

Strictly Private & Confidential

INFORMATION MEMORANDUM

Transferable, Redeemable, Non-Convertible, Unsecured, Zero-Coupon Bond

for

NATIONAL POLYMER INDUSTRIES LIMITED



Corporate Office: GA-99/3, Pragati Shoroni, Middle Badda,
Dhaka-1212, Bangladesh

Trustee: Bangladesh Finance Limited



Advisor & Arranger: Riverstone Capital Limited



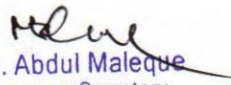
Type of Security	:	Unsecured Zero-Coupon Bond
Issue Amount	:	BDT 300,00,00,000
Face Value	:	BDT 4,089,529,037
Number of Securities	:	3,000,000
Number of Redemptions	:	3
YTM Rate	:	Up to 8.0 % p.a.
Tenor	:	5 Years
Issue Date	:	7 th February, 2022

Credit Rating Status of the Issue

	Short Term	Long Term
National Polymer Industries Limited	ST-2	A+
Bond Rating	A	
Rating Agency	National Credit Ratings Limited	

If you have any query about this document, you may consult the Issuer and the Trustee.

As Approved by Bangladesh Securities and Exchange Commission


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Company Secretary
National Polymer Industries Ltd.


Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

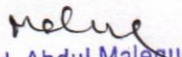

Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

DISCLAIMER

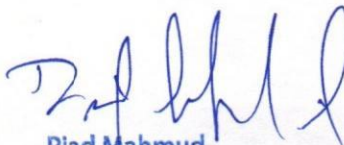
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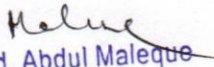


This Information Memorandum (the "Information Memorandum") has been prepared for the purpose of giving information with regard to the National Polymer Zero-Coupon Bond ("the Bond"), the Issuer which, according to the particular nature of the Bond is necessary to enable investors to make an informed assessment of the Bond and the rights attaching to the Bond. The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.


Neither Riverstone Capital Limited (the "Arranger") nor any of its respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Information Memorandum in connection with the issue or offering of the Bond, and no representation or warranty, express or implied, is made by the Arranger or any of their respective directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Information Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Arranger or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Information Memorandum are not to be construed as, and should not be relied on as, legal, business or tax advice, and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

No person is authorized to give any information or make any representation not contained in this Information Memorandum in connection with the issue and offering of the Bond and, if given or made, such information or representation must not be relied upon as having been authorized by any of the Issuer or the Arranger or any of their respective directors, affiliates, advisers or agents. The delivery of this Information Memorandum does not imply that there has been no change in the business and affairs of the Issuer since the date hereof or that the information herein is correct as at any time subsequent to its date.

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REPORT TO ELIGIBLE INVESTORS

By investing in the Transferable, Redeemable, Non-Convertible, Unsecured Zero-Coupon Bond (herein referred as “Bond”), you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of Riverstone Capital Limited as the Arranger, as set out below:

Risk: You are fully aware of that any investment in the Bond involves a degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bond, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Lead Arranger.

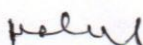
No reliance: You acknowledge and agree that you may not rely on any investigation that the Lead Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Company or any of their affiliates, and none of the Lead Arranger or its affiliates, employees, officers, directors, legal advisers or representatives has made any representation to you, express or implied, with respect to your investment in the Bond.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bond, including without limitation adequate information concerning the Lead Arranger's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bond and are aware that you may be required to bear, and are able to bear, all risk including economic risk of an investment in the Bond.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bond in this Information Memorandum, has been supplied to you by the Lead Arranger and that neither the Lead Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

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Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks specifically outlined in the section titled "Risk Factors", and you understand and acknowledge all of the risks described therein. Based on all of the above, you have determined that: the Bonds are a suitable investment for you, and your investment in the Bond does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bond as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment. Additionally, you confirm that you have no need for liquidity in respect of the Bond.

Own account: You are purchasing the Bond for your own account, including fund account and portfolio manager account and not with a view to any distribution thereof.

No representation or warranty: The Lead Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Lead Arranger shall not owe any duty whatsoever to you in connection with the Bond.

No obligation to purchase: The Lead Arranger shall have no obligation to purchase or acquire all or any part of the Bond purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bond, including the non-performance by the issuance, whether to you or otherwise.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements included herein may constitute “forward-looking statements”. All statements other than statements of historical fact included in this Information Memorandum are forward-looking statements. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These forward-looking statements are identified by the use of terms and phrases, such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “target”, “will” and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. These statements are contained in many sections of this Information Memorandum. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected.

The following factors, among others, could cause our actual results, performance or achievements to differ from those set forth in the forward-looking statements:

- Government regulation, including compliance with regulatory and permit requirements and changes in market rules, rates, tariffs and environmental laws;
- Operating and financial restrictions placed on us and our subsidiaries related to agreements governing our indebtedness and other agreements of certain of our subsidiaries and project-level subsidiaries generally;
- Our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- Changes in foreign withholding taxes and foreign currency conversion rates;
- Hazards customary to the manufacturing industry and manufacturing operations, such as unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled outages, maintenance or repairs, environmental incidents, or electric transmission constraints and the possibility that we may not have adequate insurance to cover losses as a result of such hazards;
- Delays or unexpected costs during the completion of construction of our projects;
- Our ability to expand into new business segments or new geographies;

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- Economic, social and political risks and uncertainties inherent in our operations, including that we develop and operate projects in emerging markets and may expand our operations into countries where we currently have no presence; and
- Our ability to operate our businesses efficiently, manage capital expenditures and costs tightly, manage risks related to international operations and generate earnings and cash flows from our asset-based businesses in relation to our debt and other obligations.

Additional factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the caption, "Risk Factors". All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained herein under the caption "Risk Factors", as well as other cautionary statements that are made from time-to-time in our other communications. All forward-looking statements herein should be evaluated in the context of these risks and uncertainties.

The important factors referenced above may not contain all of the factors that are important to a prospective investor. In addition, we cannot provide assurance that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

EXECUTIVE SUMMARY

MACROECONOMIC OVERVIEW:

Bangladesh is the eighth most populous country globally with a population size of 161 million (in 2018) with a GDP growth rate in the range of 6 – 7% over the past decade. The country's nominal GDP was valued at USD 302 billion (2019) and foreign exchange reserve reached USD 35.87 billion at the end of FY2020. Foreign Direct Investment (FDI) in Bangladesh saw a CAGR of 13.1% during the period 2015-2019 with USD 2.87 billion of FDI in 2019. According to GDP (PPP) size, Bangladesh moved up from 40th place in 2008 to 30th place in 2019 in the global ranking.

The country's growing population, emerging middle-class income group, rising urbanization and increasing rural consumption and working population represent a large consumer market for consumer products, particularly food and beverages products.

Large scale industrialization is taking place in Bangladesh with the approval of 100 special economic zones.


INDUSTRY OVERVIEW

The plastics industry in Bangladesh earns around BDT 28,000 Crore from domestic sales, majority of which comes from the sale of pipes (BDT 6,000 Crore) and household items (BDT approximately 3,000 Crore). The industry also earns more than BDT 1,000 Crore from plastic exports, which represents a 0.5% share of the global market. The major items manufactured in Bangladesh are healthcare supplies (blood bags, PPEs), RMG accessories, crockeries and toys, consumer electronics parts, sanitary items and construction products (including PVC pipes, doors, windows). The government sector is the largest consumer of these products. RFL, National polymer, Lira, Bengal, Gazi pipes, Navana and Aziz pipes are the major market players. Along with these brands, there are also non-brand, low-grade plastic pipe producers in Bangladesh acquiring almost 20 % market share in 2019. RFL has the largest supply chain among the plastic pipe manufacturer.

Over BDT 20,000 Core has been invested into the plastics industry so far. There are 5,030 plastic factories in operation in Bangladesh, 98% of which are SMEs. One of the major challenges of the industry is the fact that most of these SME manufacturers cannot cope up with the increasing demand for plastics due to lack of capacity. Of the 5,030 factories, 250 factories are export oriented. The largest exporters are PRAN RFL Group and GSL Export. The entire industry has contributed to 1% of the country's GDP, pays around BDT 3,500 Crore in tax, and employs 1.5 million people.

Industry experts expect large growth for the plastic industry in the coming years, as plastic consumption is directly correlated to development of a country. Demand for household plastic products has grown 10% and the domestic market has grown 20% overall. Domestic demand is expected to maintain 20% growth to increase domestic per capita annual plastic

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consumption from 9 kg to 35 kg by 2030. Furthermore, export earnings are also expected to increase by 25% and reach 1% of global market share by 2025, increasing export revenue to BDT 6,000 Crore.

The large growth has been partially attained by a favorable regulatory environment. Since 2015-16, the import duties on raw materials have been reduced from 25% to 5%, along with the introduction of bonded warehouses for export-oriented industries. Furthermore, there is zero duty imposed on machinery from fully export oriented industries and 2.5% to 6.0% duty on machineries of other industries. Bangladeshi exporters also have duty free access to 70+ foreign markets and a 50% tax exemption for income derived from exports. Finally, the government has been granting a 10% cash incentive for plastic exports since 2016.

COMPANY OVERVIEW: NATIONAL POLYMER INDUSTRIES LTD (NPIL):

National Polymer Industries Ltd, (hereinafter referred as ‘NPIL’ or “the company”), was incorporated as a Public Limited Company with the Registrar of Joint Stock Companies under the Companies Act of 1913 on 26th June, 1987 with an authorized capital of BDT 100.00 million. The company also started its commercial operation during the same year. At present the company is being run with an authorized capital of BDT 3,000.00 million and paid-up capital BDT 729.84 million. The company is engaged in manufacturing and exporting of uPVC, cPVC, and PPR pipes, fittings, doors, sheets, fall ceilings, water tanks and water taps, etc. NPIL markets its products to various parts over the globe including India, Nepal, Bhutan and KSA, Turkey, China, Italy, France, S. Arabia etc.

The company has a long-term crediting rating of A+, Short term rating of ST-2, and a stable outlook. The registered office of the company is located at Squibb Road, Tongi Industrial Area, Cherag Ali, Gazipur.

Table 1: Key Financials of National Polymer Industries Limited as of June 30, 2021

Particulars	BDT
Revenue	4,487,233,362
Gross Profit	722,746,812
Gross Profit Margin	16.11%
Net Profit	182,359,683
Net Profit Margin	4.06%
Total Assets	6,039,806,394
Total Liabilities	4,071,413,922
Total Shareholders' Equity & Reserves	1,968,392,471
Paid-up Capital	729,836,680

USE OF PROCEEDS:

National Polymer Industries Limited has decided raise BDT 3,000,000,000 through the issuance of Zero-Coupon Bonds in order to enhance the Company's production capacity and diversify its product offerings through introduction of new production lines. Proceeds from the bond will also be used to refinance existing high-cost debt of the Company, in order to boost profitability.

The estimated utilization of proceed will be as follows:

Table 2: Utilization of Proceeds

SI	Particulars	BDT
1	Capital Machineries	731,772,069
2	Building & Infrastructure	287,309,121
3	Loan Refinancing	1,980,918,810
Total		3,000,000,000

Riverstone Capital Limited is the mandated Arranger for the issuance.

1 RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Investing in bonds involves a degree of risk. All Investors should carefully consider all the information in this Information Memorandum, especially the risk factors both internal and external, before making any investment decision. This section addresses the possible risks an investor might have to bear by investing in the Bond and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors is not meant to be a comprehensive description of all the risks which may be relevant to a decision to invest in the Bond. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

1.1 Interest Rate Risks

Interest rate risk is the chance that an unexpected change in interest rates will negatively affect the Company. If the rate of interest on the outstanding borrowings increases, the finance cost of the company may increase, affecting its profitability.

Management Perception

National Polymer has legal contracts with its banks for fixing up the rate of interest on both near and mid-term borrowings. These contracts are renewed periodically after negotiation with the banks.

1.2 Exchange Rate Risks

National Polymer is required to import different raw materials from abroad against the payment of international currencies (USD & Euro). Fluctuations in foreign exchange rates may affect the cost of purchases and the value of inventories of the business. Thus, devaluation of Taka against foreign currencies may negatively affect the company's profitability.

Management Perception

As the standard practice, while submitting its financial offers to the customers, NPIL makes its own judicious projection of exchange rates, depending on the timing of procurement. From the experience, NPIL has been generally accurate in such projections, and usually not suffers any exchange loss. To mitigate Forex risk for the import of its raw materials, the Company enters in Forward Contracts with its LC opening banks to mitigate Forex risk.

1.3 Non-Repayment Risks

Issuer has always repaid its financial obligations on time to its lenders. However, in extreme cases, the issuer may fail to repay its obligations arising from the Bond in which case the investors might suffer from financial loss.

Management Perception

The Issuer has no history of defaults and the low cost of the bond will help better manage the cash flow and pay the bond subscribers. Moreover, it is highly unlikely that a reputed organization like National Polymer will risk its reputation by setting an instance of default. Furthermore, in case of non-repayment, the Trustee would give notice period to the Issuer in protecting the non-repayment and take further steps to ensure the interest of the investors.

1.4 Prepayment, Call or Refunding Risks

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of the Bond. Such risk exists in a bond that has prepayment or call option.

Management Perception

Since there is no provision for early repayment of the principal amount of the Bond in the first two years, the bondholders will not be exposed to prepayment or call risks associated with the investment in the first two years. Prepayment can be made at the management's discretion after the first two years, however there is no such intention by the management to do so at the moment.

1.5 Security Risks

Security are the assets pledged by an issuer to the bondholder to secure repayment of the Bond. Therefore, security risk involves the possibility of recovering the investment by the bondholder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the Bond.

Management Perception

The Bond will be an unsecured Bond. Specific revenue sources or assets are not being pledged against issuance of the bonds. However, Personal Guarantee of the Director(s) of the Company will be provided to the Bondholders in case the Company fails to redeem the Bonds in due time.

1.6 Liquidity Risks

Liquidity risks for bondholders relate to the restriction to sell the Bond to others before the redemption date. As the Bond will be issued with a maturity of up to 5 (five) years, the bondholders therefore will be concerned about the ability to sell the bond to other parties before the redemption date.

Liquidity risk can also be in the context of a firm's possible inability to meet its short-term debt obligations, thereby incurring exceptionally large losses for bondholders.

Management Perception

Based on BSEC's decision, all debt securities will be available for trading on the Alternate Trading Board in the near future. The Bond is transferable and can be sold to interested parties. The Issuer is also expected to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Issuer's reputation. Typically, the Issuer ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within the due date. In the case of extreme stressed conditions, the Company may utilize its short-term credit lines with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

1.7 Management Risks

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management. The bondholders may suffer financial losses in such an event.

Management Perception

Issuer has a strong corporate governance and sound management system. The dynamic management team is constantly working on making the organization more effective and result oriented. Strong financial, technical, and marketing teams are led by qualified professionals. Strategic management and control are centralized and undertaken by the key sponsors. Moreover, the management of the company is constantly supervised by a Board of Directors consisting of seasoned professionals who work hard to ensure that the interest of all the stakeholders is served by the management.

1.8 Operational Risks

Operational risks involve disruption by labor unions, strikes, work stoppages, also issues with import and availability/delay of raw materials. Natural and political calamities might cause disruptions to a factory's operations.

Management Perception

Managing operational risks requires timely and accurate information as well as a strong control culture. Issuer has over 34 years of experience in successfully managing large workforce and it has tried to mitigate its operational risks through:

- Training, supervision, and development of its human resource
- Active participation of the senior management in identifying and mitigating key operational risks
- Independent control and support functions that monitor operational risks on a daily basis.

1.9 Business Risks

Business risk refers to the possibility that the company will have lower than anticipated profit, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including market demand condition for products, increase in import cost, competition, government regulations and economic climate.

Management Perception

Issuer strongly adheres to its product quality and it has a good business reputation regarding quality towards its clients. The Issuer's constant innovation in products and strong distribution network help the Company to stay ahead of its competitors, which has resulted in an increased gross turnover even in the middle of the COVID-19 pandemic. Issuer has a highly skilled technical team working to mitigate business risk by analyzing consumer demand, market trends, international market scenario, political situation and raw material etc. Issuer has abided by government rules and regulations to do its businesses and it will continue to do so in the future.

1.10 Industry Risks

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they effect the individual organization of that industry. They may also cross over into other industries. Industry risk also refers to the risk of the increased competition from foreign and domestic sources leading to lower revenues, profit margins, market share etc., which can have an adverse impact on the business, financial condition and result of operations.

National Polymer operates in plastic industry with the most advanced technologies and machineries since its inception. There are numbers of companies that exist in the market with similar products which results in competition within the industry. There also lies the risk of new entrants which would increase the competition among existing players.

Management Perception

Professionals with decades of experience have been successfully managing the above risk. National Polymer is the industry leader in terms of innovation with new products, processes, machineries and technologies. The Company has specific set of policies to cope with the threat of new entrants and to manage competition among existing players in the market. Moreover, NPIL has massive advantages in terms of economies of scale due to its large production capacity which would make it difficult for any new entrants to compete.

1.11 Market and Technology-Related Risks

Market and technology related risk mainly refer to the change in market condition due to technological modifications which would adversely affect the business and profitability of the company. The company to some extent could experience adversity due to changes in technology which may affect production efficiency and therefore profit in comparison to its competitors.

Management Perception

NPIL has implemented advanced and modern technologies in its production lines and is considered to be the pioneer in introducing the most efficient production technologies that are available in world markets. Additionally, the Company has a team of highly experienced and accomplished engineers, who design and implements the most efficient production processes.

1.12 Risks Related to Potential or Existing Government Regulations

The Company is regulated by Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Customs Act 2014. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the Company.

Management Perception

Unless any policy is formulated that may negatively and significantly affect the industry as a whole, the business of the Issuer is expected not to be affected materially. The Issuer puts in significant effort to be compliant with all the regulations related to the company and any changes made that required adherence.

1.13 Risks Related to Potential Changes in Global or National Policies

A company's ability to operate a profitable business is directly related to the national policies including, monetary and fiscal policies of the country at any given time. Imposition of restrictive policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the company.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

Management Perception

The management of the Issuer is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and in a timely manner to safeguard its interests.

2 DETAILED DESCRIPTION AND INFORMATION TO BE PROVIDED AS MENTIONED IN SCHEDULE – A (PART I AND PART II)

All information and documents required as per Schedule A (Part I and Part II) of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been provided with the Bond application to Bangladesh Securities and Exchange Commission (BSEC).

Particulars of Issuer or Originator:	
Name of the issuer:	National Polymer Industries Limited
Legal status of the issuer:	Public Limited Company
Registered address and telephone number of the issuer:	GA-99/3, Pragati Shoroni, Middle Badda, Dhaka-1212, Bangladesh Phone: +8802 58812926
Name, address and telephone numbers of the contact person:	Mr. Md. Shawkat Ali Miah FCA CFO, Accounts & Finance GA-99/3, Pragati Shoroni, Middle Badda, Dhaka-1212, Bangladesh Phone: +8802 58812926, 58813039
Date of incorporation:	26 June 1987
Date of commencement of business:	Currently operational
Authorized capital (in case of companies):	BDT 3,000,000,000
Paid-up capital (in case of companies):	BDT 729,836,680
Total equity of the issuer:	BDT 1,968,392,471
Total Liability:	BDT 4,071,413,922
Total Financial Obligations:	BDT 3,816,111,428 (Long Term Loan, Finance Lease Liabilities, Inter-Company Loans, Bank Overdraft, Short Term Loan)
Total Assets:	BDT 6,039,806,394
Total Tangible Assets:	BDT 6,039,806,394
Net worth of the issuer:	BDT 1,968,392,471
Particulars of Issue Manager/Arranger:	
Name of Arranger to the Issue:	Riverstone Capital Limited
Legal status of the Arranger:	Private Limited Company
Details of contact information of the Arranger:	Mr. Imran Ahmed Director, Investment Banking Road 6, House 10, Block C, Banani, Dhaka. 1213, Bangladesh Phone: +88-09-604500500

Name of the issue arranged by the issue arranger:	National Polymer Zero-Coupon Bond																				
Particulars of the Issue																					
Name of the Issue:	National Polymer Zero- Coupon Bond																				
Type of Instruments to be issued:	Transferable, Redeemable, Non-Convertible, Unsecured																				
Purpose of Issue:	Enhance the Company's production capacity and diversify its product offerings through introduction of new production lines. Proceeds from the bond will also be used to refinance existing high-cost debt of the Company, in order to boost profitability.																				
Number of Securities and Total size of the issue to be offered:	Number of Securities: 3,000,000 Size of Issue: BDT 3,000,000,000																				
Face value and issue price of securities mentioning discount or premium thereof:	Issue Price: BDT 3,000,000,000 Face Value: BDT 4,089,529,037 Discount: BDT 1,089,529,037																				
Coupon rate or rate of profit or discount rate and yield to maturity (YTM):	Up to 8% per annum																				
Tenor or maturity:	5 years																				
Details of conversion/exchange option features:	No conversion/exchange features.																				
Mode of redemption or conversion/exchange:	<p>Redemptions at maturity on years 3,4 & 5. (Calculated based on YTM of 8.00% p.a. Depending on the range of YTM the Face Value per Lot and Total Face Value may change.)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Redemption</th> <th>Redemption %</th> <th>Redemption Units</th> <th>Redemption Amount in BDT</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>1st</td> <td>33.33%</td> <td>1,000,000</td> <td>1,259,712,000</td> </tr> <tr> <td>4</td> <td>2nd</td> <td>33.33%</td> <td>1,000,000</td> <td>1,360,488,960</td> </tr> <tr> <td>5</td> <td>3rd</td> <td>33.33%</td> <td>1,000,000</td> <td>1,469,328,077</td> </tr> </tbody> </table>	Year	Redemption	Redemption %	Redemption Units	Redemption Amount in BDT	3	1 st	33.33%	1,000,000	1,259,712,000	4	2 nd	33.33%	1,000,000	1,360,488,960	5	3 rd	33.33%	1,000,000	1,469,328,077
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5	3 rd	33.33%	1,000,000	1,469,328,077																	
Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof:	The Bond can be called or refunded at any time after 24 months of the subscription date on mutual understanding of both the Issuer and Subscriber. No put option.																				
Rate of return:	Up to 8%																				
Applicable tax rate:	According to the laws of Bangladesh																				
Default protection mechanism (details of credit enhancement arrangement/agreement,	Personal Guarantee by the Director(s) of the Company in case the Company fails to redeem the Bonds in due time.																				

redemption reserve, sinking fund etc.), if any:	
Type of collateral securities being offered, if any:	None
Status of securities holders in case of priority of payment:	Bondholders rank below all secured lenders of the Company.
Period within which securities to be issued:	Within 12 months of application to BSEC
Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange):	Bonds will be tradable on the ATB of the Exchange
Particulars of the Trustee:	
Name of the Trustee:	Bangladesh Finance Limited
Paid-up capital of the trustee:	BDT 167.53 Crore
Net worth of the trustee:	BDT 278.64 Core
Name of the issue(s) where performing as trustee:	N/A
Particulars of the Credit Rating Agency:	
Name of the credit Rating Company:	National Credit Ratings Limited
Credit rating status of the issuer or originator:	Short term: ST-2, Long Term: Single A+
Credit rating status of the issue:	Single A
Date and validity of rating along with surveillance rating for the issuer or originator and for the issue:	Issuer rating and Issue rating valid till 19 December 2022.
Latest default rate of the credit rating company:	0%
Average time to default of the rated category:	N/A
Rating trigger, if any:	N/A

Following documents have been included in the Bond application to BSEC:

Table 3: List of Documents Submitted to BSEC

Sl	Document
1	Memorandum and articles of association
2	Certificate of incorporation
3	Particulars of directors
4	Return of allotment of shares
5	Annual summary of share capital
6	Original auditors' report with the related audited financial statements of the issuer (Annual Report of June 2021)
7	Report on re-valuation of assets
8	Purpose of issuance of securities and detailed plan to use of proceeds thereof;
9	Resolution of the board of directors deciding to issue securities
10	Resolution of shareholders in the general meeting for issuance of the debt security
11	Copy of disclosures of price sensitive information
12	Auditor's certificate showing deposit of an amount equivalent to the owners' stake in the issuer
13	Description of business of the issuer
14	Latest credit rating report of the issue
15	Latest credit rating report of the issuer
16	Draft information memorandum (IM)
17	Draft deed of trust
18	Due diligence certificate of the trustee
19	Repayment or payment schedule of the debt securities
20	Declaration about the responsibility of the Directors, including CEO of the issuer
21	Undertaking of issuer or originator or guarantor(s) and its directors for obtaining CIB report from Bangladesh Bank,

3 DETAILS OF THE UTILIZATION OF PROCEEDS

Overview and Rationale

National Polymer Industries Limited (NPIL) is one of the largest producers of PVC products in Bangladesh and has been experiencing consistent double-digit growth in revenues over the last 4 years. As the demand for NPIL products continues to increase both locally and abroad, the Company has planned on enhancing its production capacity and product portfolio. NPIL has already purchased new lands at Bhaluka, Mymensingh for a new project and infrastructural development is also underway. As such, the Company has decided to raise BDT 3,000,000,000 through the issuance of Zero-Coupon Bonds in order to support the infrastructural development and operational activities of the said expansion project. Proceeds from the bond will also be used to refinance existing high-cost debt of the Company, in order to boost profitability. The estimated utilization of proceed will be as follows:

Table 4: Utilization of Proceeds

Sl.	Particulars	BDT
1	Capital Machineries	731,772,069
2	Land, Building & Infrastructure	287,309,121
3	Loan Refinancing	1,980,918,810
Total		3,000,000,000

Proceeds from the Zero-Coupon Bond will firstly be utilized to refinance the existing loans of the Company and the remaining balance will subsequently be used for capital expansion.

1. Capital Machineries

Issuer will use approximately **BDT 731,772,069** of the Bond proceeds to buy capital machineries to expand its manufacturing capacity with new production lines for product categories.

Table 5: List of New Capital Machineries to be Purchased

SL.	Particulars	BDT Crore
1	Artificial leather (Rexine) and floor covering mat production machinery	330,737,000
2	WPC Door & Sheet production Machinery	82,769,800
3	Water Tank Machinery	68,452,200
4	PE Plastic Rigid Flat Net and Geonet Production Machinery	8,935,400
5	Utility Machinery	240,877,669
Total		731,772,069
Note: Mentioned machine type/brand may be changed based on the machine availability/technological advancement/ production requirement of the factory. Prices of machineries may also change based on prevalent market conditions.		

2. Land, Building & Infrastructure Development

Approximately **BDT 287,309,121** will be utilized to construct buildings and develop infrastructure.

Table 6: Budget for Land, Building & Infrastructure Development

SL.	Particulars	BDT
1	Building and Infrastructure	226,318,550
2	Dia Service line construction, RMS room and House line construction	60,990,571
Total		287,309,121

3. Loan Refinancing

A portion of the bond proceeds will also be used to refinance certain interest-bearing liabilities of the Issuer. This will enable the Issuer to bring down its financing expenses which will help increase the bottom-line profitability. Additionally, the Bond will be a Zero-Coupon Bond with a grace period of 2 years. This will reduce the periodic debt repayment and interest obligations, thus allowing the Company to utilize its internal cashflows in business operations.

The details of the Issuer's liabilities are illustrated in the following table:

Table 7: Issuer's existing Long-Term Loans and Short-Term Loans as of June 30, 2021

Lender	BDT
Long Term Loans	
Standard Chartered Bank	67,078,928
Prime Bank Limited	344,420,000
Sub-total	411,498,928
Short Term Loans	
Loans against Trust Receipt (LTR)	758,690,332
Short Term Finance (STF)	754,270,659
Sub-total	1,512,960,991
Bank Overdraft	
Standard Chartered Bank	4,669,372
Prime Bank Limited	7,675,536
One Bank Limited	264,306,601
Sub-total	276,651,509
Total Short term and Long term Loans	2,201,111,428

The Issuer will refinance the interest-bearing liabilities from the list of loans, that will remain outstanding as of the date of subscription of the Bonds, amounting up to approximately **BDT 1,980,918,810**.

4 FEATURES OF BOND

National Polymer Industries Limited has envisaged to issue up to 3,000,000 units of unsecured, transferable, redeemable, Zero-Coupon Bonds of face value BDT 4,089,529,037.

Minimum subscription amount is BDT Three Thousand (BDT 3,000). The bonds are BDT denominated and will be issued in dematerialized format and available for trading on the Alternative Trading Board (ATB) when approved by BSEC.

Name of Instrument	National Polymer Zero Coupon Bond																							
Basic Features	Transferable, Redeemable, Non-Convertible, Unsecured																							
Issuer	National Polymer Industries Limited																							
Purposes and Objectives	Proceeds from the Zero-Coupon Bond will firstly be utilized to refinance the existing loans of the Company and the remaining balance will subsequently be used for business expansion.																							
Advisor & Arranger	Riverstone Capital Limited																							
Trustee	Bangladesh Finance Limited (proposed)																							
Units to be issued	3,000,000 units																							
Issue Price per unit	BDT 1,000																							
Issue Price	BDT 3,000,000,000																							
Face Value	Up to BDT 4,089,529,037																							
Tenor	5 years																							
Lot Size	3 Units (BDT 3,000)																							
Minimum Subscription	1 Lot (BDT 3,000) <i>Investments in the Zero-Coupon Bond must be in lot(s) with a minimum investment (subscription amount) of 1 lot (BDT 3,000).</i>																							
Yield to Maturity	Up to 8% per annum																							
Investors	Any eligible investor																							
Mode of Placement	Private Placement on best effort basis																							
Redemption	<p>Redemptions at maturity on years 3,4 & 5.</p> <p>(Calculated based on YTM 8.00% p.a. Depending on the range of YTM the Face Value per Lot and Total Face Value may change.)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Redemption</th> <th>Redemption %</th> <th>Redemption Units</th> <th>Redemption Amount in BDT</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>1st</td> <td>33.33%</td> <td>1,000,000</td> <td>1,259,712,000</td> </tr> <tr> <td>4</td> <td>2nd</td> <td>33.33%</td> <td>1,000,000</td> <td>1,360,488,960</td> </tr> <tr> <td>5</td> <td>3rd</td> <td>33.33%</td> <td>1,000,000</td> <td>1,469,328,077</td> </tr> </tbody> </table>				Year	Redemption	Redemption %	Redemption Units	Redemption Amount in BDT	3	1 st	33.33%	1,000,000	1,259,712,000	4	2 nd	33.33%	1,000,000	1,360,488,960	5	3 rd	33.33%	1,000,000	1,469,328,077
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Transferability of Securities	Subscriber shall have the right to freely transfer novate or assign all or a portion of its rights and obligations under the Subscription Agreement.
Prepayment, Call, Refunding, Conversion Features	<p>The Bond can be prepaid, called at any time after 24 months of the subscription date on mutual understanding of both the Issuer and Subscriber.</p> <p>The Bond is Non-Refundable</p> <p>The bond does not have any conversion feature.</p>
Late Redemption	<p>A late redemption will be considered in case the Issuer fails to make redemption on the redemption due date but makes the redemption payment within twelve (12) months from the redemption due date.</p> <p>In case of a late redemption, the investors shall receive an interest at the rate of 2% p.a. on the amount of redemption due for the period between the redemption due date and payment date.</p>
Guarantee	Personal Guarantee by the Director(s) of the Company in case the Company fails to redeem the Bonds in due time.
Listing	The Bonds will be listed on the Exchange(s) and available for trading on the Alternative Trading Board (ATB) when approved by BSEC.
Taxation	Taxable as per Tax Regulations in Bangladesh
Cost related to the Issue	<ul style="list-style-type: none"> • Regulatory Fees: the applicable regulatory fees payable to the BSEC in connection with the Issue. <ul style="list-style-type: none"> - Application Fee: BDT 10,000 - Consent Fee: 0.10% of Face Value of the Bond • The Issue Registration and Annual Registration fees and expenses of the Trustee and the Paying Agent of the Bond and the other parties to this Agreement and the Bond Documents; <ul style="list-style-type: none"> - Trustee Fees: BDT 300,000 per annum excluding VAT and for TAX deduction at source. • The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer; <ul style="list-style-type: none"> - Credit Rating Fee: As per agreement • Other associated costs: other costs and expenses associated with the Issue including the fee payable to the Arranger <ul style="list-style-type: none"> - Arranger Fee: As per agreement

5 DESCRIPTION OF COLLATERAL SECURITIES AND TYPE OF CHARGES TO BE CREATED

The Bond will be an unsecured Bond. Specific revenue sources or assets are not being pledged against issuance of the bonds. However, it will be covered by Personal Guarantee of the Director(s) of National Polymer Industries Limited in case the Company fails to redeem the Bonds in due time.

6 RIGHTS, DUTIES AND OBLIGATIONS OF THE ISSUER

6.1 Covenants to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Taka is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:

- a) every payment of Redemption Amount in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in the relevant Clause of the Trust Deed, except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
- b) if any payment of Redemption Amount in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the [seventh day] after notice has been given to the Bondholders that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- c) in any case where payment of the whole or any part of the Redemption Amount due in respect of any Bond is improperly withheld or refused on the due date, Default Interest shall accrue for the Bond on the whole or such part of such Redemption Amount from the date of such withholding or refusal until the date either on which such Redemption Amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders that the full amount payable in respect of the said Redemption Amount is available for collection by the relevant Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the other covenants including Clause 16.2 (Other Covenants by the Issuer) of the Trust Deed for the Bondholders.

6.2 Other Covenants by the Issuer

The Issuer hereby covenants with the Trustee that so long as any of the Bonds remain outstanding, it will:

6.2.1 Comply with Bond Documents

Comply with, perform and observe all those provisions of the Trust Deed, the Agency Agreement, the Conditions and the other schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

6.2.2 Comply with Applicable Laws

Comply with, perform and observe all those provisions of the applicable laws including, but not limited to, the Securities and Exchange Commission (Debt Securities) Rules, 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable laws and will be deemed to have notice of all of the provisions of the applicable laws, as applicable to them.

6.2.3 Books of account

At all times keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer.

6.2.4 Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents.

6.2.5 Execution of further documents:

So far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of the Trust Deed.

6.2.6 Notices to the Bondholders:

Send or procure to be sent to the Trustee not less than 5 (five) days prior to the date of publication one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice.

6.2.7 Notification of non-payment:

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds.

6.2.8 Notification of late payment:

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith upon request by the Trustee give notice to the Bondholders that such payment has been made.

6.2.9 Notification of redemption or repayment:

Not less than 14 (Fourteen) days prior to the Redemption Date in respect of any Bonds, give to the Trustee notice in writing of the amount of such redemption pursuant to the Conditions and duly proceed to redeem such Bonds accordingly.

6.2.10 Evidence of Due Approval by the Board of Directors and Authorized Signatories:

Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Issuer authorizing issuance of the Bond, the declaration of the Trust, a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same.

6.2.11 Payments:

Pay money payable by it to the Trustee as per the Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

6.2.12 Register the Trust Deed

The Issuer shall duly register the Trust Deed in all respects so as to comply with the provisions of the Registration Act, 1908 and also cause the Trust Deed to be registered in conformity with the provisions of law and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents.

6.2.13 Pay Trustee Fees

The Issuer shall pay Trustee Fee to the Trustee for the services rendered under the Trust Deed. Such remuneration shall be non-refundable and payable on each anniversary from the date hereof and shall be paid up front.

7 RIGHTS AND OBLIGATIONS OF THE TRUSTEE

7.1 Rights of the Trustee

7.1.1 Rights under Applicable Law

Notwithstanding anything contained in the Trust Deed, the Trustee shall have all such rights and powers granted to it under the applicable law including, but is not limited to, the Securities and Exchange Commission (Debt Securities) Rules, 2021 and the Trusts Act 1882.

7.1.2 Advice

The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

7.1.3 Certificate of directors or Authorized Signatories

The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do.

7.1.4 Resolution or direction of Bondholders

The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders.

7.1.5 No obligation to monitor

Subject to Clause 10.3.4 of the Trust Deed, the Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds (other than the Issuer) or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.

7.1.6 Bonds held by the Issuer

In the absence of the knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates.

7.1.7 Events of Default

Save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents.

7.1.8 Right to Sue

The Trustee may sue and may be sued on behalf of the Bondholders along with enforcement of the Securities.

7.1.9 Entry on the Register

The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct.

7.1.10 Right to deduct or withhold for taxes

Notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and when so ever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the

trusts of the Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of the Trust Deed.

7.1.11 No responsibility to investigate

The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- a) the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any or all of the Bond Documents;
- b) any recitals, statements, warranties, representations or covenants of any party to any of the Bond Documents;
- c) its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- d) the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents.

7.1.12 Error of judgment

The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters, except to the extent that they shall have been caused by the gross negligence, willful default or fraud of any officer or employee of the Trustee.

7.1.13 No responsibility for loss

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- b) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been caused by the Trustee's own gross negligence, willful default or fraud.

7.1.14 Enforcement of Obligations of the Issuer

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

7.1.15 Liability

Save as provided by applicable law, Trustee will not be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profit), whether or not foreseeable, even if the Trustee has been advised of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

7.1.16 Force Majeure

The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labor disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

7.1.17 Immunities

The Trustee's immunities and protections from liabilities and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors, employees and consultants. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds, but in any event will be subject to any gross negligence, willful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under the Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, the Issuer will not be entitled to claim for itself or any of its assets, immunity from suit, execution, attachment or other legal process.

7.1.18 Professional Charges

Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by the Issuer on matters arising in connection with the Trust of the Trust Deed and also its properly incurred charges in addition to disbursements for all other work and business done and all time spent by him on matters arising in connection with the Trust Deed.

7.1.19 Expenditure by the Trustee

Nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial Liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

7.1.20 No obligation to Depository

The Trustee shall not be under any obligation to Depository. It shall have no obligation to monitor or supervise the function of the Depository in relation to the Bond.

7.2 Following an Event of Default

At any time after Event of Default shall have occurred, the Trustee shall:

7.2.1 act in accordance with Rule 17 (Duties of the Trustee upon a default) of the Securities and Exchange Commission (Debt Securities) Rules, 2021;

7.2.2 by notice in writing to the Issuer and the Paying Agent direct them:

- a) to act thereafter as agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of the Trust Deed mutatis mutandis on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Paying Agent shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed relating to the Bonds and available for such purpose) and thereafter to hold all Bonds and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; and/or
- b) to deliver up all Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and

- 7.2.3** until decided in a Meeting of the Bondholders, by notice in writing to the Issuer, require them to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 14.1.1 of Clause 14.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) paragraph (c) (Payment to Bondholders) to Condition XI of Schedule 1 of the Trust Deed shall cease to have effect;
- 7.2.4** to take action in accordance with Condition XI of Schedule I (Terms and Conditions of the Bonds) of the Trust Deed;

As soon as the Trustee is satisfied that Event of Default is remedied by making payment to the Bondholders in accordance with the Bond Documents, it shall immediately inform the Bondholders.

7.3 Trustee's Duty and Obligation

7.3.1 Duties and Obligation under Applicable Law

Notwithstanding anything contained in the Trust Deed, the Trustee shall have all such duties and obligations as set out in the applicable laws, including but not limited to, the Rule 14 of the Securities and Exchange Commission (Debt Securities) Rules, 2021 and the Trusts Act 1882.

7.3.2 Administration of Trust

The Trustee shall manage and administer the Bonds in accordance with the terms of the Trust Deed and the Conditions and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof.

7.3.3 Act for the Bondholders

Save the provision of all applicable laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them. The Trust Deed shall be preserved in the Trustee's office for observation of the investors.

7.3.4 Monitoring

The Trustee shall ensure that the Issuer is observing the applicable laws including, but not limited to, the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed,

the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same. As soon as Event of Default is remedied by making payment to the Bondholders in accordance with the Bond Documents, Trustee shall immediately inform the Bondholders.

7.3.5 Maintaining Account

The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of the Trust Deed, the Conditions, the Trusts Act 1882 and the Securities and Exchange Commission (Debt Securities) Rules, 2021.

7.3.6 Holding Trust Property

The Trustee shall hold and keep the money and assets representing the Trust Property and to deposit and withdraw such moneys and assets as may be required from time to time.

7.3.7 Report to BSEC

The Trustee shall monitor timely payment of all dues of the Issuer to the Bondholders in terms of the Information Memorandum approved by BSEC and submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC, it shall provide a copy of the acknowledgement receipt of BSEC evidencing the submission of the Report to BSEC to the Issuer and each of the Bondholders.

7.3.8 Grievances of the Bondholders

Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed.

7.3.9 Call for Meeting of the Bondholders

On the requisition of the Bondholders in accordance with the provision of the Trust Deed, the Trustee shall call any Meeting of the Bondholders and shall enforce the decisions within such time of any Default or any act of the Issuer which may affect the interest of the Bondholders in accordance with the terms of the Trust Deed.

7.3.10 Compliance with the Instruction of the Bondholders

Upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit.

7.3.11 Duty to Inspect

It is the duty of the Trustee to inspect or call for books of accounts, records, register of the Issuers and the Trust property, if required, to the extent necessary for discharging its obligation.

7.3.12 Duty to Ensure the Interest of the Bondholders

Subject to consent of the Bondholders and prior approval of BSEC, the Trustee shall have power to insert any additional terms and conditions for the performance of the obligations under the Trust Deed for the protection of the interest of the Bondholders.

7.3.13 Trustee's determination

The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.

7.3.14 Determination of questions

The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and/or the Conditions and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.

7.3.15 Trustee's discretion

The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

7.3.16 Trustee's consent

Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

7.3.17 Application of proceeds

The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds. The report on utilization of proceeds as well as implementation status shall be submitted to the Trustee by the Issuer on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds.

7.3.18 Agents

The Trustee may with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

7.3.19 Delegation

The Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate.

7.3.20 Custodians and nominees

The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any Liability by reason of the misconduct, omission or default on the

part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

7.3.21 Confidential information

The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with the Trust Deed.

7.4 Trustee liable for gross negligence

- a) None of the provisions of the Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of the Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any Liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty in relation to its duties under the Trust Deed.
- b) If an Event of Default as defined in the Trust Deed is known to the Trustee, the Trustee shall send a notice of such Default within 07 (seven) Business Days after the Event of Default occurs to Bondholders and the BSEC. The Trustee shall, on a best effort basis, immediately upon having knowledge of the Event of Default, try to mitigate the Default with the Issuer and shall only be entitled to take legal action against the Issuer on behalf of the Bondholders for recovery of the outstanding including principal and interest of the Bonds after the expiry of 15 (fifteen) Business Days from the date on which the Event of Default becomes known to the Trustee. Notwithstanding the above, the Trustee shall only take action upon consultation with the Bondholder and shall not provide any support to the Issuer without prior consent of the Bondholder.

8 RIGHTS AND OBLIGATIONS OF THE ELIGIBLE INVESTORS

- a) Each of the Bondholders has the right to demand information relating to the issuance of Bond and/or information relating to the Issuer, as set forth in the Trust Deed or in the Conditions, from the Issuer.
- b) Each of the Bondholders has the right to receive payment of Issue Price of the Bond on the respective Redemption Date in accordance with the procedure as set out in the Condition VII (Redemption) of the Schedule I (Terms and Conditions of the Bonds)
- c) Each of the Bondholders has the right to receive any other payment including Default Interest and/or early redemption fee, if applicable, whenever such payment becomes due and payable by the Issuer in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (Terms and Conditions of the Bonds)
- d) Each of Bondholders has the right to attend Meeting of the Bondholders and vote therein in accordance with the provisions of the Schedule II (Meeting of Bondholders).

9 DESCRIPTION OF THE ISSUER: NATIONAL POLYMER INDUSTRIES LIMITED

9.1 Business

National Polymer Industries Limited (NPIL) was founded and incorporated on 26th June, 1987 and is listed on both the Dhaka Stock Exchange and Chittagong Stock Exchange. The company manufactures and supplies uPVC, cPVC, and PPR pipes, fittings, doors, sheets, fall ceilings, water tanks and water taps, etc. It is active in both the domestic and export market. The company has an authorized capital of BDT 3,000 million and paid-up capital of BDT 729.84 million, with 72,983,668 shares outstanding. The company has a long-term crediting rating of A+, Short term rating of ST-2, and a stable outlook. The registered office of the company is located at Squibb Road, Tongi Industrial Area, Cherag Ali, Gazipur.

The company manufactures high quality products with for building, construction, irrigation, sanitation and household solutions by using skilled manpower and advanced machinery from Asia and Europe. High quality raw materials are imported from Japan, Malaysia, Singapore, Thailand, Taiwan and China, and the finished products are distributed through expanded distribution channels. These channels have been expanded beyond borders, allowing the company to deliver its products to Indian and Middle Eastern markets including Nepal, Bhutan, KSA, Turkey, China, Italy, France, etc.

Products:

The company makes a wide range of diversified products:

- uPVC Pipe & Fittings
- PPR Pipe & Fittings
- cPVC pipe & Fittings
- uPVC Door/Sheet/Ceiling
- Household Products (Jugs, Stools, Racks, Food Boxes)
- Plastic Furniture (Wardrobes, Tables, Chairs)
- Other Products (Hose, Coil Pipe, Water Tanks, etc.)

Clients:

The company's extensive list of clients include 40+ Real Estate & Developers, 10+ Non-Government Organizations, 12 Government Institutes, and 6 clients for their bottle

compound. Some featured clients are Hotel Radisson, North South University, Bashundhara City, Square Hospital, and Dhaka WASA.

The company has major clients diversified into multiple sectors, some of which are government funded or are foreign clients.

Table 8: List of Major Institutional Clients of NPOLYMER

Client	Sector
Department of Public Health (DPHE)	Government
Barind Multi-Purpose Development Authority (BMDA)	Government
Bangladesh Agriculture Development Corporation (BADC)	Government
Local Government and Engineering Department (LGED)	Government
DWASA, KWASA, CWASA, RWASA	Government
ZET Corporation	Export-India
World Bank Funded Project	Development
Asian Development Bank (ADB) Funded Project	Development
Islamic Development Bank (IDB) Funded Project	Development
UNICEF	Development
JICA Funded Project	Development
HYSAWA Fund	Development
Military Engineering Service (MES)	Export- India
Matarbari Coal Power Generation Company Bangladesh Limited	Power
Rampal Thermal Power Project	Power

Stock Performance

NPIL is listed with Dhaka Stock Exchange Limited (DSE) in 1993 and in 1995 in Chittagong Stock Exchange. Shares of the company are traded under “A” category in the bourse. The face value of each share is BDT 10.00. Last Annual General Meeting (33rd) of the company was held in 21st December, 2020 and the Board of Directors has approved 15% cash Dividend for the year ended in June 30, 2020. The Company has also reported EPS of BDT 2.82, NAV per share of BDT 30.49 and NOCFPS of BDT (4.33) for the year ended on June 30, 2021 as against BDT 2.50 (Restated for Rights Issue), BDT 35.87 and BDT 6.66 respectively for the same period of the previous year.

Financial Highlights of NPOLYMER:

Table 9: Key Financials of National Polymer Industries Limited

Particulars	BDT
Revenue	4,487,233,362
Gross Profit	722,746,812
Net Profit	182,359,683
Total Assets	6,039,806,394
Total Liabilities	4,071,413,922
Total Shareholders' Equity & Reserves	1,968,392,471
Paid-up Capital	729,836,680

9.2 Subsidiaries/Sister Concerns of National Polymer Industries Limited

The promoters of NPIL are also engaged in other businesses. The details of other concerns under the umbrella of National Polymer Group is presented below:

Table 10: Subsidiaries/Sister Concerns of NPIL

SL	Name of the Company	Year of Commencement of Business	Nature of Business
1	National Fittings & Accessories Ltd.	2008	PVC Compound Product
2	Shoeniverse Footwear Ltd.	2014	Footwear Products
3	R & R LPG Ltd.	Project In Progress	LPG Gas
4	Npolymer Construction Limited	2017	Contracting business

9.3 Shareholding Structure of National Polymer Industries Limited

The majority (53.14%) of the shares are held by General Public, (38.01%) shares owned by Directors & Sponsor Shareholders and rest of the shares (8.84%) are owned by the Institutions. At present the authorized share capital is 300.00 million shares of TK 10.00 each.

The latest shareholding pattern of the company as on 30 November, 2021 is given below:

Table 11: Name wise shareholding position of Sponsors/Directors

Name of Sponsor/Director	Position	No. of shares held	Shareholding %
Mr. Golam Murshed	Chairman	3,782,840	5.18%
Mr. Riad Mahmud	Managing Director	3,603,773	4.94%
Mr. Rohel Mahmud	Sponsor	726,202	1.00%
Mrs. Razia Morshed	Sponsor	304,082	0.42%
Mrs. Khaleda Akhand	Sponsor	9,069	0.01%
Late Shamsul Abedin Akhand & Mrs. Khaleda Akhand (Joint Account)	Sponsor	3,231,611	4.43%
Mr. Nuruzzaman Khan	Nominated Director	16,083,320	22.04%
Total		27,740,897	38.01%

Table 12: Overall Shareholding Position

Particulars	No. of shares held	Shareholding %
Sponsors/Director	27,740,987	38.01 %
Financial Institutions	7,951,893	8.84 %
General	37,290,878	53.14 %
Total	72,983,758	100%

9.4 Management of National Polymer Industries Limited

The management is headed by Mr. Riad Mahmud, Managing Director of NPIL, one of the key shareholders of the company. The operation of NPIL is being looked after by an experienced management team having exposures in the relevant sector. The organizational structure of the company is divided into different functional departments. All the Departments are directly supervised by the Managing Director. A brief profile of the management personnel of the organization is given below:

Table 13: List of Top Management

Name	Designation	Department	Qualification	Experience
Mr. K M Arshed Alam	ED & Head of Plant Operation	Plant Operation	M. Sc. in IPE (BUET)	22 Years
Mr. Md. Mahmudul Islam	ED & Head of Sales & Marketing	Sales & Marketing	M. Com (DU)	24 Years
Mr. Md. Shawkat Ali Miah FCA	CFO & GM	Accounts & Finance	Chartered Accountant, ITP, M. Com (A&M)	21 Years
Mr. S. M Minhaj Uddin	GM & Head of Commercial	Commercial	MSS (DU)	25 Years
Mr. Mohammad Manzur Hossain	DGM	HR & Administration	MBA (DU), PGDHRM	14 Years
Mr. Md. Shahriar Hasan ACGA	Senior Manager	Accounts & Finance	Associate of CGA, CA (K. Level), ITP, MBS(Acc.), LLB	10 Years
Mr. Md. Abdul Maleque	Company Secretary	Corporate Affairs	CS (Part), B. A (JNU)	15 Years
Mr. Md. Mozaharul Islam	Senior Manager	Tax & Vat	CA(CC), ITP	17 Years
Mr. Mithun Kanti Das	Senior Manager	Internal Audit	CA (Application Level)	12 Years
Mr. Md. Masud Rana	Manager	Accounts & Finance	CA (Knowledge Level), ITP	09 Years
Mr. K M Arshed Alam	ED & Head of Plant Operation	Plant Operation	M. Sc. in IPE (BUET)	22 Years
Mr. Md. Mahmudul Islam	ED & Head of Sales & Marketing	Sales & Marketing	M. Com (DU)	24 Years
Mr. Md. Shawkat Ali Miah FCA	CFO & GM	Accounts & Finance	Chartered Accountant, ITP, M. Com (A&M)	21 Years

The Heads of the Departments have the capability and experience to promote and run the business efficiently. With the motivation and support of their executives and workers, they look forward to attain sustainable growth. For overall operation Currently the company has around 833 staff & workers and employees.

9.5 Profile of Board of Directors

The company's Board of Directors (BoD) comprises of six members. The BoD with expertise is a key source of guidance to the management. As of 30 June, 2021 the Board of Directors of National Polymer Industries Limited are:

Table 14: Board of Directors

Name	Designation	Qualification	Experience (In Years)
Mr. Golam Murshed	Chairman	BA	48 Years
Mr. Riad Mahmud	Managing Director	B.Sc. in Chemical Engineering, MBA	20 Years
Mr. Nuruzzaman Khan	Nominated Director	MBS Econ. (RU)	31 Years
Mr. Dr. Mohammad Mahboob Rahman	Independent Director	BS, Ph.D - Decision Sciences (USA)	21 Years
Mr. Mohammed Ariful Islam	Independent Director	BBA(NSU)	17 Years

Brief Profile of Each Director

1. Mr. Golam Murshed | Chairperson of the Board

Mr. Golam Murshed completed his Graduation from the University of Dhaka in 1974. After completing his academic career, Mr. Murshed joined his family business. He is a dynamic businessman and has a vast experience in the Plastic and PVC sector. He is one of the founders of National Polymer Industries Ltd. He has been with National Polymer Industries Ltd. as the Sponsor Director since its inception and has significant contribution towards the development of the Company. Currently, he is performing his duties and responsibilities as the Chairperson of the Board. Apart from National Polymer Industries Limited, Mr. Murshed is the proprietor of "GM Trading", a trading business of plastics raw materials.

2. Mr. Riad Mahmud | Managing Director

Mr. Riad Mahmud obtained his academic qualification on B. Sc in Chemical Engineering from the University of Texas at Austin in 1994 and MBA (Finance) from the University of Melbourne, Australia in 1999. After completing his academic career, Mr. Mahmud worked in senior positions, including as a CEO, in different organizations in Sydney, London and New York. Returning from abroad, Mr. Mahmud, who is also a Sponsor Shareholder of National Polymer Industries Ltd., joined the Board of the Company in 2007 as a Director. He was, subsequently, elected as the Managing Director of the company in 2009. Apart from

National Polymer Industries Ltd., Mr. Mahmud is also the founder of several businesses in other sectors, including the First LEED Gold certified, 100% export-oriented footwear factory in Bangladesh, Shoeniverse Footwear Ltd. He is also the founder of Gasko Industrial Services Company, the largest Gas Extraction Contractor for some of the Gas Blocks in Bangladesh. Mr. Mahmud is also the Managing Director of National Fittings and Accessories Ltd. and NPOLYMER Construction Ltd. He is the Vice Chairman of Diamond Life Insurance Company Ltd. Additionally, Mr. Mahmud is also a visiting faculty at the School of Business and Economics at North South University, the most prestigious private University in Bangladesh.

He is currently the Vice President of Bangladesh Association of Publicly Listed Companies (BAPLC) and is also a member of the Executive Committee of Bangladesh Plastics Goods Manufacturers and Exporters (BPGMEA), Korea-Bangladesh Chamber of Commerce and Industry (KBCCI) and General Body Member of FBCCI. He also has memberships in the following:

- American Society of Chemical Engineers, the Governing Body of Capital Market Stabilization Fund (CMSF)
- Board of Trustees of Bangladesh Academy for Securities Markets, which is the Academic Wing of Bangladesh Securities and Exchange Commission (BSEC)
- DTC Establishment Committee, established by the Ministry of Commerce of the People's Republic of Bangladesh with support from The World Bank, which is tasked with implementing Export Competitiveness for Jobs (EC4J) Project. The EC4J is designed to enhance growth and competitiveness of priority sectors, and to create more and better job opportunities.

Mr. Mahmud is the Honorary Consul of The Republic of Georgia, appointed by the People's Republic of Bangladesh and the Government of the Republic of Georgia.

3. Mr. Nuruzzaman Khan | Director, Nominated by ICB

Mr. Nuruzzaman Khan completed his Post Graduation in Economics from the University of Rajshahi in 1989 and started his career with the Investment Corporation of Bangladesh (ICB), the state owned renowned financial institution in Bangladesh, in the same year. He also obtained Diploma in banking from the Institution of Bankers Bangladesh. He enriched his career through obtaining various training programs offered by different organizations at home and abroad. Currently, Mr. Khan is holding the position of General Manager in the Investment Corporation of Bangladesh (ICB). He joined the Board of National Polymer Industries Ltd. on May 28, 2018 as the Nominated Director and discharging his duties and responsibilities to the Board as an active participant.

4. Mr. Mohammed Ariful Islam | Independent Director

Mr. Mohammed Ariful Islam, son of Mr. Aminul Islam and Mrs. Nargis Akhter was born in 1979. He obtained BBA & MBA in Marketing and International Business from the North South University, the most prestigious Private University in Bangladesh. After completing academic career, Mr. Islam entered into the business world and enriched his career working in different business organizations as follows:

Customer Service Officer, HSBC, Bangladesh (May 2003 – Dec 2005);
 Chief Operating Officer, Danish Design House Lid. (March 2006-Jan 2008);
 Chief Operating Officer, Sonia Limited (Feb 2008-July 2009);
 Proprietor, Versatile Trading International (Aug 2008 - Till date);
 Managing Partner, K. P. Petroleum Refineries (Feb 2011 – June 2018);
 Managing Director & CEO, Versatile Automobiles Ltd. (June 2009 – Till date);
 Managing Director, Dhaka Republic (Feb 2014 – Till date);
 Managing Director, Brews & Bites (June 2014 – Till date);
 Managing Director, Chittagong Bull (Jan 2016 –Till date);
 Proprietor, Versatile Property Management Services (April 2018 – Till date).

Mr. Mohammed Ariful Islam is the Member of Bangladesh Reconditioned Vehicles Importers & Dealers Association (BARVIDA), the renowned business association for import, sales and distribution of reconditioned vehicles in Bangladesh.

5. Dr. Mohammad Mahboob Rahman | Independent Director

Dr. Mohammad Mahboob Rahman, Professor of Management of the BRAC University, was born in 1980. He holds BS degree in Business Administration from the University of Central Missouri and Ph.D. from the University of Kansas, USA. Currently, Dr. Rahman has long 20 years of experience in academia in different renowned universities at home and abroad. His educational and professional background is as follows:

Educational Records:

Education Level	Subject	Name of Institution	Duration
BS	Business Administration	University of Central Missouri, USA	1998-2000
Ph.D	Major Area: Decision Sciences Minor Areas: Mathematics, Information Systems	University of Kansas, USA	2003-2006

Professional Records:

Position	Name of Universities	Department	Period
Senior Lecturer	East West University, Dhaka	School of Business	April 2001 – May 2002
Senior Lecturer	BRAC University, Dhaka	Management and Business	Dec 2002 – Aug 2003
Instructor (GTA)	University of Kansas, USA	School of Business	Aug 2004 – May 2005
Assistant Professor	University of Redlands, USA	School of Business	July 2006 – Dec 2007
Assistant Professor	North South University, Dhaka	School of Business and Economics	Dec 2007 – May 2010 and Sep 2011 – Nov 2014
Director	North South University, Dhaka	MBA Programs, School of Business and Economics	Jan 2014 – Dec 2014
Professor	North South University, Dhaka	Management, School of Business and Economics	Dec 2014 – Dec 2018
Director	North South University, Dhaka	EHS Center	June 2014 – Dec 2018
Dean	North South University, Dhaka	School of Business and Economics	May 2014 – Dec 2018
Dean	BRAC University, Dhaka	School of Business	Jan 2019 – Dec 2019
Associate Vice President & Chief of Staff	BRAC University, Dhaka		June 2019 – April 2020
Professor	BRAC University, Dhaka	Management	Jan 2019 – Present
Advisor	BRAC University, Dhaka	Business and Executive Education Program	Jan 2020 – Present
Vice President	BRAC University, Dhaka	Administration	April 2020 – present

Based on his brilliant educational background and professional experience, which complies with Condition No. 1(3)(b)(iv) & 1 (3)(c) of the BSEC's Corporate Governance Code dated June 03, 2018, the Board of Directors of National Polymer Industries Ltd. in its meeting held on April 04, 2021, has appointed Dr. Mohammad Mahboob Rahman as the Independent Director of the Company for the period of 03 (three) years, subject to the approval of the shareholder in the AGM.

9.6 Description of Encumbered and Unencumbered Assets with Value thereof

9.6.1 Encumbered Assets

The debt obligations of National Polymer Industries Ltd. to banks and financial institutions are secured by Specific Leased Assets, Hypothecation and Charge on Fixed and Floating Assets. The following list provides details of the encumbered assets of National Polymer Industries Ltd.

Table 15: Encumbered Plant and Machineries (as of 30 September 2021)

Assets Category	Amount in BDT
Land & Land Dev.	
Cost	27,551,064
Revaluation	510,509,536
Factory Buildings	87,430,405
Plant & Machinery	912,619,910
Godown Shed & Steel Rack	7,074,590
Factory Laboratory	4,870
Factory Boundary Wall	795,217
Generator	8,372,726
Titas Gas Installation	540,452
Furniture & Fixtures	3,138,012
Vehicles	44,372,503
Office Equipment	19,021,367
As at 30 September 2021	1,621,430,651

Table 16: Details of Machineries

uPVC Pipe Production Lines
Mixer SRL-W1000/2000
Mixer M/C V-50
Mixer M/C V-30
Mixer M/C K-120
Mixer M/C K-90
Mixer M/C K-60
Mixer SRL-Z 200/500
Mixer SRL-Z 500/1000
Mixer SRL-Z 300/600
Extruder PXS130/26
Extruder-BEX92/28
Extruder-MD90/25
Extruder-MD90/23

Extruder-BEX68/28
Extruder-BEX52/25
Extruder-BEX52/18
Extruder-SJ90/25
Extruder-SJ75/25
Extrude SJSZ 51/105 (Dual line)
Extrude SJSZ 65/132 (Dual line)
Extruder SJSZ 80/156
PXS 75 /25 parallel twin Screw extruder.
PXS 90/25 parallel twin Screw extruder.
PXS 90/28 parallel twin Screw extruder.
PPR & HDPE pipe production lines
PE315 production line with mixer
HDPE Pipe Production Line
PP-R Pipe production Line
PP-R Pipe production Line
PE630 production line
Electric concealing profiles production line
Extruder SJSZ51/105
Mixer SRL-Z200/500
Filler Master Batch
Extruder ZL75 (Pelletizer)
Mixer SRLZ300/600
Door & Sheet Plant
Extruder SJSZ 55/110
Extruder SJSZ 65/132
Extruder SJSZ 80/156
Extruder SJSZ 80/156(Sheet)
Pelletizer SJ 65/25
Mixer SRL-Z200/500
Mixer SRL-Z300/600
Mixer SRL-Z500/1000
Door & Sheet Printing Line 1000mm
Door & Sheet Printing Line-1300mm
Corner cleaning machine
Double miter saw L-JZ2A-450X3600
Two head welding machine SHZ2HA-260X4000
Glass batten saw SJBW-1800
Profile groove cutting machine
Heat shrinks wrapping machine

EPSON Glass Printing Machine
Single Head CNC Machine (YS-1325C) for engraving design on cosmic door
Hot stamping Printing Machine 1300mm
Heat transparent Printing Machine
Crusher m/c
Pulvarizer m/c
Frame printing m/c
Ceiling m/c SJL 65H
CPVC Pipe Production line
Extruder MD75/30
Suction Hose Plant
Mixer SRL-Z300/600
Extruder SJ65/28 XSJ65/28
Extruder SJ65/28 XSJ45/28
Pelletizer SJ65/28
Extruder SJ50/30
Corrugated pipe extrusion
Garden hose production line

Table 17: Belling Machine

Machine Model
Belling Machine YS630
Sica belling Machine-63-315
Sica belling Machine-32-200
Belling machine -28020
Belling Machine SGK63S
Belling Machine SGK450
Belling Machine SGK160
Belling Machine SGK250
Belling Machine YS250
Belling Machine YS315
Belling Machine (NPIL)

Table 18: Filter cutting, thread cutting

Machine Model
Automatic Filter cutting Machines
Automatic Thread Cutting
Automatic Thread Cutting
Lathe machine-6ft (Thread Cutting)
Lathe machine-6ft, (Thread Cutting)
Automatic Planet cutter 250mm

Chamfering machine (3"-8")
Auto slotting m/c
Lathe machine-10ft
Lathe machine-5ft
CNC Auto Thread

Table 19: Utility

Gas Generator G 3516 (675 KW)
Gas Generator G 3516 (1030 KW)
Diesel Generator DG 3406 (508KW)
Diesel Generator MGS1400C (1.4MW)
Gas Generator G 3516H (2000 KW)
Air Compressor (GA 22+) & GA-15, GA-11
Water chiller
Ink jet printer Machine
Laser printer m/c
Cargo lift (3Ton)
6250KVA, 11KV/0.415KV, 3750KVAR PFI, LT Panel 5000AX2 Nos. with ACB
2500KVA, 11KV/0.415KV, 1500KVAR PFI, LT Panel 4000AX1 Nos. with ACB
8000A LT Panel with ACB and 2000KVAR PFI
Grid (DESCO) Sync. panel
Load shading panel

Table 20: Water Tank

Roto moulding Machine 4A-4000
Pulvarizer MF-750
Pelletizer SJ100/33
Crusher m/c
Roto moulding Machine 3A-3500

Table 21: PVC Reprocessing Machine

Crusher machine
Shredder with Crusher machine
Pulvarizer GSM-560(PVC)
PP Pulvarizer
Crusher m/c

Table 22: QC lab testing equipment

Machine Model
Oven for Heat reversion testing
Hydrostatic Pressure Testing Machine excluding water bath & end plugs. (Model: HYDRO-103-D)
Resistance to Dichloromethane testing Equipment
Vicat softening point test Apparatus (Two Station), Model: Classic-1 with computer interfacing software system
Zero Degree Chamber (Deep freezing Chamber) for impact test
Universal testing Machine (suitable for Tensile, Elongation, Modulus of Elasticity, Flexural, Compression) Model: SDTRX-10KN Twin screws with computer interfacing software system
Gravity test
Opacity tester
New M/C
Electrical muffle furnace unit
Hot water bath

Table 23: Packing Materials production Machinery

Flim blowing machine FB-A1200
Flexo printing machine YT-41000
Bag making machine GFQ-1100
Small crusher m/c
Paper Carton production line
Single facer
Sheet cutter machine
Electrical mill roll stand
The gum mounting machine
Slitter scorer
Semiautomatic slotting machine
Manual stitcher machine

Table 24: Fire hydrant Pumps

Electric driven main pump
Electrical driven jockey pump
Diesel engine driven pump

9.6.2 Unencumbered Assets

National Polymer Industries Limited has unencumbered assets. Please find the break-down of Unencumbered Assets below:

Assets Category	Amount in BDT
Land & Land Dev.	
Cost of 790.25 Dec. land	10,02,29,711
Re-valuation (2015)	6,52,36,400

9.7 Description of Assets and Liabilities

Table 25: Description of Assets (As of June 30, 2021)

Particulars	BDT Crore
Non-Current Assets	223.93
Property, Plant & Equipment	162.36
Capital Work-in-Progress	23.92
Investments	37.65
Current Assets	380.05
Inventories	130.08
Accounts Receivables	116.85
Accrued Interest Receivable on FDR	0.24
Advance, Deposits & Pre-payments	22.62
Advance Income Tax	40.91
Cash & Cash Equivalents	69.35
Total Assets	603.98

Table 26: Description of Liabilities (As of June 30, 2021)

Particulars	BDT Crore
Non-Current Liabilities	153.44
Long Term Loan	21.99
Inter-Company Loan	123.50
Deferred Tax Liability	7.95
Current Liabilities	253.70
Short Term Loan	151.30
Long Term Loan (Current Maturity)	19.16
Bank Overdraft	27.67
Accounts Payable	3.47
Unclaimed Dividend Account	0.53
Inter-Company Loan (Current Maturity)	38.00
Provision for Expenses	2.10
WPPF & Welfare Fund	1.18
Provision for Taxation	10.30
Total Liabilities	407.14

9.8 Description of previously Issued Debt or Equity Securities

National Polymer Industries Limited has previously issued only Ordinary Shares through primary issuances, Rights Share issuances and Bonus shares.

Date of allotment	Particulars	Number of shares Issued (Consideration in cash)	Issue Price	Amount of Share Capital including Share Premium (Taka)
Before Listing				
26.06.1987	First Subscription to the Memorandum & Article of Association at the time of Incorporation	10,000	100	1,000,000
07.12.1988	Further Subscription	40,000	100	4,000,000
24.01.1989	Further Subscription	37,000	100	3,700,000
08.03.1989	Further Subscription	10,000	100	1,000,000
15.08.1989	Further Subscription	3,500	100	350,000
After Listing				
12.12.1991	Rights Issue	33,500	100	3,350,000
16.11.1994	Rights Issue	134,000	100	13,400,000
01.03.2009	Rights Issue	536,000	350 (Including a Premium of Tk. 250)	187,600,000
22.11.2011	Bonus Issue	1,206,000	10	12,060,000
15.10.2012	Bonus Issue	1,386,900	10	13,869,000
28.11.2013	Bonus Issue	1,594,935	10	15,949,350
18.12.2014	Bonus Issue	2,201,010	10	22,010,100
15.12.2015	Bonus Issue	2,597,192	10	25,971,920
15.12.2016	Bonus Issue	3,405,207	10	34,052,070
21.12.2017	Bonus Issue	4,086,248	10	40,862,480
20.12.2018	Bonus Issue	5,393,848	10	53,938,480
15.10.2019	Bonus Issue	6,580,494	10	65,804,940
28.02.2021	Rights Issue	36,491,834	15 (Including a Premium of Tk.5)	547,377,510
Total		65,747,668		1,046,295,850

10 AUDITOR'S REPORTS ALONG WITH AUDITED FINANCIAL STATEMENTS



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**Independent Auditor's Report
 to the Shareholders' of National Polymer Industries Limited
 Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of **National Polymer Industries Limited** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2021, and along with the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements is present fairly, in all material respects, the financial position of the company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

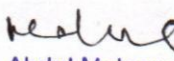
Basis for Opinion


We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition	
Risks	Our Response to the Risks
<p>At year end the company reported total revenue of BDT 4,487,233,362.</p> <p>Revenue is generated from both local and export sales. In which, VAT is applicable only on local sales. Therefore, calculation of VAT return is required for identifying local sales.</p> <p>Sales recognized based on export sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of discounts, incentives and rebates; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;


Md. Abdul Maleque
 Company Secretary
 National Polymer Industries Ltd.


Md. Shawkat Ali Miah, FCA
 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd.


Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.



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<p>recognized resulting from the pressure local management may feel to achieve performance targets.</p> <p><i>[See note 28.00 to the financial statements]</i></p>	<ul style="list-style-type: none"> • Within a number of the company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Existence and Valuation of Inventories	
Risks	Our Response to the Risks
<p>The company had inventories of BDT 1,300,832,835 at 30 June 2021, held in warehouses.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress.</p> <p>The provision of Work in Progress is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error may occur.</p> <p><i>[See note 7.00 to the financial statements]</i></p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches; • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; and • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
Recognition of and Measurement of Property, Plant and Equipment	
Risks	Our Response to the Risks
<p>The carrying value of the PPE is Tk. 1,623,629,173 as at 30 June, 2021. The valuation of PPE excluding land and land development are measured at cost less accumulated depreciation. Land and Land Development are revalued on 4th May 2015 amounting to Tk. 597,312,000.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of useful life of the assets is a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>In order to obtain the completeness and accuracy of the measurement of Property, Plant & Equipment, we have tested the following key control activities:</p> <ul style="list-style-type: none"> • Attends the physical verification of fixed assets. • Checking the fixed assets register for property, plant and equipment. • Assessed the legal right and obligations of property, plant and equipment. • Assessed the control activities of Property, Plant and Equipment. • Assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.



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<p>[See note 4.00 to the financial statements]</p>	<p>Our substantive procedure in relating to the property, plant and equipment recognition and measurements are following:</p> <ul style="list-style-type: none"> • Checked the purchase and adjustments with the relevant bills and vouchers. • Verified the hard copy of fixed assets register. • Verified the calculation process of depreciation. • Checked the appropriateness of presentation and disclosure.
<p>Employees Salary and Wages</p>	
<p style="text-align: center;">Risks</p> <p>Salary and Wages are measured on accrual basis and its allocation in accordance with cost center. Salary and wages are measured when it is paid and payable.</p> <p>[See note 3.29, 29.00 & 30.00 to the financial statements]</p>	<p style="text-align: center;">Our Response to the Risks</p> <p>In order to obtain the accuracy, completeness and correctness of recording of employee's salary and wages, we have followed the following key and control activities:</p> <ul style="list-style-type: none"> • Assessed the provision of salary and wages. • Checking the approval by authorized person. • Assessed properly transfer with bank or cash compare to salary statement. • Assessed the allocation of salary and wages to the cost center appropriately or not. <p>Our substantive procedure in relating to the Salary and wages are following:</p> <ul style="list-style-type: none"> • Verified the provision and payment of total salary and wages. • Checked the salary and wages calculation with appropriate scale. • Tested the salary and wages statement and vouchers properly or advance payment of salary, if any. • Verified the deduction against salary, like tax etc.
<p>Long Term Loan</p>	
<p style="text-align: center;">Risks</p> <p>As at June 30, 2021, the reported amount of total Long Term loan is Tk. 411,498,928 (Current and Non-current portion). The company borrowed fund from various banks for the purpose of acquisition of non-current assets and working capital as well.</p> <p>[See note 17.00 to the financial statements]</p>	<p style="text-align: center;">Our Response to the Risks</p> <p>In order to obtain the accuracy, completeness and correctness of measurement of Long Term Loan, we have followed the following key and control activities:</p> <ul style="list-style-type: none"> • Attend the actual position of loan. • Checking the bank statements. • Checking the loan agreement. <p>Our substantive procedure in relating to the Loan Term Loan recognition and measurement are following:</p> <ul style="list-style-type: none"> • Checked the bank statement also with the opening balance. • Checked the recoding of the transaction.



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	<ul style="list-style-type: none"> • Verified the sanction letter, loan schedule bank statements to confirm the loan outstanding and found the balance shown in the financial statements accurately. • Checked the financial expenses and classification of loan and repayments schedule as well.
Accounts Receivable	
Risks	Our Response to the Risks
<p>The total amounts of accounts receivable is Tk. 1,168,475,262 from local customers in different business segments and jurisdiction are subject to their independent business risk.</p> <p><i>[See note 3.11(a) and 8.00 to the financial statements]</i></p>	<p>In order to obtain the accuracy, completeness and correctness of accounts receivable, we have followed the following key and control activities:</p> <ul style="list-style-type: none"> • Attend the actual position of accounts receivable. • Checking the ledger with schedule. <p>Our substantive procedure in relating to the accounts receivable recognition and measurement are following:</p> <ul style="list-style-type: none"> • Checked the opening balance with the ledger. • Confirmation letters issued to a few numbers of customers for confirming the balance. Confirmation letter have been received from some of that customer.
Management's consideration of the potential impact of COVID-19	
Risks	Our Response to the Risks
<p>Management has made estimates and judgments that there was basically no adverse impact of COVID-19 on the company.</p> <p>In doing so, management have made estimates and judgments that are critical to the outcomes of these considerations with particular focus on the group's ability to continue as a going concern for a period of at least 12 months from the date of the signing of the financial statements.</p> <p>As a result of the impact of COVID-19 on the wider financial markets we have determined management's consideration of the potential impact of COVID-19 (including their associated estimates and judgments) to be a key audit matter.</p>	<ul style="list-style-type: none"> • We obtained management's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy. • We challenged management on the key assumptions included in the scenarios and we subjected management's most recent forecasts to additional stress testing to confirm that both management and the Board have considered a balanced range of outcomes in their assessment of the potential impact of COVID-19. <p>Based on our procedures, we have not identified any matters to report with respect to both management's and the Board's considerations of the potential impact of COVID-19 on the current and future operations of the company.</p>

**SHIRAZ KHAN BASAK & CO.**
CHARTERED ACCOUNTANTS*(An associate firm of D. N. Gupta & Associates)***R. K. TOWER** (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.bd.com**Reporting on other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the company in accordance with IFRSs as explained in note 1 to 3 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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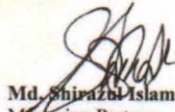
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (iii) the company's statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) The expenditure incurred, except as noted above, were to the purpose of company business.

Dhaka: 21, October 2021



Md. Shirazul Islam Khan, FCA
Managing Partner
Shiraz Khan Basak & Co
Chartered Accountants
ICAB Enrolment No. 461
DVC: 2110260461AS287864

National Polymer Industries Limited
Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	1,623,629,173	1,569,552,476
Investment	5	376,514,587	250,913,536
Capital Work in Progress (CWIP)	6	239,197,593	53,257,593
Total Non-Current Assets		2,239,341,353	1,873,723,605
Current Assets			
Inventories	7	1,300,832,835	1,234,167,895
Accounts Receivables	8	1,168,475,262	731,489,986
Accrued Interest Receivable on FDR	9	2,408,179	3,127,865
Advance, Deposits & Pre-payments	10	226,186,180	131,080,152
Advance Income Tax	11	409,102,775	269,275,136
Cash & Cash Equivalents	12	693,459,809	261,638,140
Total Current Assets		3,800,465,040	2,630,779,173
TOTAL ASSETS		6,039,806,394	4,504,502,778
EQUITY & LIABILITIES			
Shareholders Equity & Reserves			
Share Capital	13	729,836,680	364,918,340
Share Premium	14	316,459,170	134,000,000
Revaluation Reserve	15	496,260,922	496,260,922
Retained Earnings	16	425,835,699	313,904,444
Total Shareholders Equity & Reserves		1,968,392,471	1,309,083,706
Non-Current Liabilities			
Long Term Loan - (Non-Current Maturity)	17	219,900,986	548,895,210
Deferred Tax Liability	18	79,485,014	79,485,014
Inter-Company Loan (Non-Current Maturity)	19	1,235,000,000	-
Total Non-Current Liabilities		1,534,386,000	628,380,224
Current Liabilities			
Short Term Loan	20	1,512,960,991	1,735,882,726
Long Term Loan (Current Maturity)	17	191,597,942	302,996,089
Bank Overdraft	21	276,651,509	311,260,225
Accounts Payable	22	34,726,580	34,372,477
Unclaimed Dividend Account	23	5,287,959	160,154
Inter-Company Loan (Current Maturity)	24	380,000,000	51,900,313
Provision for Expenses	25	21,009,359	27,962,071
WPPF & Welfare Fund	26	11,765,140	10,017,062
Provision for Taxation	27	103,028,442	92,487,731
Total Current Liabilities		2,537,027,922	2,567,038,848
TOTAL EQUITY & LIABILITIES		6,039,806,394	4,504,502,778
Net Asset Value (NAV) Per Share	38	30.49	35.87

The annexed notes form an integral part of these Financial Statements

T. Aze
Chairman

Zilbill
Managing Director

Masum
Company Secretary

Md. Shirazul Islam Khan
Md. Shirazul Islam Khan, FCA
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2110260461AS287864

Dhaka: 21 October 2021



7

National Polymer Industries Limited
Statement of Profit or Loss and Others Comprehensive Income
For the year ended 30 June 2021

Particulars	Note	Amount in Taka	
		30 June 2021	30 June 2020
Revenue	28	4,487,233,362	3,432,956,238
Cost of Goods Sold	29	(3,764,486,550)	(2,830,771,919)
Gross Profit		722,746,812	602,184,319
Administrative, Selling and Distribution Expenses:			
Administrative Expenses	30	(156,028,946)	(142,046,676)
Selling and Distribution Expenses	31	(79,216,737)	(59,951,958)
Profit from Operations		487,501,129	400,185,685
Other Income	32	25,733,128	20,726,731
Foreign Exchange Gain/(Loss)	33	(3,518,595)	(2,053,928)
Finance Expense	34	(262,647,705)	(208,500,195)
Profit before WPPF and Taxation		247,067,957	210,358,293
WPPF and Welfare Fund	35	(11,765,141)	(10,017,062)
Provision for Tax	36	(52,943,134)	(50,085,308)
Net Profit for the Period		182,359,683	150,255,924
Other Comprehensive Income/(Loss) for the Period			
Actuarial Loss on Defined Benefit Plan		-	-
Total Comprehensive Income for the Period		182,359,683	150,255,924
Basic Earnings Per Share (EPS)	37	2.82	4.12
Re-stated Earnings Per Share (EPS) for Right Issue	37	2.82	2.50

The annexed notes form an integral part of these Financial Statements

Chairman

Managing Director

Company Secretary

Dhaka: 21 October 2021

Md. Shirazul Islam Khan, FCA
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2110260461AS287864



National Polymer Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2020	364,918,340	134,000,000	496,260,922	313,904,444	1,309,083,706
Tax Adjustment against assessment (2018-2019 FY)	-	-	-	(15,690,676)	(15,690,676)
Cash Dividend Paid (2019-2020 FY)	-	-	-	(54,737,751)	(54,737,751)
Issue of Share Capital	364,918,340	182,459,170	-	-	547,377,510
Profit Earned during the year	-	-	-	182,359,683	182,359,683
Balance as at 30 June 2021	729,836,680	316,459,170	496,260,922	425,835,699	1,968,392,471

Statement of Changes in Equity
For the year ended 30 June 2020

Particulars	Amount in Taka				
	Share Capital	Share premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2019	299,113,400	134,000,000	496,260,922	236,533,669	1,165,907,991
Profit earned during the period	-	-	-	150,255,924	150,255,924
Payment of Stock Dividend (2018-2019 FY)	65,804,940	-	-	(65,804,940)	-
Tax Adjustment against assessment (2017-2018 FY)	-	-	-	(7,080,209)	(7,080,209)
Balance as at 30 June 2020	364,918,340	134,000,000	496,260,922	313,904,444	1,309,083,706

T. Ate
 Chairman

R. M. H.
 Managing Director

M. A. M.
 Company Secretary

Dhaka: 21 October 2021



M. A. M.
 Md. Abdul Maleque
 Company Secretary
 National Polymer Industries Ltd.

S. A. M.
 Md. Shawkat Ali Miah, FCA
 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd.

R. M. H.
 Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.

National Polymer Industries Limited
Statement of Cash Flows
For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
Cash Flows from Operating Activities			
Collection from Sales and Others		4,073,573,035	3,229,696,135
Payment to Suppliers, Employees and Others		(3,979,917,138)	(2,703,677,856)
		93,655,896	526,018,279
Income Tax Paid	11	(197,920,739)	(127,253,950)
Foreign Exchange Gain/(Loss)		(3,518,595)	(2,053,928)
Financial Expenses		(171,780,000)	(153,685,130)
Net Cash Flows from Operating Activities		(279,563,437)	243,025,271
Cash Flows from Investing Activities			
Payment for acquisition of Property, Plant & Equipment	4.01	(244,022,761)	(133,206,734)
Sale of Fixed Assets		-	470,000
Investment in FDR		(125,601,051)	(133,335,911)
Capital Work in Progress (CWIP)	6	(185,940,000)	-
Net Cash used in Investing Activities		(555,563,812)	(266,072,645)
Cash Flows from Financing Activities			
Proceeds from Long Term Loan		1,091,806,206	376,592,777
Payment of Long Term Loan		(1,532,198,577)	(468,522,088)
Proceeds from Right Issue		547,377,510	-
Short Term Loan- Increase/(Decrease)		(257,530,451)	259,231,104
Cash Dividend Paid (2019-2020 FY)		(54,737,751)	-
Inter Company loan		1,563,099,687	(28,118,691)
Interest Paid on Long Term Loan		(90,867,705)	(54,815,065)
Net Cash Flows/ (used) from Financing Activities		1,266,948,919	84,368,037
Net Increase/(Decrease) in Cash during the year		431,821,669	61,320,663
Opening Cash & Cash Equivalents		261,638,140	200,317,476
Closing Cash & Cash Equivalents	12	693,459,809	261,638,140
Net Operating Cash Flow per Share	39	(4.33)	6.66

The annexed notes form an integral part of these Financial Statements

Chairman

Managing Director

Company Secretary

Dhaka: 21 October 2021



National Polymer Industries Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2021

1.00 Reporting Entity

1.1 Profile of the Company

1.1.1 Legal Status of the Company

National Polymer Industries Limited (the "Company") was incorporated under the Companies Act 1994 as a Public Limited Company by shares on June 26, 1987 and its shares are listed in the Stock Exchange (both in Dhaka and Chittagong Stock Exchange Ltd.) in Bangladesh during the year 1991 and 1995 respectively.

1.1.2 Address of Registered Office and Principal Place of Business

The Company's registered office is located at Squib Road, Nishatnagar, Tongi, Gazipur.

1.1.3 Nature of Business

The company owns and operates PVC Pipes, PVC Doors and Bottle grade PVC Compound Manufacturing Plant, produces and markets the same in the local and foreign markets.

1.1.4 Number of Employees:

The number of employees at year-end were 1007 and Board of Directors 06.

2.00 Structure, Content and Presentation of Financial Statements

Being the general purpose Financial Statements, the presentation of these Financial Statements is in accordance with the guidelines provided by IASs 1: "Presentation of Financial Statements". A complete set of Financial Statements comprise:

- (i) Statement of Financial Position as at June 30, 2021;
- (ii) Statement of Profit or Loss and Others Comprehensive Income for the year ended June 30, 2021;
- (iii) Statement of Changes in Equity for the year ended June 30, 2021;
- (iv) Statement of Cash Flows for the year ended June 30, 2021; and
- (v) Notes to the Financial Statements for the year ended June 30, 2021.

3.00 Significant Accounting Policies

3.01 Basis of Measurement of Elements of Financial Statements

The Financial Statements have been prepared in the historical cost basis, and therefore, do not taken into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of previous years.

3.02 Reporting Period

The Financial Statements covers the period from 1 July 2020 to 30 June 2021.

3.03 Statement on Compliance with Local Laws

The Financial Statements have been prepared in compliance with disclosure and presentational requirements:

- The Securities & Exchange Rules, 1987;
- International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) as applicable in Bangladesh;
- Financial Reporting Act, 2015;
- The Listing Rules of Dhaka Stock Exchanges Ltd.;
- The Listing Rules of Chittagong Stock Exchanges Ltd.;
- The Companies Act 1994;
- Income Tax Ordinance 1984 and Rules;
- VAT Act 2012;
- VAT Rules 2012;
- Other relevant local laws and rules.

3.04 Going Concern

As per IASs-1, a company is required to assess at the end of each year to make assessment of its capability to continue as going concern. Management of the company makes such assessment each year. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the Financial Statements.

3.05 Accrual Basis

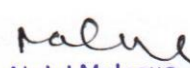
The Financial Statements have been prepared, except for Cash Flow Statements, using the accrual basis of accounting.

3.06 Use of Estimates and Judgments

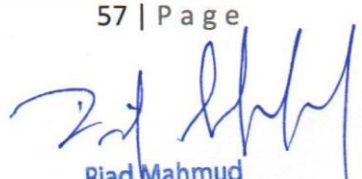
The preparation of Financial Statements in conformity with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) requires the management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income(loss) that are reported in the Financial Statements and accompanying disclosures.

These estimates are based on management's best knowledge of current events, historical experience, actions that the company may undertake in future and on various other assumptions that are believed to be reasonable under circumstances.




Md. Abdul Maleque
 Company Secretary
 National Polymer Industries Ltd.


Md. Shawkat Ali Miah, FCA
 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd.


Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd

3.07 Property, Plant & Equipment (PPE)

Property, Plant & Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the company and the cost of the assets can be reliably measured. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

Subsequent Costs

The cost of replacing part of an item of Property, Plant and Equipments is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in the Statement of Comprehensive Income as incurred.

Depreciation

Depreciation is provided on the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IASs 16. Property, Plant and Equipment Depreciation is charged on addition during the period when it is available for use. Depreciation is charged on all fixed assets except land and land development on reducing balance method at the following rates:

Particular of Assets	Rate of Depreciation
Factory Building, Factory Laboratory	20%
Office, Administrative & Godown Shed	10%
Factory Boundary Wall	10%
Plant and Machinery & Local Machinery	20%
Furniture and Fixtures	10%
Office Equipment	10%
Vehicles	20%
Titas Gas Installation	10%
Gas Generator & Diesel Generator	20%
Machine Shed & Steel Rack	10%

Retirements and Disposals

When fixed assets are sold, the cost and accumulated depreciation are eliminated and revenue gain or loss (if any) is reflected in the Statement of Comprehensive Income that is determined on the basis of net book value of the assets and net sales proceeds or realized amount.

3.08 Accrual basis of Capital Work in Progress:

Capital work in progress consists of acquisition costs of plant and machinery, capital components and related installation cost until the date placed in service. In case of import of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the company, that is, at the time of shipment is confirmed by the supplier.

3.09 Application of Standards

Status of application of IASs and IFRSs is presented below of the company for the period under audit:

Name of the Accounting Standards	Ref.	Status
First-time adoption of International Financial Reporting Standards	IFRSs-1	Not applicable
Share Based Payment	IFRSs-2	Not applicable
Business Combinations	IFRSs-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRSs-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRSs-6	Not applicable
Financial Instruments: Disclosures	IFRSs-7	Applied
Operating Segments	IFRSs-8	Not applicable
Financial Instruments	IFRSs-9	Applied
Consolidated Financial Statements	IFRSs-10	Not applicable
Joint Arrangements	IFRSs-11	Not applicable
Disclosure of Interest in other Entities	IFRSs-12	Not applicable
Fair Value Measurement	IFRSs-13	Not applicable
Regulatory Deferral Accounts	IFRSs-14	Not applicable
Revenue from Contracts with Customers	IFRSs-15	Applied
Leases	IFRSs-16	Not applicable
Insurance Contracts	IFRSs-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IASs-8	Applied



Events after the Reporting Period	IASs-10	Applied
Income Taxes	IASs-12	Applied
Property, Plant and Equipment	IASs-16	Applied
Employee Benefits	IASs-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IASs-20	Applied
The Effects of Changes in Foreign Exchange Rates	IASs-21	Applied
Borrowing Costs	IASs-23	Applied
Related Party Disclosures	IASs-24	Applied
Investments in Associates	IASs-28	Not applicable
Earnings per Share	IASs-33	Applied
Interim Financial Reporting	IASs-34	Applied
Intangible Assets	IASs-38	Not Applicable
Financial Instruments: Recognition and Measurement	IASs-39	Applied
Investment Property	IASs-40	Not applicable
Agriculture	IASs-41	Not applicable

3.10 Inventory

Inventories are measured at lower of cost and net realizable value in accordance with IASs-2 (Inventories). The cost of inventories includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Raw materials in transit are valued at cost. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The weighted average cost method has been used to determine the value of inventory.

3.11 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset to one party and a financial liability or equity instrument to another party.

i) Financial Assets:

Financial assets of the company include cash and cash equivalent, trade and other receivables, other long term receivables and deposits. The company initially recognizes the financial assets when and only when the company becomes a party to the contractual provisions of the transaction. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transactions. The company derecognizes the financial asset when and only when the contractual rights or probabilities of receiving the flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

i(a) Accounts Receivables:

These are carried at original invoice amount. This considered good and collectable, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

i(b) Cash and Cash Equivalents:

According to IASs 7 "Statement of Cash Flows", cash comprises cash in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IASs 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IASs 7 and IASs 1 cash in hand and bank balances have been considered as cash and cash equivalents.

Other Current Assets:

Other current assets have a value on realization in the ordinary course of business that is at least equal to the amount at which they are stated in the Statement of Financial Position.

ii) Financial Liabilities:

The company initially recognizes the financial liabilities when and only when the company becomes a party to the contractual provisions of the transaction. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities include payable for expenses, liability for capital expenditures, Finance lease obligation, loans and borrowings and other current liabilities.

ii(a) Finance Lease Obligation:

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.



Md. Abdul Maleque
 Company Secretary
 National Polymer Industries Ltd

Md. Shawkat Ali Miah, FCA
 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd.

Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd

ii.(b) Loans and Borrowings:

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of Statement of Financial Position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

ii.(c) Accounts Payables:

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

3.12 Impairment:

i. Financial Assets

Trade receivable is assessed at each reporting date to determine whether there is objective evidence that it is impaired. Trade receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the assets and that the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

ii. Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.13 Taxation

Income tax expense comprises of current and deferred taxes. It is recognized in the Statement of Comprehensive Income and accounted for in accordance with the requirements of IASs 12: Income Taxes.

i. Current Taxation

The tax currently payable is based on the Taxable profit for the year and any adjustment to tax payable in respect of previous year. The company is a Publicly Traded Company. As per the Income Tax Ordinance, 1984 the rate of taxation applied at the rate of 22.50%.

ii. Deferred Taxation

The company does not require to compute deferred tax on PPE, because it charges depreciation as per method, conditions and rate(s) as specified in the 3rd Schedule of the Income Tax Ordinance, 1984. Depreciation has been charged on all items of Fixed Assets except for Land and Land Development on **Reducing Balance Method**. During the period, there were no temporary difference/s between Tax Base and Carrying Amount of an Asset or Liability.

3.14 Revaluation Reserve

Revaluation reserve arose from the revaluation of land and land development which were revalued on 25th June 2006 by M/S. GEOTECH Survey company (pvt) Ltd, a firm of professional valuers on the basis of market price prevailing in the country. The difference between revaluation and actual book value has been reported in accounts under the head Revaluation Reserve.

The company has revaluated (under 'Fair Value' method) its own land in the year of 2015 located at Squib Road, Tongji Industrial Area, Gazipur by independent valuer Mahfel Huq & Co. The area of the land is 311.10 Decimals. Book value of the land was Taka 67,411,905. After valuation, this is increased to 597,312,000. Revalued amount is Taka 529,900,095.

Particulars	2020-21	2019-20
Revalued Amount as on 4 May 2015	597,312,000	597,312,000
Book Value as on Revaluation date	(67,411,905)	(67,411,905)
Revaluation Reserve without Charging Capital Gain	529,900,095	529,900,095
Deferred Tax Liability @15% on Tk. 529,900,095	(79,485,014)	(79,485,014)
	450,415,081	450,415,081
Add: Opening Balance of Revaluation Reserve	45,845,841	45,845,841
Revaluation Reserve	496,260,922	496,260,922

3.15 Tax Holiday Reserve:

The company enjoyed five years Tax Holiday for unit-I up to February 28, 1995 while for Unit-II for a period of five years ended on April 30, 2000, Unit III for a period of five years ended on June 30, 2003 and Unit IV for a period of five years ended on December 31, 2005. Currently not enjoying Tax Holiday Benefit.

3.16 Foreign Currency Translation:

Transactions denominated in foreign currencies are translated into Bangladeshi Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IASs 21 "The Effects of Changes in Foreign Exchange Rates".



Md. Abdul Maleque
 Company Secretary
 National Polymer Industries Ltd.

Md. Shawkat Ali Miah, FCA
 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd.

Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.

3.17 Provisions, Accrued Expenses and Other Payables

Provisions and accrued expenses are recognized in the Financial Statements in line with the International Accounting Standard (IASs) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

3.18 Contingent Liabilities

The Company does not have any contingent liabilities as on the reporting date.

3.19 Revenue (Turnover) From Sales

Net sale comprises the invoiced value of goods supplied by the company and consists of Sales of manufactured goods excluding Value Added Tax (VAT).

Revenue Recognition

The revenue is recognized after satisfying all the following conditions for revenue recognition as provided in IFRSs 15 "Revenue Recognition":

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - The Company retains neither continuing managerial involvement to the degree usually associated ownership nor effective control over the goods sold;
 - The amount of revenue can be measured reliably;
 - It is probable that the economic benefits associated with the transaction will flow to the company;
 - The cost incurred or to be incurred in respect of the transaction can be measured reliably.
- Other non-operating income has been recognized on accrual basis.

3.20 Borrowing Cost:

Borrowing cost is recognized as expense in the period in which they are incurred unless capitalization of such is allowed under IASs-23 Borrowing cost.

3.21 Earnings Per Share:

The Company calculates Earnings Per Shares (EPS) in accordance with IASs 32 & 33 "Diluted Earnings Per Share" & "Earnings per Shares" which has been shown on the face of Statement of Comprehensive Income and, the computation of EPS is stated in Note 37. Earning per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 30 June 2021 as per IASs-33 "Earnings per Shares".

3.22 Basic Earnings / Loss:

This represents earnings / loss for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit / loss after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.23 Diluted Earnings Per Share:

The Company issued 1:1 right share to the share holder as per approval of Bangladesh Security Exchange Commission (BSEC). Approval Consent Ref. No. BSEC/CI/RI-123/2019/293 Dated: 15 December 2020. As per IASs 32 the Company calculated Diluted Earning Per Share based on subscription dated 28.02.2021 and theoretical ex-rights fair value method.

3.24 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IASs 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987 and considering the provision of Paragraph 19 of IASs 7 which provides that "Enterprise are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

3.25 Dividend for the 2020-2021

After the reporting period, the Board of Directors recommended 10% Cash dividend per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

3.26 Events after the Reporting Period:

Events after the reporting period that provide additional information about the company's position at the date of statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting that are not adjusting events are disclosed in the notes when material.

3.27 Post Closing Events

After the reporting period, the Board of Directors recommended 10% Cash dividend per share. The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.



3.28 Human Resources

Particulars	2020-21	2019-20
Officers	379	338
Staff	186	183
Skilled and unskilled workers	442	312
Total	1007	833

3.29 Employee Benefit

i. Defined Contribution Plan

The Company maintains a recognized provident fund @ 10% of basic pay (equally contributed by employee and employer) for all eligible permanent employees. The said fund is managed by a board of trustees.

ii. Defined Benefit Plan

The Company maintains an unfunded gratuity scheme and deduct when retirement benefits are paid by the company. The employees are entitle to gratuity benefit after completion of minimum 5 years service in the company.

iii. Employee's Group Insurance

The company has also a group insurance scheme for its permanent employees, premium for which is being charged to Statement of Comprehensive Income annually as per the insurance policy.

3.30 Advertisement, Publicity & Promotional Expenses:

All costs associated with advertising and promoting products are expensed in the year it incurred.

3.31 Additional Information on Financial Statements:

i. Responsibilities for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards Committee (IASC).

ii. Risk and Uncertainties for use of Estimates in Preparation of Financial Statements:

The preparation of financial statements in conformity with the International Accounting Standards (IASs) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as long term contract, depreciation and amortization, taxes, reserves, employee benefits and contingencies.

iii. Compliance with the International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with the requirements of the IASs and IFRSs as applicable in Bangladesh. The title and format of these Financial Statements follow the requirements of IFRSs / IASs which are to some extent different from the requirements of the Companies Act 1994. However, such differences are not material and in the view of Management IFRSs / IASs titles and format give better presentation to the shareholders.

3.32 Authorization for Issue:

These Financial Statements have been authorized for issue by the Board of Directors of the Company on 21 October, 2021.

3.33 Segment Reporting:

As there is a single business within which the company operates as such no segment reporting is felt necessary.

3.34 Comparative Information:

Figures of the year 2019-2020 have been rearranged and regrouped whenever considered necessary to ensure comparability with the current period. The disclosures in the Financial Statements, in all materials respects, are in accordance with International Accounting Standards (IASs).

3.35 Offsetting:

Financial assets and liabilities are offset and the net amount is reported in the Financial Statements only when there is legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.36 Materiality and Aggregation:

Each material item has been presented separately in company's Financial Statements. Immaterial amounts have been aggregated with the amounts of similar nature or function.

3.37 Reporting Currency

The Financial Statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.



3.38 Directors' Responsibility Statement

The Board of Directors is responsible for the preparation and presentation of the Financial Statements under section 183 of the Companies Act, 1994 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements' issued by the International Accounting Standards Committee (IASC).

3.39 Regarding tax depreciation and accounts depreciation:

The Company doesn't require computing deferred tax because the company charges depreciation as per depreciation rate/s mentioned in the third schedule of the ITO 1984. So, there is no temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements. Both Depreciation Rate given below:

Particular of Assets	Depreciation Rate as per book of Accounts	Depreciation Rate as per Third Schedule
Factory Building, Factory Laboratory	20%	20%
Office, Administrative & Godown Shed	10%	10%
Factory Boundary Wall	10%	10%
Plant and Machinery & Local Machinery	20%	20%
Furniture and Fixtures	10%	10%
Office Equipment	20%	20%
Vehicles	20%	20%
Titus Gas Installation	10%	10%
Gas Generator & Diesel Generator	20%	20%
Machine Shed & Steel Rack	10%	10%

3.40 Deviation of Revenue & EPS:

Due to COVID-19 Pandemic high price of Raw materials COGS increased from 82.46% to 83.89% and increase number of outstanding shares for right issue EPS is affected/deviated negatively than comparative year.

3.41 Deviation of NOCF:

Net Operating Cash Flows is just the resultant figure of Cash Inflows and Outflows from Operating Activities. Therefore, Net Operating Cash Flows increases, if only Cash Inflows is higher than Cash Outflows in a particular period and vice versa. Net Operating Cash Flows has been decreased because of Cash Outflows for the reported period was higher than Cash Inflows and the main reasons are –
Due to COVID-19 Pandemic Payment to Suppliers and Others has been increased significantly than Comparative period.

3.42 General

- i. Figures have been rounded off to the nearest taka.
- ii. Previous period's/year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.
- iii. The Company publishes its quarterly accounts as per IASs 34 "Interim Financial Reporting" and the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018.



Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd

Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

National Polymer Industries Limited
As at and for the year ended 30 June 2021

Note 4.00 : Property, Plant and Equipment

Assets Category	COST (Taka)		DEPRECIATION (Taka)		Written Down Value as on 30.06.2021
	As on 01.07.2020	Additions during the Year	Adjustment/ Sales during the Year	Charged during the Year	
Land & Land Dev.	28,751,064	20,867,511	-	-	49,718,575
Cost	575,745,936	-	-	-	575,745,936
Revaluation	216,695,142	-	-	-	216,695,142
Factory Buildings	1,771,005,822	212,241,080	-	23,008,001	1,983,246,901
Plant & Machinery	35,174,845	-	-	154,857,126	1,151,577,317
Godown Shed & Steel Rack	179,420	-	-	806,221	27,918,855
Factory Laboratory	4,045,053	-	-	1,281	174,294
Factory Boundary Wall	82,519,490	-	-	90,623	3,229,445
Generator	2,288,132	-	-	2,203,349	815,608
Tires Gas Installation	7,150,073	417,200	-	61,590	7,306,094
Furniture & Fixtures	106,914,613	7,462,800	-	1,733,822	1,133,822
Vehicles	44,338,799	2,934,170	-	310,797	4,352,962
Office Equipment	2,874,808,389	244,022,761	-	6,811,274	79,669,516
As at 30 June 2021	2,717,012,859	159,435,530	2,040,000	1,89,946,064	1,495,201,976
As at 30 June 2020	2,874,808,389	2,874,808,389	-	1,612,181	1,305,255,912

Depreciation allocated to :

Cost of Goods Sold (Note- 29.03) 181,028,192
Administrative Expenses (Note- 30.00) 8,917,872
189,946,064



Md. Abdul Maleque
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Company Secretary
National Polymer Industries Ltd

Md. Shawkat Ali Miah
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General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd

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Riad Mahmud
Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

	Amount in Taka	
	30 June 2021	30 June 2020
4.01 Property, Plant & Equipment		
Opening Balance	2,874,808,389	2,717,012,859
Addition during the year	244,022,761	159,835,530
	-	(2,040,000)
Cost as at 30 June 2021	3,118,831,149	2,874,808,389
Accumulated Depreciation	(1,495,201,976)	(1,305,255,912)
Closing Balance (Details in Note- 3.07 & 4.00)	1,623,629,173	1,569,552,476

Depreciation is charged on all Fixed Assets except for Land and Land Development on reducing balance method.

5.00 Investment		
FDR in Uttara Finance & Investment Ltd.	125,668,536	115,077,625
Addition During the year	10,139,151	10,590,911
	135,807,687	125,668,536
FDR in IPDC	75,245,000	2,500,000
Addition During the year	2,205,833	72,745,000
	77,450,833	75,245,000
FDR in SCB	50,000,000	50,000,000
FDR in One Bank	113,256,067	-
	376,514,587	250,913,536

Name of Institute	FDR No.	Principal	Interest Rate	Branch	Maturity Date
Uttara Finance & Investment Ltd.	10224/17	135,807,687	9.00%	Gulshan	31 May 2022
IPDC Finance Limited	2592	2,745,000	5.25%	Gulshan	08 July 2022
IPDC Finance Limited	8901	8,104,500	5.75%	Gulshan	13 Jan 2022
IPDC Finance Limited	7574	8,206,250	6.50%	Gulshan	26 Nov 2021
IPDC Finance Limited	2590	5,492,500	5.75%	Gulshan	01 Aug 2021
IPDC Finance Limited	1625	2,902,583	5.75%	Gulshan	28 May 2022
IPDC Finance Limited	8684	50,000,000	5.25%	Gulshan	11 May 2022
Standard Chartered Bank Ltd.	8138	50,000,000	5.25%	Gulshan	23 June 2022
One Bank Limited	2198	9,359,605	4.60%	Bananai	15 Sep 2021
One Bank Limited	2187	89,400,820	4.60%	Bananai	15 Sep 2021
One Bank Limited	2201	14,495,643	4.60%	Bananai	15 Sep 2021

6.00 Capital Work in Progress (CWIP)		
Capital Machinery in Transit	112,100,000	-
Transferred to Plant and Machinery during the year	-	-
	112,100,000	-
Opening Civil Construction	53,257,593	79,886,389
Civil Construction in Progress during the year	2,556,000	-
Transferred to Factory Buildings & Land during the year	-	(26,628,796)
	55,813,593	53,257,593
Advance for Land & Land Development	71,284,000	-
	71,284,000	-
	239,197,593	53,257,593

7.00 Inventories		
Raw Materials	593,315,462	567,342,309
Work in Process	40,812,317	41,518,125
Finished Goods	453,560,136	420,293,876
Stores and Spares	12,479,481	11,885,220
Stock in Transit	196,892,748	189,535,326
Packing Materials	3,772,691	3,593,040
	1,300,832,835	1,234,167,895

8.00 Accounts Receivables		
Receivables against Sales	1,168,475,262	731,489,986
	1,168,475,262	731,489,986

Day Range	Amount in Taka	Amount in Taka
Below 30 days	655,631,470	359,107,328
Below 90 days	411,186,445	284,763,209
Below 180 days	95,814,971	65,714,587
Above 180 Below 1 Year	5,842,376	21,904,862
Total	1,168,475,262	731,489,986

- a) This is unsecured, considered good and is falling due within one year
 b) No amount is considered doubtful or bad and therefore no provision is made in the Financial Statements
 c) No amount is due by any Director or other Officer of the company and any of them severally or jointly with any other person.



	Amount in Taka				
				30 June 2021	30 June 2020
	Interest Rate	FDR No.	Maturity Date	30 June 2021	30 June 2020
9.00 Accrued Interest Receivable on FDR					
Utara Finance & Investment Ltd	9.00%	10224/17	31 May 2022	1,018,558	1,073,419
IPDC Finance Limited	5.25%	2592	08 July 2022	140,910	-
IPDC Finance Limited	5.75%	1625	28 May 2022	41,423	16,356
IPDC Finance Limited	5.75%	8901	13 Jan 2022	218,890	315,000
IPDC Finance Limited	6.50%	7574	26 Nov 2021	212,224	470,313
IPDC Finance Limited	5.75%	2590	01 Aug 2021	152,990	504,167
IPDC Finance Limited	5.25%	8684	11 May 2022	357,292	697,569
Standard Chartered Bank Ltd.	5.25%	8138	23 June 2022	51,042	51,042
One Bank Limited (Six Months)	4.60%	2198	15 Sep 2021	17,755	-
One Bank Limited (Six Months)	4.60%	2187	15 Sep 2021	169,596	-
One Bank Limited (Six Months)	4.60%	2201	15 Sep 2021	27,499	-
				2,408,179	3,127,865
10.00 Advance, Deposit & Pre-payments					
Advance to Suppliers					
Opening Balance				15,636,539	58,047,195
Add: During the Year				2,254,200	27,528,304
Bill Adjustment				(11,190,234)	(69,938,960)
				6,700,505	15,636,539
Advance to Employee				7,564,452	7,408,866
Advance against Brand Development				5,796,351	4,954,155
Other Advances				1,410,245	1,396,282
				21,471,553	29,395,842
Deposits:					
Security Deposit				3,859,800	3,859,800
Margin, Tender Earnest Money & other Deposits				52,508,564	15,786,386
Deposit for Utilities				3,976,619	11,800,241
				60,344,983	31,446,427
Prepayments:					
Prepaid Rent				27,681,007	29,137,902
Value Added Tax (VAT)				116,688,627	41,099,982
				144,369,634	70,237,884
				226,186,180	131,080,152
a) Employees advance of Tk. 7,564,452 includes advance to officers mostly for official purpose.					
b) No amount is due by the Directors, including Managing Director or officer of the company and any of them severally or jointly with any other person except as stated in (a) above.					
11.00 Advance Income Tax					
Opening balance				269,275,136	368,995,204
AIT Paid at Port (Import Stage)				170,110,167	110,248,869
AIT Paid at Port (Export, Local & Others)				25,015,187	16,668,081
AIT on Vehicles				504,000	337,000
AIT on Bangladesh Bank Cash Assistance				784,765	472,094
AIT on FDR interest				1,506,620	1,207,046
AIT Refund up to 2018 FY				-	(195,122,655)
Prior Year Adjustment on Income Tax Assessment (Income Year 2018-2019)				(58,093,099)	-
Prior Year Adjustment on Income Tax Assessment (Income Year 2017-2018)				-	(33,530,504)
				409,102,775	269,275,136
12.00 Cash & Cash Equivalents					
Cash in Hand				3,530,600	2,761,344
Cash at Bank				689,929,209	258,876,796
				693,459,809	261,638,140
12.01 Cash at Bank	Branch	A/C No.			
AB Bank Limited	Gulshan Circle-2	CD-88500		710,382	903,624
Agrani Bank Limited	Amin Court Corp. Br.	COR-03583		44,778	45,468
Agrani Bank Limited	Nawabpur Corp. Br.	COR-06621		479,679	919,220
Bank Asia Limited	Gulshan-1	CD-10829		1,958,326	2,910,566
BRAC Bank Limited	Satmosjeed Road	CD-51001		67,765,620	58,205,581
BRAC Bank Limited	Gulshan Br.	CD-51002		235,686,193	-



			Amount in Taka	
			30 June 2021	30 June 2020
City Bank Limited	Dhanmondi	CD-28001	14,700,975	285,800
Dhaka Bank Limited	Gulshan Circle-2	OD-17574	-	1,921,102
Dhaka Bank Limited	Gulshan Circle-2	CD-1253	494,742	-
Dutch Bangla Bank Limited	Bashundhara	CD-10144	62,010,146	4,028,617
Eastern Bank Ltd.	Gulshan Circle-2	CD-22731	771,534	597,522
IFIC Bank Limited	Moulavi Bazar	CD-21001	-	715,197
IFIC Bank Limited	Moulavi Bazar	CD-143821	680,701	-
Islami Bank Bangladesh Limited	Kawran Bazar	CD-12804	2,731,900	5,301,822
Jamuna Bank Limited	Gulshan	CD-13615	69,476,281	64,527,959
Janata Bank Limited	Alu Bazar	CD-16125	598,760	157,770
Janata Bank Limited	Gulshan-1	CD-71210	399,390	569,551
Modhumati Bank Limited	Gulshan	CD-00070	539,617	6,189,396
Mutual Trust Bank Limited	MTB Center Corp. Br.	CD-05604	356,340	369,590
Mutual Trust Bank Limited	Banani	CD-07295	11,810,476	157,015
National Bank Limited	Gulshan	CD-69629	54,804,779	59,351,502
NCC Bank Ltd.	Dhanmondi	CD-00320	52,632	189,713
One Bank Limited	Dhanmondi	CD-87001	2,603,119	297,932
Premier Bank Limited	Gulshan Circle-2	CD-00033	328,480	196,377
Prime Bank Limited	Motijheel	CD-80705	35,510,548	154,706
Prime Bank Limited	Gulshan Circle-2	CD-22889	55,053,194	6,322,663
Prime Bank Limited	Gulshan Circle-2 (Dividend Acc)	SND-26085	5,127,805	-
Pubali Bank Limited	Gulshan M.T Corp. Br.	CD-28344	1,432,808	1,780,465
Shahjalal Islami Bank Limited	Satmosjeed Road	CD-01639	1,048,437	252,984
Shahjalal Islami Bank Limited	Gulshan-1	CD-0595	8,368	-
Sonali Bank Limited	Lalmatia	CD-08067	752,087	244,543
Sonali Bank Limited	Gulshan-1	CD-0735	4,773,068	-
Standard Bank Limited	Gulshan-1	CD-03814	254,838	366,031
Trust Bank Ltd.	Gulshan Corp. Br.	CD-16474	1,489,885	450,762
United Commercial Bank Limited	Tongi	CD-03100	54,927,745	40,268,203
Uttara Bank Limited	Kalabagan	CD-11673	410,451	840,598
Uttara Bank Limited	Tongi	CD-13797	135,124	354,517
			689,929,209	258,876,796

13.00 Share Capital

Authorized:

300,000,000 Ordinary Shares of Taka 10 each

Issued, Subscribed and Paid-up:

- I) 134,000 Ordinary Shares of Taka 10 each
- II) 134,000 Rights Shares of Taka 10 each (1:1)
- III) 536,000 Rights Shares of Taka 10 each (1:2)
- IV) 6,388,845 Bonus Shares of Taka 10 each
- V) 2,597,192 Bonus Shares of Taka 10 each
- VI) 3,405,207 Bonus Shares of Taka 10 each
- VII) 4,086,248 Bonus Shares of Taka 10 each
- VIII) 5,393,848 Bonus Shares of Taka 10 each
- IX) 6,580,494 Bonus Shares of Taka 10 each
- X) 1:1 Right Shares of Taka 10 each

	3,000,000,000	3,000,000,000
	13,400,000	13,400,000
	13,400,000	13,400,000
	53,600,000	53,600,000
	63,888,450	63,888,450
	25,971,920	25,971,920
	34,052,070	34,052,070
	40,862,480	40,862,480
	53,938,480	53,938,480
	65,804,940	65,804,940
	364,918,340	-
	729,836,680	364,918,340

Composition of Shareholding:

	30 June 2021		30 June 2020	
	Number	%	Number	%
Sponsors/Directors	27,740,987	38.01	15,729,877	43.11
Financial Institutions	7,951,893	10.90	4,631,601	12.69
General	37,290,878	51.09	16,130,356	44.20
	72,983,758	100	36,491,834	100

Name wise shreholding position of Sponsors/ Directors:

Name	Position	Shareholding Qty.	%
Mr. Golam Murshed	Chairman	3,782,840	5.18%
Mr. Riad Mahmud	Managing Director	3,603,773	4.94%
Mr. Rohel Mahmud	Sponsor	726,202	1.00%
Mrs. Razia Morshed	Sponsor	304,082	0.42%
Mrs. Khaleda Akhand	Sponsor	9,069	0.01%
Late Shamsul Abedin Akhand and Mrs. Khaleda Akhand (Joint Account)	Sponsor	3,231,611	4.43%
Mr. Nuruzzaman Khan	Nominated Director	16,083,320	22.04%
Total		27,740,897	38.01%



Classification of Shareholders by holding:

Holdings	Number of Holders		Total Holding (%)	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
1 to 500	3,848	2,210	40.00	47.12
501 to 1,000	1,571	664	16.33	14.16
1,001 to 5,000	2,807	1,280	29.18	27.29
5,001 to 50,000	1,269	466	13.19	9.94
50,001 to above	125	70	1.30	1.49
	9,620	4,690	100.00	100.00

	Amount in Taka	
	30 June 2021	30 June 2020
14.00 Share Premium		
Total 536,000 Shares of Taka 250 each (January 2009)	134,000,000	134,000,000
Total 36,491,834 Shares of Taka 05 each (February 2021)	182,459,170	-
	316,459,170	134,000,000
15.00 Revaluation Reserve		
Opening Balance	496,260,922	496,260,922
Land Revalued during this year	-	-
Deferred Tax on Land Revaluation	496,260,922	496,260,922
	496,260,922	496,260,922
On 4th May 2015, the company has revaluated its own land located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer Mahfel Haq & Co. The area of the land is 311.10 Decimals (Details in Note- 3.14)		
16.00 Retained Earnings		
Opening Balance	313,904,444	236,533,669
Payment of Stock Dividend	-	(65,804,940)
Cash Dividend Paid (2019-2020 FY)	313,904,444	170,728,729
Tax Adjustment against assessment (2018-2019 FY)	(54,737,751)	-
Tax Adjustment against assessment (2017-2018 FY)	(15,690,676)	-
Profit during the year end	-	(7,080,209)
	182,359,683	150,255,924
	425,835,699	313,904,444
17.00 Long Term Loan		
Standard Chartered Bank		
Opening Balance	164,662,475	293,452,041
Received during the year	-	-
Paid during the year	(97,583,547)	(128,789,566)
Current Maturity within one year	67,078,928	164,662,475
	(67,078,928)	(97,583,547)
	-	67,078,928
Eastern Bank Ltd		
Opening Balance	-	247,241,345
Received during the year	-	-
Paid during the year	-	(247,241,345)
Current Maturity within one year	-	-
	-	-
Jamuna Bank Ltd.		
Opening balance	171,952,778	114,849,088
Received during the year	104,356,469	79,669,900
Paid during the year	(276,309,247)	(22,566,210)
Current Maturity within one year	-	171,952,778
	-	(45,264,217)
	-	126,688,561
Mutual Trust Bank Ltd.		
Opening balance	21,154,787	-
Received during the year	213,845,213	23,771,617
Paid during this year	(235,000,000)	(2,616,830)
Current Maturity within one year	-	21,154,787
	-	(8,802,402)
	-	12,352,385
Prime Bank Ltd.		
Opening balance	242,173,933	-
Received during the year	180,356,122	273,151,260
Paid during this year	(78,110,055)	(30,977,327)
Current Maturity within one year	344,420,000	242,173,933
	(124,519,014)	(70,307,434)
	219,900,986	171,866,499



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 National Polymer Industries Ltd.

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 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd

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 Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.

	Amount in Taka	
	30 June 2021	30 June 2020
Uttara Finance & Investment Limited		
Opening balance	251,947,326	288,278,136
Received during the year	554,030,554	-
Paid during this year	(805,977,880)	(36,330,810)
	-	251,947,326
Current Maturity within one year	-	(81,038,489)
	-	170,908,837
Industrial and Infrastructure Development Finance Company Limited (IIDFC)		
Opening balance	-	-
Received during the year	39,217,848	-
Paid during the year	(39,217,848)	-
	-	-
Finance lease-Current Maturity	-	-
	-	-
Standard Chartered Bank	67,078,928	97,583,547
Jamuna Bank Ltd.	-	45,264,217
Mutual Trust Bank Ltd.	-	8,802,402
Prime Bank Ltd.	124,519,014	70,307,434
Uttara Finance & Investment Limited	-	81,038,489
Long Term Loan - (Current Maturity)	191,597,942	302,996,089
Standard Chartered Bank	-	67,078,928
Jamuna Bank Ltd.	-	126,688,561
Mutual Trust Bank Ltd.	-	12,352,385
Prime Bank Ltd.	219,900,986	171,866,499
Uttara Finance & Investment Limited	-	170,908,837
Long Term Loan - (Non-current Maturity)	219,900,986	548,895,210
	411,498,928	851,891,299

Most of the Term Loan was re-paid through Inter-company loan.

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank	Motijheel	CDU/AM/10386879/SAADIQ	23-Aug-2017
Prime Bank Ltd.	Gulshan-1	Prime/CAD/CNIB/2020/747	01-Nov-2020

Security against Facilities

- Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, Prim Bank Limited of which area of Land is 147.70 decimals located at Kathaldia, Tongi, Gazipur.
- Demand Promissory Note & Letter of Continuation.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the Sponsor Directors.

18.00 Deferred Tax Liability

Deferred tax liability has been calculated on the revaluation surplus of land. On 4th May 2015, the company has revalued its own land located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer Mahfel Huq & Co. The area of the land is 311.10 Decimals. Book value of the land was Taka 67,411,905. After valuation, this is increased to 597,312,000. Revalued amount is Taka 529,900,095. The company does not require to compute deferred tax on PPE, because it charges depreciation as per method, conditions and rate/s as specified in the 3rd Schedule of the Income Tax Ordinance, 1984. Depreciation has been charged on all items of Fixed Assets except for Land and Land Development on Reducing Balance Method. During the period, there were no temporary difference/s between Tax Base and Carrying Amount of an Asset or Liability.

	Amount in Taka	
	30 June 2021	30 June 2020
Revaluation Surplus on Land & Land Development	529,900,095	529,900,095
Deferred Tax Liability @ 15%.	79,485,014	79,485,014

19.00 Inter-Company Loan (Non-Current Maturity)

National Fittings & Accessories Limited

Opening Balance	-	-
Received during the year	1,900,000,000	-
Paid during the year	(285,000,000)	-
	1,615,000,000	-
Current Maturity within one year	(380,000,000)	-
	1,235,000,000	-

Company take Intercompany Loan from National Fittings & Accessories Ltd. for settle down higher rate Bank loan and NBFIL loan as per approval a syndicate loan from Standard chartered Bank Ltd.



	Amount in Taka	
	30 June 2021	30 June 2020
20.00 Short Term Loan		
LTR Loan		
Standard Chartered Bank	194,908,264	85,477,822
Jamuna Bank Limited	-	34,965,090
BRAC Bank Limited	64,565,793	13,033,777
Mutual Trust Bank Limited	80,452,500	-
Prime Bank Limited	792,360	-
One Bank Limited	417,971,415	25,977,650
City Bank Limited	-	-
	758,690,332	159,454,339
STF Loan		
Standard Chartered Bank Limited	40,344,385	70,345,879
IPDC Finance Limited	-	100,000,000
IDLC Finance Limited	35,646,504	92,231,967
Jamuna Bank Limited	-	288,725,663
BRAC Bank Limited	43,854,650	27,497,347
Mutual Trust Bank Limited	120,910,763	413,603,193
Prime Bank Limited	158,731,818	-
Utara Finance & Investment Limited	-	564,234,266
United Finance Limited	-	19,790,073
One Bank Limited	249,891,678	-
City Bank Limited	104,890,861	-
	754,270,659	1,576,428,388
	1,512,960,991	1,735,882,726

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank Limited	Motijheel	BAR/10783075/SCB/UC	30 March 2021
Prime Bank Limited	Gulshan-1	Prime/CAD/CNIB/2020/747	01-Nov-2020
Mutual Trust Bank Limited	Banani	MTB/CAD/NPIL/2020/4124	25-Nov-2020
City Bank Limited	New Market	CBI/HO/CAD/2021/429	23-Feb-2021
IDLC Finance Limited	Gulshan	IDLC/CAD/LRCORP/GLN/2020/1612	01-Dec-2020
One Bank Limited	Banani	OBL/BB/CR/SA/152/2021	19-May-2021
BRAC Bank Limited	Shatmosjeed Road	CAD-Dhaka/SH/01161151/2020/0324	15-Sep-2020

Security against Facilities

- Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, Prim Bank Limited of which area of Land is 147.70 decimals located at Kathaldia, Tongi, Gazipur.
- Demand Promissory Note & Letter of Continuation.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the Sponsor Directors.

	Branch	A/C No.	Amount in Taka	
			30 June 2021	30 June 2020
21.00 Bank Overdraft				
Standard Chartered Bank	Motijheel	25801	4,669,372	6,056,002
Jamuna Bank Limited	Gulshan-1	5600	-	302,136,016
BRAC Bank Limited	Satmosjeed Road	51001	-	3,068,207
Prime Bank Limited	Gulshan-1	3032	7,675,536	-
One Bank Limited	Banani	3524	264,306,601	-
			276,651,509	311,260,225
22.00 Accounts Payable				
Payable against Carriage Outwards			1,765,212	1,123,101
Gratuity Payable			2,536,983	2,096,680
Gas Bill Payable			6,384,068	8,851,346
Mobile Bill Payable			495,400	495,163
Directors Remuneration Payable			120,000	120,000
Godown Rent			45,000	42,000
AGM Venue Charge			-	30,000
Electricity Bill			4,033,449	2,349,270
House Rent (Engineers & Officers)			80,000	80,000
Employer's Contribution to Provident Fund			19,266,468	19,184,917
			34,726,580	34,372,477
23.00 Unclaimed Dividend Account				
Opening Balance			160,154	160,154
Unclaimed Cash dividend for the FY-2019-2020			5,127,805	-
*Including interest and other deduction.			5,287,959	160,154



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Riad Mahmud
Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.

		Amount in Taka	
		30 June 2021	30 June 2020
24.00 Inter-Company Loan (Current Maturity)			
Npolymer Construction Limited			
Opening Balance		51,900,313	80,019,004
Received during the year		-	-
Paid during the year		(51,900,313)	(28,118,691)
		-	51,900,313
National Fittings & Accessories Limited			
Current Maturity within one year		380,000,000	-
		380,000,000	51,900,313
25.00 Provision for Expenses			
Accrued Interest on STL & LTL		2,594,942	4,048,489
Staff Salary Payable		16,237,917	14,240,431
Audit Fees		125,000	125,000
Interest payable on Inter-Company Loan		-	7,344,421
VDS payable		1,292,300	1,386,340
TDS Payable		759,200	817,390
		21,009,359	27,962,071
Interest on Inter-Company Loan to be paid at prevailing market rate in according with deed of agreement. In this year there was no due on Interest of Inter-Company Loan.			
26.00 WPPF & Welfare Fund			
Opening Balance		10,017,062	8,926,826
WPPF Disbursed to Beneficiary		(10,017,062)	(8,926,826)
Allocation for the year (Note-35)		11,765,141	10,017,062
		11,765,140	10,017,062
Govt. portion has been paid through Pay Order No. 4808657 Dated: 18.11.2020			
27.00 Provision for Taxation			
Opening Balance		92,487,731	68,852,719
Provision for the year (Note- 36)		52,943,134	50,085,308
Tax Adjustment against assessment (2018-2019 FY)		(42,402,423)	-
Tax Adjustment against assessment (2017-2018 FY)		-	(26,450,295)
		103,028,442	92,487,731
28.00 Revenue			
Net Local Sales, Net off VAT		4,396,583,094	3,372,572,379
Export Sales		90,650,268	60,383,860
		4,487,233,362	3,432,956,238
Supplementary duty is not applicable, VAT on export are zero rated, VAT on local sales are 15% for manufacturer (Section 3 & 7 of VAT Act, 2012)			
Quantity (MT)- Sales		Quantity (MT)	Quantity (MT)
Opening Stock		5,725	5,425
Production during the year		51,120	38,922
Goods available for Sale		56,845	44,347
Closing Stock of Finished Goods		(6,065)	(5,725)
Sale during the year		50,780	38,622



	Amount in Taka	
	30 June 2021	30 June 2020
29.00 Cost of Goods Sold		
Opening Stock of Raw Materials	567,342,309	483,070,824
Purchase during the year	3,404,064,835	2,481,876,064
Closing Stock of Raw Materials	(593,315,462)	(567,342,309)
Raw Materials used in Production	3,378,091,682	2,397,604,579
Manufacturing Overhead	Note-29.03 398,843,964	447,441,874
Consumption of Packing Materials	20,111,356	19,525,588
Total Production Costs	3,797,047,002	2,864,572,041
Opening Work in Process	41,518,125	35,501,254
Closing Work in Process	(40,812,317)	(41,518,125)
Costs of Goods Manufactured	3,797,752,810	2,858,555,170
Opening Stock of Finished Goods	420,293,876	392,510,625
Goods available for Sales	4,218,046,686	3,251,065,795
Closing Stock of Finished Goods	(453,560,136)	(420,293,876)
Cost of Goods Sold	3,764,486,550	2,830,771,919

	2020-2021		2019-2020	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	9,980	567,342,309	8,930	483,070,824
Purchase during the year	56,460	3,404,064,835	43,210	2,481,876,064
	66,440	3,971,407,144	52,140	2,964,946,888
Closing Stock	(9,955)	(593,315,462)	(9,980)	(567,342,309)
	56,485	3,378,091,682	42,160	2,397,604,579

29.02 Closing Stock of Finished Goods (Quantity and Value of each Category) are as follows:

Particulars	30 June 2021		30 June 2020	
	Quantity MT	Value (TK)	Quantity MT	Value (TK)
Finished Goods	6,065	453,560,136	5,725	420,293,876

	Amount in Taka	
	30 June 2021	30 June 2020
29.03 Manufacturing Overhead		
Salary & Wages	66,249,690	57,608,426
C & F Commission Expenses	5,543,338	4,426,080
Conveyance	172,640	93,477
Entertainment & Staff Food	4,812,660	5,210,807
Carriage Inward	551,464	-
House Rent (Engineers & Officers)	1,368,017	1,638,175
Insurance Premium (Fire)	10,894,380	7,790,022
Internet Bill	115,800	-
Labour Charges (Unload)	11,490,768	16,273,599
Land Rent	12,305,558	9,657,402
License and Renewal Fee	741,815	-
Medical Expenses	292,370	254,240
Municipal and Land Tax	1,990,454	-
Office Maintenance Exp.	934,877	-
Papers & Periodicals	94,790	18,650
Postage & Stamps	19,830	22,976
Power & Fuel	96,430,652	133,489,922
Printing Expenses	1,015,735	223,676
Registration and Renewal Fees	33,000	-
Repair and Maintenance	748,978	813,796
Stationery	45,376	3,570
Stores and Spares	126,605	136,178
TA/DA Expenses	39,763	-
Telephone & Mobile Bill	686,357	632,714
Travelling Expenses	161,851	-
Uniform Expenses	13,800	12,000
Vehicle Maintenance	590,204	-
Warehouse Rent	345,000	345,000
Depreciation	181,028,192	208,791,163
	398,843,964	447,441,874



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Riad Mahmud
Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.

		Amount in Taka	
		30 June 2021	30 June 2020
30.00 Administrative Expenses			
Salary & Allowances		82,307,497	78,388,092
Managing Directors' Remuneration & Perquisites	Notes- 41.00	1,440,000	1,440,000
EGM & AGM Exp.		189,840	34,500
Annual Listing Fees		2,787,673	813,168
Audit Fees		125,000	125,000
CDBL Bill & Service Charge		369,815	79,569
Conveyance		314,278	249,397
Credit Rating Service		96,750	103,500
Directors' Board Meeting Fees		373,570	158,700
Donation & Subscription		623,000	1,340,000
Depreciation	Notes- 4.00	8,917,872	10,458,285
Electric,WASA Bills, GAS Bills		1,445,660	1,240,870
Employer's Contribution Recognized Provident Fund		13,829,475	21,944,398
Entertainment		806,208	605,467
Fire Fighting Expenses		113,295	-
Fees & Professional Charges		1,844,245	546,250
Gratuity		3,073,038	-
Expenses for Right Issue and others		7,325,719	-
Fuel Bills for Vehicle		2,484,231	2,585,423
Group Insurance		807,188	799,500
Internet Bill		648,759	-
License Renewal Fee, Rates & Taxes		1,217,760	2,430,678
Medical Expenses		1,200	11,450
Office Maintenance		1,563,068	1,139,336
Office Rent		14,251,260	14,229,180
Papers & Periodicals		11,790	7,351
Courier Expenses		180,856	198,259
Printing Expenses		680,901	655,532
Registration and Renewal Fees		358,315	-
Renovation & Decoration		5,841,214	-
Stationery Expenses		9,290	19,806
Telephone & Mobile Bill		1,021,470	998,131
Training & Development		-	96,175
Vehicle Maintenance		968,710	1,348,659
		156,028,946	142,046,676
31.00 Selling and Distribution Expenses			
Advertisement & Publicity		1,817,495	1,884,943
Conveyance		81,542	68,060
Entertainment		376,529	199,446
Fuel Bills for Vehicle		475,279	679,849
Godown Rent		242,400	462,000
Incentive		2,933,024	2,719,993
Courier Expenses		830,956	450,240
Printing Expenses		928,686	703,808
Promotional Expenses		972,860	1,640,457
Sales Conference/ Meeting		737,162	1,316,767
Stationery Expenses		7,543	683,228
Internet Bill		95,816	-
Telephone & Mobile Bill		3,626,815	3,373,310
Tender & Testing Expenses		563,025	1,061,163
Transport / Carriage Outwards		35,938,655	27,606,096
Traveling Expenses		27,075,585	15,291,547
Vehicle Maintenance		2,513,365	1,811,051
		79,216,737	59,951,958
32.00 Other Income			
Bangladesh Bank Cash Assistance on Export		8,259,753	6,422,840
Interest on Investment		15,065,196	11,133,845
Accrued Interest Receivable on FDR		2,408,179	3,127,865
Gain on Sale of Fixed Assets		-	42,181
		25,733,128	20,726,731



	Amount in Taka						
	30 June 2021	30 June 2020					
33.00 Foreign Exchange Gain/(Loss)							
Foreign Exchange Gain/(Loss)	(3,518,595)	(2,053,928)					
	<u>(3,518,595)</u>	<u>(2,053,928)</u>					
34.00 Financial Expenses :							
Bank Charges	4,783,565	3,280,662					
Interest paid on Inter-Company Loan	7,344,421	-					
Accrued Interest on Inter-Company Loan	-	7,344,421					
Interest on Short Term Loan :							
Interest on OD	48,745,812	39,797,156					
Interest on LTR & STF Loan	108,311,260	99,214,403					
Accrued Interest on STL & LTL	2,594,942	4,048,489					
	<u>171,780,000</u>	<u>153,885,130</u>					
Interest on Long term Loan :							
Interest on Long Term Loan	90,867,705	54,815,065					
	<u>262,647,705</u>	<u>208,500,195</u>					
35.00 WPPF and Welfare Fund							
Profit before WPPF and Tax	247,067,957	210,358,293					
Allocation for WPPF and Welfare Fund @ 5%	<u>11,765,141</u>	<u>10,017,062</u>					
36.00 Provision for Taxation							
Net Profit Before Tax	235,302,816	200,341,232					
Provision for Taxation	<u>52,943,134</u>	<u>50,085,308</u>					
Last year Tax rate was 25% and Current year Tax Rate 22.50% as per Income Tax Ordinance 1984.							
37.00 Earnings Per Share (EPS)							
Net Profit After Tax	182,359,683	150,255,924					
Weighted Average Number of Shares (Note-37.01)	64,555,993	36,491,834					
	<u>2.82</u>	<u>4.12</u>					
Re-stated EPS for Right Issue (Basic EPS/ Adjusting Factor)	<u>2.82</u>	<u>2.50</u>					
37.01 Calculation of weighted average number of shares:							
Dated	Particulars	Number of Shares	Time	Bonus Factor	Adjusting factor for right issue	Outstanding Shares of 30 June 2021	Outstanding Shares of 30 June 2020
01-07-2020	Opening Balance	36,491,834	0.6667	1.65	1.65	40,228,103	36,491,834
28-02-2021	Rights Shares	36,491,834					
30.06.2021	Closing Balance	<u>72,983,668</u>	0.3333			24,327,889	
			<u>1.00</u>			<u>64,555,993</u>	<u>36,491,834</u>
Calculation of Adjusting Factor:							
	Fair/Market value before right share	1	71.6	71.6			
	Exercise Price	1	15	15			
		2		<u>86.60</u>			
	Theoretical Ex-right fair value per share (86.60/2)			43.30			
	Adjusting Factor for Right Issue (71.60/43.30)			<u>1.65</u>			
38.00 Net Asset Value Per Share (NAV)							
Net Asset Value		1,968,392,471				1,309,083,706	
Weighted Average Number of Shares (Note-37.01)		64,555,993				36,491,834	
		<u>30.49</u>				<u>35.87</u>	
39.00 Net Operating Cash Flow Per Share (NOCFPS)							
Net Operating Cash Flow		(279,563,437)				243,025,271	
Weighted Average Number of Shares (Note-37.01)		64,555,993				36,491,834	
		<u>(4.33)</u>				<u>6.66</u>	



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40.00 Net Operating Cash Flow

Under Direct method:

Revenue

Opening Trade Debtors

Closing Trade Debtors

Interest on FDR

Bangladesh Bank Cash Assistance on Export

Collection from Sales and Others

Cost of Goods Sold

Administrative & Selling Expenses

Depreciation

Interest on LTR & STF Loan

AIT Paid at Port (Import / export Stage & Vehicles)

AIT Refund

WPPF Disbursed to Beneficiary

Foreign Exchange Gain/(Loss)

Provision for Expenses

(Increase)/Decrease in Inventories

Increase/(Decrease) in Other Current Liabilities

(Increase)/Decrease in Other Current Assets

Payment to Suppliers, Employees and Others

Net Cash Flows from Operating Activities

Amount in Taka	
30 June 2021	30 June 2020
4,487,233,362	3,432,956,238
731,489,986	510,673,198
5,218,723,348	3,943,629,436
(1,168,475,262)	(731,489,986)
4,050,248,086	3,212,139,450
15,065,196	11,133,845
8,259,753	6,422,840
4,073,573,035	3,229,696,135
(3,764,486,550)	(2,830,771,919)
(235,245,683)	(201,998,634)
189,946,064	219,249,449
(171,780,000)	(153,685,130)
(197,920,739)	(128,933,090)
-	195,122,655
(10,017,062)	(8,926,826)
(3,518,595)	(2,053,928)
(6,952,712)	(8,237,922)
(66,664,939)	(152,720,079)
8,609,772	25,812,502
(95,106,028)	60,472,058
(4,353,136,472)	(2,986,670,865)
(279,563,437)	243,025,271

Net Operating Cash Flows is just the resultant figure of Cash Inflows and Outflows from Operating Activities. Therefore, the main reason for significant deviation in NOCFPS is increase of Accounts Receivable, Short Term Loan interest, AIT paid during the year and also the AIT Refund is Nil which was Tk. 19.51 crore during the previous year.

41.00 Director's Remuneration and Perquisites

Mr. Riad Mahmud

1,440,000	1,440,000
1,440,000	1,440,000

42.00 Capacity Utilization

Capacity of Production in M. Ton per year	Utilization (MT)		Rate	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
(Installed Capacity 58,000 M. Ton Current year, Last year 45,000 M.Ton)	51,120	38,922	88.14%	86.49%

43.00 Contingent Liability:

(I) There was no contingent liability as on 30 June, 2021.

(II) There was no claim against the company, not acknowledged as debt as on 30 June, 2021.

(III) There was no credit facility available to the company under any contract.

(IV) There was no bank guarantee issued by the company on behalf of their directors or the company itself except bank loan.

The following amounts has been demanded by VAT Authority as per their departmental audit objection against which cases have been filed in Tribunal and Court. It is probable that the judgment will be in favour of the company.

Period	Amount	Status
July 1998 to April 2000	5,148,712	Writ petition no. 7442 of 2003 in the Honorable Supreme Court of Bangladesh, High Court Division
January 2006 to June 2008	11,646,222	Writ petition no. 1755 of 2009 in the Honorable Supreme Court of Bangladesh, High Court Division
January 2006 to June 2008	4,545,225	Filed a case with Honorable Appellate Tribunal for proper judgment which is under jurisdiction. Writ petition no. 3217 of 2010 in the Honorable Supreme Court of Bangladesh, High Court Division
July 2008 to December 2008	7,534,439	Writ petition no. 3288 of 2009 in the Honorable Supreme Court of Bangladesh, High Court Division

All of these cases are stayed till disposal of Rule.



Md. Abdul Maleque
Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd

Md. Shawkat Ali Miah, FCA
Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

Riad Mahmud
Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

44.00 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decision and include associated companies with or without common directors and key management personnel. The Company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per IAS 24: Related Party Disclosures.

Related Party & Relationship	Nature of Transactions	Total Transaction 2020-2021	Outstanding Balance	
			2020-2021	2019-2020
Mr. Riad Mahmud, Managing Director (Note- 30.00)	Remuneration	1,440,000	120,000	120,000
Directors Board Meeting Fees		373,570	-	-
National Fittings & Accessories Limited, Npolymer Construction Limited Common Management (Note- 19.00 & 24.00)	Inter-Company Loan Payable	Movement	-	-
	Opening Balance	51,900,313	-	-
	Received during the year	1,900,000,000	-	-
	Paid during the year	(336,900,313)	-	51,900,313
			120,000	52,020,313

45.00 Number of Employees Engaged

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000/- per annum or Taka 3,000/-per month were Nil at the end of June 2021 as against Nil in 2020

The number of employees engaged for the whole year
The number of Board of Directors

1,007 Person	833 Person
6 Person	6 Person
1,013 Person	839 Person



Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd

Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

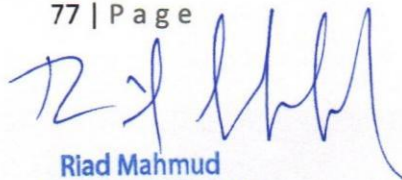
11 COMPARATIVE FINANCIAL STATEMENTS FOR THE LAST 05 (FIVE) YEARS

11.1 Balance Sheet of in BDT Crore (Last 05 years)

NATIONAL POLYMER INDUSTRIES LIMITED					
(In BDT Crore)					
Particulars	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21
Non-Current Assets	124.67	162.97	182.69	187.37	223.93
Property, Plant & Equipment	103.36	143.53	162.94	156.96	162.36
Investment	10.00	10.67	11.76	25.09	37.65
Capital Work-in-Progress	11.32	8.77	7.99	5.33	23.92
Current Assets	159.79	183.25	235.39	263.08	380.05
Inventories	79.39	83.74	108.14	123.42	130.08
Accounts Receivables	23.67	32.13	51.07	73.15	116.85
Accrued Interest Receivable on FDR	0.00	0.00	0.09	0.31	0.24
Advance, Deposit & Pre-payments	14.95	18.47	19.16	13.11	22.62
Advance Income Tax	24.66	27.97	36.90	26.93	40.91
Cash & Cash Equivalents	17.13	20.95	20.03	26.16	69.35
Total Assets	284.47	346.23	418.08	450.45	603.98
Shareholders' Equity	103.02	106.21	116.59	130.91	196.84
Share Capital	20.43	24.52	29.91	36.49	72.98
Share Premium	13.40	13.40	13.40	13.40	31.65
Revaluation Reserve	49.63	49.63	49.63	49.63	49.63
Retained Earnings	19.56	18.67	23.65	31.39	42.58
Non-Current Liabilities	20.25	48.10	76.19	62.84	153.44
Long Term Loan (Non-Current Maturity)	12.30	40.15	68.24	54.89	21.99
Inter-Company Loan (Non-Current Maturity)	0.00	0.00	0.00	0.00	123.50
Deferred Tax Liability	7.95	7.95	7.95	7.95	7.95
Current Liabilities	161.20	191.92	225.29	256.70	253.70
Short Term Loan	125.32	144.69	157.27	173.59	151.30
Long Term Loan (Current Maturity)	8.06	16.03	26.14	30.30	19.16
Bank Overdraft	19.45	23.64	21.52	31.13	27.67
Accounts Payable	1.39	0.76	0.97	3.44	3.47
Unclaimed Dividend Account	0.00	0.00	0.00	0.02	0.53
Inter-Company Loan (Current Maturity)	0.00	0.00	8.00	5.19	38.00
Provision for Expenses	1.14	1.38	3.62	2.80	2.10
WPPF & Welfare Fund	0.47	0.56	0.89	1.00	1.18
Provision for Taxation	5.37	4.85	6.89	9.25	10.30
Total Liabilities	181.45	240.02	301.49	319.54	407.14
Total Equity & Liabilities	284.47	346.23	418.08	450.45	603.98

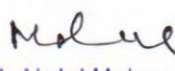

 Md. Abdul Maleque
 Company Secretary
 National Polymer Industries Ltd.


 Md. Shawkat Ali Miah, FCA
 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd


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 Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.

11.2 Income Statement of BDT Crore (Last 05 years)

NATIONAL POLYMER INDUSTRIES LIMITED					
(In BDT Crore)					
Particulars	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21
Turnover	186.67	236.64	300.00	343.30	448.72
Cost of Goods Sold	(155.94)	(197.89)	(244.22)	(283.08)	(376.45)
Gross Profit	30.73	38.75	55.78	60.22	72.27
Administrative Expenses	(8.67)	(10.34)	(13.30)	(14.20)	(15.60)
Selling and Distribution Expenses	(3.95)	(6.35)	(7.33)	(6.00)	(7.92)
Operating Profit	18.11	22.06	35.15	40.02	48.75
Other Income	0.20	0.81	1.20	2.07	2.57
Foreign Exchange Gain/(Loss)	0.00	0.00	(0.17)	(0.21)	(0.35)
Financial Expenses	(8.97)	(11.73)	(18.33)	(20.85)	(26.26)
Profit before WPPF & Taxation	9.35	11.14	17.85	21.04	24.71
WPPF and Welfare Fund	(0.47)	(0.56)	(0.89)	(1.00)	(1.18)
Provision for Taxation	(2.21)	(2.65)	(4.24)	(5.01)	(5.29)
Net Profit After Tax	6.67	7.94	12.72	15.03	18.24
Other Comprehensive Income/ (Loss):	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income for the year	6.67	7.94	12.72	15.03	18.24


 Md. Abdul Maleque
 Company Secretary
 National Polymer Industries Ltd.


 Md. Shawkat Ali Miah, FCA
 General Manager & CFO
 Accounts & Finance
 National Polymer Industries Ltd.

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 Riad Mahmud
 Managing Director & CEO
 National Polymer Industries Ltd.

11.3 Cash Flow Statement of BDT Crore (Last 05 years)

NATIONAL POLYMER INDUSTRIES LIMITED					
(In BDT Crore)					
Particulars	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21
Cash Flows from Operating Activities					
Collection from Sales and Others	180.69	228.99	282.17	322.97	407.36
Payment to Suppliers, Employees and Others	(116.10)	(188.13)	(268.31)	(270.37)	(397.99)
Income Tax Paid	(6.88)	(9.66)	(13.38)	(12.73)	(19.79)
Foreign Exchange Gain/(Loss)	0.00	0.00	(0.17)	(0.21)	(0.35)
Financial Expenses	(7.50)	(7.89)	(10.12)	(15.37)	(17.18)
Net Cash Flows/(Used) from Operating Activities	50.21	23.31	(9.81)	24.30	(27.96)
Cash Flows from Investing Activities					
Payment for acquisition of Property, Plant & Equipment	(6.21)	(41.59)	(33.76)	(13.32)	(24.40)
Proceeds from Sale of Property, Plant & Equipment	0.00	0.00	0.00	0.05	0.00
Investment in FDR	(10.00)	(0.67)	(1.09)	(13.33)	(12.56)
Capital Work in Progress (CWIP)	(11.32)	(9.21)	(4.72)	0.00	(18.59)
Net Cash Flows/(Used) in Investing Activities	(27.53)	(51.46)	(39.57)	(26.61)	(55.56)
Cash Flows from Financing Activities					
Proceeds from Long Term Loan	0.00	44.07	59.12	37.66	109.18
Payment of Term Loan	(8.34)	(8.25)	(20.92)	(46.85)	(153.22)
Proceeds from Right Issue	0.00	0.00	0.00	0.00	54.74
Short Term Loan- Increase/(Decrease)	0.00	0.00	10.46	25.92	(25.75)
Cash Dividend Paid (2019-2020 FY)	0.00	0.00	0.00	0.00	(5.47)
Intercompany Loan	0.00	0.00	8.00	(2.81)	156.31
Payment of Financial Lease Loan	(0.14)	0.00	0.00	0.00	0.00
Interest Paid on Long Term Loan	(1.47)	(3.84)	(8.20)	(5.48)	(9.09)
Net Cash Flows/(Used) from Financing Activities	(9.94)	31.98	48.46	8.44	126.69
Net Increase/(Decrease) in Cash during the year	12.74	3.82	(0.92)	6.13	43.18
Opening Cash & Cash Equivalents	4.39	17.13	20.95	20.03	26.16
Closing Cash & Cash Equivalents	17.13	20.95	20.03	26.16	69.35

12 FINANCIAL RATIOS FOR THE LAST 05 (FIVE) YEARS

Ratio	Equation	Year ended June 30				
		2017	2018	2019	2020	2021
I. Liquidity Ratios						
Current ratio	= $\frac{\text{Total current assets}}{\text{Total current liabilities}}$	0.99	0.95	1.04	1.02	1.50
Quick ratio	= $\frac{\text{Current assets- Inventory}}{\text{Current liabilities}}$	0.50	0.52	0.56	0.54	0.99
Net operating cash flow to Net Income	= $\frac{\text{NOCF}}{\text{Net Income after Tax}}$	7.52	2.94	(0.77)	1.62	(1.53)
II. Operating Ratios						
Accounts receivable turnover ratio (Times)	= $\frac{\text{Sales}}{\text{Average receivable}}$	9.03	8.48	7.21	5.53	4.72
Assets turnover ratio	= $\frac{\text{Total sales}}{\text{Average total assets}}$	0.72	0.75	0.79	0.79	0.85
Inventory turnover ratio	= $\frac{\text{Cost of goods sold}}{\text{Average inventory}}$	2.08	2.43	2.55	2.44	2.97
Break-even Point (Including Financial costs) [in BDT Crore]	= $\frac{\text{Net Fixed Cost}}{\text{Selling Price - Variable Cost}}$	135.07	182.71	224.92	255.47	326.27
III. Profitability Ratios						
Gross margin ratio (%)	= $\frac{\text{Gross profit}}{\text{Sales}}$	16.46%	16.37%	18.59%	17.54%	16.11%
Operating income ratio (%)	= $\frac{\text{Operating profit}}{\text{Sales}}$	9.70%	9.32%	11.72%	11.66%	10.86%
Net income ratio after tax (%)	= $\frac{\text{Net profit after tax}}{\text{Sales}}$	3.58%	3.35%	4.24%	4.38%	4.06%
Return on assets ratio (%)	= $\frac{\text{Net profit (after tax)}}{\text{Average total assets}}$	2.58%	2.52%	3.33%	3.46%	3.46%
Return on equity (after tax) (%)	= $\frac{\text{Net profit (after tax)}}{\text{Shareholder equity}}$	6.48%	7.47%	10.91%	11.48%	9.26%
IV. Stockholder Ratios						
Earnings per share (EPS)	= $\frac{\text{Profit after Tax}}{\text{Number of Shares}}$	1.11	1.32	2.11	2.50	2.82
Net Asset Value (NAV) per share	= $\frac{\text{Total Assets - Total Liabilities}}{\text{Number of Shares}}$	50.42	43.32	38.98	35.87	30.49
V. Solvency Ratios						
Debt to Total Asset Ratio	= $\frac{\text{Total Debt}}{\text{Total Asset}}$	0.58	0.65	0.67	0.66	0.63
Debt-equity ratio	= $\frac{\text{Total Debt}}{\text{Shareholder equity}}$	1.60	2.11	2.41	2.25	1.94
Total Debt to Tangible Assets	= $\frac{\text{Total Debt}}{\text{Tangible Assets}}$	0.58	0.65	0.67	0.66	0.63
Times interest earned	= $\frac{\text{Profit before interest}}{\text{Interest expenses}}$	2.02	1.88	1.92	1.92	1.86

13 RATING SUMMARY WITH RATING RATIONALE OF THE ISSUE AND THE ISSUER

13.1 National Credit Ratings Limited (NCR): Company Overview

National Credit Ratings Limited (NCR) is a full-service rating company that offers a wide range of services. Incorporated as a public company, NCR started its business with a paid-up capital of TK 20.00 million. The Securities and Exchange Commission granted the license to NCR in June 2010 under the Credit Rating Companies Rules 1996. The company is recognized by the Bangladesh Bank as an External Credit Assessment Institution (ECAI).

13.2 Credit Rating Summary

Table 27: Credit Rating of the Bond and the Issuer

	Short Term	Long Term
National Polymer Industries Limited	ST-2	A+
Bond Rating	A	
Rating Agency	National Credit Ratings Limited	

13.3 Rating Rationale of the Issuer:

National Credit Ratings Limited (NCR) has assigned the above ratings to National Polymer Industries Ltd. considering rich and diversified experience of the promoter in the related field of the business, backward and forward linkage, established production facilities, favorable group support and moderate business performance. Numerically, the ratings have been supported by moderate financial profile epitomized by growth in turnover & EBTIDA, asset base growth. The ratings have been further strengthened by positive net working capital. The ratings are, however, constrained by inadequate efficiency of the firm's assets in generating sales, inadequate debt service coverage position, slight decrease in operating profit margin, net profit margin, ROE & ROA and high leverage capital structure. The ratings are further improved by satisfactory banking transactions of the company. Bank Loan Ratings (BLR) are assigned considering factors like security coverage, recovery prospects and past repayment behavior.

NCR, taking the historical business performance, socio-economic aspects, industry growth potential in the regional area and the concern's ability to tap the opportunity and its reflection on forthcoming years* turnover, profitability, coverage indicators, liquidity parameters and external obligation meeting capacity into consideration, judges the outlook of the concern to be "Stable*" as the concern may be able to retain its existing fundamentals which will favor to reaffirm the rating in foreseeable future.

13.4 Rating Rationale of the Issue

NC has awarded the above rating to BDT 3,000.00 million Redeemable, Transferable & Unsecured Zero-Coupon Bond of National Polymer Industries Limited. The issue rating has considered the term and condition of the issue like nature of the instrument, redemption procedure, offering style etc. While assigning issue rating, NC has incorporated the counterparty surveillance (the issuer) rating declared on December 20, 2021 that has been assigned *A+* (Single A Plus) for long term & ST-2¹ for short term on the basis of Audited Financial Statements up to June 30, 2021 along with the other relevant quantitative as well as qualitative information provided by the company up to the date of rating declaration. NC furthermore considered the seven years Projected Financial Statements up to June 30, 2028 to predict the profit generation capacity and ability of repayment of debt obligations of the issuer.

The rating has been assigned favorably considering the scale of operation, trend of revenue over the years, moderate profitability ratios, marginally incremented EPS, positive net cash flow from operation, moderate liquidity indicators and increase in total asset base of the company. The business performance of the issuer revealed from the key financial parameters therefore anticipate ability to repay the principal payment behind the issue of bond and thus factored the rating congenially. Furthermore, the projected growth in turnover & asset base, increase in net profit, reduction in long term and short-term loans, positive & increasing net operating cash flow and net cash inflow subsequently disclose financial credibility to service the bank loan all are taken into account while assigning the rating. The issue also underpins from the issuer market positioning, complied factory premise, belongingness with the National Polymer Group, professionally experienced sponsors and qualified & veteran management squad. NC duly takes into account of the issuance of low-cost external finance affirmatively and its supportive impact on the projected key financial parameters. With a conservative view, NCR believes that NPZCB may be able to meet its working capital requirements and the amount required to repay instrument from the revenue generation capacity. Because of issuing low-cost debt obligations, the consequential effect on bottom line profitability is also desirable.

Anticipated utilization of funds raised through instrument consists of paying off the high-cost bearing banking facilities and channelizing fund for capital expenditures. Compared to high-cost short term bank facilities the instrument will boost the bottom-line profitability as significant reduction in financial expenses are expected. In contrary, negative operating cash flow, stressed debt service coverage position in the recent years significantly factor the rating negatively while assigning the rating. Besides, unsecured nature of the instrument and moderate banking performance in the recent years significantly have factored the rating negatively while assigning the rating although the main purpose of issuing bond repayment of bank loan.

In the view of NCR, the term "Indicative" reflects the awarded rating based on the draft documents as well as term sheet. The final rating is predicated to get approval from respective authorities, receive final documents & issue the bond confirming all the information received in the time of awarding the rating.

14 LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CREDIT RATING COMPANY

14.1 Default Matrix

Rating Category	Year-1		Year-2		Year-3	
	Avg. No. of Issuer	CDR (%)	Avg. No. of Issuer	CDR (%)	Avg. No. of Issuer	CDR (%)
AAA	0	0.00	0	0.00	0.00	0.00
AA	41	0.00	40	0.00	39.67	0.00
A	336	0.29	322	0.31	321.67	0.31
BBB	720	0.55	729.25	1.23	736.00	0.12
BB	30	3.40	0	0.00	32.33	0.00
B	0	0.00	0.5	0.00	0.00	0.00
C	0	0.00	0.25	0.00	0.00	0.00
Total	1128		1092		1129.67	

14.2 Transition Matrix

December 2015-December 2020								
	Avg. Number of Issuers	AAA	AA	A	BBB	BB	B	C
AAA	1	100.00%	0.00%	0%	0%	0%	0%	0%
AA	45	0.45%	98.52%	1.03%	0.00%	0.00%	0.00%	0.00%
A	348	0%	1.18%	93.99%	4.83%	0.00%	0.00%	0.00%
BBB	700	0%	0.00%	3.63%	94.50%	1.86%	0.00%	0.00%
BB	26	0%	0.00%	0.00%	25.66%	69.05%	5.29%	0.00%
B	1	0%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
C	0	0%	0%	0%	0%	0%	0%	0%

15 DESCRIPTION OF THE TRUSTEE

15.1 Overview of the Trustee

Bangladesh Finance and Investment Company Limited (Bangladesh Finance), formerly known as BD Finance, is one of the most well-known financial institutions in Bangladesh, which started its journey in 1999 with the prime objective of delivering financial services across the different segments of clientele and business. The Company obtained permission from Bangladesh Bank to operate as financial institution under the Financial Institutions Act 1993 on December 22, 1999 and got listed in both Stock Exchanges of the country in the year 2007. The shareholding structure of BD Finance consists of reputed corporate houses, leading industrialists and general public.

15.2 Financial Highlights of Trustee

The following table provides a snapshot of the financial highlights of the company.

Table 28: Financial Highlights of Trustee for the year ended 31st December, 2020

Particulars	BDT Crore
Total Assets	1,591.35
Paid up Capital	167.53
Total Shareholders' Equity	278.64
Operating Profit/(Loss)	56.96
Profit After Tax	22.58

15.3 Shareholding Structure of Trustee

The table below illustrates the shareholders structure of Bangladesh Finance and Investment Company Limited

Table 29: Shareholding Structure of Trustee (As of December 31, 2020)

SL	Particulars	Number of Shares	Amount (BDT)	% of Ownership
1	Sponsor / Director	50,794,896	507,948,960	30.32%
2	Institution	40,601,440	406,014,400	24.24%
3	Foreign Institution	1,316	13,160	0.00%
4	General Public	75,927,128	759,271,280	45.32%
5	NRB [Non-Resident Bangladeshi]	204,828	2,048,280	0.12%
Total		167,529,608	1,675,296,080	100.00%

15.4 Board of Directors of Trustee

The table below illustrates the shareholders structure of Bangladesh Finance Limited.

Table 30: Board of Directors of Trustee

Sl	Name	Remarks
1	Mr. Manwar Hossian	Chairman
2	Mr. Iqbal U Ahmed	Vice Chairman & Independent Director
3	Mr. Md. Asaduzzaman Khan	Director
4	Mr. Golam Hafiz Ahmed	Director
5	Mrs. Shahnaz Rashid	Director
6	Mr. Geasuddin Ahmed	Director
7	Mr. Yousuf Aman	Director
8	Mr. Imtiyaj Yousuf	Director
9	Mr. Ihtiaz Yousuf	Director
10	Mr. Md. Rokonzaman, FCA	Independent Director
11	Md. Kyser Hamid	Managing Director & CEO

16 MODUS OPERANDI OF THE ISSUE

16.1 Application Procedure

The Arranger shall procure that the prospective investors shall have been provided with a copy of the Information Memorandum and an invitation letter to subscribe. Based on the Information Memorandum and subsequent clarification of queries (if any), the prospective investors shall submit a letter of commitment to the Arranger with the amount of intended subscription specified.

16.2 Allotment


- a) Subject to Clause 12.3. (Conditions Precedent) of the Trust Deed, the issuance and subscription of the Bonds shall take place on the Issue Date.
- b) On or before Issue Date, the investor shall execute and deliver a letter addressed to the Issuer in the form and manner to be stipulated under the Subscription Agreement.
- c) On or before the Issue Date, the investor shall pay the purchase price of the Bonds as set forth in Annexure A of Schedule 1 of the Trust Deed as well as in the Subscription Agreement in Taka to the prescribed account of the Issuer.
- d) On the Issue Date, the Register shall be completed by the Issuer by registering the name of the investors as Bondholders in the Register.

16.2.1 Issue of Bonds

Subject to the completion of the condition precedent as set forth in each Subscription Agreement and receipt of Issue Price under each Subscription Agreement, the Issuer shall issue the Bonds on the Issue Date in the name of the Bondholders in such number the respective Bondholder is entitled under the respective Subscription Agreement. Bonds shall be subject to the terms and conditions of the Bond Documents. On the date on which any Bond is issued, the Register shall be completed by or on behalf of the Issuer. On or promptly following the date of issuance, the Issuer shall procure the delivery Bonds in the Account to the registered Bondholders.

16.2.2 Status of the Bonds

The Bonds shall be a transferable, redeemable, zero-coupon bonds. It shall constitute direct and unconditional obligations of the Issuer and shall at all times rank pari passu with all other all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions



Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd.



Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

of law that are both mandatory and of general application. For the avoidance of doubt, nothing shall require the exercise or enforcement of any other right or remedy prior to the exercise of any right or remedy to recover any amount under or in respect of the Bonds from the Issuer. Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to pay the Redemption Amount and any Default Interest on the Bonds according to the Conditions.

The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their authorization.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond.

16.2.3 Form and Denomination

The Bonds are issued in registered and dematerialized form in the denomination of BDT at a price stipulated within Annexure A of Schedule 1 of the Trust Deed without coupons attached. Each Bond will be numbered serially with an identifying number which will be recorded in the records of CDBL (the "Register") a copy of which will be maintained by the Issuer.

16.2.4 Title

Title to the Bonds passes only by transfer and registration in the records of CDBL as described in Condition IV of the Trust Deed. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it) and no person will be liable for so treating the holder. In these Conditions "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered in the records of CDBL as owner of the Bond.

16.2.5 Register

The Issuer will cause a duplicate of the records of CDBL to be kept at its registered office on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall receive a notification in respect of its entire holding of Bonds issued by the Issuer to such Bondholder. Bondholders and the Trustee shall be entitled to inspect the Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

16.3 Refund

The Bond is not refundable.

16.4 Transfer of the Bond

16.4.1 Transfer

Subject to Condition IV(D) of the Trust Deed, a Bond may be transferred subject to the detailed regulation concerning transfer of Bonds stipulated by the CDBL from time to time. No transfer of a Bond will be valid unless and until entered in the records of CDBL.

16.4.2 Formalities Free of Charge

Registration of a transfer of Bonds will be effected without charge by or on behalf of the Issuer, but upon payment (or the giving of such indemnity as the Issuer or the CDBL may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

16.4.3 Closed Periods

Unless the Bonds are listed in a Qualified Stock Exchange, Bondholder may not require transfers of a Bond to be registered (a) within 10 (ten) Business Days of the Redemption Date in respect of the Bonds, save in the case of a payment which falls due as a result of an Event of Default; or (b) in the case of a payment of principal or interest as a result of an Event of Default, during the period from the later of (i) ten Business Days prior to the due date of such payment and (ii) the date on which the Trustee provides a notice pursuant to Condition X (Events of Default) of the Trust Deed to and including the due date for such payment of principal or interest; or (c) on the due date for any payment of principal or interest in respect of such Bond, each such period is a "Closed Period". In case the Bonds are listed, the Closed Period shall be replaced with the periods determined under the applicable laws.

16.4.4 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds stipulated by the CDBL from time to time.

16.5 Trading or Listing with Stock Exchanges

The bond will be traded in Qualified Stock Exchange, i.e., any national or regional stock or securities exchange on which the Bonds are to be listed or quoted for trading, including without limitation, the Dhaka Stock Exchange, Chittagong Stock Exchange or any other recognized stock exchanges in the world.

16.6 Repayment and Coupon Payment

16.6.1 Payments in respect of Bonds

Payment in respect of Bonds (including but not limited to “Redemption Amount”) will be made by the Paying Agent through transfer to the registered accounts of the Bondholders or by a BDT cheque drawn on a bank that processes payments in BDT, or BB cheque, or payment order and mailed to the registered address of the Bondholder if it does not have a registered account. For the purposes of this Condition, a Bondholder’s “registered account” means the BDT account maintained by or on behalf of it with a schedule bank that processes payments in BDT, details of which appear on the Register at the close of business, and a Bondholder’s “registered address” means its address appearing on the Register at that time.

16.6.2 Payments subject to applicable law

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

16.6.3 Payments on Business Days

Payments will be made by the Issuer on the later time of the day of the due date for payment (or, if that is not a Business Day, the first following day which is a Business). Payments will be made by the Issuer on the later time of the day of the due date for payment (or, if that is not a Business Day, the first following day which is a Business Day). A holder of a Bond shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

16.6.4 Partial payments

If the Issuer makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted in the Register.

16.6.5 Record date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day that is 10 (ten) Business Days before the due date for such payment (the “Record Date”).

16.6.6 Delay In Payment

A late redemption will occur in case the Issuer fails to make payment of a Redemption Amount on a Redemption Date, but makes the payment within twelve (12) months from the Redemption Date. In case of a late redemption, interest shall accrue on the Redemption Amount due at the Default Interest calculated from the date after the cure period set out in Condition X paragraph (a) of the Trust Deed. For avoidance of doubt, for the purpose of Condition VIII (Payments) of the Trust Deed due date shall mean any of the Redemption Date, as applicable.

16.6.7 Regulatory Approval

All payments with respect to the Bonds shall be subject to the regulatory approvals as may be required to be obtained under the laws of Bangladesh including but not limited to Bangladesh Bank.

16.7 Redemption or Conversion or Exchange

16.7.1 Redemption of Bonds

Each Bonds shall be redeemed at Face Value (“Redemption Amount”) on the respective Redemption Date as detailed under Annexure B of the Trust Deed calculated from the Issue Date applicable for the said Bond. For avoidance of doubt, Redemption Date of a Bond has been enclosed with Annexure B (Redemption of Bonds) of the Conditions in the Trust Deed.

16.7.2 Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 or more than 60 days' notice (a “Tax Redemption Notice”) to the Bondholders in accordance with Condition XIII (which notice shall be irrevocable) of the Trust Deed at their Issue Price, if (i) the issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition IX (Taxation) of the Trust Deed as a result of any change in, or amendment to, the laws or regulations of Bangladesh or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after [SIGNING DATE], and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) certificate signed by two Authorized Signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognized standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders. Upon the expiry of the Tax Redemption Notice, the Issuer will be bound to redeem the Bonds at their principal amount together with interest accrued to the date fixed for redemption.

16.7.3 Redemption at the Option of the Issuer

- I. The Bonds of may be redeemed at the option of the Issuer in whole or in part at any time, (each, a “Early Redemption Date”), upon the Issuer’s giving not less than 30 or more than 60 days’ written notice to the Bondholders, the Trustee and the Payment Agent (a “Early Redemption Notice”), which notice shall be irrevocable.
- II. On an Early Redemption Date, the Issuer shall:
 - a. Accept payment on a pro rata basis of Bonds or portions thereof tendered pursuant to an Early Redemption Notice; and
 - b. Deposit with the Paying Agent money sufficient to pay the redemption price of all Bonds or portions thereof so accepted.

16.7.4 Change of Control Offer to Purchase

- I. Not later than 30 days following a Change of Control, the Issuer, at its sole discretion, shall have the right to make an offer to Purchase all Outstanding Bonds (a “Change of Control Offer”).
- II. On an Offer to Purchase Payment Date, the Issuer shall:
 - a. Accept payment on a pro rata basis Bonds or portions thereof tendered pursuant to an Offer to Purchase;
 - b. Deposit with the Paying Agent money sufficient to pay the purchase price of all Bonds or portions thereof so accepted.

16.8 Details of conversion or exchange option exercise procedures

There is no conversion or exchange option feature for this Bond.




Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd.



Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

17 DETAILS OF FEES STRUCTURE AND EXPENSES

Issuer's costs and expenses

The Issuer is responsible for paying:

- **Regulatory Fees:** The applicable regulatory fees payable to the BSEC in connection with the Issue;

BSEC Application Fee: BDT 10,000

BSEC Consent Fee: BDT 4,089,529 [0.10% of total face value of the Bond]

- **Trustee Fees:** The fees and expenses of the Trustee of the Bond;

Trustee Fees: BDT 1,500,000 [BDT 300,000 p.a] excluding VAT

- **Credit Rating Fee:** The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer;

Credit Rating Fee: BDT 90,000 excluding VAT

- **Other associated costs:** Other costs and expenses associated with the Issue including the fee payable to the Arranger;

Arranger Fee: Up to BDT 31,500,000 excluding VAT

Total cost of issuing the National Polymer Zero-Coupon Bond is BDT 37,189,529 /-.

18 REPAYMENT SCHEDULE OF NATIONAL POLYMER ZERO-COUPON BOND

Having a total Face Value of BDT 4,089.53 million for 3,000,000 bonds, BDT 1,000.00 million (33.33%) of the total discounted price of BDT 3,000.00 million is to be redeemed (at Face Value) at the end of each year, starting on the 3rd year from the issue date. In case of late redemption, incremental charge of 2.00% per annum will be paid by the issuer to the bondholders. A late redemption will be considered in case the Issuer fails to make redemption on the redemption due date, but makes the redemption payment within twelve (12) months from the redemption due date. In case of failure to redeem the bonds within the aforementioned period, the bonds will be converted to equity shares of the company.

Details of the Zero-coupon Bond and its repayment schedule is as follows:

Total amount to be Raised	BDT 3,000,000,000
Total amount to be Repaid (Face Value)	BDT 4,089,529,037
Discount Rate	Up to 8.00%
Tenor of Bond	5
Grace	2
Conversion to Stock	0%
Issue Price per Unit	BDT 1,000
Units to be Issued/Redeemed	3,000,000
Issue Price per Lot	BDT 3,000.00
Face Value per Lot	BDT 4,089.53

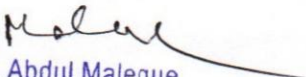
Year	Redemption	Redemption %	Redemption Units	Redemption Amount at Issue Price (BDT)	Redemption Amount at Face Value (BDT)
3	1 st	33.33%	1,000,000	1,000,000,000	1,259,712,000
4	2 nd	33.33%	1,000,000	1,000,000,000	1,360,488,960
5	3 rd	33.33%	1,000,000	1,000,000,000	1,469,328,077
Total		100%	3,000,000	3,000,000,000	4,089,529,037

*Redemption amount calculated at 8% Discount Rate

19 CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER:

Bangladesh Securities and Exchange Commission has accorded its consent to National Polymer Industries Limited for the issuance of Transferable, Redeemable, Non-Convertible, Unsecured, Zero-Coupon Bond to raise BDT 300 Crore through private placement. The consent has been accorded subject to the condition that the company shall comply with the relevant laws and regulatory requirements, and also shall adhere to the following conditions imposed under Section-2CC of the Securities and Exchange Ordinance, 1969:

1. The Issuer shall ensure the compliance of Securities and Exchange Commission (Debt Securities) Rules, 2021;
2. The proceeds or fund of the bond shall be placed in an escrow or specified bank account, and utilization of such proceeds or fund shall also be made from the escrow or specified bank account;
3. Before subscription, each director (except independent director) of the company shall submit legal document to the Commission regarding personal and corporate guarantee to ensure the redemption of Zero-Coupon Bond as per repayment schedule in case the company falls to pay back the bondholders during the time of bond redemption. As such, the company shall include this in trust deed;
4. The report on utilization of proceeds as well as implementation status shall be submitted to the Commission, the trustee, the Issue manager(s) and stock exchange(s) in which its securities are listed, on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds;
5. The company shall utilize bond proceed to refinance the existing bank loan at first and accordingly inform to the commission along with supporting document. Then the company shall utilize rest of the bond proceed for financing capital expenditure for capacity expansion with new production lines;
6. The issuer shall not change or modify the submitted draft Information Memorandum, Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;
7. The issuer, the arranger and the trustee shall publish the approved Information Memorandum (IM) in their own official websites, within 03 (Three) working days upon receipt of this consent of the Commission to the issuance of the bond.
8. The Issuer shall submit the Commission's approval of the trustee to act as trustee to the issue before opening of subscription;

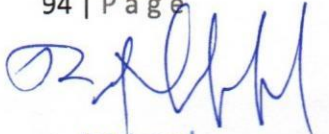


Md. Abdul Maleque
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Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

9. The Issuer shall disseminate the receipt of the Commission's approval along with the purpose of the issue, amount and price of the bond etc. as price sensitive information, as prescribed by the Commission;
10. The Issuer shall disseminate the above Information to the Stock Exchanges within half an hour (30 minutes) of receipt of this letter;
11. The Trustee shall place the IM and the Deed of Trust In electronic form on the websites of the Issuer or originator and the trustee and also shall make them available in the aforementioned websites up to the maturity of the securities;
12. After publication of Information Memorandum in the websites, subscription shall be received through designated Banker during subscription period not less than 30 (thirty) days and not more than 180 (one hundred eighty) days;
13. The Issue is rated by a credit rating company and its Periodical Surveillance Rating shall be done by the said rating company in line with the provisions of the Credit Rating Companies Rules, 1996 up to the full and final redemption or conversion of the Issued securities;
14. The issue shall not be rated below the minimum investment grade of triple 'BBB' or equivalent rating in the long term and "ST-3" or equivalent rating in the short term;
15. The Issuer shall execute the deed of trust II approved by the Commission in favor of the trustee and register the same under the Registration Act, 1908 (XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the Issuer and the trustee to the Commission;
16. Auditors' report along with Audited Financial Statements of the company made up to date not older than 270 (two hundred seventy) days from the date of Issue of the Information Memorandum (IM) and shall be Incorporated in the IM before private offer;
17. The issuer shall issue the aforesaid debt securities in dematerialized form and apply to the stock exchange(a) for listing In the Alternative Trading Board (ATB) Immediately from the date of availing ATB facilities under Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard;
18. This consent for issuance of debt securities shall remain valid for 06 (six) months from the date of consent falling which the permission will stand cancelled to the extent of unsubscribed portion;
19. The issuer shall submit a status report. containing the name and address of the bondholders along with number of bonds purchased and bank statements for the

- issue, to the Commission, within 10 (ten) days of closing of the subscription or issue of the securities or expiry of the period mentioned above, whichever comes earlier;
20. The issuer shall submit list of subscribers, bank statement and banker's certificate for the amount of capital to be issued to the Commission upon completion of the subscription;
 21. All transactions excluding petty cash expenditures shall be effected through the Company's Bank Accounts;
 22. Financial Statements shall be prepared in accordance with International Accounting Standards (IAS) and Audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA) as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
 23. Annual General Meeting (AGM) of the company shall be held in each year of the Gregorian Calendar,
 24. A copy of audited financial statements and a copy of annual report and the minutes of Annual General Meeting shall be submitted to the Commission within fourteen days (14) of the completion of the audit or, as the case may be, holding of the Annual General Meeting;
 25. The Company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors managing director, business or any other material change that affects the affairs of the company,
 26. Any further issue of capital shall require the Commission's prior consent;
 27. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;
 28. The Commission may impose additional conditions/restrictions from time to time as and when required.

20 DECLARATION AND DUE DILIGENCE CERTIFICATES

20.1 Declaration from Issuer

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Sd/-

Mr. Riad Mahmud

Managing Director

National Polymer Industries Limited

20.2 Due Diligence Certificate of the Trustee

Due Diligence Certificate of the Trustee

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of National Polymer Zero-Coupon Bond to raise BDT 3,000,000,000

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

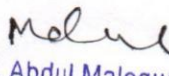
- a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- f) the above declarations are unequivocal and irrevocable.

Sd/-


Md. Kyser Hamid

Chief Executive Officer

Bangladesh Finance Limited

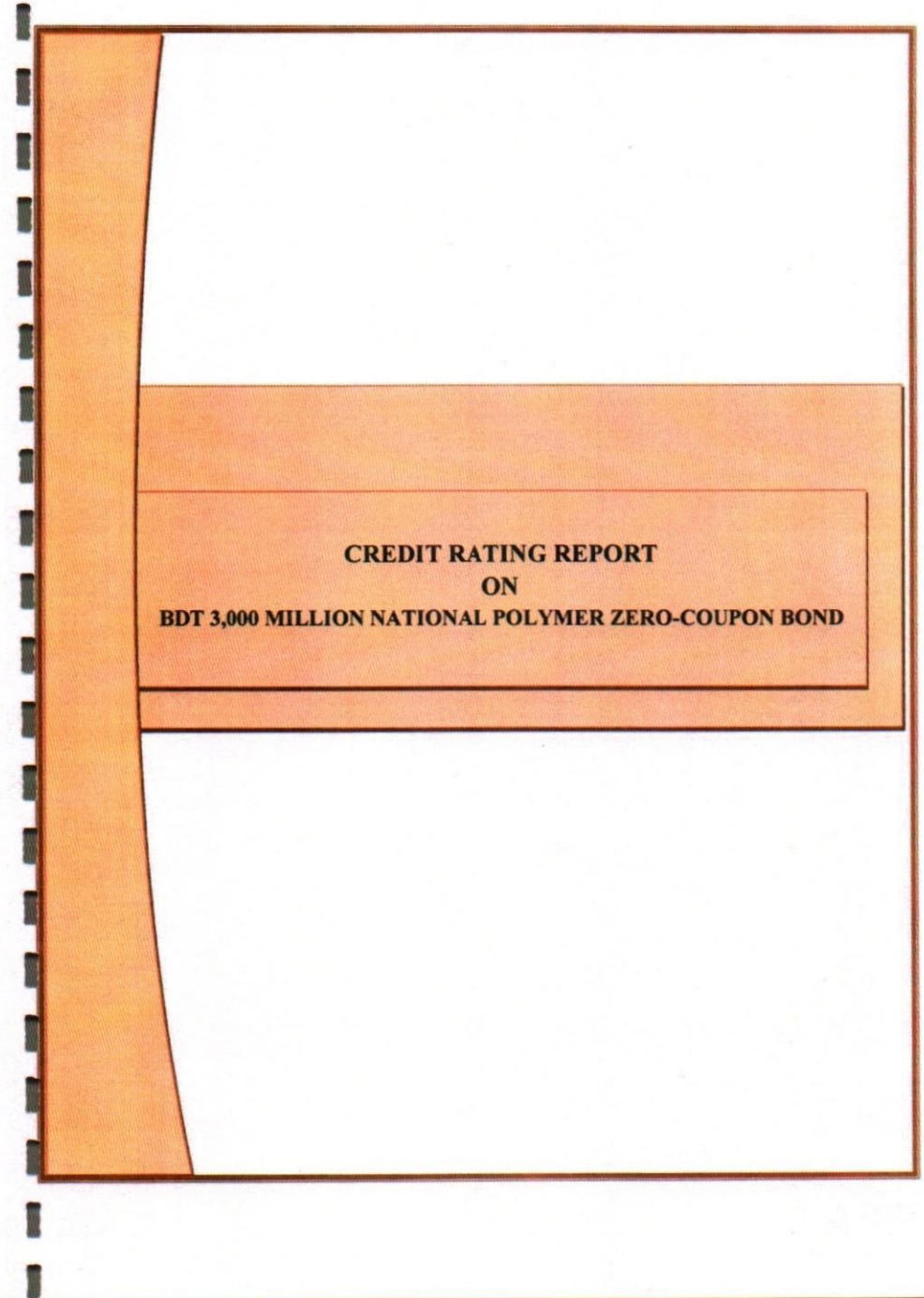

Md. Abdul Maleque
Company Secretary
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Md. Shawkat Ali Miah, FCA
General Manager & CFO
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Managing Director & CEO
National Polymer Industries Ltd.

21 CREDIT RATING REPORT OF THE ISSUE AND ISSUER

21.1 Credit Rating Report of the Issue



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**EXECUTIVE SUMMARY OF
BDT 3,000 MILLION NATIONAL POLYMER ZERO-COUPON BOND**

Initial Instrument Rating	
Redeemable, Transferable, Unsecured Zero Coupon Bond	
Rating Grade	A (Single A) Indicative
Date of Declaration	20.12.2021
Validity	19.12.2022
Issuer- National Polymer Industries Limited	
Issuer Rating	A+ (Single A Plus)
Date of Declaration	20.12.2021

Issuer Performance Highlights:

(TK in Million)

Particulars	FY 2020-21	FY 2019-20
Total Assets	6,039.81	4,504.50
Equity	1,968.39	1,309.08
Net Turnover	4,487.23	3,432.96
Net Profit	182.36	150.26
Operating Margin (%)	10.86	11.66
Net Profit Margin (%)	4.06	4.38
EBITDA	687.90	628.09
ROE (%)	11.13	12.14
ROA (%)	3.46	3.46
DSCR (X)	0.82	0.91
Current Ratio (X)	1.50	1.02
Net Debt/(Net Debt + Equity) (%)	61.34	67.26

Details of the Issue:

Details of the Issue	
Borrower	National Polymer Industries Limited
Advisor & Arranger	Riverstone Capital Limited
Trustee	Bangladesh Finance Limited (proposed)
Instrument Type	Redeemable, Transferable, Unsecured Zero-coupon Bond
Offering Style	Private placement
Purpose	To financing Capital Expenditure for capacity expansion with new production lines and to refinance existing interest bearing debt.
Issue Size (Face Value)	BDT 4,089.53 Million
Discounted Value	BDT 3,000.00 Million
Discount Rate	Up to 8% per annum
Tenor	5 Years
Maturity	3-5 Years
Issue Price per Unit	BDT 1,000
Lot Size	3 Unit (BDT 3,000)
Listing	The Bonds will be listed on the Exchange(s) and available for trading on the Alternative Trading Board (ATB) when approved by BSEC.

Ayasha Siddika
Chief Rating Officer (CRO)
National Credit Ratings Ltd.

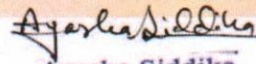
Initial Instrument Rating	
Redeemable, Transferable, Unsecured Zero Coupon Bond	
Rating Grade	A (Single A) Indicative
Date of Declaration	20.12.2021
Validity	19.12.2022
Issuer- National Polymer Industries Limited	
Issuer Rating	A+ (Single A Plus)
Date of Declaration	20.12.2021

Rating Basis:

Rating is based on the features of the issue, Audited Financial Statements up to June 30, 2021 and seven years' **Projected** financial statements up to June 30, 2028 along with the other relevant Quantitative as well as Qualitative information provided by the Client up to the Date of Rating Declaration. Followed Short term debt instrument Rating Methodology of NCR published in our website.

Rating Definition:

A (Single A) rating indicates strong capacity for timely servicing of financial obligations offering adequate safety. Such institutions carry low credit risk.


Ayasha Siddika
Chief Rating Officer (CRO)
National Credit Ratings Ltd.

Rating Rationale:

NCR has awarded the above rating to BDT 3,000.00 million Redeemable, Transferable, Unsecured Zero Coupon Bond of National Polymer Industries Limited. The issue rating has considered the term and condition of the issue like nature of the instrument, redemption procedure, offering style etc. While assigning issue rating, NCR has incorporated the counterparty surveillance (the issuer) rating declared on December 20, 2021 that has been assigned 'A+' (Single A Plus) for long term & 'ST-2' for short term on the basis of Audited Financial Statements up to June 30, 2021 along with the other relevant quantitative as well as qualitative information provided by the company up to the date of rating declaration. NCR furthermore considered the seven years Projected Financial Statements up to June 30, 2028 to predict the profit generation capacity and ability of repayment of debt obligations of the issuer.

The rating has been assigned favorably considering the scale of operation, trend of revenue over the years, moderate profitability ratios, marginally incremented EPS, positive net cash flow from operation, moderate liquidity indicators and increase in total asset base of the company. The business performance of the issuer revealed from the key financial parameters therefore anticipate ability to repay the principal payment behind the issue of bond and thus factored the rating congenially.

Furthermore, the projected growth in turnover & asset base, increase in net profit, reduction in long term and short term loans, positive & increasing net operating cash flow and net cash inflow subsequently disclose financial credibility to service the bank loan all are taken into account while assigning the rating. The issue also underpin from the issuer market positioning, complied factory premise, belongingness with the National Polymer Group, professionally experienced sponsors and qualified & veteran management squad. NCR duly takes into account of the issuance of low cost external finance affirmatively and its supportive impact on the projected key financial parameters. With a conservative view, NCR believes that NPZCB may be able to meet its working capital requirements and the amount required to repay instrument from the revenue generation capacity. Because of issuing low cost debt obligations, the consequential effect on bottom line profitability is also desirable.

Anticipated utilization of funds raised through instrument consists of paying off the high cost bearing banking facilities and channelizing fund for capital expenditures. Compared to high cost short term bank facilities the instrument will boost the bottom line profitability as significant reduction in financial expenses are expected. In contrary, negative operating cash flow, stressed debt service coverage position in the recent years significantly factor the rating negatively while assigning the rating.

Besides, unsecured nature of the instrument and moderate banking performance in the recent years significantly have factored the rating negatively while assigning the rating although the main purpose of issuing bond repayment of bank loan.

In the view of NCR the term "Indicative" reflects the awarded rating based on the draft documents as well as term sheet. The final rating is predicated to get approval from respective authorities, receive final documents & issue the bond confirming all the information received in the time of awarding the rating.

1. ISSUE FEATURES

1.1 National Polymer Industries Limited, (hereinafter referred as 'NPIL' or "the company"), was incorporated as a Public Limited Company with the Registrar of Joint Stock Companies under the Companies Act of 1913 on 26th June, 1987 with an authorized capital of Tk.100.00 million. At present the company is being run with an authorized capital of Tk. 3000.00 million and paid up capital 364.92 million. The company also started its commercial operation during the same year. The company is engaged in manufacturing and exporting of uPVC Pipes, Fittings, Doors, Sheets, Fall Ceiling etc. NPIL markets its products to various parts over the globe including India, Nepal, Bhutan and KSA, Turkey, China, Italy, France, S. Arabia etc.

1.2 The company is going to raise external funds by issuing Redeemable, Transferable, Unsecured Zero-coupon Bonds (ZCBs) of BDT 1,000 each, totaling discounted issue price of BDT 3,000.00 million with Total Face Value of BDT 4,089.53 million through private placement, subject to the approval of the Bangladesh Securities and Exchange Commission (BSEC) and other relevant regulatory bodies. The yield of issue will range up to 8.00% per annum with redemption starting from the end of year 3 and completed at maturity at the end of year 5. The proceeds from the bond issue will be used to finance capital expenditure for capital expansion with new production lines, and to refinance existing high cost loan. The issuer has mandated Riverstone Capital Limited, to act as issue manager and lead arranger of above-mentioned long-term debt instrument.

Having the total Face Value of BDT 4089.53 million for 3,000,000 bonds, BDT 1,000.00 million (33.33%) of the total discounted price of BDT 3,000.00 million is to be redeemed at the end of each year starting from 3rd year from the issue date at Face Value.

1.3 The salient features of the issue are provided as follows:

Details of the Issue	
Borrower	National Polymer Industries Limited
Name of Instrument	National Polymer Zero Coupon Bond
Advisor & Arranger	Riverstone Capital Limited
Trustee	Bangladesh Finance Limited (proposed)
Instrument Type	Redeemable, Transferable, Unsecured Zero-coupon Bond
Offering Style	Private placement
Purpose	To financing Capital Expenditure for capacity expansion with new production lines and to refinance existing interest bearing debt.
Issue Size (Face Value)	BDT 4,089.53 Million
Discounted Value	BDT 3,000.00 Million
Discount Rate	Up to 8% per annum
Tenor	5 Years
Maturity	3-5 Years
Issue Price per Unit	BDT 1,000
Lot Size	3 Unit (BDT 3,000)
Minimum Subscription	1 Lot (BDT 3,000)
Investment Value/ Price of Each Lot	BDT 3,000
Redemption Procedure	BDT 1,000.00 million (33.33%) of the of the total discounted price of BDT 3,000.00 million is to be redeemed at the end of each year starting from 3rd year from the issue date at Face Value.

Late Redemption	A late redemption will be considered in case the Issuer fails to make redemption on the redemption due date, but makes the redemption payment within twelve (12) months from the redemption due date. In case of a late redemption, the investors shall receive an interest at the rate of 2% p.a. on the amount of redemption due for the period between the redemption due date and payment date.
Transferability	Freely transferable
Tax Features	Taxable as per laws of the country
Security	Unsecured
Listing	The Bonds will be listed on the Exchange(s) and available for trading on the Alternative Trading Board (ATB) when approved by BSEC.
Jurisdiction	Laws of People's Republic of Bangladesh

2. CURRENT ISSUE SCENARIO

Funds will be raised only upon the approval from Bangladesh Securities and Exchange Commission (BSEC).

Illustration of Bond Issuance

Year	Redemption	Redemption %	Redemption Units	Redemption Amount at Issue Price in BDT	Redemption Amount at Face Value in BDT
3	1 st	33.33%	1,000,000	1,000,000,000	1,259,712,000
4	2 nd	33.33%	1,000,000	1,000,000,000	1,360,488,960
5	3 rd	33.33%	1,000,000	1,000,000,000	1,469,328,077
Total				3,000,000,000	4,089,529,037

Terms of Investment: Investments in the Zero-Coupon Bond must be in lot(s) with a minimum investment (subscription amount) of 1 lot (BDT 3,000).

3. RATIONALE FOR ISSUE

The issue is rationalized by very obvious reason as purchase to refinance existing interest bearing debt BDT 1,980.92 million and factory expansion and retrofitting amounting BDT 1,019.08 million. Longstanding business track record, belongingness with renowned group and noticeable market position with worldwide customer base of the issuer in plastic industry justifies the growth potentiality in near future. The NPZCB already has outstanding liability against availed credit facilities of total TK 4,052.47 million (funded & non-funded; short term & long term) with One Bank, Mutual Trust Bank Limited, City Bank Limited., IDLC Finance Limited, BRAC Bank Limited, Prime Bank Limited, SCB and IPDC Finance Limited. The fund that will be raised by issuing bond is expected to utilize to expand the operation and repay the debt finance. The issue of bond will patronize the issuer by supplying required fund that will be the motive to sustain and grow by ensuring sustainable profit and facilitating the loan repayment. Eventually, the redemption of bond will be started after 3rd year from the issue and after two years NPZCB estimated to off-set the full amount of redemption value of bond.

4. REDEMPTION OF BOND

Having the Total Face Value of BDT 4,089.53 million for 3,000,000 bonds, BDT 1,000.00 million (33.33%) of the total discounted price of BDT 3,000.00 million is to be redeemed at the end of each year starting from 3rd year from the issue date at Face Value. In case of late redemption, incremental charge of 2.00% per annum will

Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd.

Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd

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Riaz Manmud
Managing Director & CEO
National Polymer Industries Ltd.

be paid by the issuer to the bondholders. A late redemption will be considered in case the Issuer fails to make redemption on the redemption due date, but makes the redemption payment within twelve (12) months from the redemption due date. Repayment schedule of the Zero-coupon Bonds is as under:

Year	Redemption (%)	Principal Redemption (TK in Million)	Profit Redemption (TK in Million)	Total Redemption (TK in Million)	Outstanding Amount (TK in Million)	Remaining Principal (TK in Million)
0	0.00	Nil	Nil	Nil	4,089.53	3,000.00
1	0.00	Nil	Nil	Nil	4,089.53	3,000.00
2	0.00	Nil	Nil	Nil	4,089.53	3,000.00
3	33.33	1,000.00	259.712	1,259.71	2,829.82	2,000.00
4	33.33	1,000.00	360.489	1,360.49	1,469.33	1,000.00
5	33.33	1,000.00	469.328	1,469.33	Nil	Nil
Total		3,000.00	1,089.529	4,089.53		

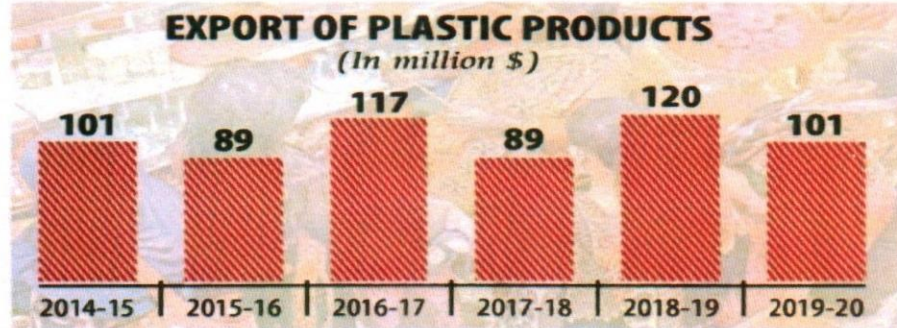
5. POTENTIALITY OF THE ISSUER'S BUSINESS

5.1 Plastic is such a material which is used to manufacture a wide variety of products to meet the domestic demand of the country and some products are exported as well. The plastic industry has been emerged as an important industrial sector in the country during the last two decades. At present, Bangladesh manufactures around 142 plastic items like several types of extrusion material, molding, thermosetting conversion like manufacturing of PVC pipe, shopping bag, injection molding products, garment bag, woven bags, PET/PE bottle, laminated packages, household products, cosmetics & medicine packs etc. Polyvinyl Chloride (PVC) is one of the major manufactured products of this industry. The industry has been growing at about 20 percent a year and in the FY 2017-18, the domestic market size of plastic products hit TK 25,0000 million according to the Bangladesh Plastic Goods Manufacturers and Export Association (BPGMEA). The average plastic consumption in the country is about 2 kg per person. The availability of cheap labor and the fast developing plastic wastes recycling industry due to rising cost of petroleum (raw material of polymers) provide the players potential advantage of competitiveness in the domestic as well as global market. The major weakness of this industry is that there is no unit to produce poly-olefin and petrochemical, which are the main raw materials for producing plastic goods. As a result, the manufacturers have to import raw materials from India, China, Formosa, Vietnam and Taiwan. However, Bangladesh has only 0.6 percent share of the \$546 billion global plastic market. So, the manufacturers has huge potential to grow further in this sector. The BPGMEA has set a target to occupy 3 percent of the global market by 2030 and the government is providing 10 percent cash incentive to the exporters.

5.2 Shipments of plastic products from Bangladesh fell 16 per cent year-on-year to \$101 million in fiscal year 2019-20 following the outbreak of coronavirus all over the world. Over 142 plastic items are currently manufactured in Bangladesh and the country mainly exports intermediate products like film plastic, household items and garment accessories to the US, Canada, the EU, China, India and Nepal. Manufacturers achieved 22 per cent year-on-year growth in exports to hit \$120 million in fiscal 2018-19. They even set a target to send goods worth about \$150 million abroad in the next year. Bangladesh has only a 0.6 per cent share of the global plastic market worth \$546 billion and the BPGMEA aims to occupy 3 per cent of the global market by 2030.

The south Asian nation produces several types of extrusion material, moulding, thermosetting conversion like manufacturing of PVC pipes, shopping bags, injection moulding products, garment bags, woven bags, PET/PE bottle, laminated packages, making of profile, rigid sheets, garment accessories, household products, cosmetics, medicine packs etc.

The government is providing 10 per cent cash incentive to exporters. As of now, total investment in Bangladesh's 12th highest export earning sector is around Tk 21,000 crore.



The plastic makers have created at least 12 lakh jobs in a total of 5,030 small, medium and big factories across the country. Some 175,500 people are doing job in small units, 444,000 in 1,480 medium units and 10,000 in big units.

Currently, there are around 100 plastic product manufacturers, who also aid export earnings of almost \$800 million per year through direct and indirect backward linkage supplies to different sectors. The plastic sector was quite dependent on raw material imports, for which global competitiveness had an influence on their business. The main raw material for producing plastic goods is polyolefin, which is derived during the refining of crude oil and cracking or distillation of natural gas liquids. Despite having no polyolefin manufacturing facility, Bangladeshi businesses expected the plastic sector to post 25 per cent growth every year.

According to the BPGMEA, the sector's sales is growing by about 20 per cent every year on the back of spiralling demand from domestic and export markets. The market for locally produced plastic products both at home and abroad is about \$2.99 billion, whose 83.4 per cent is linked with local market and the rest 16.6 per cent is linked with global market, according to BPGMEA. Export earnings from plastic products fell by 16.95 per cent to \$26.17 million during the first quarter of current fiscal year, 2020-21, according to Export Promotion Bureau (EPB) data.

6. PROJECTED IMPACT ON KEY FINANCIAL PARAMETERS

TK in Million

Particulars	Actual Business Performance	Projected Business Performance						
	FY 2020-21	FY 2021-22 (Year-01)	FY 2022-23 (Year-02)	FY 2023-24 (Year-03)	FY 2024-25 (Year-04)	FY 2025-26 (Year-05)	FY 2026-27 (Year-06)	FY 2027-28 (Year-07)
Net Turnover	4,487.23	5,296.80	7,486.42	9,900.54	10,819.60	11,730.16	12,629.10	13,586.34
Gross Profit	903.78	1,156.66	1,823.13	2,403.16	2,292.27	2,386.51	2,426.06	2,696.76
Operating Profit	495.76	737.83	1,372.38	1,713.22	1,632.71	1,764.84	1,827.26	2,109.46
Net Profit	182.36	335.63	695.82	973.18	921.16	1,099.08	1,218.27	1,504.62
Non-Current Assets	2,239.34	2,345.40	4,001.40	3,113.17	2,539.43	2,102.37	1,809.50	1,661.89
Inventories	1,300.83	1,490.92	1,935.62	2,487.24	2,803.70	3,032.50	3,117.42	3,264.96
Account Receivables	1,168.48	653.03	922.98	1,217.28	1,333.92	1,446.18	1,557.01	1,670.45
Cash & Cash Equivalents	693.46	207.93	962.62	1,536.98	777.33	349.99	2.10	1,254.32
Total Current Assets	3,800.47	3,182.51	4,896.42	6,561.79	6,447.37	6,632.25	6,743.42	8,532.21
Total Assets	6,039.81	5,527.91	8,897.82	9,674.96	8,986.80	8,734.62	8,552.92	10,194.10
Long Term Loan	1,454.90	1,018.20	4,564.53	4,184.53	2,829.82	1,469.33	-	-
Current Liabilities	2,537.03	2,199.18	1,326.94	1,510.91	1,256.31	1,265.52	1,334.88	1,471.44
Total Liabilities	4,071.41	3,296.87	5,970.96	5,774.92	4,165.61	2,814.34	1,414.37	1,550.93
Paid up Capital	729.84	729.84	729.84	729.84	729.84	729.84	729.84	729.84
Retained Earnings	425.84	688.48	1,384.30	2,357.48	3,278.64	4,377.72	5,595.99	7,100.61
Total Equity	1,968.39	2,231.04	2,926.86	3,900.04	4,821.19	5,920.28	7,138.55	8,643.17
Total Liability & Equity	6,039.81	5,527.91	8,897.82	9,674.96	8,986.80	8,734.62	8,552.92	10,194.10
Net operating cash flow	(279.56)	1,001.31	477.56	755.36	971.12	1,096.79	1,202.13	1,327.92
Net cash flow from investing activities	(555.56)	(302.60)	(988.78)	249.70	(35.21)	(35.21)	(40.00)	(40.00)
Net cash flow from financing activities	1,266.95	(1,184.23)	1,265.90	(430.70)	(1,695.56)	(1,488.92)	(1,510.03)	(35.70)
Net cash inflow/(outflow)	693.46	(485.53)	754.68	574.36	(759.65)	(427.34)	(347.89)	1,252.22

NPZCB provides 07 years projected financial statement. As per the disclosures, the issuers' scale of operation in terms of sales is projected to increase over the years. In FY 2020-21, the turnover was recorded TK 4,487.23 million and after that it is expected to increase at 18.04% in Year-1 and subsequently anticipate to have growth in revenue at 41.34%, 32.25% and 9.28% in Year-2, Year-3 and Year-4 respectively. After occurring all related expenses like operating expenses, finance cost, tax expenses etc., NPZCB's net profit reported at TK 182.36 million in FY 2020-21 and anticipate to increase at the rate of 84.05% in FY 2020-21 at amounting TK 335.63 million. At the end of projected Year 04 the net profit stood at TK 921.16 million. So, the net profit is anticipated to show an increasing trend during the projected years.

The projected financial position of the company shows that, the prime liquidity indicator i.e. current ratio stood at 1.50 times in FY 2020-21 and anticipate to stand at moderate level up to year 04 and thereafter gradually find at deficient level as such 1.45 times in Year 01, 3.69 times in Year 02, 4.34 times in Year 03 and 5.13 times in Year 04. Therefore, the current assets shows mix trend precisely anticipate to increase bit by bit after Year 01 whereas current asset expected to increase over the years mostly during redemption period. Despite the company can meet the increasing current obligations through its volume of current assets and will generate positive working capital to support the business operation that will serve the purpose of issuing bond. After issuing the

bond, the net fixed assets of the company will be increased at TK 3,182.51 million in Year 01 and TK 4,896.42 million in Year 02 registering growth of 53.85% in Year 01 and 34.01% in Year 02 and thereafter declined gradually due to the charges of depreciation. Whereas the total asset base of the company will experience substantial growth at 60.96% in Year 01 and subsequently increase in later years at 8.73%, the total equity of the company will swell from Year 02 and reach at TK. 8,643.17 million in Year 06. Furthermore, the long term debt obligation of the company is expected to decline gradually after issuing the bond and reach at nil in Year 05.

NCR duly takes into account of the issuance of cost effective external finance affirmatively and its supportive impact on the key financial parameters. With a conservative view, NCR believes that NPZCB may be able to meet its working capital need which are supposed to be resulted from the amount to repay instrument with current level of Turnover. Because of issuing cost effective debt obligations, the consequential effect on bottom line profitability is also desirable.

7. ADEQUACY OF FUTURE CASH FLOW

The projected cash flow in the coming years particularly after issuing the bond shows positive operating cash flow (OCF) that indicate the ability of the company to maintain and grow its operations. Although the OCF is projected to increase over the years, the anticipated net cash flow shows mixed trend precisely increase in Year 01, Year 03 and Year 04. Cash flow from investing activities anticipated negative in year 01, 02 and 04.

The net cash flow from financing activities will increase in Year 02 due to the issuance of bond. But, after third year of issuance while the payment of bond redemption started, the financing activities anticipate generating substantial negative cash flows amounting TK (430.70) million in Year 03, TK (1,695.56) million in Year 04, TK (1,488.92) million in Year 05, TK (1,510.03) million in Year 06 and TK (35.70) million in Year 07.

8. ISSUER'S BUSINESS OVERVIEW

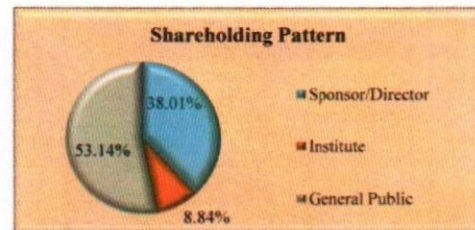
8.1 National Polymer Industries Limited, (hereinafter referred as 'NPIL' or "the company"), was incorporated as a Public Limited Company with the Registrar of Joint Stock Companies under the Companies Act of 1913 on 26th June, 1987 with an authorized capital of Tk.100.00 million. The company also started its commercial operation during the same year. At present the company is being run with an authorized capital of Tk. 3000.00 million and paid up capital 729.84 million. The company is engaged in manufacturing and exporting of uPVC pipes, fittings, doors, sheets, fall Ceiling etc. NPIL markets its products to various parts over the globe including India, Nepal, Bhutan and KSA, Turkey, China, Italy, France, S. Arabia etc.

8.2 NPIL is listed with Dhaka Stock Exchange Limited (DSE) in 1993 and in 1995 in Chittagong Stock Exchange. Shares of the company are traded under "A" category in the bourse. The face value of each share is TK 10.00. Annual General Meeting (34th) of the company will held in 22nd December, 2022 and the Board of Directors has recommended 10% cash Dividend for the year ended in June 30, 2021. The Company has also reported EPS of Tk. 2.82, NAV per share of Tk. 30.49 and NOCFPS of Tk. (4.33) for the year ended on June 30, 2021 as against Tk. 2.50 (Restated for Rights Issue), Tk. 35.87 and Tk. 6.66 respectively for the same period of the previous year. The following graph reveals the trading history of NPIL's stock closing price over a period of last twelve months at DSE.

8.3 The registered office and factory of NPIL is located at Squibb Road, Nishat Nagar, Tongi I/A, Tongi, Gazipur on a total 1208.21 decimals land. The corporate office is located at Uday Tower (2nd Floor), Plot: 57, & 57/A, Gulshan Avenue, Gulshan-1, Dhaka-1212.



8.4 The majority (53.14%) of the shares are held by General Public, (38.01%) shares owned by Directors & Sponsor Shareholders and rest of the shares (8.84%) are owned by the Institutions. At present the authorized share capital is 300.00 million shares of TK 10.00 each. The latest shareholding pattern of the company as on 30 November, 2021 is shown in the graph below:



9. GROUP PROFILE

9.1 The promoters of NPIL are also engaged in other businesses. The details of other concerns under the umbrella of National Polymer Group is presented below:

SL	Name of the Company/Concern	Year of Starting Commercial Operation	Nature of Business
1.	National Fittings & Accessories Limited.	2008	PVC Compound Product
2.	Shoeniverse Footwear Ltd.	2014	Footwear Products
3.	R & R LPG Limited.	Project In Progress	LPG Gas
4.	Npolymer Construction Limited	2017	Contracting business

10. STRENGTH OF ISSUER

The credit risk of an issuer is typically function of its standalone business and financial risk profile, to some extent, the issuer's credit quality could also be driven by partially or significantly by its association with group. If NPZCB becomes financially weak in any time, it can have unhindered access to operational and strategically support as well as financial support from other associate companies. The issuer has an opportunity to grab new market and of widening operational potential in other international market space.

11. GOVERNANCE

11.1 The company's BoD comprises of six members. The BoD with expertise is a key source of guidance to the management. The BoD is not fully independent from the management and the corporate financial reporting system is moderate. Brief profile of board members is given below:

Name	Designation	Qualification	Experience (In Years)
Mr. Golam Murshed	Chairman	BA	48 Years
Mr. Riad Mahmud	Managing Director	B.Sc. in Chemical Engineering, MBA	20 Years
Mr. Nuruzzaman Khan	Nominated Director	MBS Econ. (RU)	31 Years
Mr. Dr. Mohammad Mahboob Rahman	Independent Director	BS, Ph.D Decision Sciences (USA)	21 Years
Mr. Mohammed Ariful Islam	Independent Director	BBA(NSU)	17 Years

12. MANAGEMENT

The management is headed by Mr. Riad Mahmud, Managing Director of NPIL, one of the key shareholder of the company. The operation of NPIL is being looked after by an experienced management team having exposures in the relevant sector. The organizational structure of the company is divided into different functional departments. All the Departments are directly supervised by the Managing Director. A brief profile of the management personnel of the organization is given below:

Name	Designation	Department	Qualification	Experience(in Years at NPIL)
Mr. K M Arshed Alam	ED & Head of Plant Operation	Plant Operation	M. Sc. in IPE (BUET)	22 Years
Mr. Md. Mahmudul Islam	ED & Head of Sales & Marketing	Sales & Marketing	M. Com (DU)	24 Years
Mr. Md. Shawkat Ali Miah FCA	CFO & GM	Accounts & Finance	Chartered Accountant, ITP, M.Com (A&M)	21 Years
Mr. Md. Shahriar Hasan ACGA	Asst. General Manager	Accounts & Finance	Associate of CGA, CA (K. Level), ITP, MBS(Acc.), LLB	10 Years
Mr. S. M Minhaj Uddin	GM & Head of Commercial	Commercial	MSS (DU)	25 Years
Mr. Mohammad Manzur Hossain	DGM	HR & Administration	MBA (DU), PGDHRM	14 Years
Mr. Md. Abdul Maleque	Company Secretary	Corporate Affairs	CS (Part), B. A (JNU)	15 Years
Mr. Md. Mozaharul Islam	Senior Manager	Tax & Vat	CA(CC), ITP	17 Years
Mr. Md. Masud Rana	Manager	Accounts & Finance	CA (Knowledge Level), ITP	09 Years
Mr. Mithun Kanti Das	Senior Manager	Internal Audit	CA (Application Level)	12 Years
Mr. Md. Farid Newaz	Senior Deputy Manager	Inventory Management	M. Com (NU)	14 Years
Mr. Syed Mazedul Haque	Senior Deputy Manager	Distribution	B. A (NU)	12 Years

The Heads of the Departments have the capability and experience to promote and run the business efficiently. With the motivation and support of their executives and workers, they look forward to attain sustainable growth. For overall operation Currently the company has around 833 staff & workers and employees.

13. OPERATIONAL RISKS

The company is exposed to other risks associated with the operation. The operational risks are:

13.1 INTERNAL CONTROL SYSTEM

NPIL uses 'ORACLE' software to handle procurement, production, inventory management and other activities as per the recommendation by management.

13.2 QUALITY CONTROL SYSTEM

The company has a well-equipped quality control department with responsible for ensuring the quality. At every stage of production, stringent quality control measures are adopted to ensure consistent good quality products.

13.3 ISSUERS COMPETITIVE POSITION

The company has a strong and diversified customer and supplier base. The customers of NPIL are located in both Bangladesh & different parts of the globe. They have about 4508 local customers. List of top customers is presented below:

Name of the Customer	Name of The Suppliers	RM Name	Location	
Tongi Hardware & Sanitary Store (3688)	Mitsubishi Corporation, Singapore	PVC Resin	Singapore	
Executive Engineer, DTIP-2, BMDA, Rajshahi (1702)	Mitsubishi Corporation, Japan		Japan	
Imran Traders. (8568)	Hanwa Corporation	Calcium Carbonate	Korea	
Rajdhani Sanitary (3049)	Kinta Powdertech Sdn Bhd		Malaysia	
Project Director, BADC, DLIP (3rd Phase), Dhaka (375449)	Lg International Corporation	PVC Resin	Korea	
Rupsha Sanitary. (3173)	Tianjin Lgdagu Chemical Ltd-H-Saga International Company Limited		China	
S.E & Project Director, EIBA, BMDA, Rajshahi. (366544)	H-Saga International Co Limited		Taiwan	
Project Director, EIEC, BMDA, Rajshahi (138013)	Q-Chem Distribution Company Limited		Qatar	
Bangladesh Trading Center (PVT) Limited. (11002)	Tun Wa Industrial Company Limited		Taiwan	
Yousuf & Brothers (3770)	En-Door Polymer Additives Limited		CPVC Compound	China

14. HISTORICAL FINANCIAL PERFORMANCE

14.1 Trend/Stability of Revenue

The business performance of National Polymer Industries Limited has been evaluated on the basis of last five years' audited reports and financial statements for continuing production units. The performance of the company is significantly improved for last three years. The company recorded turnover of TK 4487.23 million in FY 2020-21 against TK 3432.96 million in FY 2019-20, registering a growth of 30.71%.

14.2 Operating Expenditure and Profitability

The gross profit of the company increased to TK 722.75 million in FY 2020-21 from TK 602.18 million in FY 2019-20. The gross margin slightly decreased to 16.11% in FY 2020-21 from 17.54% in the previous year as the cost to revenue ratio has increased to 83.89% in FY 2020-21 from 82.46% in FY 2019-20. The operating margin was recorded to 10.86% in FY 2020-21 against 11.66% in the previous year. The net income of the company increased to TK 182.36 million in FY 2020-21 from TK 150.26 million in FY 2019-20. The net profit margin decreased to 4.06% in FY 2020-21 from 4.38% in FY 2019-20.

Particulars	FY 2020-21	FY 2019-20
Turnover (TK in Million)	4,487.23	3,432.96
Turnover Growth (%)	30.71	14.43
Cost To Revenue Ratio (%)	83.89	82.46
Gross Margin (%)	16.11	17.54

Operating Margin (%)	10.86	11.66
Net Profit Margin (%)	4.06	4.38

14.3 Cash Flow Activities

The company generated positive net cash flow from operation for the last three reporting years. The net cash flow from operation decreased to TK (279.56) million in FY 2020-21 from TK 243.03 million in FY 2019-20. The company used these net cash flows from operation to acquire fixed assets and made investment of TK 555.56 million in FY 2020-21 against TK 266.07 million in FY 2019-20. To bridge the gap, the company needed to raise additional short term loan of TK 44.28 million in FY 2020-21. The company generated net cash outflow from all activities which stood at TK 1,266.95 million in FY 2020-21 against TK 84.37 million in FY 2019-20.

14.4 Debt Coverage

The EBIT increased to TK 509.72 million in FY 2020-21 from TK 418.86 million in FY 2019-20. The net interest expense recorded to TK 262.64 million in FY 2020-21 from TK 208.50 million in FY 2019-20

Particulars	FY 2020-21	FY 2019-20
EBIT (TK in Million)	509.72	418.86
Financial Expenses (TK in Million)	262.64	208.50

The EBITDA was recorded TK 687.90 million in FY 2020-21 against TK 628.09 million in FY 2019-20. The recorded growth in EBITDA was 9.52% against the growth in turnover by 30.71% in FY 2020-21. Besides, the Debt Service Coverage Ratio (DSCR) was found inadequate and increased to 0.82 times in FY 2020-21 from 0.91 times in FY 2019-20. The debt payback period was reduced to 4.54 years in FY 2020-21.

Particulars	FY 2020-21	FY 2019-20
EBITDA (TK in Million)	687.90	628.09
Interest Coverage (X)	2.62	3.01
DSCR (X)	0.82	0.91
Debt Payback Period (Years)	4.54	4.28

14.5 Working Capital Intensity and Liquidity

The liquidity indicator, current ratio was found moderate and recorded 1.50 times in FY 2020-21 against 1.02 times in FY 2019-20. The cash cycle was longer to 169 days in FY 2020-21 against 178 days in FY 2019-20. The company has been recorded TK 1263.44 positive working capital in FY 2020-21.

Particulars	FY 2020-21	FY 2019-20
Current Ratio (X)	1.50	1.02
NWC (TK in Million)	1,263.44	63.74
Cash Cycle (Days)	169	178

14.6 Internally provided liquidity cover

An issuer's liquidity position is indicative of an issuer's ability to refinance its bond from internal sources. NCR assesses issuer's liquidity position based on internally provided liquidity cover which indicates to repay its short term debt obligation from internally provided liquidity that is OCF, retained earnings, inventory, cash & equivalents. Therefore, NPZCB has moderate internal controls over liquidity risk management.

14.7 Financial Structure

The capital structure was composed of 61.34% of debt and 38.66% of equity as on 30th June, 2021. The asset turnover ratio was increase at 0.85 times in FY 2020-21. The total assets base of the company has decreased to TK 6,039.81 million in FY 2020-21 against TK 4,504.50 million in FY 2019-20, representing a decline of 34.08%.

Particulars	FY 2020-21	FY 2019-20
Net Debt (Net Debt + Equity) (%)	61.34	67.26
Equity Multiplier (X)	3.22	3.51
Asset Turnover (X)	0.85	0.79
Total Asset (TK in Million)	6039.81	4504.50

15. ISSUER'S CREDIT HISTORY AND SECURITY COVERAGE

NPIL is enjoying Credit facility from Prime Bank Limited., Mutual Trust Bank Limited, One bank Limited, BRAC Bank Limited, Standard Chartered bank Limited, City Bank Limited, IPDC Finance Limited., IDLC Finance Limited. The features of the credit facility are given below:

Name Of Bank	Nature of Facility	Limit (TK in Million)	Outstanding* (TK in Million)
Mutual Trust Bank Limited (Banani Branch)	LC(Deferred/ UPAS)	400.00	113.08
	Acceptance	(400.00)	139.82
	OD	80.00	79.37
	Loan General	100.00	60.65
	Time Loan	50.00	49.59
One Bank Limited (Banani Branch)	LC(Sight/ULC)	1,030.00	209.14
	Acceptance(Revolving)	(1,030.00)	189.95
	LTR	(450.00)	Nil
	Time Loan	(250.00)	249.30
	LC(Sight/Deferred)	(50.00)	Nil
	Acceptance(Revolving) (inner of LC Sight)	(50.00)	Nil
	OD(Revolving)	240.00	200.00
	OD(Special)	30.00	29.59
	BG(Bid Bond, PG) (Line One)	(100.00)	25.48
	LC(Sight/Deferred/Usance/Upas)	145.00	Nil
BRAC Bank Limited (Head Office)	Acceptance(Revolving)	(145.00)	21.61
	LTR(Revolving)	(135.00)	Nil
	Revolving Loan (inner of LTR)	(70.00)	55.32
	OD	5.00	Nil
Standard Chartered Bank (Gulshan Avenue Branch)	OD	50.00	46.90
	Import LC-Secured	612.00	54.40
	Short Term Loan	(150.00)	Nil
	Acceptance under LC	(612.00)	288.39
	Shipping Guarantee	(612.00)	Nil
	LTR	(450.00)	Nil
	Import Invoice Financing	(150.00)	101.07
	Export Invoice Financing	(150.00)	Nil
	Import LC Unsecured	(400.00)	Nil
	Bond & guarantee	(50.00)	3.05
IDLC Finance Limited	Term Loan	62.10	61.70
IPDC Finance Limited	Short Term Loan	100.00	100.00
City Bank Limited (Head Office)	LC	600.00	209.84
	Acceptance	(600.00)	73.78
	Time Loan/LTR	(400.00)	Nil

Time Loan/RSTL	(150.00)	131.91
LC(deferred/UPAS)	(20.00)	Nil
LC(Sight/DP/UPAS)	1300.00	260.01
Acceptance	(1300.00)	334.21
LTR	(1300.00)	Nil
Time Loan-1	(350.00)	212.60
Time Loan-2	(550.00)	278.21
LC(Sight/DP/UPAS)	(50.00)	Nil
Acceptance	(50.00)	Nil
Time Loan-3	(50.00)	Nil
OD	100.00	97.01
BG	150.00	Nil
LC(Sight/DP/UPAS)	100.00	Nil
Acceptance	(100.00)	Nil
Loan General	(90.00)	Nil
WC FSF	(70.00)	Nil
BG(Specific)	(420.00)	61.23
Term Loan-Specific	409.84	314.63
Term Loan-Specific		

*Outstanding as on 09.12.2021

SECURITY ARRANGEMENT:

Nature of Security	Description
	Mutual Trust Bank Limited
Security and Collateral	<ul style="list-style-type: none"> Acceptance of sanction Advice as per Board Resolution DP Note & Usual Charge Documents to be executed Creation of ranking charge on the fixed and floating assets of the company dully registered with RJSC 1st Charge over fixed and floating assets (pari-passu basis) of the company among i. Prime Bank Limited ii. Standard Chartered Bank, iii. Jamuna Bank Limited iv. Mutual Trust Bank Limited, Value of the other fixed assets and floating assets ;BDT3,302.41 Million as of 30.06.2020 Personal Guarantee of Managing Director & Chairman of the Company to be submitted
	One Bank Limited
Security and Collateral	<ul style="list-style-type: none"> Demand Promissory note and latter of Continuity for Tk.85,00,000.00 Letter of arrangement and letter of disbursement Letter of Authority Agreement of Hypothecation over stock, book debts and machinery Registered Hypothecation(inferior Charge) with RJSC on fixed and floating assets(present and future) of the company (Done 90,00,00,000.00) and continued
	BRAC Bank Limited
Security and Collateral	<ul style="list-style-type: none"> Registered Hypothecation(available Charge) on stock and book debt of the company with RJSC along with Notarized IGPA to sell ale Hypothecated assets Personal guarantee of managing Director and Chairman Basic Charge documents
	SCB (Gulshan Avenue Branch)
Security and Collateral	<ul style="list-style-type: none"> Demand promissory note & letter of Continuation for BDT 662,000,000.00 Demand promissory note & letter of Continuation 435610000.00

BDT 3,000 MILLION NATIONAL POLYMER ZERO-COUPON BOND
DECEMBER 2021

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	<ul style="list-style-type: none"> Registered hypothecation (1st Charge) for floating charge over stock and book debt of National Polymer Industries Limited Registered mortgage of on 146.90 decimal factory land and building located at mouza: Kathaldia, SRO: Tongi, District-Gazipur.
Prime Bank Limited (Head Office)	
Security and Collateral	<ul style="list-style-type: none"> Board regulation from National Polymer Limited for availing advised facility Demand promissory note for BDT 2044.00 Million 1st Charge PPSSA charge by way of mortgage on 146.90 decimal factory land and building
City Bank Limited (Head Office)	
Security and Collateral	<ul style="list-style-type: none"> 1st Charge over fixed and floating assets (pari-passu basis) of the company covering total working capital TK 600.00 Million Personal guarantee of managing Director and Chairman Agreement of Hypothecation over stock, book debts and machinery

16. RATING OBSERVATION

Positive Stimulates	Negative Stimulates
<ul style="list-style-type: none"> Praiseworthy business track record Professionally experienced BODs Qualified and veteran Management squad Moderate liquidity position Positive net cash flow Private placement of the instrument 	<ul style="list-style-type: none"> Volatile price of raw materials Attenuate operation High leverage ratio Extreme competition Stressed debt service coverage ratio Adverse impact of COVID-19 pandemic

Analysts:	Md. Ehtesam Akther Reza +88-02-47120156 reza@ncrbd.com	Kishor Mitra +88-02-47120156 Kishor@ncrbd.com
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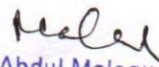
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Ayasha Siddika
 Chief Rating Officer (CRO)
 National Credit Ratings Ltd.


APPENDIX-I: RATING SCALE

Rating Scales and Definition Long Term Credit Ratings (Bank/Financial Institutions/ NBFIs/Corporate/Debt Instruments)	
Rating Scale	Definition
INVESTMENT GRADE	
AAA	Excellent quality, offering highest safety for timely servicing of financial obligations. Such institutions carry minimum risk .
AA+, AA, AA-	Very strong capacity for timely servicing of financial obligations offering high safety . Such institutions carry very low risk .
A+, A, A-	Strong capacity for timely servicing of financial obligations offering adequate safety . Such institutions carry low credit risk .
BBB+, BBB, BBB-	Adequate capacity for timely servicing of financial obligations offering moderate safety . The rating category denotes a moderate credit risk. However changes in circumstances or economic conditions are more likely to affect the capacity for timely servicing of financial obligations.
NON-INVESTMENT GRADE	
BB+, BB, BB-	Inadequate safety for timely servicing of financial obligations. Such institutions carry high credit risk . The entity remains more vulnerable to adverse economic changes over time.
B+, B, B-	Low safety for timely servicing of financial obligations.
CCC, CC, C	Very high risk for timely servicing of financial obligations.
D	Entities with this rating are of the lowest category. They are either in default or likely to be in default soon.

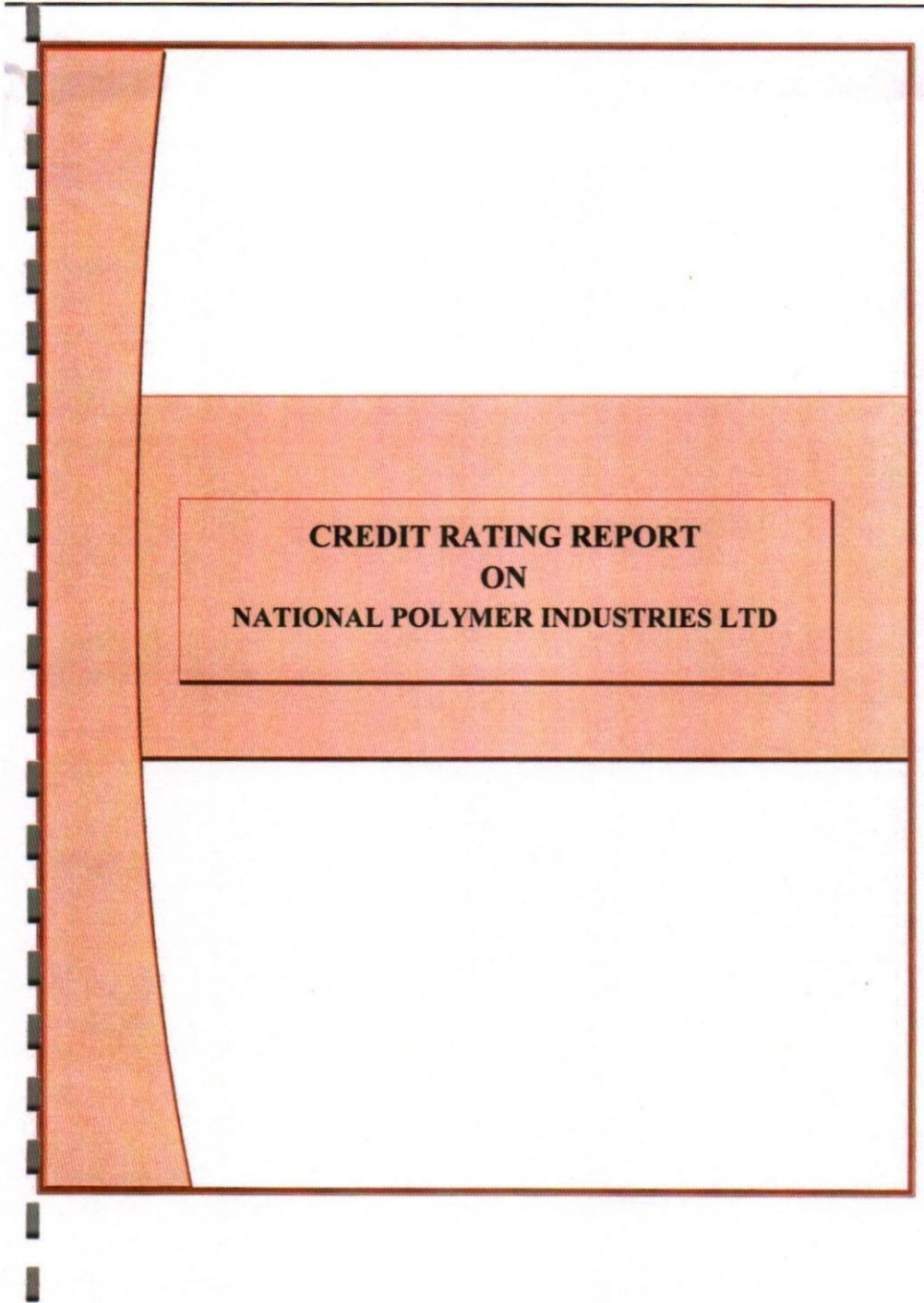
Short Term Credit Ratings (Bank/Financial Institutions/ NBFIs/Corporate/Debt Instruments)	
Rating	Definition
ST-1	Strongest capacity for timely payment of financial commitments and carry lowest credit risk.
ST-2	Strong capacity for timely payment of financial commitments and carry very low credit risk.
ST-3	Satisfactory capacity for timely payment of financial commitments and carry low credit risk.
ST-4	Moderate capacity for timely payment of financial commitments and carry Moderate credit risk.
ST-5	Uncertain capacity for timely payment of financial commitments and carry high credit risk.
ST-6	Indicates actual or inherent payment default.


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Company Secretary
National Polymer Industries Ltd.


Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

21.2 Credit Rating Report of the Issuer



RATING REPORT CONTENTS

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National Credit Ratings Ltd.

EXECUTIVE SUMMARY
SURVEILLANCE RATINGS OF NATIONAL POLYMER INDUSTRIES LTD.

Declaration Date	20.12.2021	08.03.2021
Long Term Entity Rating	A+ (Single A Plus)	A+ (Single A Plus)
Outlook	ST-2	ST-2
Short Term Entity Rating	Stable	Stable
Expiry Date	19.12.2022	07.03.2022

Bank Loan Ratings	
Short Term	ST-2
Long Term	A+

*BLR is valid for one year for long term loan and for short term loan up to 365 days or according to the tenure of the loan whichever is earlier.

Performance Highlights:

(Amount in Million)

Particulars	FY 2020-21	FY 2019-20
Total Assets	6,039.81	4,504.50
Equity	1,968.39	1,309.08
Net Turnover	4,487.23	3,432.96
Net Profit	182.36	150.26
Operating Margin (%)	10.86%	11.66%
Net Profit Margin (%)	4.06%	4.38%
EBITDA	687.90	628.09
ROE (%)	11.13%	12.14%
ROA (%)	3.46%	3.46%
DSCR (X)	0.82	0.91
Current Ratio (X)	1.50	1.02
Inventory Turnover (X)	3.26	2.65
Net Debt/(Net Debt + Equity) (%)	61.34%	67.26%

Strengths
<ul style="list-style-type: none"> ▪ Prolonged experience of the promoters in the related field of the business ▪ Growth in turnover ▪ Backward linkage ▪ Group Support ▪ Experience management team
Challenges
<ul style="list-style-type: none"> ▪ Highly competitive market structure ▪ High import duty on certain raw materials ▪ Maintaining proper liquidity and coverage position ▪ Continuous price hike of utility expenses ▪ Adverse impact due to covid-19

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.



National Credit Ratings Ltd.

Declaration Date	20.12.2021
Long Term Entity Rating	A+ (Single A Plus)
Short Term Entity Rating	ST-2
Outlook	Stable
Expiry Date	19.12.2022

Bank Loan Ratings	
Short Term	ST-2
Long term	A+

**BLR is valid for one year for long term loan and for short term loan up to 365 days or according to the tenure of the loan whichever is earlier.*

Rating Basis

Ratings are based on Audited Financial Statements up to **June 30, 2021** along with the other relevant Quantitative as well as Qualitative information provided by the Client & Bank up to the Date of Rating Declaration. Followed Corporate Rating Methodology and Bank Loan Rating Methodology of NCR published in our website.

Rating Definition:

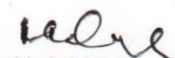
A+ (Single A Plus) rating indicates strong capacity for timely servicing of financial obligations offering adequate safety carrying low credit risk.

ST-2 rating indicates strong capacity for timely payment of financial commitments and carry very low credit risk.

Definition of Outlook:

Stable indicates that rating may remain unchanged as existing fundamentals may remain unchanged in near future.


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National Polymer Industries Ltd.



National Credit Ratings Ltd.

Rating Rationale

NCR has reassigned the above ratings to **National Polymer Industries Ltd.** considering rich and diversified experience of the promoter in the related field of the business, backward and forward linkage, established production facilities, Favorable group support and moderate business performance. Numerically, the ratings have been supported by moderate financial profile epitomized by growth in turnover & EBTIDA, asset base growth. The ratings have been further strengthened by positive net working capital. The ratings are, however, constrained by inadequate efficiency of the firm's assets in generating sales, inadequate debt service coverage position, slight decrease in operating profit margin, net profit margin, ROE & ROA and high leverage capital structure. The ratings are further improved by satisfactory banking transactions of the company. Bank Loan Ratings (BLR) are assigned considering factors like security coverage, recovery prospects and past repayment behavior.

Rating Outlook

NCR, taking the historical business performance, socio-economic aspects, industry growth potential in the regional area and the concern's ability to tap the opportunity and its reflection on forthcoming years' turnover, profitability, coverage indicators, liquidity parameters and external obligation meeting capacity into consideration, judges the outlook of the concern to be "**Stable**" as the concern may be able to retain its existing fundamentals which will favor to reaffirm the rating in foreseeable future.



1.0 BUSINESS OVERVIEW

1.1 National Polymer Industries Ltd, (hereinafter referred as ‘NPIL’ or “the company”), was incorporated as a Public Limited Company with the Registrar of Joint Stock Companies under the Companies Act of 1913 on 26th June, 1987 with an authorized capital of Tk.100.00 million. At present the company is being run with an authorized capital of Tk. 3000.00 million and paid up capital 729.84 million. The company also started its commercial operation during the same year. The company is engaged in manufacturing and exporting of uPVC pipes, fittings, doors, sheets, fall ceiling etc. NPIL markets its products to various parts over the globe including India, Nepal, Bhutan and KSA, Turkey, China, Italy, France, S. Arabia etc.

1.2 NPIL is listed with Dhaka Stock Exchange Limited (DSE) in 1993 and in 1995 in Chittagong Stock Exchange. Shares of the company are traded under “A” category in the bourse. The face value of each share is TK 10.00. Annual General Meeting (34th) of the company will held in 22nd December, 2021 and the Board of Directors has recommended 10% cash Dividend for the year ended in June 30, 2021. The Company has also reported EPS of Tk. 2.82, NAV per share of Tk. 30.49 and NOCFPS of Tk. (4.33) for the year ended on June 30, 2021 as against Tk. 2.50 (Restated for Rights Issue), Tk. 35.87 and Tk. 6.66 respectively for the same period of the previous year. The following graph reveals the trading history of NPIL’s stock closing price over a period of last twelve months at DSE:



1.3 The registered office and factory of NPIL is located at Squibb Road, Nishat Nagar, Tongi I/A, Tongi, Gazipur on a total 1208.21 decimals land. Out of 1208.21 decimal land NPL owned 319.64 decimal and remaining 888.57 decimal land taken as lease & rental basis. The corporate office is located at Uday Tower (2nd Floor), Plot: 57, & 57/A, Gulshan Avenue, Gulshan-1, Dhaka-1212. Besides, the company maintains a warehouse facility on the factory premises for storing finished goods.





National Credit Ratings Ltd.

2.0 GROUP PROFILE

The promoters of NPIL are also engaged in other businesses. The details of other concerns under the umbrella of National Polymer Group is presented below:

SL	Name of the Company/Concern	Year of Starting Commercial Operation	Nature of Business
1.	National Fittings & Accessories Ltd.	2008	PVC Compound Product
2.	Shoeniverse Footwear Ltd.	2014	Footwear Products
3.	R & R LPG Ltd.	Project In Progress	LPG Gas
4.	Npolymer Construction Limited	2017	Contracting business

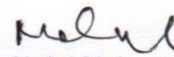
3.0 INDUSTRY OVERVIEW:

3.1 Plastic is such a material which is used to manufacture a wide variety of products to meet the domestic demand of the country and some products are exported as well. The plastic industry has been emerged as an important industrial sector in the country during the last two decades. At present, Bangladesh manufactures around 142 plastic items like several types of extrusion material, molding, thermosetting conversion like manufacturing of PVC pipe, shopping bag, injection molding products, garment bag, woven bags, PET/PE bottle, laminated packages, household products, cosmetics & medicine packs etc. Polyvinyl Chloride (PVC) is one of the major manufactured products of this industry. The industry has been growing at about 20 percent a year and in the FY 2017-18, the domestic market size of plastic products hit TK 25,0000 million according to the Bangladesh Plastic Goods Manufacturers and Export Association (BPGMEA). The average plastic consumption in the country is about 2 kg per person. The availability of cheap labor and the fast developing plastic wastes recycling industry due to rising cost of petroleum (raw material of polymers) provide the players potential advantage of competitiveness in the domestic as well as global market. The major weakness of this industry is that there is no unit to produce poly-olefin and petrochemical, which are the main raw materials for producing plastic goods. As a result, the manufacturers have to import raw materials from India, China, Formosa, Vietnam and Taiwan. However, Bangladesh has only 0.6 percent share of the \$546 billion global plastic market. So, the manufacturers has huge potential to grow further in this sector. The BPGMEA has set a target to occupy 3 percent of the global market by 2030 and the government is providing 10 percent cash incentive to the exporters.

3.2 Shipments of plastic products from Bangladesh fell 16 per cent year-on-year to \$101 million in fiscal year 2019-20 following the outbreak of coronavirus all over the world. Over 142 plastic items are currently manufactured in Bangladesh and the country mainly exports intermediate products like film plastic, household items and garment accessories to the US, Canada, the EU, China, India and Nepal.

Manufacturers achieved 22 per cent year-on-year growth in exports to hit \$120 million in fiscal 2018-19. They even set a target to send goods worth about \$150 million abroad in the next year. Bangladesh has only a 0.6 per cent share of the global plastic market worth \$546 billion and the BPGMEA aims to occupy 3 per cent of the global market by 2030.

The south Asian nation produces several types of extrusion material, moulding, thermosetting conversion like manufacturing of PVC pipes, shopping bags, injection moulding products, garment bags, woven bags, PET/PE bottle, laminated packages, making of profile, rigid sheets, garment accessories, household products, cosmetics, medicine packs etc.





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Riad Mahmud
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National Credit Ratings Ltd.

The government is providing 10 per cent cash incentive to exporters. As of now, total investment in Bangladesh's 12th highest export earning sector is around Tk 21,000 crore.



The plastic makers have created at least 12 lakh jobs in a total of 5,030 small, medium and big factories across the country. Some 175,500 people are doing job in small units, 444,000 in 1,480 medium units and 10,000 in big units.

Currently, there are around 100 plastic product manufacturers, who also aid export earnings of almost \$800 million per year through direct and indirect backward linkage supplies to different sectors. The plastic sector was quite dependent on raw material imports, for which global competitiveness had an influence on their business. The main raw material for producing plastic goods is polyolefin, which is derived during the refining of crude oil and cracking or distillation of natural gas liquids. Despite having no polyolefin manufacturing facility, Bangladeshi businesses expected the plastic sector to post 25 per cent growth every year.

According to the BPGMEA, the sector's sales is growing by about 20 per cent every year on the back of spiralling demand from domestic and export markets. The market for locally produced plastic products both at home and abroad is about \$2.99 billion, whose 83.4 per cent is linked with local market and the rest 16.6 per cent is linked with global market, according to BPGMEA. Export earnings from plastic products fell by 16.95 per cent to \$26.17 million during the first quarter of current fiscal year, 2020-21, according to Export Promotion Bureau (EPB) data.

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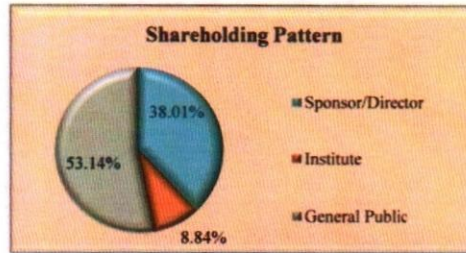
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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

4.0 BUSINESS RISKS

4.1 OWNERSHIP STRUCTURE

The majority (53.14%) of the shares are held by General Public, (38.01%) shares owned by Directors & Sponsor Shareholders and rest of the shares (8.84%) are owned by the Institutions. At present the authorized share capital is 300.00 million shares of TK 10.00 each. The latest shareholding pattern of the company as on 30 November, 2021 is shown in the graph below:



4.2 CORPORATE GOVERNANCE

The company's BoD comprises of six members. The BoD with expertise is a key source of guidance to the management. The BoD is not fully independent from the management and the corporate financial reporting system is moderate. Brief profile of board members is given below:

Name	Designation	Qualification	Experience (In Years)
Mr. Golam Murshed	Chairman	BA	48 Years
Mr. Riad Mahmud	Managing Director	B.Sc. in Chemical Engineering, MBA	20 Years
Mr. Nuruzzaman Khan	Nominated Director	MBS Econ. (RU)	31 Years
Mr. Dr. Mohammad Mahboob Rahman	Independent Director	BS, Ph.D Decision Sciences (USA)	21 Years
Mr. Mohammed Ariful Islam	Independent Director	BBA(NSU)	17 Years

4.3 MANAGEMENT

The management is headed by Mr. Riad Mahmud, Managing Director of NPIL, one of the key shareholder of the company. The operation of NPIL is being looked after by an experienced management team having exposures in the relevant sector. The organizational structure of the company is divided into different functional departments. All the Departments are directly supervised by the Managing Director. A brief profile of the management personnel of the organization is given below:

Name	Designation	Department	Qualification	Experience(in Years at NPIL)
Mr. K M Arshed Alam	ED & Head of Plant Operation	Plant Operation	M. Sc. in IPE (BUET)	22 Years
Mr. Md. Mahmudul Islam	ED & Head of Sales & Marketing	Sales & Marketing	M. Com (DU)	24 Years
Mr. Md. Shawkat Ali Miah FCA	CFO & GM	Accounts & Finance	Chartered Accountant, ITP, M.Com (A&M)	21 Years

Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd.

Md. Shawkat Ali Miah, FCA
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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

Mr. Md. Shahriar Hasan ACGA	Senior Manager	Accounts & Finance	Associate of CGA, CA (K. Level), ITP, MBS(Acc.), LLB	10 Years
Mr. S. M Minhaj Uddin	GM & Head of Commercial	Commercial	MSS (DU)	25 Years
Mr. Mohammad Manzur Hossain	DGM	HR & Administration	MBA (DU), PGDHRM	14 Years
Mr. Md. Abdul Maleque	Company Secretary	Corporate Affairs	CS (Part), B. A (JNU)	15 Years
Mr. Md. Mozaharul Islam	Senior Manager	Tax & Vat	CA(CC), ITP	17 Years
Mr. Md. Masud Rana	Manager	Accounts & Finance	CA (Knowledge Level), ITP	09 Years
Mr. Mithun Kanti Das	Senior Manager	Internal Audit	CA (Application Level)	12 Years
Mr. Md. Farid Newaz	Senior Deputy Manager	Inventory Management	M. Com (NU)	14 Years
Mr. Syed Mazedul Haque	Senior Deputy Manager	Distribution	B. A (NU)	12 Years

The Heads of the Departments have the capability and experience to promote and run the business efficiently. With the motivation and support of their executives and workers, they look forward to attain sustainable growth. For overall operation Currently the company has around 833 staff & workers and employees.

4.4 OPERATIONAL RISKS

The company is exposed to other risks associated with the operation. The operational risks are:

4.5 INTERNAL CONTROL SYSTEM

NPIL uses 'ORACLE' software to handle procurement, production, inventory management and other activities as per the recommendation by management.

4.6 QUALITY CONTROL SYSTEM:

The company has a well-equipped quality control department with responsible for ensuring the quality. At every stage of production, stringent quality control measures are adopted to ensure consistent good quality products.

4.7 TOP CUSTOMER LIST:

The company has a strong and diversified customer base. The customers of NPIL are located in both Bangladesh & different parts of the globe. They have about 4508 local customers. List of top customers is presented below:

SL. No.	Name of the Customer
1.	Tongi Hardware & Sanitary Store (3688)
2.	Executive Engineer, DTIP-2, BMDA, Rajshahi (1702)
3.	Imran Traders. (8568)
4.	Rajdhani Sanitary (3049)
5.	Project Director, BADC, DLIP (3rd Phase), Dhaka (375449)
6.	Rupsha Sanitary.. (3173)
7.	S.E & Project Director, EIBA, BMDA, Rajshahi. (366544)
8.	Project Director, EIEC, BMDA, Rajshahi (138013)
9.	Bangladesh Trading Center (PVT) Ltd. (11002)
10.	Yousuf & Brothers (3770)

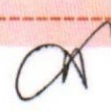


National Credit Ratings Ltd.

4.8 TOP SUPPLIER LIST:

The company has a strong and diversified supplier base. The supplier of NPIL are located in both Bangladesh & different parts of the globe.

Sl No.	Name Of The Suppliers	Rm Name	Location
1.	Mitsubishi Corporation, Singapore	PVC Resin	Singapore
2.	Mitsubishi Corporation, Japan		Japan
3.	Hanwa Corporation		Korea
4.	Kinta Powdertech Sdn Bhd	Calcium Carbonate	Malaysia
5.	Lg International Corporation	PVC Resin	Korea
6.	Tianjin Lgdagu Chemical Ltdh-Saga International Company Ltd		China
7.	H-Saga International Co Ltd		Taiwan
8.	Q-Chem Distribution Company Ltd		Qatar
9.	Tun Wa Industrial Company Ltd		Taiwan
10.	En-Door Polymer Additives Ltd	CPVC Compound	China
11.	Jahnglagang Kiwex Machinery Ltd	Capital Machineries	China
12.	Kaizer Pvc Additives Sdn Bhd	Stabilizer	Malaysia
13.	Polyvinel Industrial Services Ltd		Singapore





National Credit Ratings Ltd.

4.9 QUANTITATIVE ANALYSIS:

Particulars	FY 2020-21	FY 2019-20
Turnover (TK in Million)	4,487.23	3,432.96
Turnover Growth (%)	30.71	14.43
Cost To Revenue Ratio (%)	83.89	82.46
Gross Margin (%)	16.11	17.54
Operating Margin (%)	10.86	11.66
Net Profit Margin (%)	4.06	4.38
ROA (%)	3.46	3.46
ROE (%)	11.13	12.14

4.9.1 INTERPRETATION:

4.9.1.1 The business performance of National Polymer Industries Ltd has been evaluated on the basis of last five years' audited reports and financial statements for continuing production units.

4.9.1.2 The performance of the company is significantly improved for last three years. The company recorded turnover of TK 4487.23 million in FY 2020-21 against TK 3432.96 million in FY 2019-20, registering a growth of 30.71%.

4.9.1.3 The gross profit of the company increased to TK 722.75 million in FY 2020-21 from TK 602.18 million in FY 2019-20. The gross margin slightly decreased to 16.11% in FY 2020-21 from 17.54% in the previous year as the cost to revenue ratio has increased to 83.89% in FY 2020-21 from 82.46% in FY 2019-20. The operating margin was recorded to 10.86% in FY 2020-21 against 11.66% in the previous year.



Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd.

Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.



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5.0 FINANCIAL RISKS

Particulars	FY 2020-21	FY 2019-20
EBITDA (TK in Millions)	687.90	628.09
Current Ratio (x)	1.50	1.02
DSCR(x)	0.82	0.91
Debt payback periods (Years)	4.54	4.28
Cash Cycle (Days)	168.41	177.10
Net Debt (Net Debt + Equity) (%)	61.34	67.26
Total Asset (TK in Million)	6039.81	4504.50

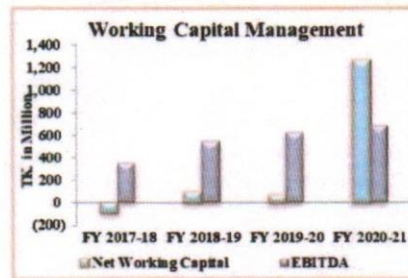
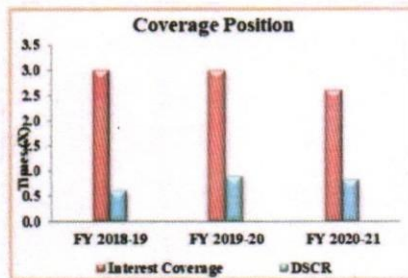
5.1.1 INTERPRETATION:

5.1.1.1 The net income of the company increased to TK 182.36 million in FY 2020-21 from TK 150.26 million in FY 2019-20. The net profit margin decreased to 4.06% in FY 2020-21 from 4.38% in FY 2019-20.

5.1.1.2 The liquidity indicator, current ratio was found moderate and recorded 1.50 times in FY 2020-21 against 1.02 times in FY 2019-20. The cash cycle was longer to 169 days in FY 2020-21 against 178 days in FY 2019-20. The company has been recorded TK 1263.44 positive working capital in FY 2020-21.

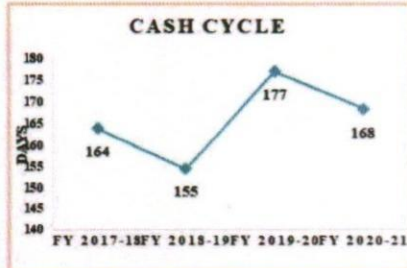
5.1.1.3 The EBITDA was recorded TK 687.90 million in FY 2020-21 against TK 628.09 million in FY 2019-20. The recorded growth in EBITDA was 9.52% against the growth in turnover by 30.71% in FY 2020-21. Besides, the Debt Service Coverage Ratio (DSCR) was found inadequate and increased to 0.82 times in FY 2020-21 from 0.91 times in FY 2019-20. The debt payback period was reduced to 4.54 years in FY 2020-21.

5.1.1.4 The capital structure was composed of 61.34% of debt and 38.66% of equity as on 30th June, 2021. The asset turnover ratio was increase at 0.85 times in FY 2020-21. The total assets base of the company has decreased to TK 6039.81 million in FY 2020-21 against TK 4504.50 million in FY 2019-20, representing a decline of 34.08%.





National Credit Ratings Ltd.



6.0 CREDIT FACILITIES

NPIL is enjoying Credit facility from Prime Bank Limited., Mutual Trust Bank Limited, One bank Limited, BRAC Bank Limited, Standard Chartered bank Limited, City Bank Limited, IPDC Finance Limited., IDLC Finance Limited. The features of the credit facility are given below:

Name Of Bank	Nature of Facility	Limit (TK in Million)	Outstanding* (TK in Million)
Mutual Trust Bank Limited (Banani Branch)	LC(Deferred/ UPAS)	400.00	113.08
	Acceptance	(400.00)	139.82
	OD	80.00	79.37
	Loan General	100.00	60.65
	Time Loan	50.00	49.59
One Bank Limited (Banani Branch)	LC(Sight/U/LC)	1,030.00	209.14
	Acceptance(Revolving)	(1,030.00)	189.95
	LTR	(450.00)	Nil
	Time Loan	(250.00)	249.30
	LC(Sight/Deferred)	(50.00)	Nil
	Acceptance(Revolving) (inner of LC Sight)	(50.00)	Nil
	OD(Revolving)	240.00	200.00
	OD(Special)	30.00	29.59
	BG(Bid Bond, PG) (Line One)	(100.00)	25.48
	LC(Sight/Deferred/Usance/Upas)	145.00	Nil
BRAC Bank Limited (Head Office)	Acceptance(Revolving)	(145.00)	21.61
	LTR(Revolving)	(135.00)	Nil
	Revolving Loan (inner of LTR)	(70.00)	55.32
	OD	5.00	Nil
Standard Chartered Bank (Gulshan Avenue Branch)	OD	50.00	46.90
	Import LC-Secured	612.00	54.40
	Short Term Loan	(150.00)	Nil
	Acceptance under LC	(612.00)	288.39
	Shipping Guarantee	(612.00)	Nil
	LTR	(450.00)	Nil
	Import Invoice Financing	(150.00)	101.07
	Export Invoice Financing	(150.00)	Nil
	Import LC Unsecured	(400.00)	Nil
	Bond & guarantee	(50.00)	3.05
IDLC Finance Limited	Term Loan	62.10	61.70
IPDC Finance Limited	Short Term Loan	100.00	100.00
City Bank Limited (Head Office)	LC	600.00	209.84
	Acceptance	(600.00)	73.78



National Credit Ratings Ltd.

	Time Loan/LTR	(400.00)	Nil
	Time Loan/RSTL	(150.00)	131.91
	LC(deferred/UPAS)	(20.00)	Nil
	LC(Sight/DP/UPAS)	1300.00	260.01
	Acceptance	(1300.00)	334.21
	LTR	(1300.00)	Nil
	Time Loan-1	(350.00)	212.60
	Time Loan-2	(550.00)	278.21
	LC(Sight/DP/UPAS)	(50.00)	Nil
	Acceptance	(50.00)	Nil
	Time Loan-3	(50.00)	Nil
	OD	100.00	97.01
	BG	150.00	Nil
	LC(Sight/DP/UPAS)	100.00	Nil
	Acceptance	(100.00)	Nil
	Loan General	(90.00)	Nil
	WC FSF	(70.00)	Nil
	BG(Specific)	(420.00)	61.23
	Term Loan-Specific		
	Term Loan-Specific	409.84	314.63

*Outstanding as on 09.12.2021

Nature of Security	Description
Mutual Trust Bank Limited	
Security and Collateral	<ul style="list-style-type: none"> Acceptance of sanction Advice as per Board Resolution DP Note & Usual Charge Documents to be executed Creation of ranking charge on the fixed and floating assets of the company dully registered with RJSC 1st Charge over fixed and floating assets (pari-passu basis) of the company among i. Prime Bank Limited ii. Standard Chartered Bank, iii. Jamuna Bank Limited iv. Mutual Trust Bank Limited, Value of the other fixed assets and floating assets ;BDT3,302.41 Million as of 30.06.2020 Personal Guarantee of Managing Director & Chairman of the Company to be submitted
One Bank Limited	
Security and Collateral	<ul style="list-style-type: none"> Demand Promissory note and letter of Continuity for Tk.85,00,000.00 Letter of arrangement and letter of disbursement Letter of Authority Agreement of Hypothecation over stock, book debts and machinery Registered Hypothecation(inferior Charge) with RJSC on fixed and floating assets(present and future) of the company (Done 90,00,00,000.00) and continued
BRAC Bank Limited	
Security and Collateral	<ul style="list-style-type: none"> Registered Hypothecation(available Charge) on stock and book debt of the company with RJSC along with Notarized IGPA to sell ale Hypothecated assets Personal guarantee of managing Director and Chairman Basic Charge documents
SCB (Gulshan Avenue Branch)	
Security and Collateral	<ul style="list-style-type: none"> Demand promissory note & letter of Continuation for BDT 662,000,000.00 Demand promissory note & letter of Continuation 435610000.00

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National Credit Ratings Ltd.

	<ul style="list-style-type: none"> Registered hypothecation (1st Charge) for floating charge over stock and book debt of National Polymer Industries Limited Registered mortgage of on 146.90 decimal factory land and building located at mouza: Kathaldia, SRO: Tongi, District-Gazipur.
Prime Bank Limited (Head Office)	
Security and Collateral	<ul style="list-style-type: none"> Board regulation from National Polymer Limited for availing advised facility Demand promissory note for BDT 2044.00 Million 1st Charge PPSSA charge by way of mortgage on 146.90 decimal factory land and building
City Bank Limited (Head Office)	
Security and Collateral	<ul style="list-style-type: none"> 1st Charge over fixed and floating assets (pari-passu basis) of the company covering total working capital TK 600.00 Million Personal guarantee of managing Director and Chairman Agreement of Hypothecation over stock, book debts and machinery

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Ayasha Siddika
 Chief Rating Officer (CRO)
 National Credit Ratings Ltd.

APPENDIX- I: RATING HISTORY:

SURVEILLANCE ENTITY RATING – 2021	
Date of Rating Declaration	Long Term
08.03.2021	A+ (Single A Plus)
SURVEILLANCE ENTITY RATING – 2021	
Date of Rating Declaration	Long Term
10.03.2020	A+ (Single A Plus)
INITIAL ENTITY RATING – 2019	
Date of Rating Declaration	Long Term
03.02.2019	A+ (Single A Plus)

APPENDIX- III: RATING SCALE:

Rating Scales and Definition Long Term Credit Ratings (Bank/Financial Institutions/ NBFIs/Corporate/Debt Instruments)	
Rating Scale	Definition
INVESTMENT GRADE	
AAA	Excellent quality, offering highest safety for timely servicing of financial obligations. Such institutions carry minimum risk
AA+, AA, AA-	Very strong capacity for timely servicing of financial obligations offering high safety . Such institutions carry very low risk .
A+, A, A-	Strong capacity for timely servicing of financial obligations offering adequate safety . Such institutions carry low credit risk .
BBB+, BBB, BBB-	Adequate capacity for timely servicing of financial obligations offering moderate safety . The rating category denotes a moderate credit risk. However changes in circumstances or economic conditions are more likely to affect the capacity for timely servicing of financial obligations.
NON –INVESTMENT GRADE	
BB+, BB, BB-	Inadequate safety for timely servicing of financial obligations. Such institutions carry high credit risk . The entity remains more vulnerable to adverse economic changes over time.
B+, B, B-	Low safety for timely servicing of financial obligations.
CCC, CC, C	Very high risk for timely servicing of financial obligations.
D	Entities with this rating are of the lowest category. They are either in default or likely to be in default soon.

Short Term Credit Ratings (Bank/Financial Institutions/ NBFIs/Corporate/Debt Instruments)	
Rating	Definition
ST-1	Strongest capacity for timely payment of financial commitments and carry lowest credit risk.
ST-2	Strong capacity for timely payment of financial commitments and carry very low credit risk
ST-3	Satisfactory capacity for timely payment of financial commitments and carry low credit risk.
ST-4	Moderate capacity for timely payment of financial commitments and carry Moderate credit risk
ST-5	Uncertain capacity for timely payment of financial commitments and carry high credit risk.
ST-6	Indicates actual or inherent payment default.

22 PRIVATE OFFER APPLICATION PROCEDURE

22.1 Application Procedure

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement containing in detail the rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Issuer Date, duly execute and deliver to the Bondholder a Letter of Allotment of Bonds in respect of its entire holding of Bonds issued by the Issuer to such Bondholder. Bonds shall be issued in dematerialized form and shall be delivered in the BO Account of the Bondholders.

22.2 Allotment

The Bonds

Subject to the Consent and the completion of the condition precedent as set forth in each Subscription Agreement and receipt of Issue Price under each Subscription Agreement, the Issuer shall issue the Bonds on the Issue Date in the name of the Bondholders in such number the respective Bondholder is entitled. Bonds shall be subject to the terms and conditions of the Bond Documents. On the Issue Date, the Register shall be completed by the Issuer by registering the name of the Bondholders in the Register.

Status

The Bonds shall be a transferable, redeemable, zero-coupon bonds. It shall constitute direct and unconditional obligations of the Issuer and shall at all times rank pari passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. For the avoidance of doubt, nothing shall require the exercise or enforcement of any other right or remedy prior to the exercise of any right or remedy to recover any amount under or in respect of the Bonds from the Issuer. Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to pay the Redemption Amount and any Default Interest on the Bonds according to the Conditions.

The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at

general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their authorization.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond.

Form and Denomination

The Bonds are issued in registered and dematerialized form in the denomination of BDT at a price stipulated within Annexure A of Schedule 1 of the Trust Deed without coupons attached. Each Bond will be numbered serially with an identifying number which will be recorded in the records of CDBL (the "Register") a copy of which will be maintained by the Issuer.

Title

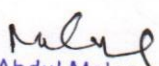
Title to the Bonds passes only by transfer and registration in the records of CDBL as described in Condition IV of the Trust Deed. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it) and no person will be liable for so treating the holder. In these Conditions "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered in the records of CDBL as owner of the Bond.

Register

The Issuer will cause a duplicate of the records of CDBL to be kept at its registered office on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall receive a notification in respect of its entire holding of Bonds issued by the Issuer to such Bondholder. Bondholders and the Trustee shall be entitled to inspect the Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

Transfer

Subject to regulations concerning Closed Periods detailed in Condition IV(D) of the Trust Deed, a Bond may be transferred subject to the detailed regulation concerning transfer of Bonds stipulated by the CDBL from time to time. No transfer of a Bond will be valid unless and until entered in the records of CDBL.


Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd


Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.

Formalities Free of Charge

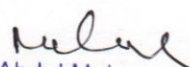
Registration of a transfer of Bonds will be effected without charge by or on behalf of the Issuer, but upon payment (or the giving of such indemnity as the Issuer or the CDBL may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

Closed Periods

Unless the Bonds are listed in a Qualified Stock Exchange, Bondholder may not require transfers of a Bond to be registered (a) within 10 (ten) Business Days of the Redemption Date in respect of the Bonds, save in the case of a payment which falls due as a result of an Event of Default; or (b) in the case of a payment of principal or interest as a result of an Event of Default, during the period from the later of (i) ten Business Days prior to the due date of such payment and (ii) the date on which the Trustee provides a notice pursuant to Condition X (Events of Default) of the Trust Deed to and including the due date for such payment of principal or interest; or (c) on the due date for any payment of principal or interest in respect of such Bond, each such period is a "Closed Period". In case the Bonds are listed, the Closed Period shall be replaced with the periods determined under the applicable laws.

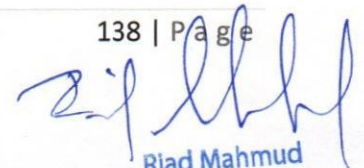
Regulations concerning transfers and registration

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds stipulated by the CDBL from time to time


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Md. Shawkat Ali Miah, FCA
General Manager & CFO
Accounts & Finance
National Polymer Industries Ltd.

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Riad Mahmud
Managing Director & CEO
National Polymer Industries Ltd.