
(a) Output of Yarn ('000 Kg)	20,020	20,157	17,421	15,956	16,049
(b) Cost of Major items ('000Tk):					
Raw Materials	5,663,480	5,834,016	4,719,538	3,509,106	2,977,226
Packing Materials	78,066	69,736	56,282	39,406	35,533
Fuel/Power	693,569	584,608	663,304	468,237	343,440
Spare Parts	56,245	65,369	63,369	54,448	82,945
Other Overhead	848,644	737,217	727,096	581,756	562,484
Total Cost	**7,340,004**	**7,290,947**	**6,229,588**	**4,652,953**	**4,001,627**

Unit Cost / Kg (TK)	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Raw Materials	282.90	289.43	270.91	219.92	185.51
Packing Materials	3.90	3.46	3.23	2.47	2.21
Fuel / Power	34.64	29.00	38.07	29.34	21.40
Spare Parts	2.81	3.24	3.64	3.41	5.17
Other Overhead	42.39	36.57	41.74	36.46	35.05
Unit Cost	**366.64**	**361.70**	**357.59**	**291.60**	**249.35**
Raw Material Cost as % of Total	**77.16%**	**80.02%**	**75.76%**	**75.42%**	**74.40%**



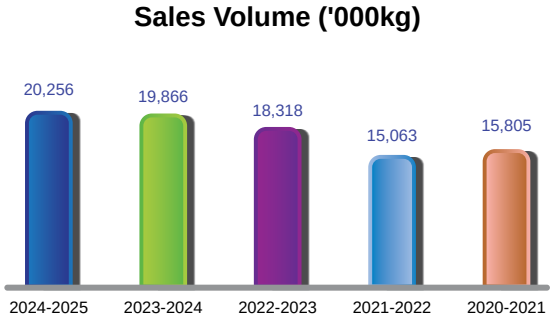
The above chart reveals that overall unit cost increased by 1.37% in 2024-2025 over 2023-2024.

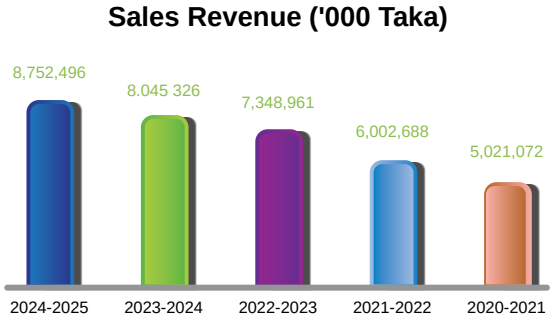
B] Marketing Operations

1] Market Exposure

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

Particulars	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
(a) Sales Volume ('000 Kg)	20,256	19,866	18,318	15,063	15,805
(b) Sales Revenue ('000 Tk)	8,752,496	8,045,326	7,343,961	6,002,688	5,021,072





The above figures shows that both sales volume and revenue have been increased in 2024-2025 by 1.96% and 8.79% compared to prior year 2023-2024.

2] Selling Prices

Particulars	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Average Selling Prices (Taka/Kg)	432	405	401	399	318
% Change - compare to prior year	7%	1%	1%	25%	19%

It indicates that average selling price increased compare to the prior year.

C] Development Activities

After Successful trial run of production and order module of Oracle EBS system now is operational. These modules help to determine product costing faster and assessing inventory valuation on real-time basis. The company is using electricity from newly installed 1 Set 15MVA, 33/11kV and 1 set 4MVA, 11/0.415kV sub-station having 10MW sanctioned load from Gazipur Palli Bidyut Samiti-01 from August 2024.

D] Capital Expenditures

Details of capital expenditure for development activities are shown below (figures in '000 Taka):

Particulars		2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Land		-	-	-	12,546	-
Civil construction						
	Cotton Unit	14,431	105,990	60,121	39,955	40,206
	Mélange Project					
	Synthetic Project					
	Special Yarn Project			17,614	82,022	84,292
Plant and Machinery						
	Cotton Unit	171,378	182,309	238,327	114,319	49,603
	Mélange Project	43,199	25,458	19,600	4,818	4,818
	Synthetic Project	22,537	19,738	40,946	17,898	17,898
	Special Yarn Project	9,982	8,665	51,159	979,566	120,958
	Other Fixed Assets	7,752	6,927	5,108	4,676	4,676
Total		**269,278**	**349,087**	**432,875**	**1,255,799**	**322,451**

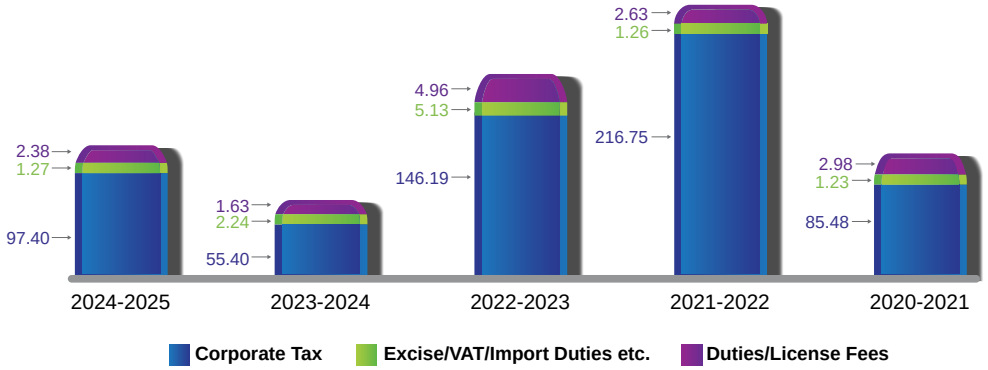
E] Contribution

1] Contribution to National Exchequer

"The Company contributed Tk. 101.05 million during 2024-2025 to the National Exchequer. Last five years comparative data are as follows (figures in million Taka):"

Particulars	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Corporate Tax	97.40	55.40	146.19	216.75	85.48
Excise/VAT/Import Duties etc.	1.27	2.24	5.13	1.26	1.23
Duties/License Fees	2.38	1.63	4.96	2.63	2.98
Total	**101.05**	**59.28**	**156.28**	**220.64**	**89.69**

Contribution to National Exchequer



2] Foreign Exchange Earned/Saved

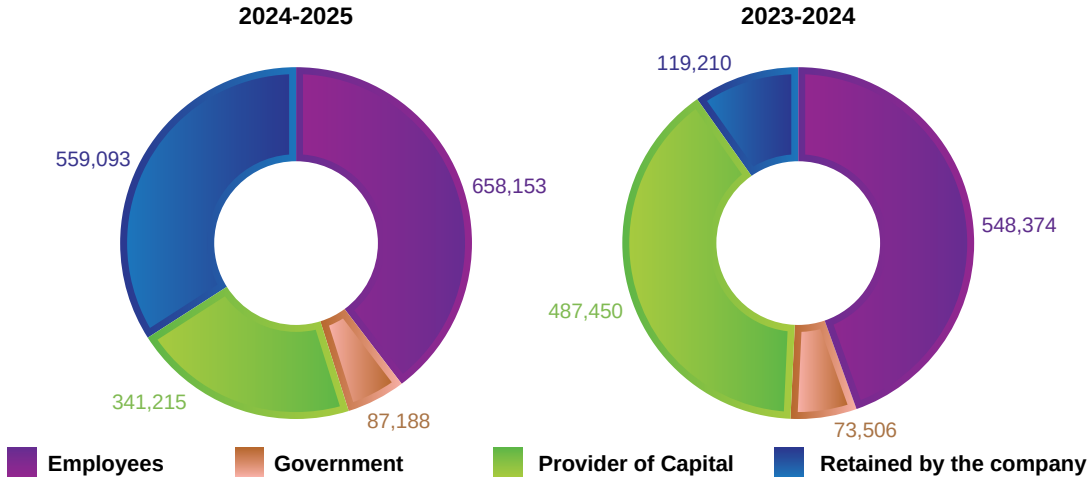
"The Company contributed Tk. 2,680 million to the Foreign Exchange Reserve of the country during the FY 2024-2025 through its export marketing operation. Last five years data are as follows (figures in million Taka):"

Particulars	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Total Export Earnings	8,752	8,045	7,344	6,003	5,021
Less: Import Expenses					
Raw Cotton/Staple Fiber	(5,985)	(6,145)	(4,276)	(4,420)	(3,266)
Spare Parts	(87)	(135)	(97)	(78)	(51)
Net Foreign Exchange Earned	**2,680**	**1,765**	**2,970**	**1,505**	**1,704**

3] Value Added Statement (figures in '000 Taka)

Particulars	2024-2025	2023-2024
Source of Funds		
Net Turnover	8,752,496	8,045,326
Less: Purchased Materials and Services	(7,121,425)	(6,846,742)
Add: Other Income	14,578	29,957
Value Added	**1,645,648**	**1,228,540**
Applied in the following ways		
Employees	**658,153**	**548,374**
Salaries, Wages, Provident Fund & Other Benefits	629,217	533,977
Contribution to Workers' Profit Participation & Welfare Fund	28,936	14,397
Government	**87,188**	**73,506**
Corporate Tax	85,920	71,598
Other Government Dues	1,268	1,908
Provider of Capital	**341,215**	**487,450**
Dividend	341,215	487,450
Retained by the company	**559,093**	**119,210**
Depreciation	442,342	407,729
Retained Earnings	116,751	(288,519)
Total Applied	**1,645,648**	**1,228,540**

Value Added Contribution



F] Appropriation

The net profit after tax of Tk. 457,965,918 earned during the year 2024-2025 has been apportioned in the following manner:

Cash dividend is recommended by the Board of Directors at 35% (Tk. 3.5 per share for 2024-25, total Tk. 341,215,000).

G] Auditors

A. Qasem & Co., Chartered Accountants, have offered their willingness to be appointed as statutory auditors of the Company. The Board recommends their reappointment as the statutory auditor of the Company for the year 2025-2026.

H] 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 throughout the country. It is expected that employees and management will continue to improve the results in the interest of shareholders whose unswerving 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.

For and on behalf of Board of Directors

Abdul Wahed
Chairman