



# ANNUAL REPORT 2023-2024

**National Polymer  
Industries PLC.**





## National Productivity and Quality Excellence Award - 2021

Awarded by the Ministry of Industry, Bangladesh in recognition of contribution to increase the productivity and quality of the company in Large Industry Category (Plastic) of Bangladesh.

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## LETTER OF TRANSMITTAL

December 01, 2024

The Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies and Firms  
Dhaka Stock Exchange PLC.  
Chittagong Stock Exchange PLC.

**Subject: Annual Report for the year ended June 30, 2024.**

Dear Sir(s)

We are pleased to enclose herewith the Annual Report of National Polymer Industries PLC. together with the Audited Financial Statements which include the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2024 along with notes thereon and other relevant reports & statements for your kind records and necessary perusal.

Yours sincerely  
For National Polymer Industries PLC.

  
(Md. Abdul Maleque)  
Company Secretary

## NOTICE OF THE 37<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting (AGM) of National Polymer Industries PLC. will be held on Wednesday, December 18, 2024 at 11:00 AM virtually by using the Digital Platform through the link: <https://nationalpolymer.bdvirtualagm.com> to transact the following businesses:

### AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2024 together with the reports of the Directors and the Auditors thereon;
2. To approve dividend for the year ended June 30, 2024 as recommended by the Board of Directors;
3. To elect/re-elect Director(s) of the Company;
4. To approve the re-appointment of Independent Director of the Company;
5. To appoint Statutory Auditors for the FY 2024-2025 and to fix their remuneration;
6. To appoint Corporate Governance Compliance Auditors for the FY 2024-2025 and to fix their remuneration.

Dated: Dhaka  
November 21, 2024

By order of the Board

  
(Md. Abdul Maleque)  
Company Secretary

### NOTES:

1. The 'Record Date' was fixed on October 22, 2024. The shareholders, whose names were recorded in the Depository Register on the Record Date, i.e. October 22, 2024 will be eligible to join and vote at the 37<sup>th</sup> AGM through digital platform and to receive dividend.
2. The corporate shareholders are required to send their authorization letter to join the AGM at least 48 hours before commencement of the AGM.
3. The shareholders entitled to join and vote at the AGM may appoint a Proxy to join and vote on his/her behalf. The Proxy Form, duly completed and stamped with a revenue stamp of Tk. 100 must be deposited at the Shares Department of the Company or the scanned copy of the proxy form must be sent to the email at [maleque@nationalpolymer.net](mailto:maleque@nationalpolymer.net) not later than 48 hours before the time fixed for the AGM.
4. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81; dated 20 June 2018, soft copy of the Annual Report 2023-2024 will be sent to the respective shareholders' through their email addresses as available with us. The Annual Report 2023-2024 will be available on the Company's website at: [www.nationalpolymer.net](http://www.nationalpolymer.net). The shareholders can also collect the printed copy of the same from the Company's Shares Department.
5. The AGM Link: <https://nationalpolymer.bdvirtualagm.com> will be sent to the respective shareholders through their e-mail addresses and also through SMS to their mobile numbers as available with us.
6. The shareholders will be able to submit their questions/comments and vote electronically before 48 hours of commencement of the AGM and during the AGM.

## VISION, MISSION, OBJECTIVES AND CORE VALUES

### VISION

Our vision is to establish NATIONAL POLYMER INDUSTRIES PLC. as a role model in the Plastic Industry of Bangladesh with innovative quality products, services and solutions.

### MISSION

Our corporate mission is to be the eminent manufacturer of the best quality products for our existing and potential customers through:

- Product leadership;
- Excellent value; and
- Superior quality services.

### OBJECTIVES

- To promote quality products with the objective of setting a benchmark for industry practice;
- To promote and develop standards, specifications and practices that help to ensure the proper use of plastic products;
- To enhance knowledge and awareness of contemporary plastic pipeline technologies amongst the specifiers, installers and users; and
- To achieve excellence in people through creativity, research & development.

### CORE VALUES

#### **Commitment:**

- **Shareholders:** Create sustainable value for our shareholders by utilizing an honest and efficient business methodology;
- **Customers:** Render quality services to our customers by using the state-of-the-art technology, offering diversified quality products to fulfill their needs to the best of our abilities;
- **Employees:** Be reliant on the inherent talents of the employees, work together to attain goal and reward the skills and talents of everyone at the work place; and
- **Community:** To serve the society through employment generation with equal opportunities, support the community and be a responsible corporate citizen.

#### **Accountability:**

- We are accountable to provide the quality products & services to our valued customers along with meeting the regulatory requirements and ethical business practices

#### **Respectfulness:**

- We are always respectful to our customers, shareholders & other stakeholders. We always appreciate comments & suggestions from our valued stakeholders.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Golam Murshed	Chairman
Mr. Riad Mahmud	Managing Director
Ms. Mahmuda Akhter	ICB Nominated Director
Mr. Mohammed Ariful Islam	Independent Director
Dr. Mohammad Mahboob Rahman	Independent Director

### AUDIT COMMITTEE

Mr. Mohammed Ariful Islam	Chairman
Ms. Mahmuda Akhter	Member
Dr. Mohammad Mahboob Rahman	Member

### NOMINATION AND REMUNERATION COMMITTEE (NRC)

Dr. Mohammad Mahboob Rahman	Chairman
Ms. Mahmuda Akhter	Member
Mr. Mohammed Ariful Islam	Member
Mr. Golam Murshed	Member

### CHIEF FINANCIAL OFFICER

Mr. Bidhan Kumar Saha

### COMPANY SECRETARY

Mr. Md. Abdul Maleque

### HEAD OF INTERNAL AUDIT & COMPLIANCE

Mr. Mohammad Shoujat Hossain

### MANAGEMENT COMMITTEE

Mr. Riad Mahmud	Managing Director & CEO
Mr. Md. Mahmudul Islam	Director, Sales
Mr. Md. Shariful Islam	Executive Director, Plant Operations
Mr. Bidhan Kumar Saha	Chief Financial Officer
Mr. Mohammad Shoujat Hossain	Head of Internal Audit & Compliance
Mr. Md. Almas Hossain Khan	General Manager & Head of HR & Admin
Mr. Md. Abdul Maleque	Company Secretary

### OTHER CORPORATE INFORMATION

Date of Incorporation	26 July 1987
Legal Form	Public Limited Company
Listing with the Stock Exchanges	DSE in 1991 & CSE in 1995
Authorized Capital	Tk. 3,000.00 Million
Paid-up Capital	Tk. 729.84 Million
No. of Paid-up Shares	72,983,668

Nature of Business	Manufacturer & Supplier of UPVC, CPVC, PP-R, HDPE Pipes & Fittings, PVC Sheets, Doors, Water Tanks, Water Taps etc.
Membership	DCCI, BAPLC, BPGMEA & KBCCI
Certification	ISO 9001: 2015, 14001: 2015 & 45001: 2018 certified by A Cube TIC Ltd., UK and IS 4985: 2021 & IS 13592: 2013 certified by the Bureau of Indian Standards.
Award	1 <sup>st</sup> Prize of National Productivity and Quality Excellence Award-2021 in Large Industry Category (Plastic) of Bangladesh awarded by the Ministry of Industry, Bangladesh.
Credit rating	Long Term – ‘A+’ & Short Term – ‘ST-2’ Rated by National Credit Ratings Ltd.
Statutory Auditor	M/s. Islam Quazi Shafique & Co. Chartered Accountants,
Compliance Auditor	M/s. Artisan Chartered Accountants
Legal Adviser	Mr. Reazul Karim, Barrister Advocate, Supreme Court of Bangladesh
Major Banking Partners	Standard Chartered Bank Prime Bank PLC. Bank Asia PLC. BRAC Bank PLC. Dhaka Bank PLC. One Bank PLC. Community Bank Bangladesh PLC. IDLC Finance PLC.
Major Insurance Partners	Mercantile Islami Insurance PLC. Bangladesh National Insurance Co. Ltd. Provati Insurance Company Ltd. Central Insurance Company Ltd.
Corporate Head Office	NPOLY HOUSE, GA-99/3 Pragati Shoroni Middle Badda, Dhaka-1212 Phone: (8802) 58812926, (8802) 58813039 Fax: (8802) 58814967 E-mail: info@nationalpolymer.net Website: www.nationalpolymer.net
Registered Office and Factory	Squibb Road, Nishat Nagar Tongi I/A, Tongi, Gazipur Phone: (8802) 9812307, (8802) 9815754 E-mail: factorynpil@nationalpolymer.net



## BRIEF COMPANY PROFILE

National Polymer Industries PLC. was incorporated as a Public Limited Company in 1987 and started its commercial operation during the same year. The company has been listed with the Dhaka Stock Exchange PLC (DSE) in 1991 and Chittagong Stock Exchange PLC (CSE) in 1995 respectively. Being a listed company with the Stock Exchanges, it has a good track record and is maintaining its status as 'A' category company in the capital market. At present the company is being operated with the authorized capital of Tk. 3,000.00 million and paid-up capital of Tk. 729.84 million. During last 37 years' of its journey, National Polymer has successfully established itself as one of the strongest and most recognizable brand names in the country.

The Company is actively engaged in manufacturing different sizes of UPVC, CPVC, PP-R, HDPE Pipe & Fittings, PVC sheet, PVC Door, Water Tank, Water Tap etc. for building, construction, irrigation, sanitation and household usages & solutions. The production system of the company is equipped with competent manpower, latest technology, most advanced machineries from Asia and Europe and raw materials from Japan, Malaysia, Singapore, Thailand, Taiwan, China as well as Bangladesh.

At present, National Polymer remains as a strong player in the market with its strong brand image, high quality products, focused sales & marketing and timely delivery of products to its valued customers. Anticipating the sharp demand for its quality products at home and abroad, necessary measures have been taken to expand its production capacity and thus the Company has implemented its 2nd unit at Valuka, Mymensingh. Currently, the company's production capacity has been increased to 75,500 MT.

National Polymer believes in delivering operational excellence to meet its commitments towards its customers. For the progression of its mission, it has diversified quality products and is growing up to be one of the largest industrial conglomerates of the country. With diversification and rich variation of products, it has earned notable reputation among Bangladeshi people as well as abroad as a manufacturer and supplier of premium quality products and services. The Company has a well-managed distribution network all over Bangladesh.

The Company maintains the high standards of quality and can guarantee highly professional services to meet up the customers' demand. The Company's product quality has attained a level that has paved the way for the company to receive the internationally acknowledged certification ISO 9001:2015- Quality Management System (QMS), ISO 14001:2015- Environmental Management System (EMS) and ISO 45001: 2018- Occupational Health and Safety Management System (OHSMS) certified by A Cube TIC Ltd., UK and also IS 4985: 2021 & IS 13592: 2013 certified by the Bureau of Indian Standards.

National Polymer Industries PLC has been awarded the 1<sup>st</sup> Prize of National Productivity and Quality Excellence Award-2021 in recognition of its contribution to increase the productivity and quality in Large Industry Category (Plastic) of Bangladesh awarded by the Ministry of Industry, Bangladesh.

## PROFILE OF DIRECTORS



**Golam Murshed**  
Chairman

**Mr. Golam Murshed** son of Late Golam Azam and late Amina Khatun was born in 1953. He 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 plastic sector. He is one of the founders of National Polymer Industries PLC. He has been with National Polymer Industries PLC since its inception as the Sponsor Director and contributing a lot for the development of the Company. Currently, he is performing his duties and responsibilities as the Chairman of the Board and Member of the Nomination and Remuneration Committee (NRC). Apart from National Polymer Industries PLC, Mr. Golam Murshed is the proprietor of “GM Trading”, a renowned trading business of plastic raw materials.



**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 the senior positions, including as a CEO in different organizations in Sydney, London and New York.

Returning from abroad, Mr. Mahmud, who is the Sponsor Shareholder of National Polymer Industries PLC., joined the Board of the Company in 2007 as a Director and was subsequently been appointed as the Managing Director of the company in 2008. Since then he has been leading the company very efficiently. At present the company is on a solid growth stage under his dynamic leadership.

Apart from National Polymer Industries PLC, Mr. Riad Mahmud is the Chairman of Diamond Life Insurance Company Ltd.

Also, Mr. Mahmud has taught the Masters Level Business courses at the School of Business and Economics at the North South University, the most prestigious private university in Bangladesh.

Currently, Mr. Mahmud is the General Body Member of FBCCI. He is also the member of American Society of Chemical Engineers.

Mr. Mahmud is also the Member of 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 the growth and competitiveness of priority sectors, and to create more and better job opportunities. As part of this initiative a specialized state-of-the-art Design and Technology Center (DTC) is going to be established in/around Dhaka for leather goods and footwear industry. The DTC is an important step towards a systemic solution for a sustainable leather goods and footwear industry within a more diversified economy.

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



**Mahmuda Akhter**  
Director, Nominated by ICB

**Ms. Mahmuda Akhter** was born in 1968 in a respectable Muslim family. She holds BSS (Hons.) and MSS in Economics from Dhaka University. She also obtained M. Ed degree from Dhaka University. In order to further hone her skills, she completed MBA (Major in Finance) from Daffodil International University. She is a Diplomat Associate of the Institute of Bankers Bangladesh (DAIBB).

Ms. Mahmuda started her career as a Senior Officer in the Investment Corporation of Bangladesh (ICB), the state owned renowned financial institution in Bangladesh on 1<sup>st</sup> November 1995 and served in various capacities including the General Manager of Administration and Operation wings and other departmental & divisional heads of the ICB for around 29 years. She enriched her career through participating in various training programs, seminars and symposiums on capital market and other related fields. She has diverse experience in Investment Banking, Entrepreneurship Development, Asset Management, Economic and Business Research, Securities Analysis, Portfolio Management, Risk Management etc.

Currently, she is performing her duties and responsibilities as the Chief Executive Officer (CEO) of the ICB Asset Management Company Ltd., a subsidiary company of Investment Corporation of Bangladesh (ICB).

Ms. Mahmuda joined the Board of National Polymer Industries PLC on May 24, 2023 as the Nominated Director on behalf of the Investment Corporation of Bangladesh (ICB). In addition to the Board Member, she is the Member of Audit Committee and Nomination & Remuneration Committee (NRC).



**Mohammed Ariful Islam**  
Independent Director

A successful serial entrepreneur, **Mr. Mohammed Ariful Islam**, son of Mr. Aminul Islam and Mrs. Nargis Akhter was born in the year 1981 in Chattogram. He started his career as a Customer Service Officer at the HSBC (Hongkong Shanghai Banking Corporation) after obtaining his Bachelor of Business Administration (BBA) degree in Marketing and International Business from the North South University, the most prestigious Private University in Bangladesh. He later shifted to the garment industry by running a Danish-Bangladesh JV garment buying & designing house as the COO and finally started his own business in the car import and trade sector in 2008. Then, Mr. Islam expanded his business to several fields including fashion retail, restaurant, café and real estate sector, management and constructions. Later in life, Mr. Islam went on to obtain his Executive Master's in Business Administration (EMBA) degree from the North South University, major in Marketing.

A brief description of his career is as follows:

- Customer Service Officer, HSBC Bangladesh (May 2003 – Dec 2005);
- Chief Operating Officer, Danish Design House Ltd. (March 2006 – Jan 2008);
- Chief Operating Officer, Sonia Limited (Feb 2008 – July 2009);
- Proprietor, Versatile Trading International (Aug 2008 – Till date);
- Managing Director, 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);
- Independent Director, National Polymer Industries Ltd. (Aug 2019 – Till date);
- Managing Director, Serene Housing Ltd. (Dec 2021 – Till date);

Mr. Mohammed Ariful Islam is a Member of the Bangladesh Reconditioned Vehicles Importers & Dealers Association (BARVIDA), the renowned registered business association for the import, sales and distribution of reconditioned vehicles in Bangladesh. He is a Life Member of the Gulshan Society, Gulshan Society Jame Masjid and Chattogram Samity-Dhaka. He is also permanent member of the Army Golf Club Ltd. and Chittagong Seniors' Club Ltd. Mr. Islam is affiliated with a number of charity organizations, namely Jaago Foundation and Sidrah Foundation.

Based on his relevant academic career and vast experience in the service industry and business field, Mr. Islam has been appointed as an 'Independent Director' of National Polymer Industries PLC on August 06, 2019 for a period of 03 (three) years and upon successful completion of his term and being eligible as per Condition No. 1(2)(c) of the BSEC's Corporate Governance Code-2018, he has been re-appointed for another term of three years until August 06, 2025.

In addition to the Board Member, Mr. Mohammed Ariful Islam is the Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee (NRC).



**Dr. Mohammad Mahboob Rahman**  
Independent Director

**Dr. Mohammad Mahboob Rahman**, Professor of Management of BRAC University, was born in 1980. He holds BS degree in Business Administration from the University of Central Missouri, USA and Ph.D. from the University of Kansas, USA. Dr. Rahman has a long 24 years of experience in academia in different renowned universities at home and abroad. His professional background is as follows:

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	Department of Management	Jan 2019 – Present
Advisor	BRAC University, Dhaka	Business and Executive Education Program	Jan 2020 – Present
Vice President	BRAC University, Dhaka	Administration	April 2020 – March 2021
Treasurer	BRAC University, Dhaka	-	March 2021 to Present

Based on his brilliant educational background and professional experience, which comply with the Condition No. 1(3)(b)(iv) of the BSEC's Corporate Governance Code-2018, the Board of Directors of National Polymer Industries PLC appointed Dr. Mohammad Mahboob Rahman as an 'Independent Director' of National Polymer Industries PLC on April 04, 2021 for a period of 03 (three) years and he has completed his tenure very successfully on April 03, 2024. As per Condition No. 1(2)(e) of the BSEC's Corporate Governance Code-2018, being eligible, Dr. Mahboob has been re-appointed for another tenure of 03 (three) years until June 07, 2027, subject to approval of the shareholders in the AGM.

In addition to the Board Member, Dr. Mohammad Mahboob Rahman is the Chairman of the Nomination and Remuneration Committee (NRC) and Member of the Audit Committee.

## MESSAGE FROM THE CHAIRMAN

Dear Shareholders and Well-Wishers  
Assalamualaikum

It is my pleasure to welcome you to the 37<sup>th</sup> Annual General Meeting (AGM) of National Polymer Industries PLC. I extend my sincere gratitude for your unwavering support and confidence in our journey towards progress and prosperity.

On this significant occasion, I am pleased to share with you the Annual Report for the FY 2023-2024 which reflects a comprehensive overview of our financial status, regulatory compliance, corporate behavior, and profit distribution to the shareholders.

During the financial year 2023-2024, we faced significant economic challenges. The global economic environment during 2023-2024 has been marked by the significant challenges arising from a variety of factors. Geopolitical tensions have led to heightened instability and uncertainty, severely impacting international trade and investment flows.

Additionally, high inflation rates have further exacerbated economic pressure worldwide driven by a combination of factors, including supply chain disruption, volatile commodity price in essential sectors such as food, energy, raw materials etc. which have further stressed both producers and customers, making it difficult to manage costs effectively.

As a result, global business growth has experienced downturns and economies are facing a series of compounding challenges. The situation has been further complicated by dollar crisis, which has caused disruptions in global markets, adversely affecting trade balances and currency valuations.

Furthermore, endless conflict between Russia and Ukraine, and tensions in the Middle-East continue to disrupt global supply chains, leading to costly ramifications. However, we believe that navigating these challenges we can open new opportunities. The consumers' demand for PVC products as construction materials is improving, and National Polymer Industries PLC remains as the second-largest player in this market with our export portfolio expanding through continuous efforts.

Despite various local and global challenges, we successfully concluded the year with positive results. We achieved revenue and net profit growth by 12.26% and 8.75% respectively compared to the previous year.

As we entered July 2024, a student-mass uprising transformed a new political landscape in our country, bringing forth new challenges and opportunities. Banks and financial institutions are undergoing reforms and restructuring. To combat ongoing inflation, the Central Bank has consistently raised interest rates, posing challenges for manufacturing industries like ours for smooth business operations.

We are committed for the welfare of our stakeholders, and our actions reflect this commitment. We always prioritize customers' satisfaction by providing them with a diverse range of quality products and services, both nationally and internationally.

We uphold the highest standards of corporate governance, ensuring that our management systems support ethical practices and optimize the shareholders' value through a culture of transparency, accountability, integrity and reliability in all aspects of our business activities. Our pursuit of excellence is rooted in integrity and collaboration, fostering trust and long-term relationships with our partners.

In closing, I express my sincere gratitude to the shareholders, regulatory bodies, our clients, business partners, and all other stakeholders for their trust and support towards our business endeavors. I am also deeply thankful to my fellow board members, the management team, and every employee for their dedication and hard work, which have been instrumental in achieving our goals.

Thank you all, and best wishes for the future.

  
(Golam Murshed)  
Chairman

## MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders  
Assalamualaikum

It is my pleasure to welcome you to the 37<sup>th</sup> Annual General Meeting (AGM) of National Polymer Industries PLC. On this very auspicious occasion, I am very thankful to the Almighty for having the opportunity to share you my thoughts and views on the overall performance of the company.

It is my pride to share you that during last 37 years of journey, National Polymer Industries PLC has been playing a vital role in nation-building by producing the quality products and generating employment across the country. We are grateful for your continuous trust and support towards the company demonstrating it as a trusted brand among the customers and business partners.

During the financial year 2023-2024, we faced various challenges. The global economic environment during 2023-2024 has been marked by significant challenges arising from various factors such as severe dollar crisis, supply chain disruptions, rising of food, energy and other basic commodity costs, exchange rate depreciation etc. Particularly, dollar crisis has badly affected the business activities. As a result, business communities have greatly suffered as its impact is observed in all aspects of economy.


Despite the macroeconomic challenges during FY 2023-2024, our business continues to grow sustainably. Considering the growing demand of our valued customers at home and abroad, we have maximized our production capacity. Meanwhile, our second unit at Valuka, Mymensingh is in full operation.

During the year under review, the company attained the net profit margin growth by 8.75%, with revenue growth by 12.26% despite 16.19% increase in the cost of goods sold. We successfully minimized foreign exchange loss, contributing to increase the net profit margin. Our earnings per share (EPS) rose to Tk. 2.27 from Tk. 2.09, reflecting an increase by 8.61% compared to the previous year. For the fiscal year ended June 30, 2024, we have declared 10.50% cash dividend, which will be distributed to your accounts duly after having your approval in this AGM.

As the Managing Director & CEO, I assure you that we are dedicated in fulfilling our responsibilities with the utmost sincerity. We uphold a culture of transparency, accountability, integrity and reliability in all aspects of our operations. Our commitment is to maximize the profitability and to deliver optimal returns to your investments. You can be assured that your investments in National Polymer Industries PLC is always safe, secured and full of potential.

In closing, I would like to express my heartfelt gratitude to our honorable shareholders, valued customers, regulators, financial institutions, and all stakeholders for their ongoing trust and support. I also extend my sincere thanks to our board members, management team and all the employees for their guidance, support and hard work in achieving our business objectives.

Thank you all.



Riad Mahmud  
Managing Director

## DIRECTORS' REPORT

### 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.

### BUSENESS 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	Amount in Taka		
	2023-2024	2022-2023	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:

Particulars	Amount in Taka	
	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 affecting the 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:

### **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.

### **BOOKS OF ACCOUNTS**

Proper books of accounts of the company have been maintained.

### **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.

### **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 system is 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/approval;
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:

- 1 Quarterly and Annual Financial Statements;
- 2 Annual General Meeting;
- 3 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 the Bangladesh Securities and Exchange Commission (BSEC). The Company has established a policy relating to share trading by the directors, employees and other insiders to protect the interests 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 expenses 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 decline of 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 LAST 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 DECLARES 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:

SI No.	Name	Position	Meetings Held	Meetings Attended
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 SHAREHOLDIN**

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 from 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 AND 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 Ruminantion 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 per 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 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 1st 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 (CSR)

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 annual report.

## 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 28th 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 STATURORY AUDITOR

The Company's present Statutory 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 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 of the company 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 as the corporate governance compliance auditor for the 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management team headed by the Managing Director & CEO of National Polymer Industries PLC, is responsible for day to day operations of the company under the supervision of the Board of Directors. In compliance with the Condition No.1(5)(xxv) of the Corporate Governance Code as issued by the BSEC vide its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated 03 June 2018, a brief discussion and analysis of the Management on the overall performance of the company is given below:

### INDUSTRY ANALYSIS

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. It has led to a surge in demand for housing and commercial buildings, which in turn has boosted the demand for PVC pipes 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 country's PVC Pipes market growth.

Plastic is one of the key industrial sectors in Bangladesh making a significant contributions to the country's economy. Plastic sector contributes around 1% of our overall GDP and 1.5% of total exports. There are around 5,000 plastic enterprises in Bangladesh, employing about 1.2 million people and producing a variety of products for domestic as well as export markets.

However, the market growth is hindered by different challenges such as fluctuation in raw material prices and availability of alternative materials. The fluctuation in crude oil prices directly impacts the cost of raw materials, particularly PVC resin which is the key raw material for manufacturing PVC pipe-fittings. This poses a challenge for manufacturers to maintain their profit margin.

National Polymer Industries PLC, producing a wide variety of PVC products has been in operation for over three decades and has established itself as a renowned brand name in the country. The Company has been strengthening its position with a view to becoming the market leader in the plastic industry of Bangladesh. Its robust brand name by offering a wide variety of high-quality products has been the key to this success. National Polymer is committed to providing with the innovative quality products to its valued customers that are environment friendly. Apart from the Tongi Plant, the Company has started production in its 2<sup>nd</sup> Unit at Valuka, Mymensingh.

### FINANCIAL ANALYSIS

#### Revenue Generation:

National Polymer Industries PLC has been experiencing a positive revenue growth trend continuously over the past years. During the FY 2023-24, the Company has reported its revenue BDT 7,271.20 million with 12.26% growth compared to the previous year. Year-wise revenue generation of preceding five years are as follows:

Financial Year	Revenue (in Taka)
2023-2024	7,271,200,538
2022-2023	6,476,878,342
2021-2022	5,065,419,290
2020-2021	4,487,233,362
2019-2020	3,432,956,238

#### Cost and Profitability:

The Management of the company is always sincere to run the company with a view to making it as a sustainable growing business entity. As per the audited financial statements for the year ended June 30, 2024, a comparative key financial information is given below:

Particulars	2023-2024 (Taka)	2022-2023 (Taka)
Revenue	7,271,200,538	6,476,878,342
Cost of Goods Sold	(6,202,883,796)	(5,338,491,661)
Gross Profit	1,068,316,743	1,138,386,680
Operating Expenses	(364,724,623)	(327,914,665)
Foreign Exchange Loss/Gain	(84,520,232)	(268,633,736)
Financial Expenses	(406,910,870)	(355,385,068)
Profit before WPPF & Tax	220,048,203	201,025,119
Provision of WPPF	(10,478,486)	(9,572,625)
Provision for Tax	(43,627,203)	(38,861,270)
Net Profit	165,942,514	152,591,224

#### Financial Position:

The assets of the Company has grown up and total assets of the Company stood at Tk. 8,399,760,913 during the year 2023-24, as against Tk. 7,380,708,890 in 2022-23. On the other hand, total liabilities of the Company is Tk. 6,084,953,707 (Excepting Deferred Tax Liability) for the reporting year, as against Tk. 5,132,644,048 (Excluding Deferred Tax Liability) for the previous year.

#### ACCOUNTING POLICIES AND ESTIMATIONS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements of National Polymer Industries PLC have been prepared in accordance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh.

#### CHANGES IN ACCOUNTING POLICIES AND ESTIMATIONS

There is no change in accounting policies and estimation in preparation of the financial statements during the year ended on June 30, 2024 that might have the effect on the financial performance or results and the financial position as well as cash flows of the company.

#### COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OR RESULTS AND FINANCIAL POSITION AS WELL AS CASH FLOWS FOR CURRENT FINANCIAL YEAR WITH IMMEDIATE PRECEDING FIVE YEARS.

#### Financial Performance or Results and Financial Position:

Figures in Taka

Particulars	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Revenue	7,271,200,538	6,476,878,342	5,065,419,290	4,487,233,362	3,432,956,238
Gross Profit	1,068,316,743	1,138,386,680	878,089,648	722,746,812	602,184,319
Net Profit for the year	165,942,514	152,591,224	213,125,047	182,359,683	150,255,924
Shareholders' Equity & Reserves	2,235,322,191	2,168,579,828	2,088,837,494	1,968,392,471	1,309,083,706
Total Assets	8,399,760,913	7,380,776,390	6,436,583,095	6,039,806,394	4,504,502,778
Total Current Assets	3,998,299,912	3,749,702,909	3,695,085,575	3,800,465,040	2,630,779,173
Total Current Liabilities	4,172,225,101	3,420,947,375	3,086,641,598	2,537,027,922	2,567,038,848
Current Ratio (Time)	0.96	1.10	1.20	1.49	1.02

#### Cash Flow Movement:

Figures in Taka

Particulars	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Net Cash flows from operating activities	210,668,174	476,205,928	350,904,602	(279,563,437)	243,025,271
Net cash flows used in investing activities	(958,241,997)	(1,160,157,967)	(754,070,576)	(555,563,812)	(266,072,645)
Net cash flows from financing activities	683,175,548	538,242,557	69,810,249	1,266,948,919	84,368,037
Net increase/Decrease in cash and cash equivalents	(64,398,275)	(145,709,482)	(333,355,725)	431,821,670	61,320,663
Opening cash and cash equivalents	214,394,601	360,104,084	693,459,809	261,638,140	200,317,476
Closing cash and cash equivalents	149,996,326	214,394,602	360,104,083	693,459,810	261,638,140
Net operating cash flows per share	2.89	6.52	4.81	(4.33)	6.66

## **COMPARISON OF THE FINANCIAL PERFORMANCE OR RESULTS AND FINANCIAL POSITION AS WELL AS CASH FLOWS WITH THE PEER INDUSTRY SCENARIO**

National Polymer Industries PLC listed with the Stock Exchanges is the manufacturing company that manufactures and markets a wide range of plastic products for construction and building material solutions in a large scale. There is only another company listed with the Stock Exchanges named 'Aziz Pipes Ltd.' that manufactures only PVC Pipe in a small scale. The volume of operational, financial and business activities and performance of Aziz Pipes Ltd. is ten times lower than National Polymer. So, actual comparison of financial performance and financial position as well as cash flows with the peer industry (Aziz Pipes Ltd.) is not possible.

## **FINANCIAL AND ECONOMIC SCENARIO OF THE COUNTRY AND THE GLOBE**

### **Global Scenario:**

The latest forecast by International Monetary Fund (IMF) for global growth for next five years at 3.1 percent remains mediocre compared with the pre-pandemic average. Persistent structural headwinds- such as population aging and weak productivity are holding back potential growth in many economies. In emerging market and developing economies, disruptions to production and shipping of commodities especially oil conflicts, civil unrest, and extreme weather events have led to downward revisions to the growth outlook for the Middle East and Central Asia and that for sub-Saharan Africa.

Cyclical imbalances have eased since the beginning of the year, leading to a better alignment of economic activity with potential output in major economies. This adjustment is bringing inflation rates across the countries closer together and on balance has contributed to lower global inflation. Global headline inflation is expected to fall from an annual average of 6.7 percent in 2023 to 5.8 percent in 2024 and 4.3 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. As global disinflation continues to progress, broadly in line with the baseline, bumps on the road to price stability are still possible. Goods prices have stabilized, but services price inflation remains elevated in many regions, pointing to the importance of understanding sectorial dynamics and of calibrating monetary policy accordingly.

### **Bangladesh Scenario:**

The International Monetary Fund (IMF) has brought down Bangladesh's growth forecast for year 2024 as political uncertainty, industrial unrest and floods weigh heavily on economic activities. In its flagship World Economic Outlook, IMF slashed Bangladesh's growth projection by 2.1 percent points to 4.5 percent, the lowest since fiscal year 2019-20. Though the Bangladesh's economy is expecting to get momentum in the new political era lead by the interim government headed by Chief Adviser Professor Dr. Muhammad Yunus. After the student-mass uprising, the interim government immediately focused on good governance and economic stability. Necessary reforms are underway in all sectors including financial, educational, governance and electoral systems. The provision for legalizing black money without questions has been abolished by the NBR. Initiatives have been taken to get back the laundered money from the country.

Due to inadequate foreign currency reserves and dollar crisis, imports and exports have been hindered for a long time. But it is a positive sign that Bangladeshi expatriates are now sending more remittances than before, which is helping to increase the size of reserves. Taka exchange rate is more flexible than before easing the businessmen to get dollar from banks or open market. Bangladesh Bank introduced the crawling peg exchange rate system on May 2024 and that allowed banks to buy and sale of US dollars freely.

Bangladesh's biggest economic crisis is inflation. For over two years, the rise in prices of essential goods has been alarming, reaching the inflation rate double digits. To address this crisis, the government has raised interest rates on loans, resulting in increased business capital costs. This raises concerns about a potential decrease in domestic investments.

However, it is expected that, like the global economy, Bangladesh's economy will also gradually reach to its destination. Global organizations such as the World Bank, IMF, and ADB are supporting Bangladesh's financial development.

### **Risk and Concern Issues and Mitigation Plan**

Risk and concern is the integral parts of business. Like others, our business may also be affected by risk and uncertainties. The Management of the company regularly monitors, asses and identifies the probable risks and threats to the profitability and sustainability of business. The risks and concerns related to the company and mitigation plans are stated as follows:

### **Industry Risk**

'Industry risk' arises from the entrance of new competitors in the market. National Polymer Industries PLC operates in plastics sector with advanced technologies and machineries since its inception. There are other competitors in the market with similar products. There is also the risk of new entrants.

Mitigation: The professionals with decades of experience have been working efficiently to manage the above risk. National Polymer is always the introducer and market leader in experiencing new machineries and technologies in the industry. The Company has specific set of policies to cope with new entrants and managing competitions among the existing players in the market. Moreover, National Polymer has the advantages of its large scale production capacity. It will be difficult for any new entrant to build up such a large capacity within few years' time. Besides, its brand name 'NPOLY' is firmly established in the market as a high quality producer of plastic products.

### **Credit Risk**

'Credit risk' is the risk of potential financial loss due to the non-performance of a financial contract or financial aspects or non-performance in any contract arising from the Company's accounts receivables from the customers and other receivables.

Mitigation: The Company's credit policy is in place and the exposure to credit risk is monitored by taking into consideration of all aspects of such risk. National Polymer has credit evaluation policy and standard business cycle processes. It also maintains proper securities like 'Bank Guarantee' against the maximum receivables. Therefore, credit risk of the Company is minimal and well managed.

### **Liquidity Risk**

'Liquidity risk' refers to a company's probable inability to meet its short-term debt obligations, thereby incurring exceptionally huge losses.

Mitigation: The Management of the company ensures that it has sufficient cash and cash equivalents to meet the expected operational expenses, including financial obligations through preparation of the cash flow forecast based on timeline of payment of the financial obligation and accordingly arranges sufficient liquidity to make the expected payment within due date. Moreover, the Company seeks to maintain short term credit lines with the scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

### **Market Risk**

'Market risk' refers to the adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling of demand for the products or services, which would harm the performance of the company.

Mitigation: National Polymer has strong brand value in the market. Moreover, for a growing economy in Bangladesh, there would always be demand for plastic products. Our R & D team always works to introduce new products in the product lines. As proof, the Company has been posting healthy revenue growth for the past few years consistently.

### **Exchange Rate Risk**

'Exchange rate risk' arises from the fluctuation of exchange rates between currencies that may affect the Company's operations and profitability. This may happen when Taka devalues against foreign currencies.

Mitigation: National Polymer is involved in importing different raw materials from the abroad against payment of international currencies (USD & Euro). As the standard practice, while submitting its financial offers, National Polymer makes its own judicious projection of exchange rates, depending on the timing of procurement. To mitigate Forex Risk for importing raw materials, the Company enters in Forward Contracts with its LC opening banks to minimize Forex Risk.

### **Interest Rate Risk**

'Interest rate risk' refers the potential changes in interest rates that may affects the business of the company. If the rate of interest on the outstanding borrowings increases, the finance cost of the company may increase, affecting its future liability.

Mitigation: 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. Being an excellent borrower to its banks, the Company negotiates the interest rates downwards if the market rate falls below its contract rates. We always keep our keen eyes on interest rate trends in the market with a view to negotiating with the lenders and taking competitive advantage in time.

#### **Technology Related Risk**

Technology always plays a vital role for the existence of any industry concern, ensuring to minimize the production cost in various aspects and better services to the customers. The production facilities of a company are based on currently available technologies.

Mitigation: National Polymer enjoys the access to advanced technologies in its production lines. It has adopted the most advanced machineries and technologies for its production and is considered as the pioneer for introducing the most efficient technologies as and when it is available in the world markets. Moreover, it's highly experienced engineering team is always ready to keep the machineries well-maintained to achieve the most efficient production output.

#### **Employee Turnover Risk**

The turnover of the key managerial personnel, executives and officers may have adverse impact on business, operating results and future growth.

Mitigation: The Company places the priority on developing human resources. Importance is given to on-the-job, in-house and external training programs for employees to enhance their knowledge curve. The Company arranges training programs for its core personnel on continuous basis to cope with the growing challenges and changing working environment. It also offers competitive emoluments and amicable working environment to the employees to encourage the professionalism.

#### **Compliance Risk**

'Compliance risk' is the potential loss that may arise from an organization's non-compliance with laws, regulations, code of conduct or organizational standards of practice.

Mitigation: National Polymer believes that compliance with the laws and regulations is very important towards the sustainable growth of business. Therefore, compliance with the rules and regulations is the top priority in running the business effectively. The Management of the Company has given utmost importance to ensure proper compliance with all applicable laws and regulations through a culture of accountability, transparency and well-understood policies and procedures.

#### **Future Plan or Projection**

The Management of National Polymer Industries PLC. has been running the company with a view to making it as a sustainable growing business entity. In view of sharp increase in demand for its products at home and abroad, the Company has strengthened its production capacity. By this time, the company has entered into the 7 sisters of India, Nepal, Bhutan, Maldives, USA, UK, Portugal, UAE and Qatar with its quality products and has been working to enter into other countries in the world. The Management is committed to adopting feasible plans and strategies to ensure the company's sustainability in its financial performance and position while continuing its operations for the foreseeable future. They have set a vision to establish National Polymer as a top brand in the plastic sector of the country by 2030.

For and on behalf of the Management



(Riad Mahmud)  
Managing Director

## REPORT OF THE AUDIT COMMITTEE

In terms of the BSEC'S Corporate Governance Code, 2018 issued vide its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated June 03, 2018, the Board of Directors of National Polymer Industries PLC has constituted the Audit Committee as a sub-committee of the Board. The Audit Committee is responsible to and reports to the Board of Directors. It assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good governance system within the company. Besides, the Committee advises the Board in various matters like internal control system, risk management and other strategical issues.

### COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee National Polymer Industries PLC. is comprised of 03 (three) members. All the members of the Audit Committee are the Non-Executive Directors of the Board and the Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as the Secretary of the Audit Committee. Currently, the Audit Committee is comprised of the following members:

Sl No.	Name	Status in the Board	Position in the Audit Committee
1	Mr. Mohammed Ariful Islam	Independent Director	Chairman
2	Ms. Mahmuda Akhter	ICB Nominated Director	Member
3	Dr. Mohammad Mahboob Rahman	Independent Director	Member

### ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibilities more effectively. The functions of the Audit Committee are regulated by the BSEC's corporate governance guidelines. In addition to other responsibilities, which may be assigned from time-to-time by the Board, the Audit Committee is responsible for the followings:

- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Monitor Internal Audit & Compliance processes to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- Oversee hiring and performance of external auditors;
- Hold meeting with the external auditors for review the annual financial statements before submission to the Board for approval;
- Review along with the Management, the annual financial statements before submission to the Board for approval;
- Review along with the Management, the quarterly and half-yearly financial statements before submission to the Board for approval;
- Review the adequacy of internal audit functions;
- Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- Review the statement of all related party transactions submitted by the Management;
- Review the Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
- Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.

## MEETING OF THE AUDIT COMMITTEE

During the financial year ended on 30 June 2024, the Audit Committee held 04 (four) meetings, which is in compliance with the regulatory requirements. The proceedings of the Audit Committee meetings have been reported to the Board of Directors regularly. The Audit Committee meetings and attendance are stated below:

SI No.	Name	Position	Meetings Attended
1	Mr. Mohammed Ariful Islam	Chairman	4/4
2	Ms. Mahmuda Akhter	Member	4/4
3	Dr. Mohammad Mahboob Rahman	Member	3/4

## SUMMARY OF ACTIVITIES DURING THE YEAR

The Audit Committee carried out the following activities during the year ended on June 30, 2024:

### Regulatory Compliance:

The Audit Committee reviewed whether the Company's procedures, rules and regulations are in place to ensure the compliance with the rules and regulations framed by the Regulatory Authorities. The Committee is satisfied that the company duly complies with the rules and regulations issued by the Regulators.

### Financial Reporting Process:

The Committee reviewed whether proper books of accounts have been maintained and appropriate accounting standards, financial reporting standards and other necessary regulatory requirements have been followed in preparation of the financial statements. Thereafter, the Committee is satisfied that the necessary regulations, policies and principles have duly been followed in this regard.

### The Committee also reviewed along with the management:

- The annual audited financial statements for the year ended June 30, 2024 and recommended the Board for approval;
- The quarterly un-audited financial statements and recommended the Board for approval.

### Internal Audit and Control:

The Audit Committee reviewed the internal audit plans and programs for the year and assessed the performance of the internal audit functions. The Audit Committee also reviewed the internal audit reports, audit recommendations and management response related to these recommendations and the actions taken to improve the system of internal control. The Committee is in opinion that the internal control framework is sound in design which gives reasonable assurance that the Company's resources are safeguarded and financial position is well managed.

### External Audit:

#### The Audit Committee reviewed/evaluated:

- The audited financial statements, audit findings and recommendations before submission to the Board for approval;
- Whether appropriate action has been taken based on the audit findings and recommendations;
- The hiring processes of external auditors, determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit;
- The performance of external auditors;
- The Independence status of the external auditors; and
- The hiring processes of compliance auditors and determination of audit fees.



### **Management's Discussion and Analysis:**

The Audit Committee has reviewed the Management's Discussion & Analysis for the year ended 30 June 2024 and recommended for necessary publication of the same in the Annual Report 2023-2024.

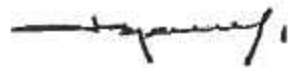
### **Related Party Transactions:**

The Audit Committee has also reviewed the statements of related party transactions submitted by the management and found proper compliance with relevant regulation.

### **Acknowledgement**

The Audit Committee expressed its sincere thanks to the Members of the Board, Management Team, Internal and External Auditors for their support and cooperation in carrying out its duties and responsibilities effectively.

For and on behalf of the Audit Committee



(Mohammed Ariful Islam)  
Chairman

## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

In terms of the BSEC'S Corporate Governance Code, 2018 issued vide its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated June 03, 2018, the Board of Directors of National Polymer Industries PLC. has constituted the Nomination and Remuneration Committee (NRC) as a sub-committee of the Board. The NRC is responsible to and reports to the Board of Directors. The purpose of the NRC is to oversee the company's nomination and remuneration procedures for the Board and the senior management. The Committee performs its responsibilities in accordance with the BSEC's corporate governance guidelines as well as other best practices.

### COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee (NRC) of National Polymer Industries PLC is comprised of 04 (four) members. All the members of the NRC are the Non-Executive Directors of the Board and the Chairman of the NRC is an Independent Director. The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee (NRC). Currently, the Nomination and Remuneration Committee (NRC) of the company is comprised of the following members:

SI No.	Name	Status in the Board	Position in the NRC
1	Dr. Mohammad Mahboob Rahman	Independent Director	Chairman
2	Ms. Mahmuda Akhter	ICB Nominated Director	Member
3	Mr. Mohammed Ariful Islam	Independent Director	Member
4	Mr. Golam Murshed	Non-executive Sponsor Director and Chairman of the Board	Member

### ROLES AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee (NRC) assists the Board by overseeing the company's nomination process including the succession planning for the senior management and the Board. In addition to other responsibilities, which may be assigned from time-to-time by the Board, the NRC is responsible for the followings:

- (i) Formulating 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 the top level executives, considering the followings:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
  - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to directors and top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (ii) Devising a policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality;
- (iii) Identifying persons who are qualified to become Directors and who may be appointed in top level executive positions in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (iv) Formulating the criteria for evaluation of performance of Independent Directors and the Board;
- (v) Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) Developing, recommending and reviewing annually the company's human resources and training policies;

## **WORKING PROCEDURES OF NRC**

### **Nomination Criteria**

National Polymer Industries PLC follows a systematic nomination procedure considering various factors like-

- NRC Policy of the company;
- Applicable laws, regulations and requirements of the regulatory bodies (e.g. BSEC's Corporate Governance Code and Labour Law, etc.); and
- Previous experience, expertise areas and educational background etc.

### **Selection Criteria**

The recruitment and selection procedures of National Polymer Industries PLC for the position of Directors, top-level executives and other employees of the company are as follows:

#### **Selection of Directors**

The Nomination and Remuneration Committee (NRC) functions as the sub-committee of the Board to determine the appropriate characteristics of independence, integrity, high personality, professional ethics, skills and experience for the Board as a whole as well as for its individual members with the objective of having the Board with diverse backgrounds and experience.

#### **Selection of Independent Director:**

The Independent Director shall have adequate qualifications and knowledge as required by the regulatory body (e.g. BSEC). The Board of Directors appoints Independent Directors upon recommendation of the NRC and consent of the BSEC, which is then approved by shareholders in the Annual General Meeting of the Company.

#### **Selection of Top-level Executives:**

The NRC, consulting with the Managing Director & CEO and Human Resources Department (HRD), selects and recommends candidate(s) for the top-level executives. The following factors are considered during selection:

- Relevant qualifications;
- Experience; and
- Skills and leadership.

#### **Selection of other Employees:**

The NRC sets guidelines/policies for identifying the right employees for the Company through a formal recruitment process.

#### **Other matters to be considered:**

Integrity, qualification, expertise, personality, professional ethics, skills and experience of a person for appointment as Director or at Senior Management level;

## **PERFORMANCE EVALUATION**

Evaluation of performance of Directors and top level executive is carried out by the Nomination and Remuneration Committee yearly or at such intervals as may be considered necessary;

## **REMUNERATION CRITERIA**

The remuneration packages of the employees meet the appropriate performance benchmarks. Remuneration and other pay should be in line with the policies and procedures of the company. The policy may be ratified by the Board from time to time. The Company sets remuneration packages for its management or top level executives in line with applicable rules and regulations and disclose the same in the Financial Statements.

## REMOVAL OF DIRECTORS

Reasons for any disqualification mentioned in the Companies Act, 1994 or any other reasonable ground, the Nomination and Remuneration Committee (NRC) may recommend the Board for removal of a Director or Senior Management Personnel, subject to the provisions and compliance of the said Act, rules and regulations.

## RETIREMENT OF DIRECTORS

The Director and Senior Management Personnel shall retire as per the applicable provisions of the Act, Articles of Association and the prevailing policy of the company. The Board will have the discretion to retain the Director or Senior Management Personnel in the same position or otherwise even after attaining the retirement age for the benefit of the company.

## MEETING AND ATTENDANCE

During the financial year ended on 30 June 2024, the Nomination and Remuneration Committee (NRC) held 2 (two) meetings, which is in compliance with the regulatory requirements. The proceedings of the Audit Committee meetings have been reported to the Board of Directors regularly. The NRC meetings and attendance are stated below:

SI No.	Name	Position	Meetings Attended
1	Dr. Mohammad Mahboob Rahman	Independent Director & Chairman of the NRC	1/2
2	Ms. Mahmuda Akhter	ICB Nominated Director & Member of the NRC	2/2
3	Mr. Mohammed Ariful Islam	Independent Director & Member of the NRC	2/2
4	Mr. Golam Murshed	Non-executive Director & Member of the NRC	2/2

## SUMMARY OF ACTIVITIES DURING THE YEAR

The Nomination and Remuneration Committee (NRC) carried out the following activities during the year ended June 30, 2024:

### The NRC reviewed/recommended:

- The amendment of existing NRC Policy;
- The formulation of Policy on 'Board's Diversity', the policy on 'Performance Evaluation of the Board and the Directors including Independent Directors' and the policy on 'Qualifications, Positive Attributes and Independence of Directors'
- The election/appointment of Director(s) including independent director(s) and top level executives in accordance with the criteria laid down;
- The re-election of Mr. Golam Murshed as the Director of the company;
- The re-appointment of Dr. Mohammad Mahboob Rahman as the independent Director of the company;
- The appointment of Chief Financial Officer of the company;
- The performance of Directors including Independent Directors;
- The performance of the Top Level Executives and the compensation package;
- The Company's need for employees at different levels and their selection, transfer or replacement, training and promotion criteria; and
- The Company's human resources and training policies

## ACKNOWLEDGEMENT

The Nomination and Remuneration Committee expressed its sincere thanks to the Board and the management team for their continuous support and assistance in discharging its duties and responsibilities effectively.

For and on behalf of the Nomination and Remuneration Committee (NRC)



(Dr. Mohammad Mahboob Rahman)  
Chairman

## NOMINATION AND REMUNERATION POLICY

### 1. OVERVIEW

#### Preface

The Nomination and Remuneration Policy of National Polymer Industries PLC, known as “NPI PLC Nomination and Remuneration Policy” is formulated in compliance with the Condition No. 6(5)(c) of the BSEC’s Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. This policy has been formulated by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors.

#### Applicability

This Policy shall be applicable for the Directors and top level executives of the Company.

### 2. TERMS OF REFERENCE (TOR)

The Terms of Reference (TOR) of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per the BSEC Notification. The Nomination and Remuneration Committee (NRC) works as sub-committee of the Board. It assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executives as well as a policy for formal processes of considering the remuneration of Directors and top level executives.

### 3. CONSTITUTION OF THE NRC

- (a) The Committee shall comprise of at least 03 (three) members including an independent director;
- (b) At least 02 (two) members of the Committee shall be non-executive directors;
- (c) Members of the Committee shall be nominated and appointed by the Board;
- (d) The Board shall have authority to remove and appoint any member of the Committee;
- (e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred and eighty) days of occurring such vacancy in the Committee;
- (f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;
- (g) The company secretary shall act as the secretary of the Committee;
- (h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;
- i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director’s fees or honorarium from the company.

### 4. CHAIRPERSON OF THE NRC

- (a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;
- (b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- (c) The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders;

Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

#### **5. MEETING AND QUORUM OF THE NRC**

- (a) The NRC shall conduct at least one meeting in a financial year;
- (b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;
- (c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.
- (d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

#### **6. ROLE OF THE NRC**

- (a) NRC Shall be independent and responsible or accountable to the Board of Directors and to the Shareholders;
- (b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
  - (i) Formulating 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, top level executives, considering the following:
    - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
    - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - (c) Remuneration to Directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
  - (ii) Devising a policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality;
  - (iii) Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
  - (iv) Formulating the criteria for evaluation of performance of Independent Director(s) and the Board;
  - (v) Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
  - (vi) Developing, recommending and reviewing annually the Company's human resources and training policies;

#### **7. APPOINTMENT, EVALUATION AND REMOVAL/RETIREMENT OF DIRECTOR, TOP LEVEL EXECUTIVES AND SENIOR MANAGEMENT**

##### **(i) Appointment Criteria of Director, Top Level Executive or at Senior Management Level**

- (a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, top level executive or at senior management level and recommend his/her appointment, as per company's policy.

(b) A person possessing adequate qualification, expertise and experience for the position director, top level executive or at senior management level shall be considered for appointment. The NRC has the authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

**(ii) Appointment of Independent Director**

(a) The Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;

(b) NRC ensures the 'independence' and 'qualification' of independent director(s) before recommendation for appointment of independent director(s).

**(iii) Evaluation**

The Committee shall carry out the evaluation of performance of Directors and top level executives yearly or at such intervals as may be considered necessary.

**(iv) Removal**

The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchanges.

**(v) Retirement**

The Directors or top level executives shall retire as per Applicable Act., Articles of Association and Policy of the Company. The Board will have the discretion to retain the Director or any top level executive even after attaining the retirement age, considering the benefit of the Company.

**8. REMUNERATION TO DIRECTORS AND TOP LEVEL EXECUTIVES**

(a) The remuneration to be paid to Managing Director/other Directors as recommended by the NRC and approved by the Board.

(b) The Nomination and Remuneration Committee (NRC) shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.

(c) The Non-Executive Directors/Independent Director(s) shall receive meeting fees as recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors.

(d) The remuneration to top level executives shall be fixed considering their performances and in accordance with the Company's Policy.

**9. IMPLEMENTATION**

The NRC may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

**10. DISCLOSURE**

As per Condition No. 6(5)(c) of the Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission, it requires to disclose the Nomination and Remuneration Policy and the evaluation criteria and activities of the NRC during the year at a glance in the annual report of a company.

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

### **INTRODUCTION**

As per 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.

### **QUALIFICATION OF DIRECTORS**

Holding qualified number of shares other than independent directors is the primary qualification of a director. Moreover, there are some set disqualifications as per companies Act and Memorandum and Articles of Association of the company. A natural person shall not be capable of being appointed as a director of a company if:-

- i. He is found to be of unsound mind by a competent court; or
- ii. He is adjudged an insolvent; or
- iii. He has applied to be adjudicated as an insolvent and his application is pending; or
- iv. He has not paid any calls in respect of shares of the company held by him, whether alone or jointly with others within six months from the date of such calls being made; or
- v. He is a minor; or
- vi. He or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of section 103; or
- vii. He suspends payments to or compounds with his creditor; or
- viii. He being a nominee director is removed by the appointer for any reason whatsoever.

### **POSITIVE ATTRIBUTES**

A director being appointed in the board whether sponsor, shareholder or independent with many other positive attributes shall also:

- i. Possess strong leadership skills to guide the company, set strategic direction and inspire teams to achieve goals.
- ii. Have the ability to think strategically, foresee market trends and envision the future direction of the company.
- iii. Be decisive and able to make tough decisions when necessary, especially during the times of uncertainty or crisis.
- iv. Have understanding financial statements, budgeting and financial planning essential for directors to effectively oversee the company's financial health and make informed decisions.
- v. Have excellent interpersonal and communication skills;
- vi. Have continuous professional development to refresh knowledge and skills.
- vii. Have commitment to high standards of ethics, personal integrity and probity;
- viii. Have commitment to the promotion of equal opportunities of health and safety in the workplace.

### **INDEPENDENCE OF INDEPENDENT DIRECTORS**

Corporate Governance Code-2018 defines the independence of directors in clause 1(2)(b). As a listed company, National Polymer Industries PLC. shall comply with the following conditions before appointing the Independent Directors:-

- i. Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;
- ii. Who is not a sponsor of the company or is not connected with the company's any sponsor or director or



nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:

Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;

- iii. Who has not been an executive of the company in immediately preceding 2 (two) financial years;
- iv. Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;
- v. Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;
- vi. Who is not a shareholder, director excepting independent director, or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;
- vii. Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of the Corporate Governance Code-2018;
- viii. Who is not independent director in more than 5 (five) listed companies;
- ix. Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF1); and
- x. Who has not been convicted for a criminal offence involving moral turpitude.

#### **REMUNERATION OF DIRECTORS AND TOP LEVEL EXECUTIVES**

- i. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; and
- ii. The remuneration to directors, top level executives shall be structured a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

#### **POLICY REVIEW**

Subject to the approval of Board of Directors, the Nomination and Remuneration Committee reserves its right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

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

### **1. PREAMBLE**

Evaluation provides the board and its committees with the opportunity to consider how group culture, cohesiveness, composition, leadership, meetings information processes and governance policies that influence the performance of the Board. Evaluation of the Board helps to identify areas for potential adjustment and provides an opportunity to remind the directors of the importance of group dynamics and effective board and committee processes in fulfilling the responsibilities of the board and the committees.

This policy is named as 'Policy on Performance Evaluation of the Board and the Directors of National Polymer Industries PLC.' It aims at establishing a procedure for conducting periodical evaluation of the directors' performance and taking the appropriate action plan.

### **2. LEGAL FRAMEWORK**

As per Clause 6(5)(b)(iv) of Corporate Governance Code-2018, issued by the Bangladesh Securities and Exchange Commission (BSEC), it requires to formulate the criteria for evaluation of performance of Independent Directors and the Board as a policy. It is the role of the Nomination and Remuneration Committee ("NRC") to formulate the policy under the purview of the corporate governance Code-2018.

### **3. RESPONSIBILITY AND FREQUENCY**

It shall be the duty of the Chairperson of the Nomination and Remuneration Committee (NRC) supported by the Company Secretary to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the independent directors' and the board as a whole. The Company shall undertake annual evaluation either in accordance with calendar year or financial year. Ideally, the same should be as per financial year.

### **4. BROAD EVALUATION FRAMEWORK AND PARAMETERS**

The Board should understand the framework under the Corporate Governance Code-2018 Guideline. Evaluation procedures of the Board shall generally include the followings:

#### **(i) Evaluation of Independent Directors:**

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated himself. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent directors. In addition to the parameters laid down for directors, which shall be common for evaluation to Independent Directors also. An independent director shall be evaluated on the following parameters:

- a) Maintenance of independence and no conflict of interests;
- b) Exercise of objective independent judgment in the best interests of the company;
- c) Ability to contribute to and monitor corporate governance practice; and
- d) Adherence to the code of conduct for the independent directors.

#### **(ii) Evaluation of the Board as a whole**

The performance of the Board as a whole shall be evaluated from the reviews/ feedback of the directors themselves. They will assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation of the performance of the Board is essentially an assessment of how the Board has performed on following parameters which determines the effectiveness of board.

- a) Structure of the Board: Composition, constitution and diversity of the board and that of its Committees, competencies and experience of the members, transparent appointment process, frequency of meetings, procedures.
- b) Dynamics and Functioning of the Board: Annual Board Calendar, information availability, interactions and communication with CEO and senior executives, board agenda, cohesiveness and the quality of participation in board meetings;
- c) Business Strategy Governance: Board's role in company strategy;
- d) Financial Reporting Process, Internal Audit and Internal Controls: The integrity and the robustness of the financial and other controls regarding abusive related party transactions, vigil mechanism and risk management;
- e) Monitoring Role: Monitoring of policies, strategy implementation and systems;
- f) Supporting and Advisory Role; and
- g) The Chairperson's Role.

### **(iii) Evaluation of the Committees**

The performance of the Committees shall be evaluated by the Directors, on the basis of the terms of reference of the committee being evaluated. The parameters of reviewing the performance of the Committees, inter alia, are:

- a. Discharge of its functions and duties as per its terms of reference;
- b. Process and procedures followed for discharging its functions;
- c. Effectiveness of suggestions and recommendations received;
- d. Size, structure and expertise of the committee; and
- e. Conduct of its meetings and procedures followed in this regard.

## **5. ACTION PLAN**

The results of the performance evaluation must be communicated to the concerned people in an appropriate manner, leading to generating an improvement action plan. A post evaluation activity shall prepare a summary report and analysis of the findings highlighting the degree of board effectiveness in each area examined, noting areas of effectiveness as well as areas of concern.

## **6. POLICY REVIEW**

Subject to the approval of Board of Directors, the 'Nomination and Remuneration Committee' reserves its right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

## **7. DISCLOSURE**

As per the Condition No. 6(5)(c) of the Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission it requires to disclose the evaluation criteria in the annual report of a company. Thus, the key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.

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

### **BACKGROUND**

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 Ruminant Committee (NRC) shall assist the Board of Directors in formulation of such policy. Accordingly, based on the recommendation of the NRC, the Board of Directors of National Polymer Industries PLC. has adopted this policy on board's diversity.

### **POLICY STATEMENT**

The Board of Directors of National Polymer Industries PLC. believes that board's diversity enhances the quality of board's performance and helps to realize the strategic objectives and go for the sustainable development. The Company, through its board nomination process and governance principles, will pursue and evaluate candidates for board membership ensuring broader diversity in its membership taking into consideration of age, gender, experience, ethnicity, educational background, socio-economic status, veteran status, nationality as well as on personal attributes, all round perspective and insights for appropriate decision making. The NRC shall also ensure that the composition of the board meets the requirements of the code and other rules and regulations.

### **SCOPE OF APPLICATION**

The Policy applies to the members of the Board and to the top level employees of the Company.

### **POLICY REVIEW AND MONITORING**

The NRC will review the policy periodically, which will include an assessment of the effectiveness of the policy. The NRC shall do any revision that may be required and recommend the same to the Board for approval.

## **POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

### **CSR Vision**

National Polymer Industries PLC is committed to being socially accountable to itself, its stakeholders, and the public by practicing Corporate Social Responsibility (CSR). The company strives to go beyond business objectives, addressing social and environmental challenges while promoting ethical behavior in all its operations.

### **Scope of CSR Activities**

As a socially responsible company, National Polymer Industries PLC focuses on the following key areas:

#### **1. Promoting Girls' Education**

Supporting the establishment and donation of schools and colleges for girls across the country.

#### **2. Empowering Women**

Providing various skill development training programs to empower women and enhance their economic independence.

#### **3. Environmental Sustainability**

Contributing to the reduction of carbon footprints and environmental pollution, while investing in initiatives that ensure carbon credits.

#### **4. Collaboration with Engineering Universities**

Partnering with engineering universities to support academic and research initiatives, and engaging with engineering associations to foster industry growth.

#### **5. Disaster Relief and Livelihood Support**

Assisting victims of natural disasters, helping them rebuild their lives, and ensuring access to safe drinking water in affected areas.

#### **6. Community Development and Beautification**

Contributing to local community development projects and enhancing public spaces through beautification efforts.

#### **7. Healthcare for Employees and Communities**

Ensuring access to medical facilities for National Polymer Industries PLC's employees and the surrounding communities.

#### **8. Supporting Arts and Culture**

Promoting and supporting cultural and artistic endeavors to enrich society.

#### **9. Eco-friendly Technology**

Utilizing new and eco-friendly technologies to maximize production efficiency and minimize waste.

#### **10. Tree Planting Initiatives**

Implementing tree planting projects to establish new forests and restore degraded lands.

This policy is also available on the company's website at [www.nationalpolymer.net](http://www.nationalpolymer.net).

## **DIVIDEND DISTRIBUTION POLICY**

### **1.00 INTRODUCTION**

Dividend Distribution Policy is a set of principles/guidelines in relation to declaration and distribution of dividend and matters incidental thereto or connected therewith. National Polymer Industries PLC. (NPI PLC) has formulated a policy known as “NPI PLC Dividend Distribution Policy” in compliance with the BSEC’s Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, which was approved by the Board of Directors in its 171<sup>st</sup> meeting held on 21 October 2021. The highlights of the said policy are as follows:

### **2.00 OBJECTIVE**

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before declaring dividend and ensuring proper distribution of the declared dividend to the shareholders of the company.

### **3.00 DEFINITION OF DIVIDEND**

Dividend means distribution of profits by the Company to its shareholders in proportion to the amount paid-up on shares held by them. Dividend can be cash or stock in types and can also be final or interim. Dividend to be declared on the basis of audited financial statements regardless of interim or final. The Company can declare dividend after the end of financial year, which is called final dividend. Final dividend is declared on the basis of recommendations of the Board of Directors and the shareholders approve the same at the Annual General Meeting (AGM) of the Company.

The Company can also declare dividend from the current year’s profits on either quarterly or semi-annual basis, which is called interim dividend and the Board may, at its discretion, declare an interim dividend out of current profit. No stock dividend shall be declared as interim dividend. The decision about recommending interim dividend and entitlement for such dividend cannot be changed.

### **4.00 PARAMETERS FOR DECLARATION OF DIVIDEND**

The Board of Directors shall consider the following factors affecting the dividend proposal:

#### **4.01 FINANCIAL PARAMETERS**

- Profits earned during the financial year;
- Profit growth of the company;
- Financial feasibility of the Company;
- Favorable debt equity ratio;
- Company’s liquidity position and future cash flow requirements for operations;
- Such other factors and/or material events, which the Board may considers.

#### **4.02 INTERNAL FACTORS**

- Growth rate of past earnings;
- Growth rate of predicted earnings;
- Earnings stability;
- Accumulated reserves;
- History of dividends declared by the Company;
- Working capital requirements;
- Mergers and acquisitions.

#### **4.03 EXTERNAL FACTORS**

Shareholders' expectations;  
Macroeconomic and business environment;  
Sectorial performance;  
Cost and availability of alternative sources of financing;  
Industry outlook for the future years;  
Government policies or regulatory provisions.

#### **5.00 UTILIZATION OF RETAINED EARNINGS**

The Company may utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth/expansion and strategic plans or such other purposes the Board may deem fit from time to time for the interest of the Company and its stakeholders.

#### **6.00 PROCEDURES FOR PAYMENT OF DIVIDEND**

All requisite approvals and clearances, where necessary, shall be obtained before payment of dividend. Dividend shall be paid after having approval from the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors, but no dividend shall exceed the amount recommended by the Board of Directors.

No dividend shall be paid other than out of profits of the year or any other undistributed profits of the Company. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

In case of declaration of stock dividend, the company shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report.

#### **7.00 ENTITLEMENT OF DIVIDEND**

The Company shall determine the record date or date of closure of the register of members. The Company shall give notice in advance of at least 14 (fourteen) working days, but not exceeding 30 (thirty) working days to the stock exchange(s) specifying the purpose of the record date. Members, whose names shall appear in the Members'/Depository Register on the Record Date will be eligible to receive dividend.

#### **8.00 DISTRIBUTION OF DIVIDEND**

The Company shall pay off the cash or stock dividend (final or interim) to the shareholders within 30 days of declaration or approval or record date, as the case may be. The details of dividend distribution procedures are as follows:

##### **8.01 DISTRIBUTION OF CASH DIVIDEND**

**Cash dividend shall be distributed in the following manner and procedures:**

The Company shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the Depository Participant (DP), or the bank account as provided by the shareholder in paper form through BEFTN or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.

Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or a portfolio manager, the Company shall pay off such cash dividend to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.

- In case of non-availability of bank account information or not possible to distribute the cash dividend through BEFTN or any electronic payment system, the Company shall issue cash dividend warrant and shall send it by post to the shareholder.
- The company shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI), if any, through the security custodian in compliance with the rules and regulations in this regard.
- The Company, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder.
- The Company shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account member-wise or name-wise or folio number-wise of the shareholder, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item "Unclaimed Dividend Account." The Company shall publish the year-wise summary of its unpaid or unclaimed dividend in the website.

## **8.02 DISTRIBUTION OF STOCK DIVIDEND**

### **Stock dividend shall be distributed in the following manner and procedures:**

- The Company shall credit stock dividend or bonus shares directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to the clearance of the exchange(s) and the Central Depository Bangladesh System (CDBL). The Company shall follow the provisions of প্রবিধান ৪৬ of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares.
- The sale proceeds of fractional bonus share shall be paid off as per rules and regulations of the regulators issued from time to time.
- The Company shall maintain a Suspense BO account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:
- The Company shall send at least 3 (three) reminders to the entitled shareholder;
- The suspense BO account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus share as and when the allottee approaches to the Company.
- Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO account.
- The Company shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the Exchange(s).



- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

#### **9.00 CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances. The portion of profits not distributed among the shareholders as dividend will be used for the business activities of the Company.

#### **10.00 SUBMISSION OF DIVIDEND COMPLIANCE REPORT**

The Company shall submit a compliance report to the Commission and the Exchange(s) in a specified format issued by the regulator within stipulated time of completion of dividend distribution to the entitled shareholders and also publish the said report in the website of the company.

#### **11.00 UNPAID OR UNCLAIMED OR UNSETTLED CASH AND STOCK DIVIDEND**

The Company shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the laws of land in force. The Company shall follow the rules and regulations of the regulators issued from time to time regarding payment or settlement of unpaid or unclaimed cash dividend and stock dividend.

#### **12.00 CONFLICT IN POLICY**

In the event of conflict between this policy and the existing regulations of Govt. of Bangladesh, BSEC in force, the regulations shall prevail.

#### **13.00 AMENDMENTS/MODIFICATIONS**

The Board is authorized to change or modify this Policy from time to time at its sole discretion and/or in pursuance of any amendments made by any relevant law for the time being in force.

#### **14.00. DISCLOSURE**

This Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company.

## REPORT ON UNCLAIMED DIVIDEND ACCOUNT

As per Condition No. 3 (i) of the BSEC's Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the Company maintains separate bank account(s) for distribution of Cash Dividend to the shareholders. The Company also maintains separate Suspense BO account(s) (blocked under block module) for proper distribution of unpaid or unclaimed Stock Dividend/Bonus Shares to the shareholders.

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).

### **The details of transfer of unpaid or unclaimed Cash and Stock Dividend to the CMSF are as follows:**

- (a) 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 Marker Stabilization Fund's (CMSF) bank account.
- (b) 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 Marker Stabilization Fund's BO Account.

### **The status of unpaid or unclaimed Cash and Stock Dividend as on 30 June 2024 is as follows:**

- (a) Unpaid or Unclaimed Cash Dividend:
  - (i) Unpaid or Unclaimed Cash Dividend for the FY 2020-2021: Tk. 3,703,126.41
  - (ii) Unpaid or Unclaimed Cash Dividend for the FY 2021-2022: Tk. 3,533,239.34
  - (iii) Unpaid or Unclaimed Cash Dividend for the FY 2022-2023: Tk. 3,634,436.06
- (b) Unpaid or Unclaimed Stock Dividend/Bonus Shares: Nil
- (c) Non-refunded Rights Share Subscription money for the year 2021: Tk. 38,520.00
- (d) Unpaid or Unclaimed or Un-allotted Rights Shares for the year 2021: 1,432 shares

The Company shall transfer its Unpaid or Unclaimed Dividend (Cash Dividend & Un-allotted Rights Shares) to the Capital Marker Stabilization Fund (CMSF) duly as per the BSEC's Directive.

## COMPARATIVE KEY FINANCIAL INFORMATION OF PRECEDING 05 YEARS

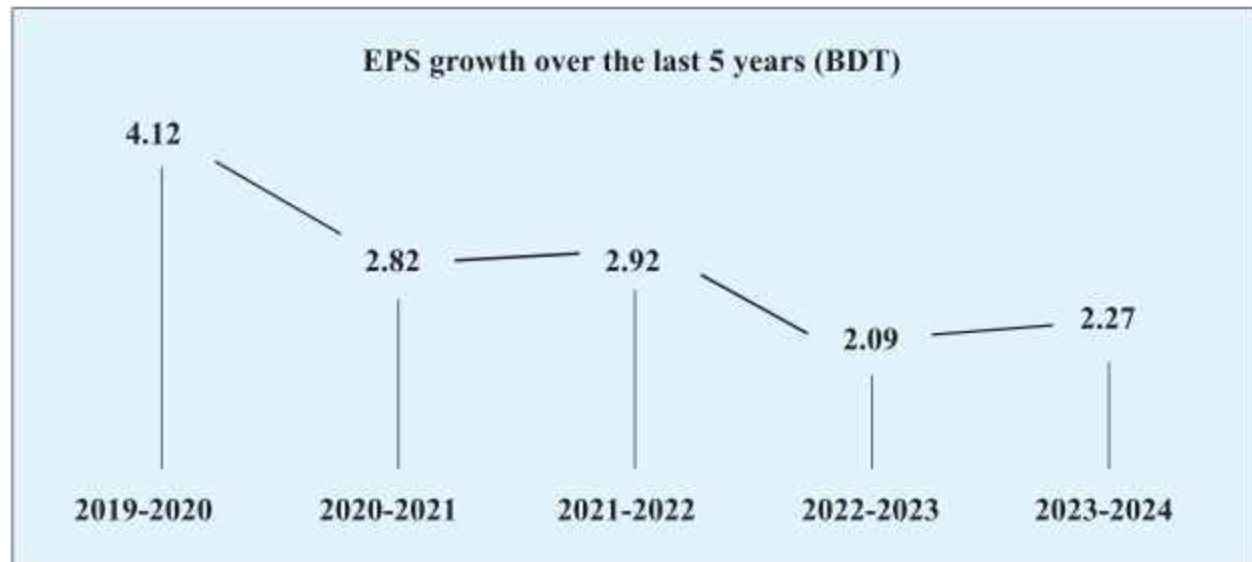
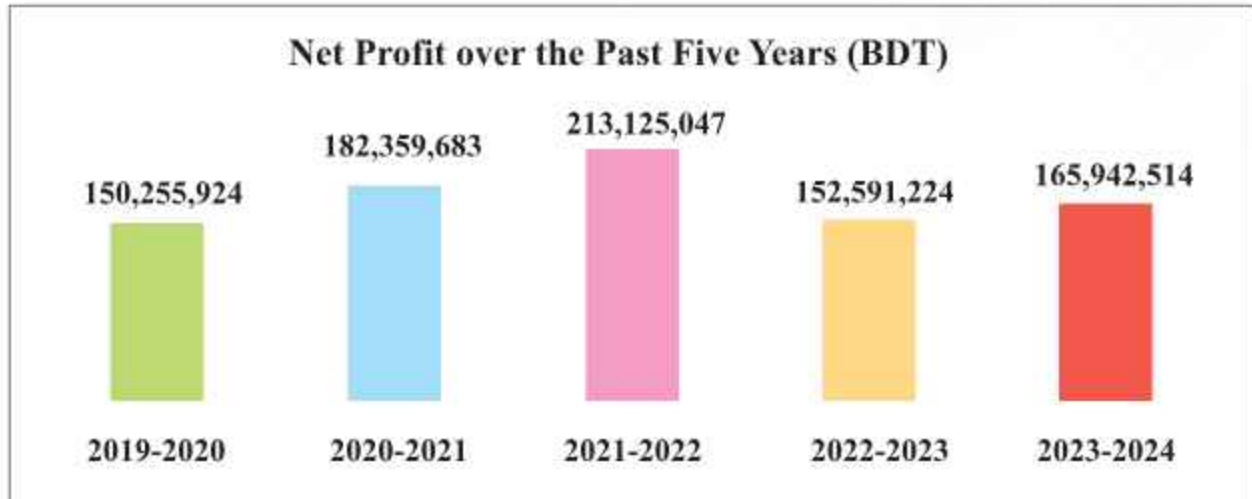
Figures in Taka

Particulars	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Revenue	7,271,200,538	6,476,878,342	5,065,419,290	4,487,233,362	3,432,956,238
Gross Profit	1,068,316,743	1,138,386,680	878,089,648	722,746,812	602,184,319
Profit Before WPPF & Taxation	220,048,203	201,025,119	279,726,625	247,067,957	210,358,293
Net Profit	165,942,514	152,591,224	213,125,047	182,359,683	150,255,924
Earnings Per Share	2.27	2.09	2.92	2.82	4.12
* Earnings Per Share (Restated)	-	-	-	1.71 (Diluted)	2.50
Non-Current Assets	4,401,461,001	3,631,005,981	2,741,497,520	2,239,341,353	1,873,723,605
Current Assets	3,998,299,912	3,749,702,909	3,695,085,575	3,800,465,041	2,630,779,173
Total Assets	8,399,760,913	7,380,708,890	6,436,583,095	6,039,806,394	4,504,502,778
Authorized Capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Paid up Capital	729,836,680	729,836,680	729,836,680	729,836,680	364,918,340
Shareholders' Equity	2,235,322,191	2,168,579,828	2,088,837,494	1,968,392,471	1,309,083,706
Current Liabilities	4,172,225,101	3,420,947,375	3,086,641,598	2,537,027,922	2,567,038,848
** Non-Current Liabilities	1,992,213,620	1,791,181,687	1,181,618,989	1,454,900,986	548,895,210
Total Liabilities & Shareholders' Equity	8,399,760,913	7,380,708,890	6,436,583,095	6,039,806,394	4,504,502,778
NAV Per Share	30.63	29.71	28.62	30.49	35.87
NOCFPS	2.89	6.52	4.81	(4.33)	6.66
Market Price Per Share (On 30 June)	39.30	51.00	53.30	57.40	56.60
Dividend	10.50%	10.50%	10.50%	10%	15%
	Cash Dividend (Recommended)	Cash Dividend	Cash Dividend	Cash Dividend	Cash Dividend
Price Earnings Ratio	17.31	24.40	18.25	20.35	13.74
Current Ratio (time)	0.96	1.10	1.20	1.49	1.02
Return on Equity (ROE) Ratio-%	7.42	7.04	10.20	9.26	11.48
Profit Margin Ratio-%	2.28	2.36	4.21	4.06	4.38
** Debt - Equity Ratio	2.72	2.37	2.04	2.03	2.38

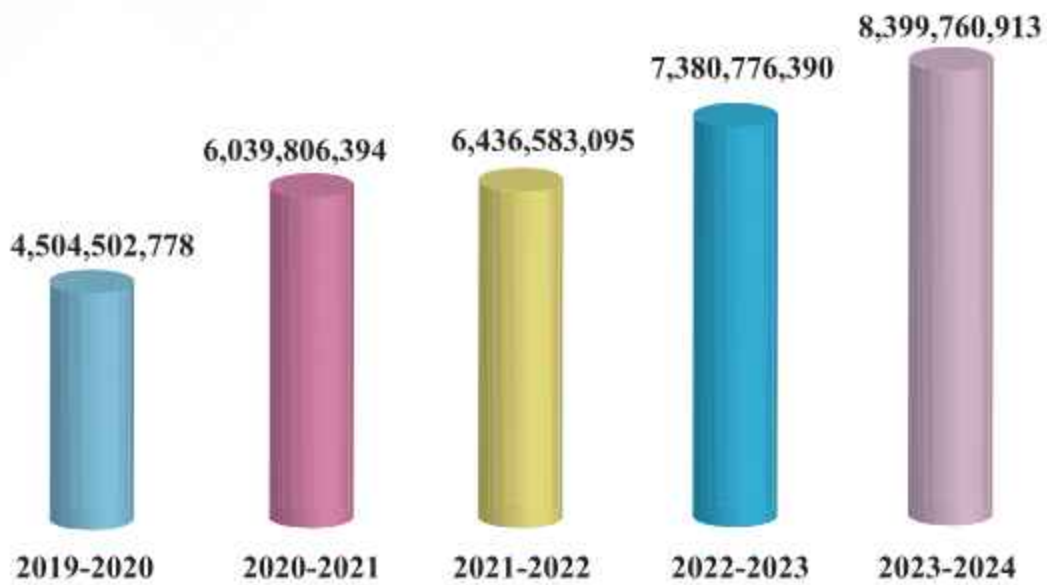
\* Previous year's EPS restated/diluted with Effect of rights/bonus shares

\*\* Deferred Tax Liability not considered

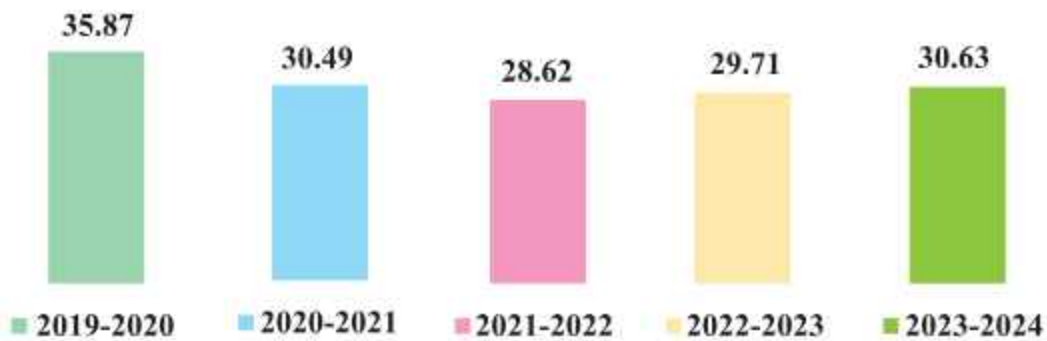
## KEY PERFORMANCE INDICATORS



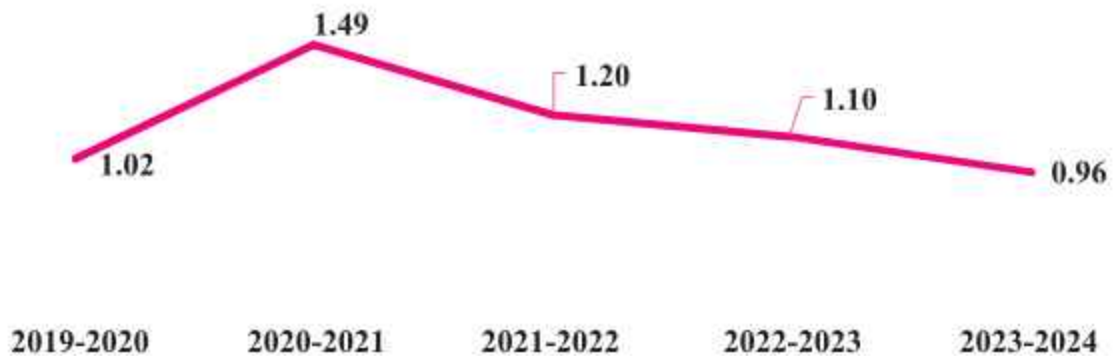
### Growth In Net Worth of Previous 5 Years (BDT)



### NAV Per Share of Previous 5 Years (BDT)



### Current Ratio of Previous 5 Years (Times)



## SHAREHOLDING STRUCTURE

(As on 30 June 2024)

**Authorized Capital:** BDT 3,000 Million  
**Paid-up Capital:** BDT 729.84 Million  
**Paid-up Shares:** 72,983,668 Nos  
**Face Value of Per Share:** BDT 10.00

Particulars	Number of Shareholders	Number of Shares	Percentage (%)
Directors & Sponsors	07	25,295,134	34.66
Government	0	0	-
Institution	158	10,224,834	14.01
Foreign	0	0	-
General Public	9,479	37,463,700	51.33
Total	9,644	72,983,668	100

### Shareholding Structure by Category



## PATTERN OF SHAREHOLDING

(As on 30 June 2024)

[As per condition No.1(5)(xxiii)]

- (a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details): N/A
- (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name-wise details):

Sl No.	Name	Position	No. of shares held	Percentage (%)
1	Mr. Golam Murshed	Sponsor Director & Chairperson	3,782,840	5.18
2	Mr. Riad Mahmud	Sponsor Director, Managing Director & CEO	3,603,773	4.94
3	Ms. Mahmuda Akhter	ICB Nominated Director	13,637,557	18.69
4	Late Shamsul Abedin Akhand & Mrs. Khaleda Akhand (Joint Account)	Sponsor	32,31,611	4.43
5	Mr. Rohel Mahmud	Sponsor	7,26,202	0.99
6	Mrs. Razia Morshed	Sponsor	304,082	0.42
7	Mrs. Khaleda Akhand	Sponsor	9,069	0.01
8	Mr. Mohammed Ariful Islam	Independent Director	Nil	-
9	Dr. Mohammad Mahboob Rahman	Independent Director	Nil	-
10	Mr. Abu Jafar, FCA (resigned on 01/09/2024)	Chief Financial Officer	Nil	-
11	Mr. Md. Abdul Maleque	Company Secretary	Nil	-
12	Mr. Mohammad Shoujat Hossain	Head of Internal Audit & Compliance	Nil	-
<b>Shares held by the spouses and minor children of the above persons:</b>				
13	Mr. Ehsanul Karim	Son of Mr. Golam Murshed & Mrs. Razia Morshed	250,000	0.34
14	Spouses and minor children of other Directors, MD/CEO, CFO, CS and Head of Internal Audit & Compliance	-	Nil	-

- (c) Shareholding of Executives (Top five salaried employees), other than the Directors, CEO, CFO, CS and HIAC): Nil
- (d) Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details):

Sl No.	Name	No. of shares held	Percentage (%)
1	Ms. Mahmuda Akhter ICB Nominated Director	13,637,557	18.69

## NATIONAL POLYMER INDUSTRIES PLC. DECLARATION BY CEO AND CFO

05 November 2024

### The Board of Directors

National Polymer Industries PLC.  
NPOLY HOUSE, GA-99/3 Pragati Shoroni  
Middle Badda, Dhaka-1212

**Subject: Declaration on Financial Statements for the year ended on June 30, 2024.**

**Dear Sirs,**

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of National Polymer Industries PLC. for the year ended on 30 June 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**In this regard, we also certify that: -**

- (i) We have reviewed the financial statements for the year ended on 30 June 2024 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Riad Mahmud)  
Managing Director & CEO



(Bidhan Kumar Saha)  
Chief Financial Officer (CFO)



## CORPORATE GOVERNANCE STATEMENT

Corporate Governance is the system of rules, regulations, practices and processes, by which an organization is directed, operated, monitored, controlled and reviewed that helps the organization to achieve a long-term corporate success and sustainable growth. National Polymer Industries PLC. is committed to maintaining the highest standards of corporate governance across the company for balancing the interests of its shareholders and other stakeholders.

In National Polymer we believe in accountability and transparency and are committed to adhere good corporate governance practices at all times, as we believe that good governance generates goodwill among the business partners, customers and investors and helps the company to achieve sustainable growth. The corporate governance framework of National Polymer Industries PLC. is developed based on the regulatory rules, regulations and guidelines issued from time to time. The details of the governance status of our company are as follows:

### BOARD OF DIRECTORS

The Board of Directors of National Polymer Industries PLC. consists of the eminent and qualified persons, who provide necessary leadership for achieving the long-term business objectives. The Board of Directors ensures that the activities of the company are always conducted in accordance with the highest ethical standards for the best interests of all stakeholders. In compliance with the BSEC'S Corporate Governance Code-2018, the Board of Directors of National Polymer Industries PLC is Comprised of 05 (five) members, including 02 (two) Independent Directors. All the members of the Board have vast experience and competence to lead the company effectively. The details about the Directors have been stated in the 'Profile of Directors' section in the annual report.

### TRANSPARENT NOMINATION AND ELECTION PROCESS OF BOARD MEMBERS

The members of the company who vote in the Annual General Meeting (AGM) hold the ultimate authority to elect or reject the directors of the board. According to Section 91 of the Companies Act 1994, all directors of National Polymer Industries PLC. are elected by the members during the general meeting. This section stipulates that at least one-third of the total number of directors must be subject to retirement by rotation. The Independent Directors are nominated and appointed in accordance with regulations set by the Bangladesh Securities and Exchange Commission (BSEC). As per the BSEC'S Corporate Governance Code, the Nomination and Remuneration Committee (NRC) recommends the appointment of independent directors, which is then approved by the Board of Directors, subject to prior consent of the BSEC. Finally, it is approved by shareholders at the AGM.

### BOARD MEETING AND ATTENDANCE

The Company conducts the board meetings and records the minutes of the meetings in line with the provisions of the relevant secretarial standards as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). The Board of Directors of National Polymer Industries PLC. met 06 (six) times during the FY 2023-2024 to transact various agendas. The Board Meetings and attendance by the board members have been disclosed in the Directors' Report.

### ROLES & RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors being the highest governing authority within the management structure holds the ultimate responsibility and accountability with due diligence for leading the company to achieve the expected financial results, ensures business sustainability and generate value for the shareholders. The major roles and responsibilities of the Board are as follows:

- The Board of Directors provides effective guidance and directions to ensure that the robust policies and procedures are maintained properly to achieve the business objectives.
- The Board of Directors reviews the adequacy of internal control and risk management systems of the company and confirms the implementation of the mitigation measures to manage the risks and ensures

integrity in the company's accounting and financial reporting systems through compliance with all relevant laws and regulations.

- The Board of Directors has a fiduciary responsibility to protect the assets of the shareholders and to ensure a decent return to their investments.
- The Board of Directors provides appropriate decisions/directions on the matters, which are legally required to be considered or decided by the Board, such as approval of the quarterly un-audited financial statements, annual audited financial statements, declaration of dividends and appointment/re-appointment of Directors and Auditors etc.
- The Board of Directors also oversees and monitors the operational performance, corporate strategies, business plans, annual budgets, capital expenditure proposals for modernization and expansion of projects/product lines, procurement of plant & machineries, raw materials, arrangement or borrowing of funds etc.
- The Board of Directors monitors the appointment of the top management and review the management succession planning to ensure the effectiveness of governance practices to expedite the overall business performance of the company.
- In compliance with the Condition No. 1(5) of the Corporate Governance Code-2018 and Section 184 of the Companies Act, 1994, the Board of Directors has disclosed its report before the shareholders, which is an integral part of the Annual Report.

#### **CHAIRPERSON OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR/CEO**

As per the BSEC's Corporate Governance Code-2018, the positions of the Chairperson of the Board and the Managing Director are held by the different individuals. The roles and responsibilities of the Chairperson and the Managing Director are defined clearly. Mr. Golam Murshed is the Non-executive Director & Chairman of the Company and is responsible for the functions of the Board. Mr. Riad Mahmud is the Managing Director, who performs his responsibilities as the Chief Executive Officer (CEO) of the Company.

#### **CHAIRPERSON OF THE BOARD**

The Chairperson leads the Board to work properly for the long-term benefits of the company. He is responsible for ensuring the effectiveness of the Board and good governance practices and procedures and to promote the highest standards of integrity throughout the company. Mr. Golam Murshed is the Chairperson of the Board, who leads the Board properly with a view to achieving the company's long-term success and goal.

#### **ROLES & RESPONSIBILITIES OF THE CHAIRPERSON**

In compliance with the BSEC'S Corporate Governance Code-2018, the roles and responsibilities of the Chairperson have been clearly defined by the Board of Directors. The major responsibilities of the Chairperson are mentioned as follows:

- The primary role of the Chairperson is to preside over the meeting of the Board of Directors and the meeting of the Shareholders (AGM/EGM).
- The Chairperson confirms that the Board is constituted and is operating its activities in accordance with the Memorandum and Articles of Association of the company along with other legislations.
- The Chairperson consulting with the Managing Director and the Company Secretary sets the Board Meeting Schedule and Agenda to discuss and approve along with other Board Members in the Board Meeting.
- Representing the company from the highest level, the Chairperson also maintains relationships with the relevant stakeholders in consultation with the Board as well as the Managing Director/CEO for ensuring that an appropriate balance is maintained between the interests of shareholders and other stakeholders.

- As a Chairperson of the Board, he neither personally possesses the jurisdiction to apply policy making or executive authority nor he participates in or interfere with the administration or operational and/or routine affairs of the company.
- The Chairperson may assume any responsibility, if the Board assigns within the purview of the relevant rules, regulations, acts and articles.

## MANAGING DIRECTOR

The Managing Director is in charge of overall operations and is responsible for day-to-day activities of the company as the Chief Executive. Mr. Riad Mahmud is the Managing Director of the company, who delivers his leadership to ensure the proper execution of the Board's strategies, policies and decisions.

## ROLES & RESPONSIBILITIES OF THE MANAGING DIRECTOR

In compliance with the BSEC'S Corporate Governance Code-2018, the roles and responsibilities of the Managing Director have been clearly defined by the Board of Directors. The major roles and responsibilities of the Managing Director are mentioned below:

- The Managing Director is responsible for driving the overall business operations, effective implementation of strategies and business objectives as decided by the Board of Directors with a view to upholding the shareholder's value.
- The Managing Director acts reasonably to ensure that the company operates its business as per the Articles of Association (AoA), decisions made by the Board and the Shareholders, as well as according to the policies, procedures and applicable regulatory legislations.
- The Managing Director also communicates, on behalf of the company, to the employees, Government Authorities, Regulators, Shareholders and other Stakeholders through the Company Secretary.

## ANNUAL EVALUATION OF MANAGING DIRECTOR/CEO CARRIED OUT BY THE BOARD

The Board has evaluated that during the financial year of 2023-2024, the global supply chain crisis, the US dollar shortage, high fuel and energy prices, and elevated bank interest rates, all have driven the business operation costs higher than last year. However, under the strong leadership of Managing Director Mr. Riad Mahmud, the company has made significant strides forward.

The Board of Directors commends Mr. Riad Mahmud for his dynamic leadership and expresses confidence that the company will continue to achieve its goals under his leadership.

## DIRECTORS' INDUCTION

Organizing a comprehensive induction program for new Directors is essential for upholding high standards of corporate governance within the company. The Company Secretary is tasked with ensuring that this induction is provided to all new Directors, specifically, all new Independent and Non-Executive Directors. The thorough induction covers several key areas, including:

- **Company Overview:** The history, background, culture, values, and purpose of the Company, along with its growth trajectory and significant milestones since incorporation.
- **Board Composition:** An introduction to the current composition of the Board, profiles of Board members, and an overview of Board procedures, including matters reserved for Board decisions.
- **Business Structure:** A summary of the Company's structure, including its businesses, brands, categories, and functions.
- **Internal Controls:** An overview of the Internal Control Framework and the business risk assessment and mitigation strategies in place.

Additionally, the directors receive updates on corporate governance, regulatory developments, and investors' relation matters. The Company Secretary ensures that the Board is kept informed of relevant legal and regulatory updates that impact the company and its directors.

## **BOARD EVALUATION**

The performance of the Board and Independent Directors is evaluated annually. This evaluation involves a formal assessment by the Board itself, aimed at enhancing its effectiveness and that of its Committees. The process includes gathering feedback from Directors on both the Board's performance and that of the Independent Directors through a structured questionnaire.

In FY 2023-2024, the Company conducted an internal board evaluation cycle, which encompassed an assessment of the Board as a whole as well as the performance of the Independent Directors. This initiative was led by the Chairman and supported by the Company Secretary. The evaluation focused on several key areas, including Board composition, effectiveness, oversight, meeting procedures, strategic direction, skills, and structure.

The evaluation of Independent Directors was based on criteria such as knowledge and skills, personal attributes, engagement in Board and Committee meetings, independent judgment, and overall contribution. The results indicated that the Board operates cohesively, benefiting from diverse perspectives brought by members from various backgrounds. This diversity enhances discussions in both board and committee meetings. Additionally, it was observed that the Independent Directors are effectively fulfilling their roles, providing valuable independent judgments during the meeting.

## **INDEPENDENT DIRECTORS**

In compliance with the Condition No. 1(2) of the Corporate Governance Code, the Board of Directors of National Polymer Industries PLC, has appointed 02 (two) Independent Directors named: Mr. Mohammed Ariful Islam, Managing Director & CEO of Versatile Automobiles Ltd. & Member of BARVIDA and Dr. Mohammad Mahboob Rahman, Professor of the Department of Management of BRAC University. The Independent Directors are free from any business or other relationships with the company that might materially interfere with or affect the exercise of their independent judgments. They are committed to ensuring the effectiveness of the Board upholding the good governance processes.

## **CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS**

National Polymer Industries PLC adheres to the selection criteria for Independent Directors as established by the Bangladesh Securities and Exchange Commission (BSEC) in the Corporate Governance Code-2018.

The board of directors recommend qualified Bangladeshi citizen as independent director of the company who:

1. Doesn't hold any share of National Polymer Industries PLC.
2. Is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;
3. Has not been an executive of the company in immediately preceding 2 (two) financial years;
4. Does not have any other relationship, whether pecuniary or otherwise, with the company;
5. Is not a member or TREC holder, director or officer of any stock exchange;
6. Is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;
7. Is not a partner or an executive or was not a partner or an executive during the preceding 03 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of CG Code-2018;
8. Is not independent director in more than 5 (five) listed companies;

9. Has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and
10. Has not been convicted for a criminal offence involving moral turpitude.

#### **CHIEF FINANCIAL OFFICER (CFO)**

As per the BSEC's Corporate Governance Code-2018, the Board of Directors has appointed the Chief Financial Officer (CFO) of the company, who performs his defined roles and responsibilities. Mr. Bidhan Kumah Saha, who has a long service experience and expertise in the field of Accounts & Finance, has been performing his responsibilities as the Chief Financial Officer (CFO) of the company. The Chief Financial Officer oversees the overall financial management of the company, ensures the accuracy of budgetary and financial control systems and also monitors the financial performance of the company. The Chief Financial Officer also ensures that the Board receives accurate, timely and clear information in respect of the company's financial performance and position. He is also responsible to comply with the appropriate accounting standards and financial reporting standards and other regulatory requirements in relation to the preparation of the financial statements. The Chief Financial Officer attends the meetings of the Board of Directors as required under the Condition No. 3(2) of the Corporate Governance Code-2018.

#### **COMPANY SECRETARY (CS)**

As per the BSEC's Corporate Governance Code-2018, the Board of Directors has appointed the Company Secretary, whose roles and responsibilities are defined clearly. Mr. Md. Abdul Maleque having a long service experience in field of secretarial and compliance issues has been performing his duties and responsibilities as the Company Secretary. The core responsibility of the Company Secretary is to ensure the compliance with the Acts, Rules, Regulations, Notifications, Guidelines, Orders/Directives etc. issued by the Regulators as applicable to conduct the business activities of the company. The Company Secretary also maintains necessary liaison with the Regulatory Authorities, Shareholders and other Stakeholders on the matters of corporate interests in a transparent manner and acts as a bridge between the Board, Management and Shareholders to facilitate the good governance within the company. He also ensures that the Board receives timely information in advance of the Board Meeting to ensure effective discussion and decision. The Company Secretary attends the meetings of the Board of Directors as required under the Condition No. 3(2) of the Corporate Governance Code-2018.

#### **HEAD OF INTERNAL AUDIT & COMPLIANCE (HIAC)**

As per the BSEC's Corporate Governance Code-2018, the Board of Directors has appointed the Head of Internal Audit & Compliance of the company, who performs his respective roles and responsibilities. Mr. Mohammad Shoujat Hossain, who has long 15 years of experience in the field of Internal Audit & Compliance has been acting as the Head of Internal Audit & Compliance of the company. The head of internal audit (HIA) plays a vital role in delivering his responsibilities by achieving company's objective and assessing the adequacy and effectiveness of governance systems and reducing the risk and giving an evidence-based opinion on all aspects of governance, risk management and internal control systems as per International Standards of Auditing (ISA). He also makes recommendations to the Management and the Audit Committee about the improvement of operational, financial, compliance and internal control systems of the company. He assists the Management in identifying the risks associated with the company and how to mitigate such risks. The Head of Internal Audit & Compliance attends the Board Meeting as required under the Condition No. 3(2) of the BSEC's Corporate Governance Code.

#### **MANAGEMENT TEAM**

The Management Team headed by the Managing Director plays a significant role in managing the business as per the norms of the corporate governance and the Company's Code of Conduct. The Management Team drives the responsibilities with a view to implementing the Board's strategies, policies and decisions. The Management Team meets every month to discuss on the operational issues, to address the business challenges and recommends how to overcome such challenges to attain the Company's business objectives.

## **BOARD'S COMMITTEES**

In compliance with the Corporate Governance Code-2018, the Board of National Polymer Industries PLC. has constituted 'Audit Committee' and 'Nomination and Remuneration Committee (NRC)'. Each Committee operates with the defined Terms of Reference (ToR) as approved by the Board of Directors.

### **AUDIT COMMITTEE**

In accordance with the guidelines of the BSEC's Corporate Governance Code-2018, the Board of Directors has constituted the 'Audit Committee' as a sub-committee of the Board, comprising of the 03 (three) Members of the Board. Two of them are Independent Directors and another member is the Non-executive Director of the Board. The Audit Committee is headed by Mr. Mohammed Ariful Islam, the Independent Director of the Board. As per regulatory requirements, all the Members of the Audit Committee are well-conversant regarding the financial, regulatory and corporate laws and are able to analyze the financial statements to effectively discharge their duties and responsibilities. The key responsibilities and activities of the Audit Committee are stated in the report of the Audit Committee.

### **NOMINATION AND REMUNERATION COMMITTEE (NRC)**

In accordance with the guidelines of the BSEC's Corporate Governance Code-2018, the Board of Directors has constituted the 'Nomination and Remuneration Committee (NRC)' as a sub-committee of the Board, comprising of the 04 (four) members of the Board. Two of them are the Independent Directors and two are the Non-Executive Directors of the Board. The Committee is headed by Dr. Mohammad Mahboob Rahman, who is the Independent Director of the Board. All the Members being well-experienced with integrity are able to contribute to the company in ensuring the compliance with the financial laws, regulatory and corporate laws. The key responsibilities and activities of the Nomination and Remuneration Committee (NRC) are stated in the report of the Nomination and Remuneration Committee.

### **RISK MANAGEMENT COMMITTEE**

The Company has formed the Risk Management Committee comprising of the Departmental Heads headed by the Head of Internal Audit & Compliance. The Risk Management Committee is responsible for monitoring the overall risk management framework, the financial reporting processes, compliance processes, performance of the Auditors and overseeing the audit programs. The Risk Management Committee is also responsible to examine and determine the sufficiency of the company's internal control processes for managing the key risk areas and recommends the Management about the risk level and implementation of the risk management procedures, internal control systems and review the nature and level of insurance coverage.

### **PURCHASE COMMITTEE**

The Purchase Committee of the Company is comprised of the experienced officials of the company. Among others, the followings are the main responsibilities of the Purchase Committee:

- To evaluate the received proposal and find out the effectiveness of each proposal.
- To prepare the report on the basis of evaluation of the purchase proposal with recommendation and send for obtaining approval from the competent authority.
- To supervise the entire procurement activities.

### **HEALTH, SAFETY, SECURITY AND ENVIRONMENT COMMITTEE**

National Polymer Industries PLC, as a manufacturing company, always gives priority on health, safety, security and environmental issues of the company. The Company has constituted the Safety Committee headed by the Head of Human Resources Department. The Committee meets regularly to identify, monitor and implement the matters relating to the health, safety, security and environmental issues of the company.

### **STATUTORY AUDIT**

The appointment of the Statutory Auditors and their activities are regulated by the Companies Act, 1994, Securities & Exchange Rules, 1987 and the BSEC's Corporate Governance Code, 2018. As per these regulations,

the Auditor is appointed by the Shareholders at the Annual General Meeting of the company and their remuneration is also fixed by the Shareholders. The Audit Committee of the company meets with the Statutory Auditor to ensure that the Auditor acts independently. Islam Quazi Shafique & Co. Chartered Accountants acted as the Statutory Auditor of the company for the year ended on 30 June 2024.

#### **CORPORATE GOVERNANCE COMPLIANCE AUDIT**

The appointment of the Corporate Governance Compliance Auditors and their functions are regulated by the BSEC's Corporate Governance Code, 2018. The Company appointed M/s Artisan, Chartered Accountants as the Corporate Governance Compliance Auditor, who has provided the certificate on compliance with Conditions of Corporate Governance Code-2018 for the year ended on 30 June 2024 after due inspection of all relevant documents. The corporate governance certificate is disclosed in this annual report.

#### **INTERNAL AUDIT AND CONTROL**

Internal Audit functions support the company to evaluate and improve the effectiveness of risk management and internal control systems through a systematic and disciplined approach with a view to achieving the company's objectives. The Internal Audit Department regularly conducts audit based on the quarterly and yearly audit plans. The effective internal control mechanism is built by the company to reduce the risks of error and fraud. The internal control system is reviewed by the internal audit functions and reported to the Management and the Audit Committee regularly.

#### **DIVIDEND DISTRIBUTION POLICY**

In compliance with the BSEC's Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the Board of Directors of National Polymer Industries PLC. has formulated the Dividend Distribution Policy. The objective of this policy is to lay down the criteria to be considered by the Board of Directors before declaring dividend and ensuring proper distribution of dividend to the shareholders of the company. The Dividend Distribution Policy is disclosed in this Annual Report.

#### **NRC POLICY**

In compliance with the BSEC's Corporate Governance Code 2018, the Board of Directors has formulated a Nomination and Remuneration Policy for determining the qualifications, positive attributes, experiences and independence of the Directors and the Top Level Executives of the company. The Nomination and Remuneration Policy of the Company is disclosed in this Annual Report.

#### **INSIDER TRADING POLICY**

The Board of Directors of the company has adopted the 'Insider Trading Policy' as per the BSEC's Insider Trading Prohibition Rules, 2022. This Policy has outlined, among others, the restrictions on trading of securities by the insiders, who have inside information relating to securities or financial instruments of the company. This Policy has also specified 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 CUNDUCT**

Company's Code of Conduct is a policy that outlined the principles and standards, which is followed by all employees of the company and the third parties acting on behalf of the company. In pursuance of the BSEC's Corporate Governance Code-2018, the Board of Directors of National Polymer Industries PLC. has adopted a Code of Conduct for securing good business ethics in all aspects of its activities. The Code of Conduct is available in the website of the Company at [www.nationalpolymer.net](http://www.nationalpolymer.net).

#### **COMMUNICATION WITH THE SHAREHOLDERS AND THE STAKEHOLDERS**

The Board of Directors acknowledges the importance of effective communication between the Board, Shareholders, Regulators and other Stakeholders at large to provide a clear and complete picture of the company's business performance, financial position and revenue generation. The Company encourages regular communications with the shareholders and welcomes their participation at the shareholders' meetings (AGM & EGM).

The shareholders are provided with the quarterly and annual financial statements, annual report, AGM/EGM notice, price sensitive information, material information and/or any other permissible information, which the Company considers as its principal communication with them. The Shareholders are also provided with the routine services by the Company Secretarial & Shares Department.

#### **COMPLIANCE WITH LABOUR LAW**

The Company is committed to maintaining compliance with labor laws and relevant regulations. Each year, management of the company expresses gratitude to all employees for their contributions by providing benefits from the Workers' Profit and Participation Fund (WPPF). This initiative not only recognizes labour's hard work but also fosters a sense of success and teamwork within the organization. The employment of child labor for factory or office work is a clear violation of the Labour Law, 2006. To ensure compliance, the company actively discourages child labor and strictly prohibits its use in recruitment processes. The management is committed to upholding the standards and promoting a safe and ethical workplace for all employees.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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 by tree plantation within the factory area etc. We believe that our business objectives are not only to maximize the profitability but also to contribute to the society.

#### **CORPORATE SOCIALIZATION**

In order to play a model role for Good Governance characteristics in the corporate sector, the company has become a member of the country's leading stock exchanges, chambers, and associations namely: a. Dhaka Chamber of Commerce & Industries (DCCI) b. Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) c. Bangladesh Association of Publicly Listed Companies (BAPLC) d. Dhaka and Chittagong Stock Exchanges e. Korea Bangladesh Chamber of Commerce and Industries (KBCCI). These memberships have provided scope to the company for the improvement of Corporate Governance Practices for the benefits of the stakeholders.

#### **RELATIONSHIP WITH THE SUPPLIERS**

As the Company has to import capital machineries and raw materials, it maintains cordial and mutual beneficial relationship with its international as well as local suppliers. This enables the company to avoid any legal disputes with the suppliers and enhances the Company's image as a good customer.

#### **RELATIONSHIP WITH THE FINANCERS/BANKERS**

The Board oversees the financial transactions and ensures to meet the Company's commitments to the lenders without any default. As a result, the Company is able to secure its credit lines with lower interest rates from the lenders that enables the Company to ensure the smooth business operations.

#### **INVESTORS' RELATION DEPARTMENT**

National Polymer Industries PLC. maintains a designated Investor Relations Department led by Company Secretary. Company's Investors' Relation Department is always ready to address any queries regarding minority shareholders' interests. Additionally, investors can find updated information on the company's official website, which also serves as an archive of historical data relevant to their interests.

#### **COMPANY WEBSITE**

The official website of the company is a comprehensive reference on the company's management, vision, mission, products, promotions, value added statements, investors' relation, sales network and other events. The Shareholders can easily understand about the financial details, shareholding patterns, corporate benefits, status of dividend payments etc. through the 'Investor Relations' section of the company's website at [www.nationalpolymer.net](http://www.nationalpolymer.net)



## CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE CODE



Annexure – B  
As Per Condition No.1 (5) (xxvii)

### Report to the Shareholders of National Polymer Industries PLC. on Compliance on the Corporate Governance Code

#### Certificate as per Condition No.1(5)(xxvii) of the BSEC Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **National Polymer Industries PLC** (the company) for the year ended on 30 June, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion;

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Place: Dhaka, Bangladesh  
Date: 10 November 2024

  
**Md. Harun -Or- Rashid FCA (697)**  
Engagement Partner  
**ARTISAN**  
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## CORPORATE GOVERNANCE COMPLIANCE STATUS

Status of Compliance with the conditions imposed through Bangladesh Securities and Exchange Commission's (BSEC) Notification No.: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and Notification No.: BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII OF 1969) is present below:

### (Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
<b>1</b>	<b>Board of directors:</b>			
1.1	Size of the Board of Directors (Number of Board members – minimum 5 and maximum 20)	✓		The Board of Directors consists of 5 (five) members.
<b>1.2</b>	<b>Independent Directors:</b>			
1(2) (a)	At least 2 (two) directors or one-fifth (1/5) of the total number of Directors in the company's Board, whichever is higher, shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are 2 Independent Directors in the Board of Directors.
	Provided that the board shall appoint at least 1 (one) female independent director in the board of directors of the company;			To be appointed duly
<b>1(2)(b)</b>	<b>Without contravention of any provision of any other laws, for the purpose of this clause, an "Independent Director" means a director -</b>			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		The Independent Directors hold no shares.
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	Who has not been executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1.2(b)(v)	Who is not a member or TREC (Trading, Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1.2 (b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
1.2(b)(vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1.2(b)(viii)	Who is not independent director in more than 5 (Five) listed companies;	✓		
1.2(b)(ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a Financial Institution (NBFI); and	✓		
1.2(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2 (c)	The Independent Director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM); Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC).	✓		One independent director has been re-appointed by the Board and will be approved in the AGM
1.2 (d)	The post of Independent director(s) cannot remain vacant for more than 90 (ninety) days;	✓		No such case
1.2 (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for re-appointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenures [i.e. six years]	✓		Both two Independent Directors have been re-appointed for another tenure with prior consent of the Commission.  No such case
<b>1.3</b>	<b>Qualification of Independent Director:</b>			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business.	✓		
1.3(b)	<b>Independent Director shall have following qualifications:</b>			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	✓		One Independent Director is a business leader who is the member of a registered business association.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Internal Audit and Compliance or Head of legal Service or a candidate with equivalent position of and unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			N/A
1.3(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;  Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			N/A
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		Another independent director is a University Professor.
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification .			N/A
1.3(c)	The independent director shall have at least 10 (ten) years of experience in any filed mentioned in clause (b);	✓		Both Independent Directors have requisite experience
1.3(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the Commission;			No such approval is required
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		Mr. Golam Murshed is the Chairman who is elected from among the directors and Mr. Riad Mahmud holds the position of MD.
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and /or Chief Executive Officer;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Boards meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such event occurred
<b>1.5</b>	<b>The Directors' report shall include the following additional statements :</b>			
1.5(i)	An Industry outlook & possible future development in the industry;	✓		Stated in the Directors' Report
1.5(ii)	The Segment- wise or product- wise performance	N/A		Do
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		Do
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit and Net Profit Margin, where applicable	✓		Do
1.5(v)	Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss)	No such events		Do
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.	✓		Winding up of subsidiary (Npoly Trading Ltd) has been approved by the RJSC on 27 March 2024
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		Disclosed in the Directors Report
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Share Offer, Direct listing etc.			No such event occurred
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.			No such event occurred
1.5(x)	A statement of remuneration paid to Directors including Independent Directors;	✓		Disclosed in the FS under note no. 48
1.5(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		Disclosed in the Directors Report
1.5(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		Do
1.5(xiii)	A statement that 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;	✓		Do
1.5(xiv)	A statement 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;	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Do
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		Do
1.5(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		Do
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	N/A		Do
1.5(xix)	As statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Do
1.5(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A		The company has declared 10.50% cash dividend, which is stated in the Directors' Report
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		Do
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		6 (six) Board Meetings conducted during the reporting year.
<b>1.5(xxiii)</b>	<b>Pattern of shareholding disclosing the aggregate number of shares held by:</b>			
	(a) Parent/Subsidiary/Associated Companies and other related parties (Name wise details);	N/A		Disclosed in the Annual Report
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (Name wise details);	✓		Do
	(c) Executives; and	Nil		Do
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	✓		Do
<b>1.5 (xxiv)</b>	<b>In case of appointment or re-appointment of a Director, disclosure on the following information:</b>			
	(a) a brief resume of the Director	✓		Disclosed in the Annual Report
	(b) Nature of his /her expertise in specific functional areas; and	✓		Do
	(c) Name of companies in which the person also holds the directorship and the membership of committees of that Board;	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
1.5(xxv)	<b>A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
	(a) Accounting policies and estimation for preparation of financial statements;	✓		Disclosed in the Annual Report
	(b) Changes in accounting policies and estimation, if any, clearly describe the effect on financial performance or results and financial position as well as cash flows in absolute figures for such changes;	No such changes		Do
	(c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		Do
	(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	N/A		Do
	(e) Briefly explain the financial and economic scenario of the country and the globe;	✓		Do
	(f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		Do
	(g) Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM.	✓		Do
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure-A</b>	✓		Disclosed in the Annual Report
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure-B and Annexure-C</b> ;	✓		Do
1.5(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		
<b>1.6</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b>			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The Code of Conduct has been posted on the Website of the company
<b>2</b>	<b>Governance of the Board of Directors of Subsidiary Company:</b>			
2(a)	Provisions relating to the composition of the Board of Directors the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		Winding up of subsidiary (Npoly Trading Ltd) has been approved by the RJSC on 27 March 2024
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):</b>			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.	✓		No such case
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:			
	Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by the appointing companies proportionately;			
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3.2	<b>Requirement to attend Board of Directors' Meetings:</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	✓		
	Provided that the CS, CFO and/or the HIAC the company shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.			
3.3	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	✓		Disclosed in the Annual Report
	(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
	(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3 (b)	The MD or CEO and CFO shall certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	<b>Board of Directors' Committee:</b>			
	<b>For ensuring good governance in the company , the Board shall have at least following sub-committee :</b>			
4.i	Audit Committee; and	✓		
4.ii	Nomination and Remuneration Committee.	✓		
5	<b>Audit Committee</b>			
5.i	<b>Responsibility to the Board of Directors</b>			
5.1(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	✓		The Company has constituted Audit Committee
5.1(b)	The Audit Committee shall assist the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5.1(c)	The Audit Committee shall responsible to the Board; The duties of the Audit Committee shall be clearly set forth in writing.	✓		Stated in the Audit Committee Report
5.2	<b>Constitution of the Audit Committee:</b>			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		Audit Committee is comprised of 3 (three) members.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and <b>10 (ten) years</b> of such experience;	✓		
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		No such case during the year
5.2(e)	The Company Secretary shall act as the Secretary of the Audit Committee;	✓		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
<b>5.3</b>	<b>Chairperson of the Audit Committee:</b>			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		Mr. Mohammed Ariful Islam is the Chairperson of Audit Committee who is an Independent Director
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	N/A		No such event in the reporting year
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	✓		
	Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	N/A		No such event occurred
<b>5.4</b>	<b>Meeting of the Audit Committee:</b>			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		4 (four) meeting held in the reporting year.
	Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the committee;			No such event occurred

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
<b>5.5</b>	<b>Role of Audit Committee:</b>			
5.5(a)	Oversee the financial reporting process;	✓		
5.5(b)	Monitor choice of accounting policies and principles;	✓		
5.5(c)	Monitor internal audit and compliance process to ensure that it is adequately resourced, including approval of the internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5(d)	Oversee hiring and performance of external auditors;	✓		
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5(h)	Review the adequacy of internal audit function;	✓		
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5(j)	Review statement of all related party transactions submitted by the management;	✓		
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			No Management Letter issued by statutory auditor
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;			No such event occurred
<b>5.6</b>	<b>Reporting of the Audit Committee:</b>			
<b>5.6.(a)</b>	<b>Reporting to the Board of Directors:</b>			
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board	✓		
5.6 (a) (ii)	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>			
	(a) report on conflicts of interests;			No such event occurred during the year

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
	(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			Do
	(c) Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Do
	(d) Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Do
5.6.(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such event occurred during the year
5.7	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		Audit Committee report is disclosed in the annual report
<b>6</b>	<b>Nomination and Remuneration Committee (NRC):</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors:</b>			
6.1(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		The Company has constituted the NRC
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6.1(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b)	✓		
<b>6.2</b>	<b>Constitution of the NRC:</b>			
6.2(a)	The Committee shall comprise of at least three members including an independent director;	✓		The NRC consists of 4 (Four) members
6.2(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		In practice
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such event occurred

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such event occurred
6.2(g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
<b>6.3</b>	<b>Chairperson of the NRC:</b>			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such event occurred
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
	Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			No such event occurred
<b>6.4</b>	<b>Meeting of the NRC:</b>			
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	✓		2 (two) meetings have been held in the reporting year
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such case in the year
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
<b>6.5</b>	<b>Role of the NRC:</b>			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
<b>6.5(b)</b>	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>			
6.5(b)(i)	Formulating 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, top level executive, considering the following:	✓		Policy on Qualifications, positive attributes and independence of director disclosed in the Annual Report.
	(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
	(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
	(c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		Policy on board's diversity disclosed in the Annual Report
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		Policy on performance evaluation of independent directors and the Board disclosed in the Annual Report
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	✓		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		NRC Policy and Activities disclosed in the annual report
<b>7</b>	<b>External or Statutory Auditors:</b>			
7.1	<b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:</b>			
7.1(i)	Appraisal or valuation services or fairness opinions;	✓		
7.1(ii)	Financial information systems design and implementation;	✓		
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7.1(iv)	Broker-dealer services;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (If any)
		Complied	Not complied	
7.1(v)	Actuarial services;	✓		
7.1(vi)	Internal audit services or special audit services;	✓		
7.1(vii)	Any service that the Audit Committee determines;	✓		
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7.1(ix)	Any other service that creates conflict of interest;	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
<b>8</b>	<b>Maintaining a website by the Company:</b>			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		
8.2	The company shall keep the website functional from the date of listing.	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		Corporate Governance Certificate disclosed in the annual report
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

**Independent Auditor’s Report  
to The Shareholders’ of National Polymer Industries PLC.  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of National Polymer Industries PLC. (the “Company”), which comprise the Statement of Financial Position as at 30 June 2024, 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 2024, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence and Other Ethical Responsibilities**

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.

**Key Audit Matters**

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

<b>Revenue Recognition</b>	
<b>Risks</b>	<b>Our Response to the Risks</b>
<p>At year end the company reported total revenue of BDT 7,271,200,538.</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>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Calculation of discounts, incentives and rebates;</li> <li>• Segregation of duties in invoice creation and modification; and</li> <li>• Timing of revenue recognition.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> </ul>



<p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p> <p><b>[See note 31.00 to the financial statements]</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Agreeing a sample of claims and rebate accruals to supporting documentation;</li> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>
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<b>Existence and Valuation of Inventories</b>	
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<b>Risks</b>	<b>Our Response to the Risks</b>
<p>The company had inventories of BDT 1,349,756,554 at 30 June 2024, held in warehouses.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Management 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><b>[See note 8.00 to the financial statements]</b></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"> <li>• Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches;</li> <li>• 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</li> <li>• 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.</li> </ul>

<b>Recognition and Measurement of Property, Plant and Equipment</b>	
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<b>Risks</b>	<b>Our Response to the Risks</b>
<p>The carrying value of the PPE is Tk. 4,312,083,652 as at 30 June, 2024. The valuation of PPE excluding land and land development are measured at cost less accumulated depreciation. Land and Land Development are revalued on 4<sup>th</sup> 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 are 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><b>[See note 4.00 to the financial statements]</b></p>	<p>In order to obtain the completeness and accuracy of the measurement of Property, Plant &amp; Equipment, we have tested the following key control activities:</p> <ul style="list-style-type: none"> <li>• Attends the physical verification of fixed assets.</li> <li>• Checking the fixed assets register for property, plant and equipment.</li> <li>• Assessed the legal right and obligations of property, plant and equipment.</li> <li>• Assessed the control activities of Property, Plant and Equipment.</li> <li>• Assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRSs and found them to be consistent.</li> </ul> <p>Our substantive procedure in relating to the property, plant and equipment recognition and measurements are following:</p> <ul style="list-style-type: none"> <li>• Checked the purchase and adjustments with the relevant bills and vouchers.</li> </ul>

	<ul style="list-style-type: none"> <li>• Verified the hard copy of fixed assets register.</li> <li>• Verified the calculation process of depreciation.</li> <li>• Checked the appropriateness of presentation and disclosure.</li> </ul>
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<b>Long-Term Loan</b>	
<b>Risks</b>	<b>Our Response to the Risks</b>
<p>As at June 30, 2024, the reported amount of total Long-Term loan is Tk. 911,726,029 (Current and Non-current portion). The company borrowed fund from various banks and WPPF for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The risk involved are the figures may not be accurate due to intentional or unintentional mistake or lack of proper authorization etc.</p> <p><i>[See note 19.00 to the financial statements]</i></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"> <li>• Attend the actual position of loan.</li> <li>• Checking the bank statements.</li> <li>• Checking the loan agreement.</li> </ul> <p>Our substantive procedure in relating to the Long Term Loan recognition and measurement are following:</p> <ul style="list-style-type: none"> <li>• Checked the bank statement also with the opening balance.</li> <li>• Checked the recoding of the transaction.</li> <li>• Verified the sanction letter, loan schedule bank statements to confirm the loan outstanding and found the balance shown in the financial statements accurately.</li> <li>• Checked the financial expenses and classification of loan and repayments schedule as well.</li> </ul>

<b>Inter-Company Loan</b>	
<b>Risks</b>	<b>Our Response to the Risks</b>
<p>As at June 30, 2024, the reported amount of total Inter-Company loan is Tk. 823,333,326 (Current and Non-current portion). The company borrowed fund from National Fittings &amp; Accessories Limited (Common Directorship) for the purpose of acquisition of non-current assets and working capital as well.</p> <p><i>[See note 22.00 &amp; 27.00 to the financial statements]</i></p>	<p>Our substantive procedure in relating to the Inter-company Loan recognition and measurement are following:</p> <ul style="list-style-type: none"> <li>• Checked the bank statement also with the opening balance.</li> <li>• Checked the recoding of the transaction.</li> <li>• Checked the financial expenses and classification of loan and repayments schedule as well.</li> </ul>

<b>Trade &amp; Other Receivable</b>	
<b>Risks</b>	<b>Our Response to the Risks</b>
<p>The total amounts of Trade &amp; Other Receivable are Tk. 1,383,273,609 from local customers in different business segments and jurisdiction is subject to their independent business risk.</p> <p>There is also risk that the balances may be over stated or understated due to mistake or fraudulent manipulation.</p> <p><i>[See note 9.00 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"> <li>• Attend the actual position of accounts receivable.</li> <li>• Checking the ledger with schedule.</li> </ul> <p>Our substantive procedure in relating to the accounts receivable recognition and measurement are following:</p> <ul style="list-style-type: none"> <li>• Checked the opening balance with the ledger.</li> <li>• Confirmation letters issued to a few numbers of customers for confirming the balance. Confirmation letter have been received from some of that customer.</li> </ul>

<b>Employees Salary and Wages</b>	
<b>Risks</b>	<b>Our Response to the Risks</b>
<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><i>[See note 28, 33 &amp; 34 to the financial statements]</i></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"> <li>Assessed the provision of salary and wages.</li> <li>Checking the approval by authorized person.</li> <li>Assessed properly transfer with bank or cash compare to salary statement.</li> <li>Assessed the allocation of salary and wages to the cost center appropriately or not.</li> </ul> <p>Our substantive procedure in relating to the Salary and wages are following:</p> <ul style="list-style-type: none"> <li>Verified the provision and payment of total salary and wages.</li> <li>Checked the salary and wages calculation with appropriate scale.</li> <li>Tested the salary and wages statement and vouchers properly or advance payment of salary, if any.</li> <li>Verified the deduction against salary, like tax etc.</li> </ul>

### **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.
- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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: September 29, 2024**

DVC 2409300165AS901238



**Quazi Shafiqul Islam FCA**

Enrolment No- 0165

Partner

Islam Quazi Shafique & Co.

Chartered Accountants


**National Polymer Industries PLC.**  
**Statement of Financial Position**  
**As at June 30, 2024**

Particulars	Notes	Amount in Taka	
		30.06.2024	30.06.2023
<b>ASSETS</b>			
<b>A. Non-Current Assets</b>			
Property, Plant & Equipment	4	4,312,083,652	2,961,497,539
Investment in Subsidiary Company	5	-	990,000
FDR Investment	6	81,754,603	38,600,464
Capital Work-in-Progress (CWIP)	7	7,622,746	629,917,978
		<b>4,401,461,001</b>	<b>3,631,005,981</b>
<b>B. Current Assets</b>			
Inventories	8	1,349,756,554	1,318,223,933
Trade & Other Receivables	9	1,383,273,609	1,296,309,109
Advance, Deposits & Pre-payments	10	494,870,967	314,871,070
Advance Income Tax	11	617,787,453	604,297,617
Accrued Interest Receivable on FDR	12	2,615,003	1,333,859
Inter-Company Receivables	13	2,615,003	272,721
Cash & Cash Equivalents	14	149,996,326	214,394,601
		<b>3,998,299,912</b>	<b>3,749,702,909</b>
<b>Total Assets (A+B)</b>		<b>8,399,760,913</b>	<b>7,380,708,890</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>C. Shareholders' Equity &amp; Reserves</b>			
Share Capital	15	729,836,680	729,836,680
Share Premium	16	316,459,170	316,459,170
Revaluation Reserve	17	496,260,922	496,260,922
Retained Earnings	18	692,765,419	626,023,056
		<b>2,235,322,191</b>	<b>2,168,579,828</b>
<b>D. Non-Current Liabilities</b>			
Long-Term Loan (Non-Current Maturity)	19.1	844,728,616	390,363,347
Deferred Tax Liability	20	79,485,014	79,485,014
Zero Coupon Bonds	21	498,000,000	498,000,000
Inter-Company Loan (Non-Current Maturity)	22	569,000,000	823,333,326
		<b>1,992,213,620</b>	<b>1,791,181,687</b>
<b>E. Current Liabilities</b>			
Short-Term Loan	23	2,934,109,539	2,321,147,223
Long-Term Loan (Current Maturity)	19.2	66,997,413	130,175,584
Bank Overdraft	24	533,243,940	432,636,027
Accounts Payable	25	129,541,047	64,062,657
Unclaimed Dividend Account	26	10,870,802	12,357,912
Inter-Company Loan (Current Maturity)	27	253,333,336	253,333,336
Provision for Expenses	28	97,880,803	52,576,344
WPPF & Welfare Fund	29	10,478,486	9,572,625
Provision for Taxation	30	135,769,735	145,085,666
		<b>4,172,225,101</b>	<b>3,420,947,375</b>
<b>Total Equity &amp; Liabilities (C+D+E)</b>		<b>8,399,760,913</b>	<b>7,380,708,890</b>
<b>Net Asset Value (NAV) Per Share</b>	43	<b>30.63</b>	<b>29.71</b>

*The accompanying policies and explanatory notes form an integral part of these financial statements*

  
**Chairman**

  
**Managing Director**

  
**Company Secretary**

*Signed in terms of our report of even date annexed*

**Dated; Dhaka**  
**September 29, 2024**  
**DVC: 2409300165AS901238**

  
**Quazi Shafiqul Islam, FCA**  
 Enrollment No: 0165  
**Islam Quazi Shafique & Co,**  
 Chartered Accountants

**National Polymer Industries PLC.**  
**Statement of Profit or Loss and Others Comprehensive Income**  
**For the year ended June 30, 2024**

Particulars	Notes	Amount in Taka	
		30.06.2024	30.06.2023
<b>Revenue</b>	<b>31</b>	7,271,200,538	6,476,878,342
Less: Cost of Goods Sold	<b>32</b>	(6,202,883,796)	(5,338,491,661)
<b>Gross Profit</b>		<b>1,068,316,743</b>	<b>1,138,386,680</b>
<b>Less: Operating Expenses</b>			
Administrative Expenses	<b>34</b>	(208,566,598)	(186,174,209)
Selling and Distribution Expenses	<b>35</b>	(156,158,025)	(141,740,456)
<b>Profit from Operations</b>		<b>703,592,120</b>	<b>810,472,015</b>
<b>Add/(Less): Other Income/Expenses</b>			
Other Income	<b>36</b>	7,887,186	14,571,908
Foreign Exchange Gain/(Loss)	<b>37</b>	(84,520,232)	(268,633,736)
Financial Expenses	<b>38</b>	(406,910,870)	(355,385,068)
<b>Profit before WPPF and Taxation</b>		<b>220,048,203</b>	<b>201,025,119</b>
Less: Provision for Workers Profit Participation Fund (WPPF)	<b>39</b>	(10,478,486)	(9,572,625)
<b>Profit before Taxation</b>		<b>209,569,718</b>	<b>191,452,494</b>
Less: Provision for Tax	<b>40</b>	(43,627,203)	(38,861,270)
<b>Net Profit/(Loss) after Tax</b>		<b>165,942,514</b>	<b>152,591,224</b>
<b>Other Comprehensive Income/(Loss) for the year</b>			
Actuarial Loss on Defined Benefit Plan		-	-
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>165,942,514</b>	<b>152,591,224</b>
<b>Basic Earnings Per Share (EPS)</b>	<b>42</b>	<b>2.27</b>	<b>2.09</b>

*The accompanying policies and explanatory notes form an integral part of these financial statements*

  
**Chairman**

  
**Managing Director**

  
**Company Secretary**

*Signed in terms of our report of even date annexed*

**Dated: Dhaka**  
**September 29, 2024**  
**DVC: 2409300165AS901238**

  
**Quazi Shafiqul Islam, FCA**  
 Enrollment No: 0165  
**Islam Quazi Shafique & Co.**  
 Chartered Accountants

**National Polymer Industries PLC.**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2024**

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at July 01, 2023	729,836,680	316,459,170	496,260,922	626,023,056	2,168,579,828
Cash Dividend Paid (FY: 2022-23)	-	-	-	(76,632,851)	(76,632,851)
Tax Adjustment against Assessment (FY: 2020-2021)	-	-	-	(22,439,842)	(22,439,842)
AIT at Port (Import Stage) Disallowed (FY: 2020-2021)	-	-	-	(127,458)	(127,458)
Profit Earned during the year	-	-	-	165,942,514	165,942,514
<b>Balance as at June 30, 2024</b>	<b>729,836,680</b>	<b>316,459,170</b>	<b>496,260,922</b>	<b>692,765,419</b>	<b>2,235,322,191</b>

**Statement of Changes in Equity**  
**For the year ended 30 June 2023**

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at July 01, 2022	729,836,680	316,459,170	496,260,922	546,280,722	2,088,837,494
Cash Dividend Paid (FY: 2021-2022)	-	-	-	(72,848,890)	(72,848,890)
Profit Earned during the year	-	-	-	152,591,224	152,591,224
<b>Balance as at June 30, 2023</b>	<b>729,836,680</b>	<b>316,459,170</b>	<b>496,260,922</b>	<b>626,023,056</b>	<b>2,168,579,828</b>

  
Chairman

  
Managing Director

  
Company Secretary



**National Polymer Industries PLC.**  
**Statement of Cash Flows**  
**For the year ended June 30, 2024**

Particulars	Amount in Taka	
	30.06.2024	30.06.2023
<b>A. Cash Flows from Operating Activities</b>		
Collection from Sales and Others	7,192,523,897	6,537,086,410
Payment to Suppliers, Employees and Others	(6,370,629,637)	(5,380,566,843)
	<b>821,894,260</b>	<b>1,156,519,567</b>
Income Tax Paid	(211,410,575)	(214,729,775)
Foreign Exchange Gain/(Loss)	(84,520,232)	(268,633,736)
Financial Expenses	(315,295,278)	(196,950,129)
<b>Net Cash provided by Operating Activities</b>	<b>210,668,174</b>	<b>476,205,928</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(745,543,029)	(611,470,331)
Investment/Encashment in FDR	(43,154,139)	1,303,567
Investment in Subsidiary Company	-	(990,000)
Capital Work-in-Progress (CWIP)	(169,544,828)	(549,001,202)
<b>Net Cash used in Investing Activities</b>	<b>(958,241,997)</b>	<b>(1,160,157,967)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from Long-Term Loan	516,010,518	433,059,654
Payment of Long-Term Loan	(124,823,420)	(152,037,125)
Bond Subscription	-	498,000,000
Cash Dividend Paid (FY: 2021-2022)	-	(72,848,890)
Cash Dividend Paid (FY: 2022-2023)	(76,632,851)	-
Increase/(Decrease) in Short-Term Loan	713,570,229	244,109,914
Increase/(Decrease) in Inter-Company Loan Receivable	-	(272,721)
Payment of Inter-Company Loan (Syndicate)	(253,333,336)	(253,333,336)
Interest paid on Long-Term Loan	(91,615,592)	(158,434,939)
<b>Net Cash provided by Financing Activities</b>	<b>683,175,548</b>	<b>538,242,557</b>
<b>Net Increase/(Decrease) in Cash during the year (A+B+C)</b>	<b>(64,398,275)</b>	<b>(145,709,482)</b>
Opening Cash & Cash Equivalents	214,394,601	360,104,084
Closing Cash & Cash Equivalents	<b>149,996,326</b>	<b>214,394,602</b>
<b>Net Operating Cash Flows per Share (NOCFPS)</b>	<b>2.89</b>	<b>6.52</b>

  
**Chairman**

  
**Managing Director**

  
**Company Secretary**

**National Polymer Industries PLC.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2024**

**1.0 Corporate History of the Reporting Entity**

**1.1 Legal Status of the Company**

National Polymer Industries PLC. (the "Company") was incorporated under the Company 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. The Limited company change name **National Polymer Industries Limited** to **National Polymer Industries PLC.** under the Company Act, 1994 section 11, sub-section (7) on February 19, 2023. It's incorporation number is C-16602.

**1.2 Address of Registered Office and Principal Place of Business**

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

**1.3 Nature of Business**

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

**1.4 Number of Employees**

The number of employees at year-end were 1434 and the Board of Directors has 05 members.

**1.5 Licenses, Registration and Approval of Different Authority**

License & Registration achieved from the office of the Chief Controller of Export & Import, Dhaka City Corporation, Gazipur City Corporation, Customs, Excise & VAT Commissionerate, Dhaka (North), National Board of Revenue, etc.

Approval & Certification received from the Department of Environment, Department of Labour, Department of Fire Service & Civil Defense, Department of Patent, Design & Trademark, Director General of Health Services, Bangladesh Investment Development Authority (ex. Board of Investment), Bangladesh Small & Cottage Industries Corporation (BSCIC) etc.

**2.0 Basis of Preparation, Presentation and Disclosures of Financial Statements**

**2.1 Statement of Compliance**

These financial statements have been prepared and the disclosure of information are made in accordance with International Accounting Standards (IASs) and the International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987 and other relevant local Laws as applicable. The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income have been prepared according to International Accounting Standard (IAS) 1: Presentation of Financial Statements on accrual basis of accounting following going concern assumption under Generally Accepted Accounting Principles and practices in Bangladesh. The Statement of Cash Flows is prepared according to IAS 7: Statement of Cash Flows has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987.

### i) Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The following IASs and IFRSs are applicable for the preparation of financial statements of the company for the year under:

Name of the Accounting Standards	Reference	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	IASs-1	Applied
Inventories	IASs-2	Applied
Statement of Cash Flows	IASs-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

### ii) Compliances of Other Local Laws and Regulations

In addition, the Company is also required to comply with the following major legal provisions:

- 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.
- Income Tax Ordinance 1984 and Rules

- The Income Tax Act, 2023
- The VAT and Supplementary Duty Act, 2012
- The VAT and Supplementary Duty Rules, 2016
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- The Customs Act 1969
- The Bangladesh Labor Act 2006 (Amendment in 2013)
- The Bangladesh Labor Rules (Amendment in 2015)
- Other relevant Local Laws and Rules.

## **2.2 Basis for Measurement**

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes and, therefore, do not take into consideration the effect of inflation.

## **2.3 Accrual Basis Accounting**

The Financial Statements have been prepared, except for Cash Flow Statements, using the accrual basis of accounting. Under this concept, the company recognises items as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements as per related accounting standard and framework.

## **2.4 Functional and Presentation Currency**

These financial statements are presented in Bangladesh currency (Tk./Taka/ BDT), which is both the functional and the presentation currency of the Company. All financial information presented in Taka has been rounded off to the nearest integer.

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 IAS 21 “The Effects of Changes in Foreign Exchange Rates”.

## **2.5 Going Concern**

The company has adequate resources to continue in operation 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 provides sufficient fund to meet the present requirements of its existing business.

## **2.6 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.

## **2.7 Reporting Period**

The Financial Statements covers the period from July 01, 2023 to June 30, 2024.

## **2.8 Component of Financial Statements**

The components of these Financial Statements in accordance with the framework of IAS 1: Presentation of Financial Statements comprises the following:

- i) Statement of Financial Position;
- ii) Statement of Profit or Loss and Other Comprehensive Income;
- iii) Statement of Changes in Equity;
- iv) Statement of Cash Flows; and
- v) Notes, comprising a summary of significant accounting policies and other explanatory information

## 2.9 Comparative Information and It's Rearrangement

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year's figure has been re-arranged and restated whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

## 3.0 Summary of Significant Accounting Policies

The accounting policies for the Company set out below, which comply with International Financial Reporting Standard (IFRSs), International Accounting Standards (IASs), the Companies Act 1994 and Rules & Regulations of Bangladesh Securities & Exchange Commission which have been applied consistently to all periods presented in these financial statements

### 3.1 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 Equipment's 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:

<u>Particular of Assets</u>	<u>Rate of Depreciation</u>
Factory Building, Factory Laboratory	10%
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.

### 3.2 Holding on Subsidiary Company

Name of Company	Total No. of Shares	Total Holding
Npoly Trading Limited	100,000	99,000

### 3.2.1 Winding up of Subsidiary Company

The Board of Directors of the Company in its meeting held on October 28, 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 with the RJSC for winding up the same on November 06, 2023. After maintaining the due procedures, the RJSC has approved the winding up of NPOLY Trading Ltd. on March 27, 2024.

### 3.3 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.

### 3.4 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.

### 3.5 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.

#### **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.

### **3.6 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.

### **3.7 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 Act 2023 the rate of taxation applied at the rate of 20.00%.

#### **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 3<sup>rd</sup> 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.

### **3.8 Revaluation Reserve**

Revaluation reserve arose from the revaluation of land and land development which were revalued on June 25, 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, 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.

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

### 3.9 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. The Company does not currently enjoy any Tax Holyday Benefit.

### 3.10 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.

### 3.11 Contingent Liabilities

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

### 3.12 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":

- i. The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. The Company retains neither continuing managerial involvement to the degree usually associated ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefits associated with the transaction will flow to the company;
- v. 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.

### 3.13 Borrowing Cost

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

### 3.14 Earnings Per Share

The Company calculates Earnings Per Shares (EPS) in accordance with IAS-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 42 Earning per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on June 30, 2024 as per IAS-33 "Earnings per Shares".

### 3.15 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.



### 3.16 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 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 IAS 7 which provides that "Enterprise are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

### 3.17 Dividend for the 2023-2024

After the reporting period, the Board of Directors recommended 10.50% cash dividend per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

### 3.18 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.

### 3.19 Human Resources

Particulars	2023-24	2022-23
Officers	728	629
Staff	263	269
Skilled and Unskilled Workers	443	436
<b>Total</b>	<b>1434</b>	<b>1334</b>

### 3.20 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 also has 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.

### 3.21 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).

### 3.22 Deviation of Revenue & EPS

Taking some cost control measure COGS increased from 82.42% to 85.31% though raw material price was high. But during this period, Earnings Per Share (EPS) has been increased significantly compared to the previous period due to decreased of Foreign Exchange Loss compared to the previous period.

### 3.23 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 Tk. 6.52 to Tk. 2.89 because of increased financial expenses, otherwise there were no significant deviation found.

### 3.24 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.

**4.0 Property, Plant & Equipment****A. At Cost**

Opening Balance

Add: Addition during the year

Less: Sale of Fixed Assets

**B. Accumulated Depreciation**

Opening Balance

Add: Charged during the year

**Written Down Value as at June 30, 2024 (A-B)**

Amount in Taka	
30.06.2024	30.06.2023
4,979,263,431	4,343,717,563
1,537,383,089	635,545,868
<b>6,516,646,521</b>	<b>4,979,263,431</b>
-	-
<b>6,516,646,521</b>	<b>4,979,263,431</b>
2,017,765,892	1,747,116,386
186,796,977	270,649,507
<b>2,204,562,869</b>	<b>2,017,765,892</b>
<b>4,312,083,652</b>	<b>2,961,497,539</b>

*A Schedule of Property, Plant & Equipment is shown in Annexure-A***5.0 Investment in Subsidiary Company**

Npoly Trading Ltd. (99,000 shares of Tk. 10.00 each)

Less: Investment Loss for Winding-up the Company

Less: Transfer to Advance, Deposits and Pre-payments.

**Closing Balance**

990,000	990,000
(400,673)	-
<b>589,327</b>	<b>990,000</b>
(589,327)	-
<b>-</b>	<b>990,000</b>

*As per 27 March, 2024 final Winding-up form 8 issue no. 5620. The investment will be returned from Npoly Trading Ltd.***6.0 FDR Investment**

Name of Institute or Bank	FDR No.	Maturity Date	Interest Rate	Amount	Amount
IPDC Finance Limited	2592	08 July 2025	9.25%	3,223,480	3,072,976
IPDC Finance Limited	8901	13 Jan 2025	8.00%	9,405,822	8,909,870
IPDC Finance Limited	7574	28 Nov 2024	8.00%	9,562,040	9,057,803
IPDC Finance Limited	2590	01 Aug 2024	8.00%	6,405,828	6,092,042
IPDC Finance Limited	1625	28 May 2025	9.50%	3,393,282	3,196,801
IPDC Finance Limited	39005	25 Apr 2025	9.25%	5,309,000	5,000,000
IPDC Finance Limited	48077	13 Feb 2025	9.25%	3,000,000	-
IPDC Finance Limited	48495	27 Feb 2025	9.25%	3,000,000	-
IPDC Finance Limited	48496	28 Feb 2025	9.25%	3,000,000	-
IPDC Finance Limited	49922	22 Apr 2025	9.25%	25,000,000	-
IPDC Finance Limited	50564	02 May 2025	9.25%	3,000,000	-
IPDC Finance Limited	51073	20 May 2025	9.25%	3,000,000	-
Community Bank Bangladesh Ltd.	116	16 Aug 2024	9.50%	2,672,329	2,524,063
City Bank Limited	228001	18 May 2025	3.50%	767,822	746,909
City Bank Limited	345001	31 Jul 2024	9.75%	1,015,000	-
<b>Closing Balance</b>				<b>81,754,603</b>	<b>38,600,464</b>

**7.0 Capital Work-in-Progress (CWIP)**

Capital Machinery in Transit

Add: Addition during this period

Less: Transferred to Plant and Machinery during the year

Opening Balance of Advance on Civil Construction

Add: Addition during this period

Less: Transferred to Factory Building during the year

Opening Balance of Advance on Land &amp; Land Development

Add: Addition during this period

Less: Transferred to Land &amp; Land Development during the year

**Closing Balance**

98,861,427	15,528,680
7,622,746	98,861,426
<b>106,484,173</b>	<b>114,390,107</b>
(98,861,427)	(15,528,680)
<b>7,622,746</b>	<b>98,861,427</b>
483,931,919	56,860,000
161,922,082	427,071,919
<b>645,854,001</b>	<b>483,931,919</b>
(645,854,001)	-
-	<b>483,931,919</b>
47,124,633	32,603,633
-	23,067,857
<b>47,124,633</b>	<b>55,671,490</b>
(47,124,633)	(8,546,857)
-	<b>47,124,633</b>
<b>7,622,746</b>	<b>629,917,978</b>

	Amount in Taka	
	30.06.2024	30.06.2023
<b>8.0 Inventories</b>		
Raw Materials	640,856,586	610,139,148
Work in Process	55,687,510	54,595,598
Finished Goods	633,651,199	631,260,483
Stores and Spares	11,364,993	12,914,765
Stock in Transit	1,102,323	1,252,640
Packing Materials	7,093,943	8,061,298
<b>Closing Balance</b>	<b>1,349,756,554</b>	<b>1,318,223,933</b>

<b>9.0 Trade &amp; Other Receivables</b>		
Receivables against Sales & others	1,383,273,609	1,296,309,109
<b>Closing Balance</b>	<b>1,383,273,609</b>	<b>1,296,309,109</b>

Day Range	30.06.2024	30.06.2023
Below 30 days	904,365,792	805,785,742
Below 90 days	420,056,830	430,244,993
Below 180 days	55,054,149	56,389,446
Above 180 Below 1 Year	3,796,838	3,888,927
<b>Total</b>	<b>1,383,273,609</b>	<b>1,296,309,109</b>

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.

#### 10.0 Advance, Deposit & Pre-payments

##### Advance to Suppliers

Opening Balance	207,428,185	9,969,095
Add: Addition during this period	1,901,101,338	312,108,768
	<b>2,108,529,523</b>	<b>322,077,863</b>
Less: Bill Adjustment	(1,845,249,459)	(114,649,678)
	<b>263,280,064</b>	<b>207,428,185</b>
Advance to Employees	10,885,875	6,569,459
Advance against Brand Development	-	1,455,809
Other Receivables	862,048	-
	<b>275,027,987</b>	<b>215,453,454</b>

##### Deposits:

Security Deposit	11,759,573	2,407,548
BG Margin & LC Margin	180,332,427	27,099,151
Deposit for Utilities	-	-
	<b>192,092,000</b>	<b>29,506,699</b>

##### Prepayments:

Prepaid Rent	27,581,891	27,717,474
Value Added Tax (VAT)	169,089	42,193,443
	<b>27,750,980</b>	<b>69,910,917</b>
<b>Closing Balance</b>	<b>494,870,967</b>	<b>314,871,070</b>

a) Employees advance of Tk. 10,885,875 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.

#### 11.0 Advance Income Tax

Opening Balance	604,297,617	389,567,842
Add: Additions during the year		
AIT Paid at Port (Import Stage)	122,164,941	134,506,372
AIT Paid (Export, Local & Others)	87,168,448	77,464,426
AIT on Vehicles	1,236,000	1,260,500
AIT on Bangladesh Bank Cash Assistance	297,170	1,151,400
AIT on FDR Interest	544,017	347,077
	<b>815,708,192</b>	<b>604,297,617</b>
Less: Adjustments during the year		
AIT at Port (Import Stage) Disallowed (FY: 2020-2021)	(127,458)	-
AIT Refund up to FY: 2020-2021	(122,410,305)	-
Prior Year Adjustment on Income Tax Assessment (FY: 2020-2021)	(75,382,976)	-
<b>Closing Balance</b>	<b>617,787,453</b>	<b>604,297,617</b>

## 12.0 Accrued Interest Receivable on FDR

Name of Institute or Bank	Interest Rate	FDR No.	Maturity Date	30.06.2024	30.06.2023
IPDC Finance Limited	9.25%	2592	08 July 2025	292,454	195,305
IPDC Finance Limited	8.00%	8901	13 Jan 2025	348,402	289,323
IPDC Finance Limited	8.00%	7574	28 Nov 2024	454,786	373,383
IPDC Finance Limited	8.00%	2590	01 Aug 2024	468,942	361,884
IPDC Finance Limited	9.50%	1625	28 May 2025	29,145	22,164
IPDC Finance Limited	9.25%	39005	25 Apr 2025	88,798	70,417
IPDC Finance Limited	9.25%	48077	13 Feb 2025	104,918	-
IPDC Finance Limited	9.25%	48495	27 Feb 2025	94,274	-
IPDC Finance Limited	9.25%	48496	28 Feb 2025	93,514	-
IPDC Finance Limited	9.25%	49922	22 Apr 2025	437,158	-
IPDC Finance Limited	9.25%	50564	02 May 2025	44,856	-
IPDC Finance Limited	9.25%	51073	20 May 2025	44,856	-
Community Bank Bangladesh Ltd.	9.50%	116	16 Aug 2024	31,171	18,333
City Bank Limited	3.50%	228001	18 May 2025	31,299	3,050
City Bank Limited	9.75%	345001	31 Jul 2024	50,430	-
<b>Closing Balance</b>				<b>2,615,003</b>	<b>1,333,859</b>

Amount in Taka	
30.06.2024	30.06.2023
272,721	272,721
(272,721)	-
-	272,721

## 13.0 Inter-Company Receivables

Npoly Trading Ltd.  
Less: Transfer to Advance, Deposit and Pre-payments.  
**Closing Balance**

6,874,898	10,198,114
143,121,428	204,196,487
<b>149,996,326</b>	<b>214,394,601</b>

## 14.0 Cash & Cash Equivalents

Cash in Hand  
Cash at Bank (Note: 14.1)  
**Closing Balance**

## 14.1 Bank Name

Bank Name	Branch	A/C No.	30.06.2024	30.06.2023
AB Bank Limited	Gulshan Circle-2	CD-885000	(78,069)	(2,027,160)
Agrani Bank Limited	Gulshan -1	CD-2926	664,471	840,799
Agrani Bank Limited	Nawabpur Corp.	COR-06621	135,914	6,132,171
Agrani Bank Limited	Rangpur	SND- 20440	10,080	-
Al-Arafah Islami Bank Ltd.	Pagati Sharoni	CD-8812	(2,973,378)	713,559
Bank Asia Limited	Gulshan -1	CD-10829	-	154,843
Bank Asia Limited	Mohakhali	CD-238	330,074	697,353
Bank Asia Limited	Mohakhali	CD-1540	25,424	1,448,119
Bengal Commercial Bank Ltd.	Gulshan Corp.	CD-2436	1,260	3,175
BRAC Bank Limited	Satmosjeed Road	CD-51001	-	21,027,336
BRAC Bank Limited	Gulshan Br.	CD-51001	476,423	375,222
Citizens Bank Ltd.	Gulshan Corp.	SND-09027	8,644	-
City Bank Limited	Dhanmoori	CD-28001	338,054	632,777
City Bank Limited	Foreign Exchange	CD-5001	1,475,914	102,760
Community Bank Bangladesh Ltd.	Gulshan	CD-8101	5,000	51,839
Community Bank Bangladesh Ltd.	Gulshan	CD-8301	17,623	18,058
Dutch Bangla Bank Limited	Pagati Sharoni	CD-3803	23,378,315	33,869,974
Dutch Bangla Bank Limited	Miradpur, ct.	CD-4628	7,905	202,206
Dutch Bangla Bank Limited	Comilla	CD-2219	2,485	2,286
Dhaka Bank Limited	Gulshan Circle-2	CD-0148	1,953,402	99,433
Dhaka Bank Limited	Gulshan Circle-2	CD-1253	-	882,932
Dhaka Bank Limited	Gulshan Circle-2	SND-2821	218	-
Eastern Bank Ltd.	Gulshan Circle-2	CD-22731	495,468	455,154
IFIC Bank Ltd.	Moulavi Bazar	CD-21001	-	2,993,865
IFIC Bank Ltd.	Pagati Sharoni	CD-22041	4,847,725	321,262
Islami Bank Bangladesh Limited	Kawran Bazar	CD-12804	254,353	493,858
Islami Bank Bangladesh Limited	Badda	CD-3204	738,646	8,925,239
Islami Bank Bangladesh Limited	Takerhut	CD-3400	358,660	378,925
Jamuna Bank Limited	Gulshan	CD-13615	20,438,763	30,122,785
Janata Bank Limited	Gulshan-1	CD-71210	(1,368,452)	907,485
Midland Bank Ltd.	Gulshan	CD-6032	48,651	119,278
Modhumati Bank Limited	Gulshan	CD-00070	357,431	17,295
Mutual Trust Bank Limited	Banani	CD-07295	1,711,541	1,068,423
National Bank Limited	Gulshan	CD-69629	16,238,422	19,146,508

	Bank Name	Branch	A/C No.	Amount in Taka	
				30.06.2024	30.06.2023
	NCC Bank Ltd.	Dharmondi	CD-00320	1,479,609	9,815
	NCC Bank Ltd.	Bashundhara	SND-00491	716,694	-
	NRBC Bank Ltd.	Gulshan	SND-00135	140,328	-
	One Bank Limited	Dharmondi	CD-87001	32,264	1,263,144
	One Bank Limited	Banani	SND - 01831	26,472,785	207,083
	One Bank Limited	Agrabad	CD - 05414	277,004	-
	One Bank Limited	Agrabad	SND - 01974	12,684	-
	Premier Bank Limited	Gulshan Circle-2	CD-00033	-	4,447
	Premier Bank Limited	Gulshan Circle-2	CD-01072	373,099	400,303
	Prime Bank Limited	Gulshan Circle-2	CD-22889	2,887,065	18,793,100
	Prime Bank Limited	Gulshan-2 (Dividend Acc 19-20)	SND-26085	1,083	5,055,851
	Prime Bank Limited	Gulshan-2 (Dividend Acc 20-21)	SND-27750	3,703,126	3,698,156
	Prime Bank Limited	Gulshan-2 (Dividend Acc 21-22)	SND-29738	3,533,239	3,603,905
	Prime Bank Limited	Gulshan-2 (Dividend Acc)	SND-32862	3,634,436	-
	Prime Bank Limited	Gulshan Circle-2	FC-8788	1,623,745	2,495,750
	Prime Bank Limited	Gulshan	CD-5221	1,095,628	187,284
	Prime Bank Limited	Gulshan	SND-31711	1,946	-
	Pubali Bank Limited	Pagati Sharoni	CD-0255	(1,883,555)	(2,350,454)
	Shahajalal Islami Bank Limited	Satrusheed Road	CD-01639	35,273	3,442,957
	Shahajalal Islami Bank Limited	Gulshan-1	SND- 00130	25,000	450,007
	Shahajalal Islami Bank Limited	Gulshan South	SND- 01398	501,225	-
	Social Islami Bank Limited	Pagati Sharoni	SND - 00028	3,125,667	-
	Sonali Bank Limited	Gulshan-1	CD-0735	42,032	1,332,310
	Sonali Bank Limited	Bogra College road	CD-0574	9,502	201,614
	Sonali Bank Limited	Custom House	SND - 03053	4,902	-
	South Bangla agriculture Bank Ltd.	Pagati Sharoni	CD-0254	521,379	4,178
	Standard Chartered Bank	Gulshan-2	CD-25804	318,254	1,583,747
	Standard Bank Limited	Gulshan-1	CD-3814	344,238	549,961
	Trust Bank Ltd.	Gulshan Corp. Br.	CD-16474	7,128	1,015,885
	Trust Bank Ltd.	Gulshan-1	CD-1414	493,671	4,137
	United Commercial Bank Limited	Tongi	CD-03100	22,939,123	28,957,904
	Utara Bank Limited	Kalabagan	CD-11673	-	3,104,527
	Utara Bank Limited	Gulshan-1	CD-0012	751,887	3,117
	<b>Closing Balance</b>			<b>143,121,428</b>	<b>204,196,487</b>

#### 15.0 Share Capital

##### Authorized:

300,000,000 Ordinary Shares of Taka 10 each

3,000,000,000

##### Issued, Subscribed and Paid-up Capital:

- 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

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	364,918,340
<b>729,836,680</b>	<b>729,836,680</b>

##### Composition of Shareholding:

	30.06.2024		30.06.2023	
	Quantity	%	Quantity	%
Sponsors/Directors	25,295,134	34.66	25,295,134	34.66
Financial Institutions	10,224,834	14.01	8,607,587	11.79
General	37,463,700	51.33	39,080,947	53.55
	<b>72,983,668</b>	<b>100</b>	<b>72,983,668</b>	<b>100</b>

##### Name wise shareholding 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
Ms. Mahmuda Akhter	ICB Nominated Director	13,637,557	18.69
Mr. Rebel Mahmud	Sponsor	726,202	1.00
Mrs. Razia Morshed	Sponsor	304,082	0.42

Name	Position	Shareholding Qty.	%
Mrs. Khaleida Akhand	Sponsor	9,069	0.01
Late Shamsul Abedin Akhand and Mrs. Khaleida Akhand (Joint Account)	Sponsor	3,231,611	4.43
<b>Total</b>		<b>25,295,134</b>	<b>34.66</b>

**Classification of Shareholders by holdings:**

Holdings	Number of Holders		Total Holding (%)	
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
1 to 500	3,997	4,748	41.45	42.05
501 to 1,000	1,670	2,059	17.32	18.24
1,001 to 5,000	2,579	2,946	26.74	26.09
5,001 to 50,000	1,253	1,409	12.99	12.48
50,001 to above	145	129	1.50	1.14
	<b>9,644</b>	<b>11,291</b>	<b>100</b>	<b>100</b>

	Amount in Taka	
	30.06.2024	30.06.2023
<b>16.0 Share Premium</b>		
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	182,459,170
<b>Closing Balance</b>	<b>316,459,170</b>	<b>316,459,170</b>
<b>17.0 Revaluation Reserve</b>		
Opening Balance	496,260,922	496,260,922
Add: Land Revalued during this year	-	-
	496,260,922	496,260,922
Less: Deferred Tax on Land Revaluation	-	-
<b>Closing Balance</b>	<b>496,260,922</b>	<b>496,260,922</b>
<i>On 4th May 2015, the company has revaluated its own land located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer Mahfel Huq &amp; Co. Chartered Accountants. The area of the land is 311.10 Decimals. (Details in Note- 3.14)</i>		
<b>18.0 Retained Earnings</b>		
Opening Balance	626,023,056	546,280,722
Add: Profit during the year	165,942,514	152,591,224
	<b>791,965,571</b>	<b>698,871,946</b>
Less: Adjustments during the year		
Payment of Stock Dividend	-	-
Cash Dividend Paid (2021-2022 FY)	(76,632,851)	(72,848,890)
AIT at Port (Import Stage) Disallowed (2020-2021 FY)	(127,458)	-
Tax Adjustment against assessment (2020-2021 FY)	(22,439,842)	-
<b>Closing Balance</b>	<b>692,765,419</b>	<b>626,023,056</b>
<b>19.0 Long-Term Loan</b>		
<b>Prime Bank Ltd.</b>		
Opening Balance	87,479,277	239,516,402
Add: Received during the year	-	-
	<b>87,479,277</b>	<b>239,516,402</b>
Less: Paid during this year	(73,033,179)	(152,037,125)
<b>Closing Balance</b>	<b>14,446,098</b>	<b>87,479,277</b>
Less: Current Maturity within one year	(14,446,098)	(87,479,277)
	-	-
<b>Syndicate Loan (Bank Asia &amp; IDLC)</b>		
Opening balance	421,559,654	-
Add: Received during the year	513,460,518	421,559,654
	<b>935,020,172</b>	<b>421,559,654</b>
Less: Paid during this year	(51,790,241)	-
<b>Closing Balance</b>	<b>883,229,931</b>	<b>421,559,654</b>
Current Maturity within one year	(52,551,315)	(42,696,307)
	<b>830,678,616</b>	<b>378,863,347</b>
<b>Loan from WPPF</b>		
Opening balance	11,500,000	-
Add: Received during the year	2,550,000	11,500,000
	<b>14,050,000</b>	<b>11,500,000</b>
Less: Paid during this year	-	-
<b>Closing Balance</b>	<b>14,050,000</b>	<b>11,500,000</b>
Current Maturity within one year	-	-
	<b>14,050,000</b>	<b>11,500,000</b>

	Amount in Taka	
	30.06.2024	30.06.2023
<b>19.1 Long-Term Loan (Non-current Maturity)</b>		
Prime Bank Ltd.	-	-
Syndicate Loan (Bank Asia & IDLC)	830,678,616	378,863,347
Loan from WPPF	14,050,000	11,500,000
<b>Closing Balance</b>	<b>844,728,616</b>	<b>390,363,347</b>
<b>19.2 Long-Term Loan (Current Maturity)</b>		
Prime Bank Ltd.	14,446,098	87,479,277
Syndicate Loan (Bank Asia & IDLC)	52,551,315	42,696,307
Loan from WPPF	-	-
<b>Closing Balance</b>	<b>66,997,413</b>	<b>130,175,584</b>
<b>Total Long-Term Loan</b>	<b>911,726,029</b>	<b>520,538,931</b>

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

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank	Motijheel	BA8/10836628/SCB/UC	29-Feb-2022
Prime Bank Ltd.	Gulshan-I	Prime/CAD/CNIB/2024/132	19 May 2024
IDLC Finance Limited	Gulshan-I	IDLC/CAD/LRCORP/GLN/2022/2127, 2128, 2129, 2130, 2131	19 Dec 2022
Bank Asia Limited	Mohakhali	BA/MKH/CR/2024/0058	18 Jan 2024

#### Security against Facilities

- Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, BRAC Bank, One Bank Ltd, Commercial Bank of Ceylon Ltd., Prime Bank Limited of which area of Land is 146.90 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.
- Syndicate Loan (Bank Asia & IDLC) 1263.00 decimals land at located Hobirbari, Vhaliuka, Mymensingh and 78.45 decimals land located at Poddobila, korpara, Gopalgong

#### 20.0 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.

Revaluation Surplus on Land & Land Development	529,900,095	529,900,095
Deferred Tax Liability @ 15%	79,485,014	79,485,014
<b>Closing Balance</b>		

#### 21.0 Zero Coupon Bonds

Fund from Zero Coupon Bonds	498,000,000	498,000,000
<b>Closing Balance</b>	<b>498,000,000</b>	<b>498,000,000</b>

#### 22.0 Inter-Company Loan (Non-Current Maturity)

##### National Fittings & Accessories Limited

Opening Balance	1,076,666,662	1,329,999,998
Add: Received during the year	-	-
	<b>1,076,666,662</b>	<b>1,329,999,998</b>
Less: Paid during this year	(253,333,336)	(253,333,336)
<b>Closing Balance</b>	<b>823,333,326</b>	<b>1,076,666,662</b>
<b>Current Maturity within one year</b>	<b>(253,333,336)</b>	<b>(253,333,336)</b>
	<b>569,999,990</b>	<b>823,333,326</b>

Company take Inter-Company Loan from National Fittings & Accessories Ltd. for settling down higher rate Bank loan and NBF1 loan as per approval as a syndicate loan from Standard Chartered Bank Ltd.

#### 23.0 Short-Term Loan

Loan against Trust Receipt (LTR)	1,348,759,912	1,190,906,266
Short Term Finance (STF)	1,585,349,627	1,130,240,957
	<b>2,934,109,539</b>	<b>2,321,147,223</b>

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank Limited	Motijheel	BAR/10836028/SCB/UC	29-Feb-2022
Prime Bank Limited	Gulshan-1	Prime/CAD/CNIB/2024/132	19 May 2024
IDLC Finance Limited	Gulshan	IDLC/CAD/LRCORP/GLN/2020/1612	01-Dec-2020
One Bank Limited	Banani	OBL/BB/CR/SA/256/2023	06 June 2023
Community Bank Bangladesh Ltd.	Gulshan	CBBL/HO/CAD/2023/2011	19 Dec 2023
BRAC Bank Limited	Shatmosjeed Road	CAD-Dhaka/MB/01161151/2022/0055	03 Aug 2023

#### Security against Facilities

- a) Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, City Bank, BRAC Bank, One Bank Ltd, Commercial Bank of Ceylon Ltd., Prime Bank Limited of which area of Land is 146.90 decimals located at Kathaldia, Tongi, Gazipur.  
b) Demand Promissory Note & Letter of Continuation.  
c) Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.  
d) Personal Guarantee of the Sponsor Directors.

			Amount in Taka	
			30.06.2024	30.06.2023
<b>24.0 Bank Overdraft</b>				
<b>Name of Bank</b>	<b>Branch</b>	<b>Account No.</b>		
Standard Chartered Bank	Motijheel	01124925801	40,312,981	28,838,334
Bank Asia	Mohakhali	02833001520	31,840,880	-
BRAC Bank Limited	Satmasjid Road	201161151001	16,598,920	-
Community Bank Bangladesh Ltd.	Gulshan-1	0070315928701	30,971,782	30,683,842
Dhaka Bank	Gulshan Corp.	1201750000104	31,665,863	-
One Bank Limited	Banani	0181020003524	279,162,502	275,637,447
Prime Bank Limited	Gulshan-1	2118759023032	102,691,013	97,476,405
<b>Closing Balance</b>			<b>533,243,940</b>	<b>432,636,027</b>
<b>25.0 Accounts Payable</b>				
Payable against Carriage Outwards			5,328,087	5,275,334
Gratuity Payable			2,561,200	2,256,200
Gas Bill Payable			65,976,366	2,839,330
Mobile Bill Payable			778,366	755,695
Directors Remuneration Payable			600,000	120,000
Electricity Bill			12,631,739	5,915,983
Local Supplier			21,836,383	25,350,307
Non-refunded Rights Share Subscription Money-2021			38,520	38,520
Employer's Contribution to Provident Fund			19,790,385	21,511,288
<b>Closing Balance</b>			<b>129,541,047</b>	<b>64,062,657</b>
<b>26.0 Unclaimed Dividend Account</b>				
Unclaimed Cash Dividend for the FY: 2019-2020			-	5,055,851
Unclaimed Cash Dividend for the FY: 2020-2021			3,703,126	3,698,156
Unclaimed Cash Dividend for the FY: 2021-2022			3,533,239	3,603,905
Unclaimed Cash Dividend for the FY: 2022-2023			3,634,436	-
<b>Closing Balance</b>			<b>10,870,802</b>	<b>12,357,912</b>
<i>*Including interest and other deduction.</i>				
<i>Tk. 5,062,000.00 Unclaimed dividend transfer to Capital Marketing Stabilization Fund (CMSF) as per BSEC's Directive No. BSEC/</i>				
<b>27.0 Inter-Company Loan (Current Maturity)</b>				
<b>National Fittings &amp; Accessories Limited</b>				
Current Maturity for the next year			253,333,336	253,333,336
<b>Closing Balance</b>			<b>253,333,336</b>	<b>253,333,336</b>
<b>28.0 Provision for Expenses</b>				
Staff Salary Payable			19,818,237	19,963,601
Audit Fees Payable			345,000	345,000
Interest payable on Bond			75,219,633	30,306,918
WPPF Interest			517,500	-
VDS payable			994,522	984,675
TDS Payable			985,912	976,150
<b>Closing Balance</b>			<b>97,880,803</b>	<b>52,576,344</b>



Amount in Taka	
30.06.2024	30.06.2023

**29.0 Workers Profit Participation Fund (WPPF)**

Opening Balance	9,572,625	13,320,315
Add: Provision during the year	10,478,486	9,572,625
	<b>20,051,111</b>	<b>22,892,940</b>
Less: WPPF Disbursed to Beneficiary	(9,572,625)	(13,320,315)
<b>Closing Balance</b>	<b>10,478,486</b>	<b>9,572,625</b>

*Tk. 957,262.00 has been paid through Pay Order No. 0952322 Dated: 20.11.2023 for the FY-2022-2023 to the Government Welfare Fund*

**30.0 Provision for Taxation**

Opening Balance	145,085,666	106,224,396
Add: Provision for the year (Note: 40.1)	43,627,203	38,861,270
	<b>188,712,869</b>	<b>145,085,666</b>
Less: Tax Adjustment against assessment (FY: 2020-2021)	(52,943,134)	-
<b>Closing Balance</b>	<b>135,769,735</b>	<b>145,085,666</b>

**31.0 Revenue**

Total Local Sales	8,290,981,573	7,374,748,652
Less: VAT Paid during the year	(1,081,432,379)	(961,923,737)
<b>Net Local Sales</b>	<b>7,209,549,194</b>	<b>6,412,824,915</b>
Add: Export Sales	61,651,344	64,053,427
<b>Total</b>	<b>7,271,200,538</b>	<b>6,476,878,342</b>

*Supplementary duty is not applicable, VAT on export are zero rated, VAT on local sales are 15% for manufacture (Section 3 & 7 of VAT Act, 2012)*

**Quantity (MT) - Sales**

	Quantity (MT)	Quantity (MT)
Opening Stock	6,557	5,596
Add: Production during the year	62,966	56,550
Goods available for Sale	69,523	62,146
Less: Closing Stock of Finished Goods	(6,582)	(6,557)
<b>Sales during the year</b>	<b>62,941</b>	<b>55,589</b>

**32.0 Cost of Goods Sold**

Opening Stock of Raw Materials	610,139,148	582,729,694
Add: Purchase during the year	5,385,811,200	4,829,393,676
Less: Closing Stock of Raw Materials	(640,856,586)	(610,139,148)
<b>Raw Materials used in Production</b>	<b>5,355,093,762</b>	<b>4,801,984,222</b>
Add: Manufacturing Overhead	796,693,973	670,951,161
Consumption of Packing Materials	54,578,688	51,213,632
<b>Total Production Costs</b>	<b>6,206,366,424</b>	<b>5,524,149,015</b>
Add: Opening Work-in-Process	54,595,598	55,709,794
Less: Closing Work-in-Process	(55,687,510)	(54,595,598)
<b>Costs of Goods Manufactured</b>	<b>6,205,274,512</b>	<b>5,525,263,211</b>
Add: Opening Stock of Finished Goods	631,260,483	444,488,933
<b>Goods available for Sales</b>	<b>6,836,534,995</b>	<b>5,969,752,144</b>
Less: Closing Stock of Finished Goods	(633,651,199)	(631,260,483)
<b>Cost of Goods Sold</b>	<b>6,202,883,796</b>	<b>5,338,491,661</b>

**32.1 Raw Material used in Production**

	2023-2024		2022-2023	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	7,896	610,139,148	9,420	582,729,694
Add: Purchase during the year	69,947	5,385,811,200	60,622	4,829,393,676
	77,843	5,995,950,348	70,042	5,412,123,370
Less: Closing Stock	(8,320)	(640,856,586)	(7,896)	(610,139,148)
	<b>69,523</b>	<b>5,355,093,762</b>	<b>62,146</b>	<b>4,801,984,222</b>

**32.2 Closing Stock of Finished Goods (Quantity and Value):**

	2023-2024		2022-2023	
	Quantity MT	Value (TK)	Quantity MT	Value (TK)
<b>Finished Goods</b>	<b>6,582</b>	<b>633,651,199</b>	<b>6,557</b>	<b>631,260,483</b>

**33.0 Manufacturing Overhead**

Salary & Wages
C&F Commission Expenses
Conveyance
Entertainment & Staff Food
Fuel and Lubricant Vehicle (Factory)
Carriage Inward
House Rent (Engineers & Officers)
Insurance Premium (Fire)
Internet Bill
Labour Charges (Unload)
Land Rent
License and Renewal Fee
Medical Expenses
Municipal and Land Tax
Office Maintenance Expense
Papers & Periodicals
Postage & Stamps
Power & Fuel
Printing Expenses
Stationery
TA/DA Expenses
Telephone & Mobile Bill
Travelling Expenses
Vehicle Maintenance
Warehouse Rent
Depreciation
<b>Total</b>

**Note: 4**

Amount in Taka	
30.06.2024	30.06.2023
131,350,426	107,606,965
2,032,840	1,592,218
194,479	140,943
7,457,417	6,978,962
1,038,559	832,397
5,629,530	1,886,690
1,580,400	1,382,500
9,324,084	6,801,639
151,200	158,177
20,004,365	20,869,748
10,894,416	10,051,874
419,156	1,357,712
22,502	-
2,438,544	1,381,494
1,094,616	998,809
210,000	175,350
53,815	195,580
422,167,166	252,078,781
3,043,261	-
167,340	107,273
51,170	194,596
981,147	772,631
197,579	379,454
69,527	404,528
-	528,750
176,120,435	254,074,090
<b>796,693,973</b>	<b>670,951,161</b>

**34.0 Administrative Expenses**

Salary & Allowances
Annual Listing Fees
Audit Fees
Managing Directors' Remuneration & Perquisites
Bank Guarantee Commission
CDBL Bill & Service Charge
Conveyance
Courier Expenses
Credit Rating Service
Depreciation
Directors' Board Meeting Fees
EGM & AGM Exp.
Electric, WASA Bills, GAS Bills
Employer's Contribution Recognized Provident Fund
Entertainment & Staff Food
Expenses for Bond Issue and others
Professional Charges & Fees
Fire Fighting Expenses
Fuel Bills for Vehicle
Group Insurance
ID card and Uniform Expense
Internet Bill
License Renewal Fee, Rates & Taxes
Office Maintenance
Office Rent
Printing Expenses
Recruitment Exp.
Stationery Expenses
TA/DA Expenses
Telephone & Mobile Bill
Training & Development
Vehicle Maintenance
<b>Total</b>

**Note: 45****Note: 4**

127,436,582	110,782,029
971,812	939,312
345,000	345,000
6,240,000	1,440,000
2,061,823	1,575,836
-	265,000
868,395	975,521
172,515	269,281
96,750	96,750
10,676,542	16,575,416
396,000	451,000
163,550	136,500
2,110,128	1,762,331
16,411,133	15,250,828
2,854,857	2,594,879
-	1,851,627
2,602,500	628,111
233,581	-
4,958,882	4,538,005
30,282	240,786
222,948	144,674
704,470	531,282
2,168,970	1,852,774
2,184,947	1,822,501
18,409,200	16,504,800
241,714	134,640
491,362	464,887
99,694	156,178
1,086,763	679,741
1,927,642	1,157,618
257,000	-
2,141,555	2,006,902
<b>208,566,598</b>	<b>186,174,209</b>

	Amount in Taka	
	30.06.2024	30.06.2023
<b>35.0 Selling and Distribution Expenses</b>		
Advertisement & Publicity	4,070,687	389,549
Conveyance	187,877	587,269
Entertainment	826,477	1,103,723
Fuel Bills for Vehicle	1,068,875	1,646,906
Godown Rent	2,789,440	2,666,160
Incentive	37,782,965	24,980,823
Courier Expenses	202,311	345,283
C&F Charges-Export	446,300	464,000
Printing Expenses	-	794,725
Promotional Expenses	683,120	4,968,702
Sales Conference/ Meeting	8,327,851	6,781,305
Stationery Expenses	263,353	116,141
R&D Sample Expenses	89,810	-
Internet Bill	92,124	76,747
Telephone & Mobile Bill	5,911,621	4,373,460
Tender & Testing Expenses	1,329,832	2,388,198
Transport / Carriage Outwards	56,025,034	51,374,953
Oversees & Traveling Expenses	34,566,207	37,527,250
Vehicle Maintenance	1,494,141	1,155,262
<b>Total</b>	<b>156,158,025</b>	<b>141,740,456</b>
<b>36.0 Other Income</b>		
Bangladesh Bank Cash Assistance on Export	2,971,700	11,514,000
Interest on FDR Investment	2,701,156	1,724,049
Loss on Subsidy Investments	(400,673)	-
Accrued Interest Receivable on FDR	2,615,003	1,333,859
<b>Total</b>	<b>7,887,186</b>	<b>14,571,908</b>
<b>37.0 Foreign Exchange Gain/(Loss)</b>		
Foreign Exchange Gain	14,198,850	17,241,832
Foreign Exchange Loss	(98,719,082)	(285,875,568)
<b>Total</b>	<b>(84,520,232)</b>	<b>(268,633,736)</b>
<b>38.0 Financial Expenses</b>		
Bank Charges	11,470,983	9,497,021
<b>Interest on Short-Term Loan:</b>		
Interest on OD	57,772,071	46,264,746
Interest on LTR Loan	102,499,927	41,941,626
Interest on STF Loan	143,552,296	99,246,735
	<b>303,824,296</b>	<b>187,453,107</b>
<b>Interest on Long-Term Loan &amp; Bond:</b>		
Interest on Long-Term Loan	46,702,880	128,128,021
Bond Interest	44,912,712	30,306,918
	<b>91,615,592</b>	<b>158,434,939</b>
<b>Total</b>	<b>406,910,870</b>	<b>355,385,068</b>
<b>39.0 Workers Profit Participation Fund (WPPF)</b>		
Profit before WPPF and Taxation	220,048,203	201,025,119
Allocation for WPPF @ 5%	<b>10,478,486</b>	<b>9,572,625</b>
<b>40.0 Provision for Taxation</b>		
Net Profit Before Tax	209,569,718	191,452,494
Applicable Tax Rate	20.00%	20.00%
	<b>41,913,944</b>	<b>38,290,499</b>
<b>Turnover Tax</b>		
Revenue (Note: 31)	7,271,200,538	6,476,878,342
Applicable Tax Rate	0.60%	0.60%
	<b>43,627,203</b>	<b>38,861,270</b>

Current year Tax Rate is 20.00% on EBT and Turnover Tax is 0.60%, which is higher as per Income Tax Act, 2023.

		Amount in Taka	
		30.06.2024	30.06.2023
<b>41.0</b>	<b>Net Operating Cash Flow</b>		
	<u>Under Direct method:</u>		
	Revenue	7,271,200,538	6,476,878,342
	Opening Trade Debtors	1,296,309,109	1,341,945,269
		8,567,509,647	7,818,823,611
	Closing Trade Debtors	(1,383,273,609)	(1,296,309,109)
		7,184,236,038	6,522,514,502
	Other Income	8,287,859	14,571,908
	Collection from Sales and Others	<b>7,192,523,897</b>	<b>6,537,086,410</b>
	Cost of Goods Sold	(6,202,883,796)	(5,338,491,661)
	Administrative & Selling Expenses	(364,724,623)	(327,914,665)
	Depreciation	186,796,977	270,649,507
	Interest on LTR & STF Loan	(315,295,278)	(196,950,129)
	AIT Paid at Port (Import/Export Stage & Vehicles)	(211,410,575)	(214,729,775)
	AIT Refund (Fy 20-21)	122,410,305	-
	WPPF Disbursed to Beneficiary	(9,572,625)	(13,320,315)
	Foreign Exchange Gain/(Loss)	(84,520,232)	(268,633,736)
	Provision for Expenses	45,304,459	32,525,635
	Unclaimed Dividend Account	(1,487,110)	3,387,729
	Accrued Interest Receivable on FDR	(1,281,144)	(264,242)
	(Increase)/Decrease in Inventories	(31,532,622)	4,078,404
	Increase/(Decrease) in Other Current Liabilities	65,478,390	23,557,410
	(Increase)/Decrease in Other Current Assets	(179,137,849)	(34,774,644)
	Payment to Suppliers, Employees and Others	<b>(6,981,855,724)</b>	<b>(6,060,880,482)</b>
	<b>Net Cash Flow from Operating Activities</b>	<b>210,668,174</b>	<b>476,205,928</b>
<b>42.0</b>	<b>Earnings Per Share (EPS)</b>		
	Net Profit After Tax	165,942,514	152,591,224
	Number of Shares outstanding	72,983,668	72,983,668
		<b>2.27</b>	<b>2.09</b>
<b>43.0</b>	<b>Net Asset Value Per Share (NAV)</b>		
	Net Asset Value	2,235,322,191	2,168,579,828
	Weighted Average Number of Shares	72,983,668	72,983,668
		<b>30.63</b>	<b>29.71</b>
<b>44.0</b>	<b>Net Operating Cash Flow Per Share (NOCFPS)</b>		
	Net Operating Cash Flow	210,668,174	476,205,928
	Weighted Average Number of Shares	72,983,668	72,983,668
		<b>2.89</b>	<b>6.52</b>
<b>45.0</b>	<b>Director's Remuneration and Perquisites</b>		
	Mr. Risd Mahmud	6,240,000	1,440,000
		<b>6,240,000</b>	<b>1,440,000</b>
<b>46.0</b>	<b>Capacity Utilization</b>		
		Utilization (MT)	
	Capacity of Production in M. Ton per year	30.06.2024	30.06.2023
	Installed Capacity	75,500 M.Ton	65,500 M.Ton
	Current year's Installed Capacity is 75,500 M.Ton, last year which was 65,500 M.Ton	62,966	56,550
	Current Year Production Rate	83.40%	86.34%

**47.0 Contingent Liability**

(I) There was no contingent liability as on 30 June, 2024.

(II) There was no claim against the company, not acknowledged as debt as on 30 June, 2024.

(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 amount 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 favor 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.
January' 2006 to June' 2008	11,646,222	Writ petition no. 1755 of 2009 in the Honorable Supreme Court of
January' 2006 to June' 2008	4,545,225	Filed a case with Honorable Appellate Tribunal for proper judgment which is
July' 2008 to December' 2008	7,534,439	Writ petition no. 3288 of 2009 in the Honorable Supreme Court of Bangladesh.

All of these cases are stayed till disposal of Rule.

#### 48.0 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 2023-2024	Outstanding Balance	
			2023-2024	2022-2023
Mr. Riad Mahmud, Managing Director (Note: 45)	Remuneration	6,240,000	600,000	120,000
Directors Board Meeting Fees		396,000	-	-
National Fittings & Accessories Limited, Npolymer Construction Limited Common Management (Note: 22 & 27)	<b>Inter-Company Loan Payable</b>	<b>Movement</b>		
	Opening Balance	1,076,666,662	-	-
	Received during the year	-	-	-
	Paid during the year	(253,333,336)	823,333,326	1,076,666,662
			<b>823,933,326</b>	<b>1,076,786,662</b>

#### 49.0 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 96,000/- per annum or Taka 8,000/- per month were Nil at the end of June 2024 as against Nil in 2023

The number of employees engaged for the whole year	1,434 Person	1,334 Person
The number of Board of Directors	5 Person	5 Person
	<b>1,439 Person</b>	<b>1,339 Person</b>

**National Polymer Industries PLC.**  
**Schedule of Property, Plant and Equipment**  
**For the year ended June 30, 2024**

Annexure: A  
*Amount in Taka*

Particulars	Cost			Rate (%)	Depreciation			Written Down Value as on June 30, 2024
	Opening Balance as on July 01, 2023	Additions during the year	Adjustment/Deletes during the year		Closing Balance as on June 30, 2024	Charged during the year	Adjustment during the year	
<b>Land &amp; Land Development</b>								
Cost	1,084,880,899	310,325,902	-	-	1,395,206,801	-	-	1,395,206,801
Revaluation	575,245,936	-	-	-	575,245,936	-	-	575,245,936
Factory Buildings	272,508,735	660,527,467	-	10.0%	933,036,202	12,477,816	-	160,208,393
Plant & Machinery	2,692,164,707	301,357,221	-	10.0%	3,083,521,928	136,772,585	-	1,754,729,358
Godown Shed & Steel Rack	35,174,845	-	-	10.0%	35,174,845	387,735	-	29,885,229
Factory Laboratory	179,420	-	-	20.0%	179,420	656	-	176,796
Factory Boundary Wall	4,045,053	-	-	10.0%	4,045,053	66,064	-	3,450,475
Generator	82,519,490	166,950,432	-	20.0%	249,469,922	26,170,679	-	103,049,596
Blas Gas Installation	2,288,132	-	-	10.0%	2,288,132	44,899	-	1,884,040
Furniture & Fixtures	8,926,603	767,280	-	10.0%	9,693,913	440,909	-	5,533,921
Vehicles	164,671,813	1,975,840	-	10.0%	166,647,653	6,389,352	-	108,649,522
Office Equipment	42,960,938	3,364,778	-	10.0%	46,325,716	1,955,432	-	27,885,638
Computer Equipment	13,196,800	2,114,200	-	25.0%	15,311,000	1,890,850	-	9,109,901
<b>Balance as on June 30, 2024</b>	<b>4,979,263,431</b>	<b>1,537,383,089</b>	-		<b>6,516,646,521</b>	<b>186,796,977</b>	-	<b>2,204,562,869</b>
<b>Balance as on June 30, 2023</b>	<b>4,343,717,563</b>	<b>635,545,868</b>	-		<b>4,979,263,431</b>	<b>270,649,507</b>	-	<b>2,017,765,892</b>

**Allocation of Depreciation:**

Manufacturing Overhead	176,120,435
Administrative Expenses	10,676,542
	<b>186,796,977</b>



# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2024/002

Date of issue : January 8, 2024



## Renewed Certificate

*This is to certify that*

**NATIONAL POLYMER INDUSTRIES PLC.**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies  
and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2024.*



  
Secretary General





আস্থা ও নির্ভরতায়

৩৭ বছর ধরে নির্মাণে  
আস্থা ও নির্ভরতায়  
ন্যাশনাল পলিমার



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CUSTOMER CARE LINE:  
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# National Polymer Industries PLC.

## NPOLY HOUSE

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