

# NATIONAL POLYMER INDUSTRIES PLC.

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

### DEAR SHAREHOLDERS,

The Board of Directors of National Polymer Industries PLC. has the pleasure to welcome you to the 37<sup>th</sup> Annual General Meeting (AGM) of the company and to present you the Annual Report 2023-2024 comprising the AGM Notice, Directors' Report, Auditor's Report, Audited Financial Statements, Corporate Governance Report and other relevant reports and statements prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The Board of Directors is pleased to report you on the overall performance of the Company for the year ended on June 30, 2024 as follows:

### PRINCIPAL ACTIVITIES

National Polymer Industries PLC. is actively engaged in manufacturing and supplying different sizes of UPVC, CPVC, PPR, HDPE Pipe & Fittings, PVC Sheet, Door, Water Tank, Water Tap etc. for water supply, sanitation and building solutions.

### INDUSTRY OUTLOOK & POSSIBLE FUTURE DEVELOPMENT

The Company has been in operation for over three decades and has established itself as a renowned brand name in the country. The Company has been operating its business activities with a view to becoming the market leader in the plastic sector of Bangladesh. We are committed to providing with the high quality innovative products to our valued customers that are environment friendly.

The market growth is driven by various factors such as increasing demand for PVC pipes in construction, irrigation and agricultural activities and government initiatives promoting the use of PVC pipes in infrastructure development projects. According to 6Wresearch, the Bangladesh PVC Pipe Market size is projected to rise at a CAGR of 6% during 2024-2030. One of the major drivers of Bangladesh PVC pipe market is the rapid urbanization and industrialization in the country. This has led to a surge in demand for housing and commercial buildings, which in turn has boosted the demand for PVC pipe for plumbing, sewage and drainage systems. Additionally, the government's focus on developing infrastructure such as roads, bridges and water supply systems have further propelled the PVC Pipe market growth. Anticipating the sharp demand for our products at home and abroad, we have taken necessary measures to expand the production capacity. The production capacity of the company has been increased to 75,500 MT from its initial 500 MT. Apart from the Tongi Plant, the Company has started production in its 2nd Unit at Valuka, Mymensingh.

### BUSINESS OVERVIEW

During the year the economy of Bangladesh experienced a massive pressure on foreign exchange reserves with high inflation. The business landscape became highly challenging as currency devaluation and foreign currency issues affected the cost of sales severely. Besides, inflationary pressures limited the discretionary buying power of consumers. Rapid devaluation of Taka against USD, global economic dynamics, depletion of forex reserve and L/C restrictions continue to affect the economy.

Despite various challenges, we could manage to complete the year 2023-2024 successfully by achieving a positive revenue growth. During this year, we could achieve revenue and net profit growth by 12.26% and 8.75% compared to the previous year. As per the audited financial statements for the year ended on June 30, 2024, a comparative view is given below for your better understanding on the overall performance of the Company:

Particulars	2023-2024	2022-2023	Amount in Taka
			Growth (%)
Revenue	7,271,200,538	6,476,878,342	12.26
Cost of Goods Sold	(6,202,883,796)	(5,338,491,661)	16.19
Gross profit	1,068,316,743	1,138,386,680	(6.16)
Operating expenses	(364,724,623)	(327,914,665)	11.23

Foreign exchange loss/gain	(84,520,232)	(268,633,736)	(68.54)
Finance expenses	(406,910,870)	(355,385,068)	14.50
Profit before WPPF and tax	220,048,203	201,025,119	9.46
Net Profit	165,942,514	152,591,224	8.75

## EXPORT EARNINGS

Crossing the national border we have entered into the global markets with our diversified quality products and have been contributing to the national economy by earning foreign currency. Despite ongoing global crises, we could managed to earn export revenue of Tk. 6.17 crore during this year. We have been working relentlessly to earn more export revenue in coming days.

## APPROPRIATION OF PROFIT

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
Retained earnings brought forward	626,023,056	546,280,722
Net Profit for the year	165,942,514	152,591,224
<b>Total profit available for appropriation</b>	<b>791,965,570</b>	<b>698,871,946</b>
<b>Proposed appropriation: -</b>		
Cash Dividend	(76,632,851)	(72848890)
Tax adjustment against assessment (FY 2020-2021)	(22,567,300)	-
<b>Retained earnings carried forward</b>	<b>692,765,419</b>	<b>626,023,056</b>

## DECLARATION OF DIVIDEND

The Board of Directors of the company is always sincere to provide with a good return to the shareholders of the company. Thus, a stable dividend policy is followed by the Board of Directors considering the benefit of the shareholders and to safeguard their valuable investments. Considering the overall business situation, the Board of Directors has recommended **10.50% Cash Dividend** for the year ended on 30 June 2024, which will be distributed to the shareholders, whose names have been recorded in the Register of Members/Depository Register on the Record Date, i.e. 22 October 2024 within the stipulated time after having approval of the shareholders in this Annual General Meeting (AGM).

## SEGMENT-WISE PERFORMANCE

The Company's operation is carried out and managed as a single operating segment for manufacturing and marketing of UPVC, CPVC, PPR, HDPE Pipe and Fittings, PVC Sheet, Door, Water Tank, Water Tap etc. for water supply, sanitation and building material solutions.

As there is no segment reporting, it is mentioned that the company scored 12.26% sales growth compared to previous financial year. Net profit growth rate is. 8.75%. During the year the company's total sales is 62,941 Metric Ton, which was 55,589 Metric Ton in the previous year. See Note 31 of the Financial Statement.

## RISKS AND CONCERNS

Risk and concern is the integral part of business. Like others, our business may also be affected by risk and uncertainties. Revenue is generated from both local and export sales. Political unrest and instability hampers the purchasing capacity of buyers. So, there is an external risk in the plastic sector. Details of risk factors and the ways to handle such events are stated in the Management's Discussion and Analysis.

## A DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT AND NET PROFIT.

During this year the company's revenue growth rate is 12.26%, but the cost of goods sold (COGS) increased by 16.19% compared to previous years. The COGS increased due to increase of salary, raw material price, power and fuel cost, carriage inward costs and other manufacturing overhead. Throughout the year, inflationary pressures have affected the cost of every item purchased. As gross profit growth relies on COGS, gross profit declined by 6.16% from the previous financial year under these challenging circumstances.

Almost every aspect of costs incurred is higher than the previous year, excepting the foreign exchange loss. The company has experienced 68.54% decrease of foreign exchange loss compared to the previous year in foreign exchange transactions. During this period, the Company has earned 8.75% net Profit growth. As per the audited financial statements for the year ended on June 30, 2024, a comparative view is given below:

**Amount in Taka**

Particulars	2023-2024	2022-2023
Cost of Goods Sold	6,202,883,796	5,338,491,661
Gross profit	1,068,316,743	1,138,386,680
Net Profit	165,942,514	152,591,224

#### **CONTINUITY OF ANY EXTRA-ORDINARY ACTIVITIES**

Since the past two and a half years, the country's macro economy has been facing significant challenges, including inflationary pressure on consumer goods, difficulties in opening letters of credit due to a dollar crisis, currency devaluation against the US dollar, and a shortfall in current accounts. The ongoing conflict between Russia and Ukraine, along with the Israeli invasion of Gaza, has further disrupted global supply chains, negatively impacting the manufacturing sector, including National Polymer Industries PLC. This year, National Polymer Industries PLC reported a foreign exchange loss of Tk. 84,520,232 resulting in decreased earnings of the company.

#### **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. A detail discussion on related party transactions along with statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions are stated in note no. 48.00 of the financial statements.

#### **UTILIZATION OF PROCEEDS RAISED THROUGH PUBLIC ISSUES, RIGHTS ISSUES AND/OR ANY OTHER INSTRUMENTS**

**Preference Share Issue:** In the month of June 2024, the Company has initiated to collect Tk. 100 core through issuance of redeemable, no-convertible and non-participative preference shares. The procedure is under process. The Company is expecting final consent from the Bangladesh Securities and Exchange Commission (BSEC).

#### **EXPLANATION IF THE FINANCIAL RESULTS DETERIORATE AFTER THE COMPANY GOES FOR IPO, RPO, RIGHTS SHARE OFFER, DIRECT LISTING ETC.**

No such event occurred during the year.

#### **SIGNIFICANCE VARIANCE BETWEEN QUARTERLY FINANCIAL STATEMENTS AND ANNUAL FINANCIAL STATEMENTS.**

No significant variance occurred between quarterly financial performances and annual financial performances.

#### **REMUNERATION PAID TO THE DIRECTORS INCLUDING THE INDEPENDENT DIRECTOR(S)**

The Directors of National Polymer Industries PLC get only board meeting fees, but not any remuneration, bonus or any other form, excepting the Managing Director's salary for his direct participation to the company's day to day operations. Honorarium (meeting fees) paid to the Directors including the Independent Directors is disclosed in note 48.00 of the financial statements.

#### **STATEMENT REGARDING FINANCIAL STATEMENTS AND REPORTING FRAMEWORK**

The members of the Board, in accordance with the Bangladesh Securities and Exchange Commission's Notification No: BSEC/CMRRCD/ 2006-158/207/ Admin/80 dated June 03, 2018, confirm the compliance with the financial reporting framework for the followings:

#### **a) FAIRNESS OF FINANCIAL STATEMENTS**

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

#### **b) BOOKS OF ACCOUNTS**

Proper books of accounts of the company have been maintained.

#### **c) ACCOUNTING POLICIES**

Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.

#### **d) APPLICATION OF IAS/IFRS & OTHER APPLICABLE LAWS & REGULATIONS**

The Board of Directors of the company is entrusted to ensure the disclosure of the actual financial position and preparation and maintenance of all types of Statutory Statements as per the BSEC's regulations and the Companies Act, 1994. The Board of Directors ensured that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed.

#### **INTERNAL CONTROL SYSTEM**

National Polymer Industries PLC. has a well-defined internal control system to ensure smooth business operations. The internal control system ensures reasonable assurance of the internal checking system of monetary transactions and safeguarding of assets. The internal control systems are reviewed by the Internal Audit & Compliance Department and reported to the Audit Committee regularly. The internal control system ensures the receiving of quality raw materials, stores & spares of non-current assets and production of quality products for the customers. The quality of the goods are tested by the recognized testing authorities.

The following steps have been taken for implementation of an effective internal control procedure of the company:

- a. Regular review of internal audit reports with a view to implementing the suggestion of internal auditors in respect of internal control technique;
- b. Establish and review the effective management system that includes planning, organizing and supervising culture in the factory as well as at the head office.

#### **RIGHTS AND PROTECTION OF MINORITY SHAREHOLDERS**

The Board of Directors of National Polymer industries PLC believes, on being entered on the register of members, a shareholder acquires some specific rights on the Company of which he becomes a member. The Board must commit to respect the following rights of Minority Shareholders:

##### **a. Specific rights:**

1. Information about allotment of shares;
2. Transfer shares according to articles;
3. Obtain notices of general meetings, attending meetings, speak, propose and vote in person or by proxy;
4. Obtain copies of Memorandum and Articles of Association;
5. Inspect register of members maintained by the Company;
6. Right to have the option to buy new shares;
7. Receive dividend within stipulated time from declaration;
8. Obtain copy of the minutes of general meetings
9. Receive Statutory Report, Directors' Report, Auditors' Report along with audited/unaudited financial statements.

The company encourages communication with the shareholders throughout the year and welcomes their participation at the shareholders' meeting. National Polymer Industries PLC reports to its shareholders minimum three ways regarding its business, financial position and earnings in the year. These include:

- Quarterly and Annual Financial Statements;
- Annual General Meeting;
- Price Sensitive Disclosures.

**b. Prohibition of Insider Trading**

The Board of National Polymer Industries PLC is aware and heedful regarding the Prohibition of Insider Trading Rules,1995 and its amendment imposed by Bangladesh Securities and Exchange Commission (BSEC). The Company has established policy relating to share trading by the directors, employees and other insiders to protect the interest of minority shareholders.

**c. Monitoring of Related Party Transactions**

The Board of Directors believes that the related party transaction is a critical issue in an organization. It does not necessarily wrong, but it may detrimental to the interests of the minority shareholders. To prevent abuse, protect and safeguard the interests of the minority shareholders, the Board empowers authority and independency to Internal Auditors, Audit Committee and Independent Directors and assign some particular roles and responsibilities to monitor and scrutinize properly the said transactions.

**d. Due Diligence Process**

The Board always encourages the practice of due diligence process through the Internal Audit to establish Nomination & Remuneration Policy following the framework of rules & practices promulgated by the BSEC. The major purpose of Nomination and Remuneration Policy is to make Nomination and Remuneration Committee independent and responsible or accountable to the Board and to the shareholders.

**GOING CONCERN**

As per Audit report, the Company has adequate resources to continue its operations for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provide sufficient fund to meet the requirements of its existing business.

**OPERATING RESULT DEVIATIONS**

**a) Increase of operating expense:**

Operating expense increased by 11.22% compared to previous year due to major increase of salary and allowances, professional charges and fees, training and developments etc.

**b) Increase of revenue and EPS:**

During the financial year 2023-2024, overall sales revenue increased by 12.26% compared to the previous year, while the cost of goods sold (COGS) also increased by 16.19%. This resulted in the decline in gross profit by 6.15%. However, the company achieved 8.61% growth in earnings per share (EPS), primarily due to a significant decrease in foreign exchange loss.

**c) Deviation of NOCFPS:**

Net Operating Cash Flows is just the result figure of cash inflows and outflows from Operating Activities. Therefore, Net operating Cash Flows increases, if only cash inflows is higher than cash outflow in a particular period and vice versa. This year net operating cash flows per share has been decreased from Tk. 6.52 to Tk. 2.89 due to increase of financial expenses.

**KEY OPERATING AND FINANCIAL DATA OF PRECEDING FIVE YEARS**

The summarized key operating and financial data of at least preceding five years is presented in page no 49 of the annual report.

## **EXPLANATION ON THE REASONS IF THE COMPANY DECLARS NO DIVIDEND**

No such event occurred since the inception of the company. The Board of Directors of the company has declared 10.50% Cash Dividend for the year ended 30 June 2024. The company has a long tradition of maintaining 'A' category company in the stock market.

## **BOARD STATEMENT REGARDING INTERIM DIVIDEND**

No bonus share or stock dividend has been or shall be declared as interim dividend.

## **COMPOSITION OF BOARD OF DIRECTORS, BOARD MEETING AND ATTENDANCE:**

The Board of Directors of National Polymer Industries PLC is composed following 05 members, including 02 Independent Directors. During the FY 2023-2024 the Board of Directors met 06 (six) times. The details of board meetings and attendance are as follows:

<b>Sl No.</b>	<b>Name</b>	<b>Position</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
1	Mr. Golam Murshed	Non-executive Sponsor Director & Chairman	6	6
2	Mr. Riad Mahmud	Sponsor Director & Managing Director/CEO	6	6
3	Ms. Mahmuda Akhter	ICB Nominated Director	6	6
4	Mr. Mohammed Ariful Islam	Independent Director	6	6
5	Dr. Mohammad Mahboob Rahman	Independent Director	6	4

## **PATTERN OF SHAREHOLDING**

Pattern of Shareholding is disclosed in page no. 53 of the Annual Report.

## **INFORMATION RELATING TO THE APPOINTMENT OR RE-APPOINTMENT OF DIRECTOR(S)**

With regard to the appointment or re-appointment of Director(s), the company follows its Articles of Association, the Companies Act, 1994 and other related rules and legislations issued time to time by the Regulators. The information (brief resume, nature of his expertise and name of companies in which he holds the directorship and the membership of committees of the Board) in case of such appointment or re-appointment has been disclosed in the Profile of Directors.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's discussion and analysis is disclosed in page no. 24 of the Annual Report.

## **DECLARATION OR CERTIFICATION BY THE CEO AND THE CFO**

Declaration or certification by the CEO and the CFO is disclosed in page no. 54 of the Annual Report.

## **THE REPORT AS WELL AS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE CODE AS REQUIRED UNDER CONDITION NO. 9**

The report as well as certificate regarding compliance of conditions of corporate governance code as per condition No. 9 provided by M/s Artisan, Chartered Accountants is disclosed in page no. 63 of the Annual Report.

## **UNCLAIMED DIVIDEND**

As per Condition No. 3 (vii) of the BSEC's Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the Company maintains detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise and folio number-wise of the shareholders and published the year-wise summary of unpaid or unclaimed dividend in the website at [www.nationalpolymer.net](http://www.nationalpolymer.net).

As per the BSEC's Directive No. SEC/SRMIC/165-2020/part-1/182 dated 19 July 2021, the Company transferred the unpaid or unclaimed or undistributed cash dividend up to the FY 2019-2020 to the Capital Market Stabilization Fund's (CMSF) bank account.

As per the BSEC's Directive No. SEC/SRMIC/165-2020/306 dated 24 November 2021, the Company transferred the unpaid or unclaimed or undistributed stock dividend/bonus shares and un-allotted rights shares (Rights Share 2009 & Bonus Shares from the FY 2010-2011 to 2018-2019) to the Capital Market Stabilization Fund's BO Account.

The unpaid or unclaimed cash dividend for the FY 2020-2021 shall be transferred to the Capital Market Stabilization Fund (CMSF) duly as per the BSEC's Directive. The summary of unpaid or unclaimed or undistributed dividend account is disclosed in page no. 48 of the Annual Report.

#### **DIVIDEND DISTRIBUTION POLICY**

The Board of Directors has adopted the Dividend Distribution Policy in compliance with the BSEC's Directive dated January 14, 2021. This Policy has specified, among others, the procedures for declaration and distribution of dividend to the shareholders and also the management of unpaid or unclaimed dividend. The Dividend Distribution Policy has been disclosed in the Annual Report as well as published in the company's website.

#### **POLICY ON PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS THE BOARD**

As per Condition No. 6(5)(b)(iv) of the Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), every company listed with the stock exchange in Bangladesh shall have to formulate a policy/criteria for evaluation of performance of independent directors and the board. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted this policy aiming to establishing the procedures for conducting periodical evaluation of the directors' performance including the independent directors. This policy is enclosed in the Annual Report.

#### **THE POLICY ON BOARD'S DIVERSITY**

As per Condition No. 6(5)(b)(ii) of the Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), every company listed with the stock exchange in Bangladesh shall have to have a policy on board's diversity; and the Nomination and Ruminaton Committee (NRC) shall assist the Board of Directors in formulation of such policy. Accordingly, based on the recommendation of NRC, the Board of Directors of National Polymer Industries PLC. has adopted this policy on board's diversity. This policy is disclosed in the Annual Report.

#### **POLICY ON QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTOR**

Holding qualified number of shares other than independent directors is the primary qualification of a director. As par Clause 6(5)(b)(i) of Corporate Governance Code-2018, issued by the Bangladesh Securities and Exchange Commission (BSEC), it requires to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the board, relating to the remuneration of the directors and top level executives. It is the role of the Nomination and Remuneration Committee ("NRC") to formulate the policy under the purview of the corporate governance Code-2018. Accordingly, based on the recommendation of the NRC, the Board of Directors of National Polymer Industries PLC. has adopted this policy which is disclosed in the annual report.

#### **NRC POLICY**

The Board of Directors has adopted the Nomination and Remuneration Policy as per the BSEC's Corporate Governance Code-2018. This Policy has specified, among others, the composition of the Nomination and Remuneration Committee (NRC), the roles and responsibilities of the NRC and the nomination, remuneration and evaluation criteria of the Directors and top level executives of the company. The Nomination and Remuneration Policy and the activities of the NRC during the year have been disclosed in the annual report.

#### **INSIDER TRADING POLICY**

The Board of Directors has adopted the 'Insider Trading Policy' as per the BSEC's Insider Trading Prohibition Rules, 2022. This Policy has specified, among others, about the restrictions of insider trading and the nature of disclosure of Price Sensitive Information (PSI) and Material Information (MI) of the Company. This Policy has been disclosed in the official website of the company.

## **CODE OF CONDUCT**

The Board of Directors of National Polymer Industries PLC is committed to operate the business with integrity. To ensure the transparency and accountability of the Directors, the Board has adopted the Code of Conduct based on the recommendation of the Nomination and Remuneration Committee (NRC). This Code of Conduct is applicable for the Chairperson of the Board, other Board Members and the Chief Executive Officer of the company. The Directors are responsible for maintaining the ethical code of conduct in relation to business as well as regulations of the Regulatory Authorities. The compliance of the Code of Conduct is reported to the Board annually. The Code of Conduct has been published in the website of the company in compliance with the Condition No. 1(7)(b) of the BSEC's Corporate Governance Code-2018.

## **QUALITY POLICY**

The Company strictly maintains the quality procedures in all sectors of its operations with the aim of maximizing the customers' satisfaction by adopting the high quality standards, using modern machineries & technology and hiring competent & qualified personnel. It is mentioned that National Polymer has adopted ISO 9001:2015, 14001:2015 & 45001:2018 certification and also the IS 4985: 2021 & 13592: 2013 certification provided by the Bureau of Indian Standards. The Company has also been awarded the 1<sup>st</sup> Prize of National Productivity and Quality Excellence Award 2021 in recognition of its contribution to increase productivity and quality in large industry category in plastic sector of Bangladesh.

## **HUMAN RESOURCES**

In real sense, National Polymer believes that employees are the best resources for the organization and their motivation is very important for the growth and development of the organization, because of their active participation to the productivity. National Polymer Industries PLC. places a strong emphasis on nurturing homegrown talent. The company encourages employees to participate in key management positions and has established a clear succession policy for every department, prioritizing internal candidates over hiring from outside organizations. During the financial year 2023-2024, the company established training and development department dedicated to continuous improvement of workforce.

## **CORPORATE SOCIAL RESPONSIBILITY**

As a corporate citizen, National Polymer endeavors to discharge its responsibilities towards the society and the environment. Our social responsibilities includes our valued customers, employees, shareholders, business associates and other stakeholders. The Board of Directors is aware of the social development as part of the corporate social responsibility (CSR), especially in the areas of race-religion-regional equality, non-employment of child labor, donation to the educational and charitable institutions, prevention of environmental pollution etc. We believe that our business objectives are not only to maximize the profitability but also to contribute to the society. The Company's CSR Policy is disclosed in the website.

## **CORPORATE GOVERNANCE**

Corporate Governance is the system of rules, regulations, practices and processes by which a company is directed, operated, monitored, controlled and reviewed that helps the company to achieve its long-term corporate success and sustainable growth. As good corporate governance is one of the valuable assets of an organization, National Polymer is committed to ensuring the good governance system through the culture of compliance with all regulatory rules & regulations, accountability, transparency, well-understood policies & procedures. The details of corporate governance are discussed in the corporate governance statement.

## **WINDING UP OF SUBSIDIARY COMPANY**

The Board of Directors of the company in its meeting held on 28<sup>th</sup> October 2023 approved the voluntary winding up of NPOLY Trading Ltd, the subsidiary company of National Polymer Industries PLC. under Section 289 of the Companies Act, 1994 as the business of the subsidiary company was not viable as a going concern. Accordingly, necessary documents were filed to the RJSC for winding up the same on 6<sup>th</sup> November 2023. After maintaining due procedures, the RJSC has approved the winding up of NPOLY Trading Ltd. on 27<sup>th</sup> March 2024.

## **ELECTION/RE-ELECTION OF DIRECTOR(S)**

According to section 91(2) of the Companies Act, 1994 and clause no. 128 & 129 of the Articles of Association of the Company not less than one third of the total number of directors retire every year. Accordingly, the Sponsor Director of the company **Mr. Golam Murshed**, retired by rotation from the Board this year. As per clause no. 130 of the Articles of Association of the Company, he is eligible for re-election. Upon his consent, the Board has re-elected him for the next term, subject to the approval of the shareholders in this AGM. In terms of Condition No. 1(5)(xxiv) of the BSEC's Notification dated 03 June, 2018, his brief resume, expertise and the name of companies in which he holds the directorship and the membership of committees of the Board is disclosed in the profile of directors as stated in page no. 08 of the annual report.

## **RE-APPOINTMENT OF INDEPENDENT DIRECTOR**

One of the Independent Directors of the company **Dr. Mohammad Mahboob Rahman** has successfully completed his 03 (three) years' tenure on April 03, 2024. As per Condition No. 1(2)(e) of the BSEC's Corporate Governance Code-2018, Dr. Mahboob Rahman is eligible for re-appointment for another tenure. Accordingly, the Board of Directors has re-appointed him for another tenure of 03 (three) years with effect from 08 June 2024 to 07 June 2027, subject to approval of the shareholders in this AGM. It is mentioned that, In terms of condition number 1(5) (xxiv) of the BSEC's Notification dated 03 June, 2018, his brief resume, expertise and the name of companies in which he holds the directorship and the membership of committees of the Board is disclosed in the profile of directors as stated in page no.11 of the annual report.

## **APPOINTMENT OF EXTERNAL AUDITOR**

The Company's present Auditor **M/s. Islam Quazi Shafique & Co., Chartered Accountants** has audited the financial statements of the company for the FY 2023-2024. This firm is listed in the BSEC'S panel of audit firms. Being eligible, they have offered themselves for re-appointment for the next FY 2024-2025. Accordingly, the Board of Directors has re-appointed M/s. Islam Quazi Shafique & Co., Chartered Accountants as the statutory auditor of the company for the next FY 2024-2025 with the existing remuneration of **Tk. 300,000/- (Taka three lac only)**, excluding VAT, subject to the approval of the shareholders in this AGM.

## **APPOINTMENT OF CORPORATE GOVERNANCE COMPLIANCE AUDITOR**

**M/s. Artisan, Chartered Accountants** acted as the corporate governance compliance auditor for the FY 2023-2024. Being eligible, they have offered themselves for re-appointment for the next FY 2024-2025. Accordingly, the Board of Directors has re-appointed M/s. Artisan, Chartered Accountants for the next FY 2024-2025 with the existing remuneration of **Tk. 35,000/- (Taka thirty five thousand only)** excluding VAT, subject to the approval of the shareholders in this AGM.

## **APPRECIATION**

The Board of Directors has expressed its sincere thanks and appreciation to the hon'ble shareholders, valued customers, regulators, bankers and financial institutions for their support, co-operation and guidance towards the company's business endeavors. The Board also expressed its heartfelt thanks to the management team as well as all the employees of the company whose perseverance, professionalism and hard works contribute a lot in achieving the company's objectives.

Thanking you all

For and on behalf of the Board of Directors



**(Golam Murshed)**  
Chairman