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ANNUAL REPORT

2021-2022



NATIONAL POLYMER INDUSTRIES LTD.





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TRANSMITTAL LETTER

December 11, 2022

To

All Shareholders
Registrar of Joint Stock Companies and Firms
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange PLC

Subject: Annual Report for the year ended on June 30, 2022

Dear Sir(s),

We are pleased to enclose herewith of the Annual Report comprising the Audited Financial Statements which include 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 on June 30, 2022 along with notes thereon of National Polymer Industries Ltd. and all other related reports & statements for your kind information and necessary records.

Thanking you

Yours sincerely



Md. Abdul Maleque
Company Secretary
National Polymer Industries Ltd.

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting (AGM) of National Polymer Industries Limited will be held on **Tuesday, 27 December 2022 at 11:00 AM virtually by using Digital Platform** through the link: **<https://nationalpolymer.bdvirtualagm.com>** to transact the following businesses:

(a) General Businesses:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended on 30 June 2022 together with the reports of the Directors and the Auditors thereon;
2. To declare/approve dividend for the year ended on 30 June 2022 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 for another tenure;
5. To appoint/re-appoint Statutory Auditor for the year 2022-2023 and fix their remuneration;
6. To appoint/re-appoint Compliance Auditor for the year 2022-2023 and fix their remuneration.

(b) Special Business:

To change the registered name of the Company to 'National Polymer Industries PLC' from 'National Polymer Industries Limited'.

To adopt the change of registered name of the company to 'National Polymer Industries PLC' from 'National Polymer Industries Limited' in accordance with the Companies Act, 1994 (amended in 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the company by adopting the following Special Resolution:

"RESOLVED THAT the proposal for changing the registered name of the company to 'National Polymer Industries PLC' from 'National Polymer Industries Limited' in accordance with the Companies Act 1994 (amended in 2020) and to effect the change in the registered name of the Company as 'National Polymer Industries PLC', the amendment of the relevant clauses of the Memorandum and Articles of Associations of the Company be and are hereby approved, subject to approval of the Shareholders and the Regulatory Authorities."

Dated: Dhaka
November 30, 2022

By order of the Board


(Md. Abdul Maleque)
Company Secretary

Notes:

1. **The Record Date has been fixed on 17 November 2022.** The shareholders, whose names appeared in the Members/Depository Register on the Record Date i.e. 17 November 2022 will be eligible to attend and vote at the virtual AGM and receive the dividend.
2. The shareholders/members entitled to attend and vote at the AGM can appoint a Proxy to attend and vote on his/her behalf. The scanned copy of the Proxy Form, duly stamped must be sent through the e-mail: **maleque@nationalpolymer.net** to the share department of the company at least 48 hours before the time fixed for the Annual General Meeting (AGM).
3. As per the BSEC's Notification No. BSEC/CMRRCD/2006-158/208/Admin/81; dated 20 June 2018, the soft copy of the Annual Report 2021-2022 along with the AGM Notice and Proxy Form will be sent to the shareholders'/members' e-mail addresses available in their BO accounts maintained with the depository system. The Annual Report along with the AGM Notice and Proxy Form will also be available in the company's website at **www.nationalpolymer.net**. The shareholders/members can also collect the printed copy of the same from the company's share department.
4. The AGM Link: **<https://nationalpolymer.bdvirtualagm.com>** will be sent to the respective shareholders'/members' e-mail addresses and also SMS to their mobile numbers as available with us in due course of time.
5. The shareholders/members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM.

OUR VISION, MISSION, OBJECTIVES AND CORE VALUES

VISION

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

MISSION

Our corporate mission is to be the eminent manufacturer of 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;
- 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 celebrate and reward the skills and talents of everyone at the work place.
- **Community:** To serve the society through employment generation with equal opportunities, support the community events 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 stakeholders.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr. Golam Murshed	Chairman
Mr. Riad Mahmud	Managing Director
Mr. Nuruzzaman Khan	ICB Nominated Director
Mr. Mohammed Ariful Islam	Independent Director
Dr. Mohammad Mahboob Rahman	Independent Director

AUDIT COMMITTEE

Mr. Mohammed Ariful Islam	Chairman
Dr. Mohammad Mahboob Rahman	Member
Mr. Nuruzzaman Khan	Member

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Dr. Mohammad Mahboob Rahman	Chairman
Mr. Mohammed Ariful Islam	Member
Mr. Nuruzzaman Khan	Member
Mr. Golam Murshed	Member

CHIEF FINANCIAL OFFICER

Mr. Abu Jafar, FCA

COMPANY SECRETARY

Mr. Md. Abdul Maleque

HEAD OF INTERNAL AUDIT AND COMPLIANCE

Mr. Mithun Kanti Das, ACA

MANAGEMENT TEAM

Mr. Riad Mahmud	Managing Director & CEO
Engr. K. M. Arshed Alam	Executive Director, Plant Operations
Mr. Md. Mahmudul Islam	Executive Director, Sales & Marketing
Mr. Abu Jafar, FCA	Chief Financial Officer
Mr. Mithun Kanti Das, ACA	Head of Internal Audit and Compliance
Mr. Mohammad Manzur Hossain	Head of HR & Admin
Mr. Md. Abdul Maleque	Company Secretary

OTHER CORPORATE INFORMATION

Date of Incorporation:	26 June 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
Total No. of Shares	72,983,668 Shares
Nature of Business:	Manufacturer & Supplier of uPVC, cPVC, PP-R, HDPE Pipes & Fittings, PVC Sheets, Doors, Fall Ceiling, Water Tanks, Water Taps etc.
Membership:	BPGMEA, BAPLC, DCCI & KBCCI
Certification:	ISO 9001:2015, 14001: 2015 & 45001: 2018
Credit rating:	Long Term – “A+” & Short Term –“ST-2” Rated by National Credit Ratings Ltd.
Statutory Auditor:	M/s Shiraz Khan Basak & Co. Chartered Accountants
Compliance Auditor:	M/s Mahfel Huq & Co., Chartered Accountants
Legal Adviser:	Mr. Reazul Karim, Barrister Advocate, Supreme Court of Bangladesh
Principal Bankers:	Standard Chartered Bank Prime Bank Limited Mutual Trust Bank Limited City Bank Limited One Bank Limited BRAC Bank Limited IDLC Finance Limited
Insurance:	Mercantile Insurance Company Ltd. Provati Insurance Company Ltd. Diamond Life 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, Gagipur Phone: (8802) 9812307, (8802) 9815754 E-mail: factorynpil@nationalpolymer.net

BRIEF COMPANY PROFILE

National Polymer Industries Limited 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 Ltd. (DSE) in 1991 and Chittagong Stock Exchange Ltd. (CSE) in 1995 respectively. Being a listed company with the Stock Exchanges, it has a good track record and maintains 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 the long 35 years’ of its journey, National Polymer successfully established itself as one of the strongest and most recognizable brand names in the market.

The Company is actively engaged in manufacturing different sizes of uPVC, cPVC, PP-R, HDPE Pipes & Fittings, PVC Sheets, Doors, Fall Ceiling, Water Tanks, Water Taps 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. Currently, the company has increased its production capacity to 65,500 MT from its initial 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 the 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 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).

PROFILE OF DIRECTORS

Mr. Golam Murshed Sponsor Director & 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 in 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 Ltd. He has been with National Polymer Industries Ltd. as the Sponsor Director since its inception and contributing a lot for the development of the Company. Currently, he is performing his duties and responsibilities as the Chairperson of the Board and Member of the Nomination and Remuneration Committee (NRC). Apart from National Polymer Industries Limited, Mr. Murshed is the proprietor of “GM Trading”, a renowned trading business of plastics raw materials.

Mr. Riad Mahmud Sponsor Director & 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 also the Sponsor Shareholder of National Polymer Industries Ltd., joined the Board of the Company in 2007 as a Director and has subsequently been elected as the Managing Director of the company in 2008. Since then he has been leading the company successfully. At present the Company is on a solid growth stage under his dynamic leadership.

Apart from National Polymer Industries Ltd., Mr. Mahmud is the founder of several businesses in other sectors, including the first Leed Gold certified 100% export-oriented footwear factory in Bangladesh named Shoeverse Footwear (Pvt.) Ltd. He is the Managing Director of National Fittings and Accessories (Pvt.) Ltd. and NPOLYMER Construction (Pvt.) Ltd. He is also the Vice Chairman of Diamond Life Insurance Company Ltd.

Besides, Mr. Mahmud has been teaching 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 Member of the Executive Committee of Korea-Bangladesh Chamber of Commerce and Industry (KBCCI) and 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.

Mr. Nuruzzaman Khan
ICB Nominated Director



Mr. Nuruzzaman Khan, son of late Nurun Nabi Khan and Mrs. Jahanara Begum was born in 1962 in Satkhira. He has completed his Post Graduation in Economics from the University of Rajshahi in 1989 and started his career with the Investment Corporation of Bangladesh (ICB), the state owned renowned financial institution in Bangladesh, in the same year. He also obtained Diploma in banking from the Institution of Bankers Bangladesh. He enriched his career through obtaining various training programs offered by different organizations at home and abroad. Currently, Mr. Khan is holding the position of General Manager in the Investment

Corporation of Bangladesh (ICB). He joined the Board of National Polymer Industries Ltd. on May 28, 2018 as the Nominated Director and has been discharging his duties and responsibilities as an active participant. He is also the Member of the Audit Committee and the Nomination and Remuneration Committee (NRC).

Mr. Mohammed Ariful Islam
Independent Director



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

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

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

Mr. Islam is also the member of Gulshan Society, Chittagong Samity, Army Golf Club and Elite Club Ltd, Dhaka. He is also the Trustee Member of Sunshine Charities, a 100% not-for-profit origination, providing free medical treatment to the poor, needy and deprived population of our society in Dhaka and Chittagong.

Based on his brilliant educational background and vast experience in the business sector, which comply with the Condition No. 1(3)(b)(i) of the BSEC's Corporate Governance Code-2018, the Board of Directors of National Polymer Industries Ltd. has appointed Mr. Mohammed Ariful Islam as the Independent Director of the Company on August 06, 2019 for a period of 03 (three) years. Accordingly, his first tenure has been completed on August 06, 2022. As per Condition No. 1(2)(e) of the BSEC's Corporate Governance Code-2018, being eligible, he has been re-appointed as the Independent Director for another tenure of 03 (three) years with effect from August 07, 2022 to August 06, 2025, subject to the approval of the Shareholders in the next AGM.

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

Educational Records:

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

Professional Records:

Position	Name of Universities	Department	Period
Senior Lecturer	East West University, Dhaka	School of Business	April 2001 – May 2002
Senior Lecturer	BRAC University, Dhaka	Management and Business	Dec 2002 – Aug 2003
Instructor (GTA)	University of Kansas, USA	School of Business	Aug 2004 – May 2005
Assistant Professor	University of Redlands, USA	School of Business	July 2006 – Dec 2007
Assistant Professor	North South University, Dhaka	School of Business and Economics	Dec 2007 – May 2010 and Sep 2011 – Nov 2014
Director	North South University, Dhaka	MBA Programs, School of Business and Economics	Jan 2014 – Dec 2014
Professor	North South University, Dhaka	Management, School of Business and Economics	Dec 2014 – Dec 2018
Director	North South University, Dhaka	EHS Center	June 2014 – Dec 2018
Dean	North South University, Dhaka	School of Business and Economics	May 2014 – Dec 2018
Dean	BRAC University, Dhaka	School of Business	Jan 2019 – Dec 2019
Associate Vice President & Chief of Staff	BRAC University, Dhaka		June 2019 – April 2020
Professor	BRAC University, Dhaka	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 – 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, Dr. Mohammad Mahboob Rahman has been appointed as the Independent Director of the Company for a period of 03 (three) years with effect from April 04, 2021 to April 03, 2024.

Dr. Mohammad Mahboob Rahman is also the **Chairman of the Nomination and Remuneration Committee (NRC)** and **Member of the Audit Committee**.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders and well-wishers of
National Polymer Industries Ltd.
Assalamualikum!

I, on behalf of the Board of Directors, have the pleasure to welcome you to the 35th Annual General Meeting (AGM) of National Polymer Industries Ltd. I also express my heartfelt thanks and gratitude to all the investors who showed their continuous confidence on National Polymer Industries Ltd. accompanying its journey towards its progress and prosperity.

On this auspicious occasion, I would like to furnish before you the Annual Report 2021-2022 of your company showing the financial position, performance and achievements of the company for your kind perusal and I believe you will get a comprehensive view from this report.

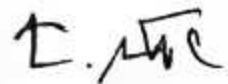
Dear Shareholders, we have been passing an uncertain time since the beginning of the year 2020 to till date as almost every country in the world is experiencing an unprecedented macroeconomic shock from COVID-19, followed by Russia-Ukraine war. The economies around the world is shattered with inflation, recession, lack of energy, depreciation of currencies, loss of income, fear, distrust etc. making us very concern that how quickly and efficiently these perils be handled. However, observing the situation, our Government has taken some stringent policies aiming to improve the foreign currency liquidity situation in the money market. We expect that by these steps we will be able to overcome the difficult situation.

The year 2021-2022 was very challenging not only for National Polymer but also for all other sectors for the above mentioned crises. Despite various challenges, we could manage to complete the year 2021-2022 positively by achieving a satisfactory results in terms of business. During the year under review, your company has earned the revenue from sales Tk. 506.54 crore and net profit Tk. 21.31 crore with 13% and 17% growth respectively against the previous year.

We have to continue with our efforts cautiously as it has been forecasted that the coming days be very critical. However, we are always optimistic with our business endeavors to maximize the revenue as well as the shareholders' value with our best quality products, services and solutions for our valued customers.

Finally, I would like to express my sincere thanks to the honorable shareholders, valued customers, regulators, bankers & financial institutions and other stakeholders for their utmost support, co-operation and guidance towards our business endeavors. I also like to express my heartfelt thanks to my fellow Board members and all employees of the company for their sincere support and hard work without which it would not be possible to achieve our objectives.

Thanking you all,



(Golam Murshed)
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders
Assalamualikum!

It is my pleasure to welcome you to the 35th Annual General Meeting (AGM) of National Polymer Industries Ltd. I would like to thank you for providing me the opportunity to share and exchange my thoughts and views on the overall performance of the Company.

It is a great pride for me as the Managing Director to share you that National Polymer has grown into one of the strongest and most recognizable brand names in the market during its last 35 years' journey. From the very beginning, we have been committed to maintaining the sustainable growth of the company. Our main objective is always to maximize the shareholders' wealth by making the stable profit. But unfortunately, every year we are facing some unprecedented challenges on the path to our objectives.

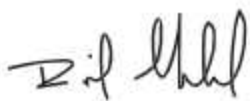
You all are aware that since the beginning of the year 2020, we faced a problem unlikely any other in our past- the COVID-19 pandemic, which wreaked havoc on both the national and global economy. It was anticipated that when the pandemic would die down, economies around the world would open up and start to recover from the setbacks it had faced, but unfortunately in 2022, Russia and Ukraine sparked a war that has politically engaged most of the major players in the world economy and affected everyone. The war between the two nations severely disrupted the global supply chains. As a result, the price of raw materials, fuel, food and other basic commodities has plunged many nations into deep economic crisis and Bangladesh has also suffered as badly as others.

It is my pleasure to report you that despite severe crises we witnessed during the year, we have completed the year successfully by achieving a positive revenue growth of our company. During the year 2021-2022, the Company has earned revenue Tk. 506.54 crore and net profit Tk. 21.31 crore with a positive growth of 13% and 17% respectively against the previous year.

As per our commitment to serve the customers efficiently and reward the shareholders, we have been continuing with our efforts for further development of our business and maximize the shareholders' wealth by making profit. As a result, our manufactured quality products have gained a wide acceptance both in local and export markets. At present, National Polymer remains as a strong player in the market with its strong brand equity, high quality products, focused sales & marketing and timely delivery of products to its valued consumers. In addition to the local market, our products are being exported to India and Middle East. Anticipating the growing demand for our products, we have taken necessary measures to expand our production capacity and accordingly our designed expansion works are currently ongoing at Valuka, Mymensingh. Upon completion of the first phase at the Valuka complex, we expect our sales to grow even further.

I would like to conclude by expressing my gratitude and appreciation to the honorable shareholders, valued customers, regulators and other stakeholders for their continuous support and cooperation to our business endeavors. Also like to express my heartfelt thanks to the honorable board members, management team and all employees of the company for their guidance, utmost support and hard work in achieving our business objectives.

Thanking you all



Riad Mahmud
Managing Director

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

The Board of Directors of National Polymer Industries Limited has the pleasure to welcome you to the 35th Annual General Meeting (AGM) of the company and present you the Annual Report 2021-2022 comprising the Directors' Report, Auditor's Report, Audited Financial Statements and other relevant reports prepared in compliance with the regulatory requirements. The Board of Directors is pleased to report you on the overall performance of the Company for the year ended on June 30, 2022 as follows:

INDUSTRY OUTLOOK & POSSIBLE FUTURE DEVELOPMENT

National Polymer Industries Limited was incorporated as a Public Limited Company with the Registrar of Joint Stock Companies in 1987 and started its commercial operations during the same year. The Company is being run with an authorized capital of BDT 3,000.00 million and paid-up capital of BDT 729.84 million. It has been listed with the Dhaka Stock Exchange in 1991 and the Chittagong Stock Exchange in 1995. Being a listed company with the Stock Exchanges, it has a good track record and maintaining its status as 'A' category company in the capital market. The Company is actively engaged in manufacturing the uPVC, CPVC, PPR, HDPE Pipes and Fittings, PVC Doors, Sheets, Fall Ceilings, Water Tanks, Water Taps etc. at Tongi Gazipur. Its expansion is on progress at Valuka, Mymensingh. The production system of the company has been equipped with the competent manpower, latest technology, most advanced machineries from Asia and Europe and the raw materials from Japan, Malaysia, Singapore, Thailand, Taiwan, China, as well as Bangladesh. The Company has a well-managed distribution network all over Bangladesh. The production capacity of the company has been increased to 65,500 MT from its initial 500 MT. National Polymer is the ISO 9001:2015, 14001:2015 & 45001:2018 certified company.

Our aim is to run the business with a view to making it as a sustainable growing business entity. Considering this, we have been continuing with our efforts to satisfy our existing and potential customers providing them with the diversified premium quality products. Our manufactured quality products have gained a wide acceptance both in local and export markets. At present, National Polymer remains as a strong player in the market with its strong brand equity, high quality products, focused sales & marketing and timely delivery of products to its valued consumers. In addition to the local market, our products are being exported to India and Middle East. Anticipating the growing demand for our products, we have taken necessary measures to expand our production capacity and accordingly we have purchased required lands at Valuka, Mymensingh with the Rights Issue Fund. Now, the infrastructure development and other related works are currently ongoing. Upon first phase of the completion of the Valuka complex, we expect our sales to grow even further. We also expect some of our distribution costs to reduce further.

BUSINESS OVERVIEW

Despite various challenges, especially the Covid-19 pandemic followed by Russia & Ukraine war, we could manage to complete the year 2021-2022 positively by achieving a satisfactory results in terms of business. During the year under review, we could achieve 13% revenue growth compared to the previous year. As per the audited financial statements for the year ended on June 30, 2022, a comparative business performance is given below for your better understanding on the overall performance of the Company:

Particulars	Figures in Taka		
	2021-2022	2020-2021	Growth (%)
Revenue	5,065,419,290	4,487,233,362	12.89%
Cost of Goods Sold	(4,187,329,642)	(3,764,486,550)	11.23%
Gross Profit	878,089,648	722,746,812	21.49%
Operating expenses	(296,261,754)	(235,245,683)	25.94%
Financial expenses	(302,835,740)	(262,647,705)	15.30%
Profit before WPPF & Tax	279,726,625	247,067,957	13.22%
Net Profit	213,125,047	182,359,683	16.87%

DECLARATION OF DIVIDEND

The Board extensively discussed the current business scenario, including the dollar crisis and inflation, which may translate into significant lack of demand. This demands a conservative approach in the coming months, where the Company must conserve cash for sustainability. Therefore, the Managing Director proposed a 10% cash dividend. However, ICB Nominated Director strongly requested to insist the cash dividend. Considering the philosophy of conserving cash, the Board of Directors has recommended **10.5% Cash Dividend** for all Shareholders, excluding the Sponsor Director & Managing Director Mr. Riad Mahmud, who holds 3,603,773 shares out of the Company's total 72,983,668 shares. In this case the Managing Director wanted to make a strong point regarding the need for conserving cash, and hence declined to take any dividend in the form of cash. Other Sponsors & Directors and General Shareholders will get cash dividend of Tk. 72,848,889.75 for the year ended on 30 June 2022. The recommended Cash Dividend will be disbursed to the Shareholders through their bank accounts, whose names have been recorded in the Register of Members/Depository Register on the Record Date i.e. November 17, 2022, within the stipulated time after having approval of the Shareholders in the Annual General Meeting (AGM).

UNCLAIMED DIVIDEND

As per the 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 or name-wise or folio number-wise of the shareholders.

As per the BSEC's Directive No. SEC/SRMIC/165-2020/part-1/182 dated 19 July 2021, the Company has transferred the unclaimed or undistributed Cash Dividend up to the FY 2009-2010 to the Capital Market Stabilization Fund's (CMSF) bank account and as per the BSEC's Directive No. SEC/SRMIC/165-2020/306 dated 24 November 2021, the Company has transferred the unpaid or unclaimed or undistributed the stock dividend/bonus shares up to the FY 2017-2018 to the Capital Market Stabilization Fund's BO Account. The details of the same have been furnished in the Company's website.

The unpaid or unclaimed dividend for the FY 2018-2019 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 stated in page No. 37 of the Annual Report.

SEGMENT-WISE PERFORMANCE

The Company's operation is carried out and managed as a single operating segment for manufacturing and marketing of PVC, CPVC, PPR, HDPE Pipes and Fittings, PVC Sheets, Doors, Water Tanks, Water Taps etc. for water supply, sanitation and building material solutions. So, no segment reporting is felt necessary.

RISKS AND CONCERNS

Risk and Concern is the integral part of business. Like others, our business may also be affected by risk and uncertainties. Details of risk factors and the ways to handle such events are stated in the Management's Discussion and Analysis.

COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

It can be seen from the financial statements for the year ended 30 June 2022 that the Gross Profit Margin and the Net Profit Margin of the company increased compared to the previous year, which are highlighted below:

Particulars	2021-2022 (Taka)	2020-2021 (Taka)
Cost of Goods Sold	4,187,329,642	3,764,486,550
Gross Profit	878,089,648	722,746,812
Net Profit	213,125,047	182,359,683

EXTRA-ORDINARY ACTIVITIES AND THEIR IMPLICATION (GAIN OR LOSS)

No such event of any extra-ordinary gain or loss occurred during the reporting year, which would require to disclose in the financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are stated in note no. 46.00 of the financial statements.

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

Rights Issue: The Company has raised Tk. 547,377,510.00 through issuance of rights share on the basis of 01 (one) rights share against 01 (one) existing share (36,491,834 ordinary shares of Tk. 10.00 each at an issue price of Tk. 15.00 each including a premium of Tk. 5.00 per share). As per the implementation schedule mentioned in the Rights Share Offer Document (ROD), the Company has totally utilized the rights issue proceeds as on August 31, 2022 and as per the Condition No. 19 of the BSEC's Rights Issue approval letter dated December 15, 2020, the status of such utilization has been reported to the Regulators as well as published the same in the website of the Company.

Bond Issue: To enhance the Company's production capacity and diversify its products through introduction of new production lines and to re-finance the existing high cost debt of the Company, the Board of Directors has decided to raise Tk. 300.00 Crore through issuance of Transferable, Redeemable, Non-convertible, Unsecured Zero Coupon Bond through private placement and the Bangladesh Securities and Exchange Commission (BSEC) vide their Letter No. BSEC/CI/DS-181/2021/758 dated March 03, 2022 has given us the consent regarding the Bond Issue. But due to some unavoidable circumstances from the end of the Trustee, it has been delayed to start the subscription procedures of the Bond Issue. After the Trustee completed its formalities, the subscription formalities has started and in the meantime, Tk. 42 crore has been subscribed after June 30, 2022. We are working together with the Arranger to raise the balance funds even during this period of liquidity crisis.

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

No such event occurred.

EXPLANATION ON SIGNIFICANT VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCES AND ANNUAL FINANCIAL STATEMENTS

There was no event of significant variance between quarterly financial performances and annual financial statements during the year under review.

STATEMENT OF REMUNERATION PAID TO THE DIRECTORS INCLUDING THE INDEPENDENT DIRECTOR(S)

The Directors of National Polymer Industries Ltd. don't get any facilities/remuneration, bonus or any other form, except the Managing Director 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 No. 46.00 of the financial statements.

THE BOARD OF DIRECTORS ALSO REPORT THAT:

- Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the Financial Statements of the company and that the accounting estimates are based on reasonable and prudent judgments;

- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements of the Company and any departure there from has been adequately disclosed.
- **Internal Control System:** National Polymer Industries Limited, being a listed company, has a well-defined Internal Control System based on its high-tech large production capacity to ensure the business operations. The system ensures reasonable assurance of the internal checking system of monetary transactions and safeguarding of assets. The Internal Control Systems are reviewed by the Internal Audit & Compliance Department of the company and reported to the Audit Committee regularly. The Internal Control Systems ensure 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 Minority Shareholders Interests:** The minority shareholders have been protected from the abusive actions by, or in the interests of controlling shareholders either directly or indirectly. The Company believes in equal rights of all Shareholders irrespective of the number of shares they hold. All the Shareholders are provided with quarterly financial statements, annual financial statements and annual reports and are welcomed to participate at the shareholders' meeting. The adoption of the annual financial statements, the Directors' report, the election of the Board Members and the appointment of the Auditors are decided upon the participation of the shareholders at the Annual General Meeting.
- **Going Concern:** While approving the financial statements, the Board of Directors have made appropriate enquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operations for a foreseeable period. The Board of Directors are convinced and have a reasonable expectation that the Company has adequate resources to continue its operation consistently for the foreseeable future. Therefore, the Company adopted the going concern basis in preparing the financial statements.
- **Explanation on significant deviations from the last year's operating results:** There is no significant deviations from the last year's operating results of the Company.
- The Company's key operating and financial data of at least preceding 5 (five) years have been disclosed in page no. 44 of the Annual Report.
- Explanation of the reasons if the company has not declared dividend (cash or stock) of the year: Not Applicable.
- No bonus share or stock dividend has been or shall be declared as interim dividend.
- The total number of Board Meetings and Committee Meetings held during the year and attendance by each Director have been stated in page no. 46 of the Annual Report.
- The pattern of shareholding has been disclosed in page no. 45 of the Annual Report.
- **Information relating to the appointment or re-appointment of Directors:**
With regard to the appointment and re-appointment of Directors, the Company follows its Articles of Association, the Companies Act, 1994 and other related rules and legislations issued time to time by the Regulators. Accordingly, two Directors (One Sponsor Director & another Independent Director) have been re-appointed by the Board of Directors, subject to the approval of the Shareholders in the ensuing 35th Annual General Meeting. The brief resume of said Directors, nature of their expertise and name of companies in which they hold the directorship and the membership of committees of the Board have been disclosed in the Director's Profile.

- Management's discussion and analysis is disclosed in page no. 20 of the Annual Report.
- Declaration or certification by the CEO and the CFO to the Board, as per Annexure-A is disclosed in page no. 47 of the Annual Report.
- The report as well as certificate regarding the compliance of Conditions of Corporate Governance Code as required under condition No. 9 is disclosed as per Annexure-B and Annexure-C in page no. 49 & 50 of the Annual Report.

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 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.

HUMAN RESOURCES

In real sense, National Polymer believes that employees are the best resources for the organization and their motivation is a vital factor for the growth and development of the organization, because of their active participation to the productivity. National Polymer focuses on the employees to optimize their creativity, performance and sustainable improvement by ensuring the safe & healthy working environment, cohesive corporate culture, proper training, reward & recognition and various employee benefit schemes.

CORPORATE SOCIAL RESPONSIBILITIES (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.

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 long-term corporate success and sustainable economic 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.

ELECTION/RE-ELECTION OF DIRECTOR(S)

As per relevant clause of the Articles of Association of the Company, **Mr. Riad Mahmud** has retired from the Board this year as a Director of the company. Being eligible, he has been re-elected for the next term, subject to the approval of the Shareholders in the upcoming 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 have been stated in page no. 8 of the annual report.

APPOINTMENT/RE-APPOINTMENT OF INDEPENDENT DIRECTOR

One of the Independent Directors of the company **Mr. Mohammed Ariful Islam** has completed his three years' tenure on August 06, 2022. As per Condition No. 1(2)(e) of the BSEC's Corporate Governance Code-2018, Mr. Mohammed Ariful Islam is eligible for re-appointment for another tenure. Accordingly, the Board of Directors has re-appointed Mr. Ariful Islam for another tenure of 03 (three) years with effect from 7th August 2022 to 6th August 2025, subject the approval the BSEC and the Shareholders in the upcoming AGM. It is mentioned that, Bangladesh Securities and Exchange Commission (BSEC) through its letter dated September 20, 2022 has accorded its kind consent for the said re-appointment. In terms of condition number 1 (5) (xxiv) of the BSEC's Notification dated 03 June, 2018, a brief resume, expertise and the name of companies and the membership of committees of the Board is disclosed in page no. 9 of the annual report.

APPOINTMENT/RE-APPOINTMENT OF THE EXTERNAL AUDITOR

Company's present auditor **M/s Shiraz Khan Basak & Co., Chartered Accountants** has audited the financial statements for the FY 2021-2022 and retired this year. Being eligible, they have expressed their willingness for re-appointment as the Statutory Auditors for the next FY 2022-2023. They have also requested the Board to increase their remuneration considering their volume of works and the regulatory (ICAB) requirements.

Therefore, the Board of Directors has re-appointed M/s Shiraz Khan Basak & Co., Chartered Accountants as the Statutory Auditors of the company for the next FY 2022-2023 with the enhancement of their remuneration from Tk. 1,10,000/- (Taka one lac ten thousand) to Tk. 3,00,000/- (Taka three lac) only, subject to the approval of the Shareholder in the next AGM.

APPOINTMENT/RE-APPOINTMENT OF COMPLIANCE AUDITOR

M/s Mahfel Huq & Co., Chartered Accountants has acted as the Corporate Governance Compliance Auditor of the Company for the FY 2021-2022 and retired this year. Being eligible they have expressed their willingness for re-appointment as the Compliance Auditor of the company for the next FY 2022-2023. The Board of Directors has re-appointed Mahfel Huq & Co., Chartered Accountants as the Compliance Auditor for the next FY 2022-2023 with the enhancement of their remuneration from Tk. 22,000/- (Taka twenty two thousand) to Tk. 25,000/- (Taka twenty five thousand) only, subject to the approval of the Shareholders in the next AGM.

APPRECIATION

The Board of Directors would like to express sincere thanks and appreciation to the Honorable Shareholders, valued Customers, Regulators, Bankers and financial institutions for their utmost support, co-operation and guidance towards the Company's business endeavors. The Board also expresses the 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.

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 Ltd. is responsible for the 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 dated 3 June 2018, a brief analysis of the Management on the overall performance of the Company is given below:

INDUSTRY ANALYSIS

National Polymer Industries Ltd. has been in operation for about three decades and has established itself as a prominent brand name in the country. The Company is actively engaged in manufacturing different sizes of uPVC, cPVC, PPR, HDPE Pipes & Fittings, PVC Sheets, Doors, Water Tanks, Water Taps etc. for building, construction, irrigation, sanitation and household usages and solutions. The production system of the company is equipped with competent manpower, latest technology, most advanced machineries from Asia and Europe, raw materials from Japan, Malaysia, Singapore, Thailand, Taiwan, China, as well as Bangladesh. The Company has a well-managed distribution network all over Bangladesh. Crossing the Bangladesh border, the Company exports its products to India and the Middle East as well. The Company has increased its production capacity to 65,500 MT from its initial 500 MT.

FINANCIAL ANALYSIS

Revenue Generation

National Polymer Industries Ltd. has been experiencing a positive revenue growth trend continuously over the last decade. During the FY 2021-2022, the Company has reported its revenue BDT 5,065.42 million with the growth of 13% over the previous year. Year-wise revenue generation of preceding five years is as follows:

Financial Year	Revenue (in Taka)
2021-2022	5,065,419,290
2020-2021	4,487,233,362
2019-2020	3,432,956,238
2018-2019	3,000,007,744
2017-2018	2,366,380,577

Cost and Profitability

During the reporting year, the net profit margin of the Company increased by 17% compared to the previous year. As per Audited Financial Statements for the year ended June 30, 2022, the comparative key financial information is given below:

Particulars	2021-2022 (Taka)	2020-2021 (Taka)
Revenue	5,065,419,290	4,487,233,362
Cost of Goods Sold	4,187,329,642	3,764,486,550
Operating Expenses	296,261,753	235,245,683
Gross Profit	878,089,648	722,746,812
Profit before WPPF & Tax	279,726,625	247,067,957
Net Profit	213,125,047	182,359,683

Financial Position

The assets of the Company has also grown up, and total assets of the Company stood at Tk. 6,436,583,095 during the Financial Year 2021-2022, as against Tk. 6,039,806,394 in 2020-2021. On the other hand, total liabilities (Excepting Deferred Tax Liability) of the Company is Tk. 4,268,260,587 for the reporting year as against Tk. 3,991,928,908 during the previous year (Excluding Deferred Tax Liability).

OTHER STATEMENTS AS PER THE BSEC'S NOTIFICATION

ACCOUNTING POLICIES AND ESTIMATIONS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements of National Polymer Industries Ltd. have been prepared in accordance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, the Companies Act 1994, Bangladesh Securities and Exchange Commission's Rules and other applicable regulations.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATIONS

There is no change in accounting policies and estimation, occurred during the year that might have effect on the financial performance or results and the financial position as well as cash flows.

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:

Figures in Tk.

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	5,065,419,290	4,487,233,362	3,432,956,238	3,000,007,744	2,366,380,577	1,866,687,057
Gross Profit	878,089,648	722,746,812	602,184,319	557,787,699	387,459,951	307,293,861
Net Profit for the year	213,125,047	182,359,683	150,255,924	127,207,270	79,350,886	66,741,633
Shareholders' Equity	2,088,837,494	1,968,392,471	1,309,083,706	1,165,907,991	1,062,094,915	1,030,197,514
Total Assets	6,436,583,095	6,039,806,394	4,504,502,778	4,180,780,745	3,462,273,008	2,844,673,693
Total Current Assets	3,695,085,575	3,800,465,040	2,630,779,173	2,353,922,517	1,832,529,413	1,597,946,088
Total Current Liabilities	3,086,641,598	2,537,027,922	2,567,038,848	2,252,938,054	1,919,205,568	1,611,959,788
Current Ratio (Time)	1.20	1.49	1.02	1.04	0.95	0.99

Cash Flow Movement:

Figures in Tk.

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Net Cash flows from operating activities	350,904,602	(279,563,437)	243,025,271	(98,139,516)	225,590,681	502,105,923
Net cash flows used in investing activities	(754,070,576)	(555,563,812)	(266,072,645)	(395,682,531)	(507,147,249)	(275,282,608)
Net cash flows used in financing activities	69,810,249	1,266,948,919	84,368,037	484,597,316	319,792,673	(99,386,433)
Net increase/Decrease in cash and cash equivalents	(333,355,725)	431,821,670	61,320,663	(9,224,731)	38,236,104	127,436,883
Cash and cash equivalents on 1 July	693,459,809	261,638,140	200,317,476	209,542,207	171,306,103	43,869,220
Cash and cash equivalents on 30 June	360,104,083	693,459,810	261,638,140	200,317,476	209,542,207	171,306,103
Net operating cash flows per share	4.81	(4.33)	6.66	(2.69)	9.20	20.48

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

National Polymer Industries Ltd. (NPIL) listed with the Stock Exchanges is the manufacturing company that manufactures and markets a wide range of products such as: PVC, CPVC, PPR, HDPE Pipes, Fittings, Doors, Sheets, Water Tanks, Water Taps etc. in a large scale. There is only another company listed with the Stock Exchanges named Aziz Pipes Ltd. that manufactures only PVC pipes. The volume of operational, financial and business activities and performance of Aziz Pipes Ltd. is ten times lower than NPIL. 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:**

While the global economy was recovering strongly from the destruction of COVID-19 pandemic, the Russia-Ukraine conflict posed a setback to the ongoing recovery, creating a significant negative impact on the world trade. This has put a serious pressure on global supply chain of food, energy and other key raw materials. Most of the currencies have lost their values against US dollar. According to United Nations (UN) Publication 'World Economic Situation and Prospect 2022', the global economy grew by 5.5% in 2021, the highest growth rate since 1976, after contracting 3.4% in 2020. According to the 'World Bank's Global Economic Prospect, January 2022', the global economic growth is projected 4.1% and 3.2% in 2022 and 2023 respectively.

Bangladesh Scenario:

Like all other countries in the world, an upward trend of price level is being observed in Bangladesh as the economic damages created by COVID-19 pandemic, which is triggered by Russia-Ukraine conflict. Bangladesh being an import-dependent country, Bangladeshi Taka has also experienced

devaluation and inflation has made a big impact on consumers' purchasing power. The point-to-point inflation in March 2022 stood at 6.22%, compared to the inflation rate 5.47% in March 2021. The prices of energy along with other commodities increased significantly across the financial year 2021-2022, which has also created the inflationary pressure on the economy. Observing a decline in remittance, the Government has rapidly responded to address the crisis by encouraging more foreign remittance from the wage earners and discouraging import of luxury goods. We expect that by these steps the country will be able to overcome the difficult situation. However, Bangladesh's export growth is on a positive trend. During July-April of FY 2021-2022, total export earnings increased by 35.98% compared to the same period of the previous fiscal year.

Bangladesh has been able to maintain 6.5% - 7% GDP growth for a decade. According to Bangladesh Bureau of Statistics, 6.94% GDP growth was achieved in FY 2020-2021, and 7.25% is the projected GDP growth for the FY 2021-2022. On the eve of declaration of National Budget, the Government has set 7.5% growth target for 2022-2023 fiscal year, which is quite challenging. The World Bank has projected 6.4% growth for 2021-2022 and 6.1% growth for 2022-23. According to data of Bangladesh Bureau of Statistics, per capita income stood at USD 2,824 in 2021-22, which was USD 2,591 in 2020-2021.

RISK AND CONCERN ISSUES AND MITIGATION PLAN

Risk and concerns 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 sustainable growth 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 Ltd. (NPIL) 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 to manage the above risk successfully. 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, NPIL 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 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. NPIL has credit evaluation policy and standard business cycle processes. It also maintains proper securities like "Bank Guarantee" against maximum receivables. Therefore, credit risk of the Company is minimal and well managed.

LIQUIDITY RISK

Liquidity risk refers to a company's possible 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 demand for the products or services, which would harm the performance of the company.

Mitigation: NPIL has strong brand equity in the market. Moreover, for a growing economy like Bangladesh, there would always be demand for PVC 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 Industries Ltd. 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 is the potential changes in interest rates that may affects 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 also 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 minimizes of 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 Industries Ltd. enjoys the access to the advanced technologies in its production lines. It has adopted the most advanced technologies and machineries for its production and is considered as the pioneer to introduce the most efficient production 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 program 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. Historically, employee turnover at NPIL has been very negligible.

COMPLIANCE RISK

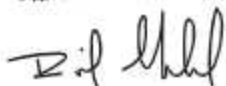
Compliance risk is the potential loss that may arise from an organization's non-compliance with laws, regulations, codes of conduct, or organizational standards of practice.

Mitigation: National Polymer believes that compliance with laws and regulations is the key towards the sustainable growth of business. Therefore, compliance with the rules and regulations is the top priority in running the business. 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 OR FORECAST

The Management of National Polymer Industries Ltd. runs the business with the aim of making it as a sustainable growing business entity. In view of the sharp increase in demand for its products, the Company has taken necessary measures to expand its capacity. The Company remains as a strong player in the market with its strong brand equity, high quality products, focused sales & marketing and timely delivery of products to its valued consumers. In view of the current volatile situation in the national and international markets, the Company will continue to focus on increasing efficiencies to strengthen its overall operations.

On behalf of the Management



(Riad Mahmud)

Managing Director & CEO

AUDIT COMMITTEE REPORT

In accordance with the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018, the Board of Directors of National Polymer Industries Ltd. has constituted the Audit Committee as a sub-committee of the Board. The Audit Committee is responsible to the Board and its duties and responsibilities are clearly set forth in writing.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of National Polymer Industries Ltd. is composed of the following members:

SI No.	Name of Committee Members	Status in the Board	Position in the Audit Committee
1	Mr. Mohammed Ariful Islam	Independent Director	Chairman
2	Dr. Mohammad Mahboob Rahman	Independent Director	Member
3	Mr. Nuruzzaman Khan	ICB Nominated Director	Member

The Chief Financial Officer and the Head of Internal Audit and Compliance also attend the meeting by invitation. The Company Secretary acts as the Secretary of the Audit Committee.

MEETING OF THE AUDIT COMMITTEE

The Committee met four times during the year 2021-2022. The proceedings of the Audit Committee Meetings have been recorded and reported regularly to the Board of Directors. The details of the attendance of the Audit Committee Members have been shown below:

SI No.	Name of Committee Members	Meetings Attended
1	Mr. Mohammed Ariful Islam	4/4
2	Dr. Mohammad Mahboob Rahman	4/4
3	Mr. Nuruzzaman Khan	4/4

ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee shall assist the Board in fulfilling its responsibilities more effectively. In addition to any 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 the choice of accounting policies and principles;
- Monitor the Internal Audit and 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 reviewing 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.

SUMMARY OF ACTIVITIES

The Audit Committee carried out the following activities during the year ended on June 30, 2022:

Regulatory Compliance:

The Committee reviewed whether the Company's procedures, rules and regulations are in place to ensure the compliance with the laws and regulations framed by the Regulatory Authorities (BSEC, DSE, CSE & RJSC).

The Committee is satisfied that the company duly follows the rules and regulations issued by the Regulatory Authorities and diligently complied with those regulatory requirements.

Financial Reporting:

The Committee assisted the Board of Directors and the Management with regard to the preparation of true and fair financial statements in accordance with the proper books of accounts and appropriate accounting standards by:

- Reviewing the adequacy and effectiveness of the internal control system and procedures in order to provide reasonable assurance that all transactions are recorded accurately and completely in the books of accounts.
- Reviewing the integrity of the processes by which the financial statements are prepared from the books of accounts.
- Reviewing the processes by which provisions of accounting standards are complied.

The Committee also reviewed along with the management:

- The quarterly, half-yearly and annual financial statements of the company before submission to the Board for approval and expressed that the appropriate accounting standards & financial reporting standards and other necessary regulatory requirements have been duly followed in preparation of the said financial statements.
- The utilization of rights share issue proceeds of the company and found that the company has utilized the rights share issue proceeds as per the purposes stated in the rights share offer document or prospectus approved by the Commission and the status reports on utilization of rights issue proceeds have been reported to the Regulators accordingly.

INTERNAL CONTROL

The Committee reviewed that the Company's internal control system is sound in design which gives reasonable assurance that the Company's resources are safeguarded and the financial position of the Company is well managed.

INTERNAL AUDIT

The Committee reviewed the internal audit plans and programs for the year and assessed the performance of the internal audit functions. The Committee also reviewed the internal audit reports, audit recommendations and management response related to these recommendations and actions taken to improve the system of internal control and procedures.

EXTERNAL AUDIT

The Committee met with the External Auditors at the conclusion of the annual audit and exchanged their views on the audit report. The Committee also reviewed the performance of the External Auditors and recommended to the Board for their re-appointment and payment of fees.

APPRAISAL OF AUDITED FINANCIAL STATEMENTS OF THE YEAR ENDED 30 JUNE 2022

The Committee reviewed and examined the audited financial statements of the company for the year ended on June 30, 2022 audited by the External Auditors M/s Shiraz Khan Basak & Co., Chartered Accountants and recommended to place the same before the Board for approval. The Board approved the same in its 181st meeting held on 26 October 2022.

REVIEW MANAGEMENT'S DISCUSSION AND ANALYSIS

The Audit Committee reviewed the Management's Discussion and Analysis for the year ended 30 June 2022 and recommended to disclose the same in the Annual Report 2021-2022.

ACKNOWLEDGEMENT

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

On behalf of the Audit Committee



(Mohammed Ariful Islam)
Chairman

NOMINATION AND REMUNERATION COMMITTEE (NRC) POLICY

1. OVERVIEW

Preface

The Nomination and Remuneration Policy (NRC) of National Polymer Industries Ltd. known as “NPIL 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 NRC 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 remuneration of Directors and top level executives.

3. CONSTITUTION OF NRC

As per BSEC’s Corporate Governance Code, 2018 the NRC shall comprise of at least three members including an Independent Director. All members of the Committee shall be non-executive directors. The members of the Committee shall be nominated and appointed by the Board of Directors as a sub-committee of the Board.

4. CHAIRPERSON OF THE NRC

The Board shall select one member of the NRC to be the Chairperson of the Committee, who shall be an Independent Director. In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting.

5. MEETING AND QUORUM OF THE NRC

The NRC shall conduct at least one meeting in a financial year. 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.

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

- (a) The Committee 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 shall be considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

(ii) 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.

(iii) 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.

(iv) Retirement

The Director or top level executives shall retire as per 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/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 Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

NOMINATION AND REMUNERATION COMMITTEE (NRC) REPORT

In accordance with the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018, the Board of Directors of National Polymer Industries Ltd. has constituted the Nomination and Remuneration Committee (NRC) as a sub-committee of the Board. The Nomination and Remuneration Committee (NRC) is responsible to the Board and Shareholders and its duties and responsibilities are clearly set forth in writing.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee of National Polymer Industries Ltd. is comprised of the following members:

SI No.	Name of Committee Members	Status in the Board	Position in the NRC
1	Dr. Mohammad Mahboob Rahman	Independent Director	Chairman
2	Mr. Mohammed Ariful Islam	Independent Director	Member
3	Mr. Nuruzzaman Khan	ICB Nominated Director	Member
4	Mr. Golam Murshed	Non-executive Sponsor Director & Chairperson of the Board	Member

Senior member(s) of the management team may also attend the meetings by invitation. The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee (NRC).

MEETING OF THE NOMINATION AND REMUNERATION COMMITTEE

During the year ended 30 June 2022 the Nomination and Remuneration Committee held one meeting. The proceedings of the Nomination and Remuneration Committee (NRC) meeting have been recorded and reported to the Board of Directors accordingly. The details of attendance of the committee members are as follows:

SI No.	Name of Committee Members	Meeting Attended
1	Dr. Mohammad Mahboob Rahman	1/1
2	Mr. Mohammed Ariful Islam	1/1
3	Mr. Nuruzzaman Khan	1/1
4	Mr. Golam Murshed	1/1

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

The Nomination and Remuneration Committee (NRC) shall assist the Board in fulfilling its responsibilities more effectively. The NRC shall oversee, among others, the following matters and 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 and the top level executives, considering the followings:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
 - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - Remuneration to directors, 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 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 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;
- (vi) Developing, recommending and reviewing annually the company's human resources and training policies;

SUMMARY OF ACTIVITIES DURING THE YEAR ENDED JUNE 30 2022

The NRC reviewed:

- The policy relating to the nomination and remuneration of Directors, top level executives and other employees of the Company;
- The performance of Independent Directors and other Directors;
- The performance and the compensation package of the Top Level Executives of the Company;
- The compliance of the code of conduct for the Chairman, Directors and Top Level executives of the company;
- The tenure of Directors and vacancy positions or new positions, if any, for the top level executives.
- The BSECs' prescribed checklist regarding the appointment and re-appointment of the Non-Executive Directors/Independent Directors.
- The Company's need for employees at different levels and their selection, transfer or replacement and promotion criteria.
- The appointment of the Chief Financial Officer of the Company Mr. Abu Jafar, FCA and recommended to the Board for approval of the said appointment.

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.

On behalf of the Nomination and Remuneration Committee



(Dr. Mohammad Mahboob Rahman)
Chairman

DIVIDEND DISTRIBUTION POLICY

1.0 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 Limited (NPIL) has formulated a policy known as “**NPIL 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 171st 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 শ্রবধান ৪৬ of the ডিপজিটরি (ব্যবহারিক) শ্রবধানমালা, 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.

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.

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

- (i) As per the BSEC's Directive No. SEC/SRMIC/165-2020/part-1/182 dated 19 July 2021, the company has transferred the unclaimed or undistributed Cash Dividend amounting Tk. 764,327.00 up to the FY 2009-2010 to the Capital Marker Stabilization Fund's (CMSF) bank account.
- (ii) As per the BSEC's Directive No. SEC/SRMIC/165-2020/306 dated 24 November 2021, the Company has transferred 180,488 nos of unpaid or unclaimed or undistributed stock dividend/bonus shares and rights shares (Rights Share 2009 & Bonus Shares from the FY 2010-2011 to 2017-2018) to the Capital Marker Stabilization Fund's BO Account.

The status of unpaid or unclaimed Cash and Stock Dividend is as follows:

- (i) Unpaid or unclaimed Stock Dividend/Bonus Shares for the year 2018-2019: **9,702 shares.**
- (ii) Unpaid or unclaimed Rights Shares-2020: **1,432 shares.**
- (iii) Unpaid or unclaimed Fractional Cash Dividend for the year 2019: **Tk. 160,154.00**
- (iv) Unpaid or unclaimed Cash Dividend for the FY 2019-2020: **Tk. 5,050,731.00**
- (v) Unpaid or unclaimed Cash Dividend for the FY 2020-2021: **Tk. 3,759,297.00**

The company shall transfer its unpaid or unclaimed dividend (Cash & Stock) to the Capital Marker Stabilization Fund (CMSF) duly as per the BSEC's Directive.

CORPORATE GOVERNANCE STATEMENT

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 long-term corporate success and sustainable economic growth. National Polymer Industries Limited is committed to maintaining the highest standards of Corporate Governance across the business for balancing the interests of its Shareholders and other Stakeholders. The details of the governance status of the company are as follows:

CORPORATE GOVERNANCE FRAMEWORK

The Corporate Governance Framework of National Polymer Industries Limited is developed based on the following statutory requirements, practices and guidelines:

- i) The Companies Act, 1994 along with the amendment of the Companies Act dated 26th November 2020 and other applicable Corporate Regulations of Bangladesh;
- ii) Listing Regulations 2015 of the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange PLC;
- iii) Corporate Governance Code-2018 & Financial Reporting & Disclosure Notification-2018 and other regulations issued by the Bangladesh Securities and Exchange Commission (BSEC);
- iv) The Memorandum and Articles of Association of the Company;
- v) The Secretarial Standards issued by the Institute of Chartered Secretaries of Bangladesh;
- vi) The standards of business conduct, policies and guidelines of the Company &
- vii) Other rules, laws and regulations, enforceable time to time.

CONSTITUTION OF THE BOARD OF DIRECTORS

The Board of Directors of the Company consists of the eminent and qualified persons, who provide necessary leadership to enable the achievement of business objectives in creating long-term sustainable growth and also satisfying the interests and expectations of the Company's Shareholders by ensuring that the high standards of Corporate Governance are maintained. The Board of Directors of National Polymer Industries Ltd. comprises of 05 (five) members, who have vast experience and competence to lead a Company appropriately. To ensure the compliance of the Corporate Governance Code and for a balanced representation, the Board includes two Independent Directors, who provides the strategic support and direction.

The Board is re-constituted every year in the Annual General Meeting when one-third of the members retire and seeks re-election as per the Articles of Association and the provisions of the Companies Act, 1994.

BOARD MEETING AND ATTENDANCE OF THE MEMBERS

As per the Companies Act, 1994, the meeting of the Board of Directors shall be held at least once in every 03 (three) months and minimum 04 (four) times in a year. The Company conducts the board meetings and records the minutes of the meetings as well as keep required books and records 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 Limited, accordingly, met 09 (nine) times during the year 2021-2022 to transact various agendas. The attendance of the Directors in the Board Meetings has been disclosed in the Annual 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 conducting the overall activities of the company to achieve the expected financial performance, ensure business sustainability and generate value for the shareholders. The major Roles and Responsibilities of the Board are mentioned below:

- The Board of Directors evaluates the long-term strategies and provides effective guidance and directions to ensure that the robust policies and procedures are maintained perfectly to achieve the business objectives.
- The Board of Directors reviews adequacy of the internal control and risk management systems of the company through its various Committees 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 ensure a decent return on 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/half yearly un-audited financial statements, annual audited financial statements, annual report, declaration of dividends and appointment/ re-appointment of Directors, External Auditors etc.
- The Board of Directors also oversees and monitors 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 proficient officials and review the management succession planning to ensure effectiveness of board governance practices to expedite the overall business performance of the Company.
- In compliance with the Condition No. 1(5) of the Corporate Governance Code and Section 184 of the Companies Act, 1994, the Board of Directors has placed its report before the Shareholders, which is an integral part of the Annual Report.

CHAIRPERSON OF THE BOARD

The Chairperson leads the Board to work perfectly for the long-term benefits of the Company and all of its stakeholders. He is responsible to establish strong corporate governance practices and procedures and to promote the highest standards of integrity and good governance throughout the Company for ensuring the maximum productive contribution of the Board of Directors towards the Company. **Mr. Golam Murshed** is the Chairperson of the Board, who leads the Board perfectly with a view to achieving the Company's objectives and goals.

ROLES & RESPONSIBILITIES OF THE CHAIRMAN

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

- The primary role of the Chairman is to preside over the meeting of the Board of Directors and the meeting of the Shareholders of the Company (AGM/EGM) and ensures Good Corporate Governance in the conduct of the Board and the Company.
- The Chairman confirms that the Board is operating in accordance with the Memorandum and Articles of Association of the Company along with other applicable laws and conventions.
- The Chairman consulting with the Managing Director and the Company Secretary sets the Board Meeting Schedule and Agenda to discuss and approve the important issues of the Company along with the Board of Directors.
- Representing the Company from the highest level, the Chairman 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 the Chairman of the Board of Directors, he neither personally possess the jurisdiction to apply policy making or executive authority nor he participates in or interfere with the administration or operational and routine affairs of the Company.
- The Chairman 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 the in charge of the overall operations and is responsible for the day-to-day activities of the Company. He has overall responsibility for ensuring and enhancing the performance of the company's business. **Mr. Riad Mahmud** is the Managing Director of the Company, who provides the leadership to ensure proper execution of the Board's strategies, policies and decisions.

ROLE & RESPONSIBILITIES OF THE MANAGING DIRECTOR

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

- The Managing Director is responsible for driving the business operations, effective development and implementation of strategies and commercial objectives as agreed by the Board of Directors with a view to creating 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 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.

INDEPENDENT DIRECTORS

As per the BSEC'S Corporate Governance Code, the Board of Directors of National Polymer Industries Ltd. has appointed **Mr. Mohammed Ariful Islam**, Managing Director & CEO of Versatile Automobiles Limited & Member of BARVIDA and **Dr. Mohammad Mahboob Rahman**, Professor of the Department of Management of BRAC University, as the Independent Directors of the Company. Among the mentioned 02 (two) Independent Directors, Mr. Mohammed Ariful Islam has been acting as the Chairman of the Audit Committee & Member of the Nomination and Remuneration Committee (NRC) and Dr. Mohammad Mahboob Rahman has been acting as the Chairman of the Nomination and Remuneration Committee (NRC) and member of the Audit Committee. 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. The Independent Directors are committed to ensuring the effectiveness of the Board to uphold the good governance in the organization.

CHIEF FINANCIAL OFFICER

Mr. Abu Jafar, FCA, with his long service experience and expertise in the field of Accounts, Finance, Auditing, Planning, Budgeting and Management is performing his duties and 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

Mr. Md. Abdul Maleque having a long service experience in field of secretarial and compliance issues is performing his duties and responsibilities as the Company Secretary of the company. The core responsibility of the Company Secretary is to ensure the compliance with the Acts, Rules, Regulations, Notifications, Guidelines, Orders/Directives etc. as issued by the Regulators applicable to the conduct of business activities of the company. The Company Secretary also maintains necessary liaison with the Regulatory Authorities and other Stakeholders on the matters of corporate interest in a transparent manner and acts as a bridge between the Board, Management and Shareholders to facilitate the good governance in the company. He also ensures that the Board receives timely information in advance of the Board Meetings to ensure effective discussion. 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

Mr. Mithun Kanti Das, ACA, who has a vast experience in the field of Audit & Accounts is performing his duties and responsibilities 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 objectively assessing the adequacy and effectiveness of governance system and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control systems. He also makes recommendations to the Management and the Audit Committee about the improvement of operational, financial 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 meetings of the Board of Directors as required under Condition No. 3(2) of the Code.

MANAGEMENT TEAM

The Management Team headed by the Managing Director or Chief Executive Officer 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 to implement the Board's plan, policies and decisions. The Management Team meets in a monthly meeting to review and monitor the performance with regard to the annual plans and budgets, discusses on the operational issues, addresses 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 Cde-2018, the Board of National Polymer Industries Ltd. has constituted 02 (two) sub-committees of the Board named: (1) Audit Committee and (2) Nomination and Remuneration Committee (NRC). Each of these Committees operates with the defined Terms of Reference (ToR) approved by the Board. The Board has also appointed the Chairman and the Members of each Committee.

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. **Mr. Mohammed Ariful Islam**, the Independent Director of the Board acts as the Chairman of the Audit Committee in accordance with the Condition No. 5(3)(a) of the Corporate Governance Code-2018. 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 and interpret financial statements to effectively discharge their duties and responsibilities. The key responsibilities and activities of the Audit Committee are elaborated in the report of the Audit Committee for the year ended 30 June 2022. The meeting and attendance of the Audit Committee Members has been disclosed in the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

In accordance with the guidelines of the BSEC's Corporate Governance Code, the Board of Directors has constituted the 'Nomination and Remuneration Committee (NRC)' as a sub-committee of the Board, which comprises 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**, the Independent Director of the Board. All the Members being well-conversant with integrity are able to contribute to the company ensuring the compliance with the financial laws, regulatory requirements and corporate laws. The Committee assists the Board of Directors in formulating the nomination & remuneration criteria or policy for determining the qualifications, positive attributes, experiences and independence of the Directors and the Top Level Executives of the company. The key responsibilities of the Committee are elaborated in the Nomination & Remuneration Committee Report. The meeting and attendance of the NRC Members has been disclosed in the Annual Report.

RISK MANAGEMENT COMMITTEE

The Company has formed a Risk Management Committee comprising the Department Heads headed by the Head of Internal Audit and 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 recommend the Board about the acceptable levels of risk, develop and implement the risk management framework, 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 executives headed by a senior most executive. 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 a report on the basis of evaluation of the purchase proposal with recommendation and send to the concerned department for obtaining approval from the competent authority.
- To supervise the entire procurement activities.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT COMMITTEE

National Polymer Industries Ltd., 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, Auditors are appointed by the Shareholders at every Annual General Meeting of the Company and their remuneration is also fixed by the Shareholders at the AGM. The Audit Committee of the Company meets with the Statutory Auditors to ensure that the Auditors are acting independently and reviews the Financial Statements before submission to the Board for approval. M/s Shiraz Khan Basak and Co. Chartered Accountants acts as the Statutory Auditor of the Company. Further, to review the regulatory compliances and to obtain a certificate on compliance on the corporate governance code, the Board of Directors has appointed M/s. Mahfel Huq & Co., Chartered Accountants as the Compliance Auditors of the company. The appointment of the Compliance Auditors is also approved by Shareholders in the Annual General Meeting.

INTERNAL AUDIT AND CONTROL

Internal Audit supports the company in achieving the objectives the company by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management and internal control systems. The Internal Audit Department of the company headed by a qualified Chartered Accountants regularly conducts audit based on the quarterly and yearly audit plan. An 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 Ltd. has formulated a Dividend Distribution Policy. 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. The Dividend Distribution Policy of the Company is disclosed in the 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 also disclosed in the Annual Report.

CODE OF CUNDUCT

Company's code of conduct is a policy that outlines the principles and standards that all employees and third parties acting on behalf of the company must follow it. In pursuance of the BSEC's Corporate Governance Code-2018, the Board of Directors of National Polymer Industries Ltd. 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.

COMMUNICATION WITH THE SHAREHOLDERS AND THE STAKEHOLDERS

The Board of Directors acknowledges the importance of effective communication between the Board, Shareholders 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 and any other notices and price sensitive information, which the Company considers as its principal communication with them. The Shareholders are also provided with the routine services by the Company Secretariat & Share Department of the Company.

RELATIONSHIP WITH THE SUPPLIERS

As the Company has to import capital machineries and raw materials from the abroad, it maintains cordial and mutually beneficial interests 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.

COMPANY WEBSITE

The corporate 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 i.e. www.nationalpolymer.net.

COMPARATIVE ANALYSIS OF KEY FINANCIAL PERFORMANCE/INFORMATION OF PRECEDING 05 YEARS

Figures in Taka

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	5,065,419,290	4,487,233,362	3,432,956,238	3,000,007,744	2,366,380,577	1,866,687,057
Gross Profit	878,089,648	722,746,812	602,184,319	557,787,699	387,459,951	307,293,861
Profit Before WPPF & Taxation	279,726,625	247,067,957	210,358,293	178,536,519	111,369,664	93,503,107
Net Profit	213,125,047	182,359,683	150,255,924	127,207,270	79,350,886	66,741,633
Earnings Per Share	2.92	2.82	4.12	4.25	3.24	3.27
* Earnings Per Share (Restated)	-	1.71 (Diluted)	2.50	3.49	2.65	2.72
Non-Current Assets	2,741,497,520	2,239,341,353	1,873,723,605	1,826,858,228	1,629,743,594	1,246,727,606
Current Assets	3,695,085,575	3,800,465,041	2,630,779,173	2,353,922,517	1,832,529,413	1,597,946,088
Total Assets	6,436,583,095	6,039,806,394	4,504,502,778	4,180,780,745	3,462,273,008	2,844,673,693
Authorized Capital	3,000,000,000	3,000,000,000	3,000,000,000	500,000,000	500,000,000	500,000,000
Paid up Capital	729,836,680	729,836,680	364,918,340	299,113,400	245,174,920	204,312,440
Shareholders' Equity	2,088,837,494	1,968,392,471	1,309,083,706	1,165,907,991	1,062,094,915	1,030,197,514
Current Liabilities	3,086,641,598	2,537,027,922	2,567,038,848	2,252,938,054	1,919,205,568	1,611,959,788
** Non-Current Liabilities	1,181,618,989	1,454,900,986	548,895,210	682,449,686	401,487,510	123,031,377
Total Liabilities & Shareholders' Equity	6,436,583,095	6,039,806,394	4,504,502,778	4,180,780,745	3,462,273,008	2,844,673,693
NAV Per Share	28.62	30.49	35.87	38.98	43.32	50.42
NAV Per Share (Restated)	-	-	-	31.95	35.51	42.02
NOCFPS	4.81	(4.33)	6.66	0.22	9.51	24.58
NOCFPS (Restated)	-	-	-	(2.69)	7.79	20.48
Market Price Per Share (On 30 June)	53.30	57.40	56.60	111.15	89.40	107.00
Dividend	10.50%	10%	15%	22%	22%	20%
	Cash Dividend (Recommended)	Cash Dividend	Cash Dividend	Stock Dividend	Stock Dividend	Stock Dividend
Price Earnings Ratio	18.25	20.35	13.74	26.14	27.62	32.76
Current Ratio	1.20	1.49	1.02	1.04	0.95	0.99
Return on Equity (ROE) Ratio-%	10.20	9.26	11.48	10.91	7.47	6.48
Profit Margin Ratio-%	4.21	4.06	4.38	4.24	3.35	3.58
** Debt - Equity Ratio	2.04	2.03	2.38	2.52	2.19	1.68

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

** Deferred Tax Liability not considered

PATTERN OF SHAREHOLDING

- (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):

SI No.	Name	Position	No. of shares held	Percentage (%)
1	Mr. Golam Murshed	Sponsor Director (Chairperson of the Board)	3,782,840	5.18%
2	Mr. Riad Mahmud	Sponsor Director (Managing Director & CEO)	3,603,773	4.94%
3	Mr. Nuruzzaman Khan	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	Chief Financial Officer	Nil	-
11	Mr. Md. Abdul Maleque	Company Secretary	Nil	-
12	Mr. Mithun Kanti Das, ACA	Head of Internal Audit and Compliance	Nil	-
Shares held by the spouses and minor children of the above persons:				
1	Mr. Ehsanul Karim	Son of Mr. Golam Murshed & Mrs. Razia Morshed	250,000	0.34%
2	Spouses and minor children of other Directors, MD/CEO, CFO, CS and Head of Internal Audit & Compliance	-	Nil	-

- (c) 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):

SI No.	Name	No. of shares held	Percentage (%)
1	Mr. Nuruzzaman Khan ICB Nominated Director	13,637,557	18.69%

BOARD AND COMMITTEE MEETINGS & ATTENDANCE

BOARD MEETING AND ATTENDANCE

During the year 2021-2022 the Board of Directors met 09 (nine) times. The details of the Board Meetings are as follows:

SI No.	Name	Position	Meetings Attended
1	Mr. Golam Murshed	Sponsor Director & Chairman	8/9
2	Mr. Riad Mahmud	Sponsor Director & Managing Director	9/9
3	Mr. Nuruzzaman Khan	ICB Nominated Director	9/9
4	Mr. Mohammed Ariful Islam	Independent Director	9/9
5	Dr. Mohammad Mahboob Rahman	Independent Director	9/9

AUDIT COMMITTEE MEETING AND ATTENDANCE

During the year 2021-2022 the Audit Committee met 04 (four) times. The details of the Board Meetings are as follows:

SI No.	Name	Position	Meetings Attended
1	Mr. Mohammed Ariful Islam	Independent Director & Chairman of the Audit Committee	4/4
2	Dr. Mohammad Mahboob Rahman	Independent Director & Member the Audit Committee	4/4
3	Mr. Nuruzzaman Khan	ICB Nominated Director & Member of the Audit Committee	4/4

NRC MEETING AND ATTENDANCE

During the year 2021-2022 the Nomination and Remuneration Committee met 01 (one) time. The details of the Board Meetings are as follows:

SI No.	Name	Position	Meetings Attended
1	Dr. Mohammad Mahboob Rahman	Independent Director & Chairman of the NRC	1/1
2	Mr. Mohammed Ariful Islam	Independent Director & Member of the NRC	1/1
3	Mr. Nuruzzaman Khan	ICB Nominated Director & Member of the NRC	1/1
4	Mr. Golam Murshed	Non-executive Sponsor Director, Chairperson of the Board & Member of the NRC	1/1

DECLARATION BY CEO AND CFO

Date: 30 November 2022

The Board of Directors

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2022

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 Limited** for the year ended on 30 June 2022 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.

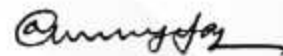
In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2022 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



(Abu Jafar, FCA)
Chief Financial Officer (CFO)

BAPLC CERTIFICATE

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/062

Date of issue : January 25, 2022

BAPLC

Renewed Certificate

This is to certify that

NATIONAL POLYMER INDUSTRIES LIMITED

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 31st December 2022.




Secretary General

CERTIFICATE ON CORPORATE GOVERNANCE



Mahfel Huq & Co.
Chartered Accountants
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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REPORT TO THE SHAREHOLDERS OF NATIONAL POLYMER INDUSTRIES LTD. ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by NATIONAL POLYMER INDUSTRIES LTD. (the company) for the year ended on 30 June 2022. This Code relates to the Notification No-BSEC/CMRRCD/2006-158/207/admin/80 and Dated June 03, 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 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;

- (a) 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;
- (b) 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;
- (c) Proper books and records have been kept by NATIONAL POLYMER INDUSTRIES LTD. as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Md. Abdus Satter Sarkar, FCA
For and on behalf of,
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: November 30, 2022

CORPORATE GOVERNANCE COMPLIANCE STATUS

[As per Condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No.: BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put <input checked="" type="checkbox"/> in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors:			
1(1)	Size of the Board of Directors [Number of Board members - minimum 5 and maximum 20]	<input checked="" type="checkbox"/>		
1.2	Independent Directors:			
1(2) (a)	At least 1/5 of the total number of Directors shall be Independent Directors	<input checked="" type="checkbox"/>		
1(2)(b)	Independent Director means a Director:			
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;	<input checked="" type="checkbox"/>		Independent Directors hold no share
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;	<input checked="" type="checkbox"/>		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	<input checked="" type="checkbox"/>		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	<input checked="" type="checkbox"/>		
1(2)(b)(v)	Who is not a member or TREC (Trading, Right Entitlement Certificate) holder, director or officer of any stock exchange;	<input checked="" type="checkbox"/>		
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;	<input checked="" type="checkbox"/>		
1(2)(b)(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 this Code;	<input checked="" type="checkbox"/>		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(vii i)	Who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(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 (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);	✓		
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days;	✓		
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 03 years, which may be extended for 1 (one) tenure only;	✓		One Independent Director has been re-appointed for another tenure.
	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]			No such event occurred
1.3	Qualification of Independent Director:			
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 the business.	✓		
1(3)(b)	Independent Director shall have following qualifications:			
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 business association; or	✓		One Independent Director is a business leader
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 Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an 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 official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		Another Independent Director is university teacher
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 experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the Commission;			No such event occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive officer:			
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;	✓		
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;	✓		
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 Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		The regular Chairperson was absent in one board meeting and the reason of his absence has been recorded in the minutes.
1(5)	The Directors' report shall include the following additional statements:			
1(5)(i)	An Industry outlook and possible future development in the industry;	✓		Stated in the Directors' report
1(5)(ii)	The segment-wise or product-wise performance	Not Applicable		Do
1(5)(iii)	Risk 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 Margin and Net Profit Margin, where applicable	✓		Do

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	No such event occurred		Stated in the Directors' report
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.	\checkmark		Stated in the financial statements
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	\checkmark		Stated 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		Do
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statements.	No such event occurred		Do
1(5)(x)	A statement of remuneration paid to the Directors including Independent Director;	\checkmark		Do
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;	\checkmark		Do
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	\checkmark		Do
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting elements are based on reasonable and prudent judgment;	\checkmark		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;	\checkmark		Do
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	\checkmark		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;	\checkmark		Do
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as an going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	\checkmark		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 reason thereof shall be explained;	No such event occurred		Do
1(5) (xix)	As statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	\checkmark		Disclosed in the annual report

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Dividend has been declared and details are mentioned 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;	✓		Confirmed in the Directors' report
1(5) (xxii)	The total number of Board Meetings held during the year and attendance by each director;	✓		Disclosed in the annual report
1(5) (xxiii)	Pattern of shareholding disclosing the aggregate number of shares held by:			
	(a) Parent or Subsidiary or Associated companies and other related parties (name-wise details);	Not Applicable		Pattern of shareholding is 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
1(5) (xxiv)	In case of the appointment or r-appointment of a Director, a disclosure on the following information:			
	(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) Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Do
1(5) (xxv)	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:			
	(a) accounting policies and estimation for preparation of financial statements;	✓		Stated in the Management's discussion & analysis
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	No such changes occurred		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
	(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;	✓		Stated in the Management's discussion & analysis
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Do
	(e) briefly explain the financial and economic scenario of the country and the globe;	✓		Do
	(f) risk 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 Annexure-A	✓		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 Annexure-B and Annexure-C.	✓		Do
1(6)	Meeting of the Board of Directors:			
	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.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
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.	✓		
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.	✓		Posted on the website of the company

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
2	Governance of the Board of Directors of Subsidiary Company:			
2(a)	Provision relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable		No Subsidiary Company during the report year
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;	Not Applicable		Do
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;	Not Applicable		Do
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;	Not Applicable		Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	Not Applicable		Do
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit & Compliance (HIAC) and Company Secretary (CS):			
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 position 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;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
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).			No such event occurred during the year
3(2)	Requirement to attend Board of Directors' Meeting:-			
	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)	Duties of the Managing Director or Chief Executive Officer and the Chief Financial Officer:			
3(3)(a)	The MD or CEO and the 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:	✓		
	(i) these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading; and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
	(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 the 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 the CFO shall be disclosed in the Annual Report.	✓		Declaration of MD & CFO is disclosed in the annual report
4	Board of Directors' Committee:			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee			
5(i)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		The company has constituted the Audit Committee
5(1)(b)	The Audit Committee shall assist 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 monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee:			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be not-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 10 (ten) years of such experience;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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 1 (one) month from the date of vacancy in the committee to ensure continuity of the performance of work of the Audit Committee;			No such event occurred during the year
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee:			
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;	✓		
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 continuing 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.			No such event occurred during the 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.			No such event occurred
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial 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 during the year
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	✓		
5(5)	Role of the Audit Committee:			
5(5)(a)	Observe the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles ;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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 such event occurred during the year
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 Offer (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;	✓		Overseen the utilization of Rights Share Issue proceeds
5(6)	Reporting of the Audit Committee:			
5(6)(a)	Reporting to the Board of Directors:			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
	(a) report on conflict of interests;			There was no such event during the year
	(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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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.			There was no such event 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
6	Nomination and Remuneration Committee (NRC):			
6(1)	Responsibility to the Board of Directors:			
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 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 executives;	✓		
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)	✓		
6(2)	Constitution of the NRC:			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the committee shall be non-executive directors;	✓		
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;	✓		The Board has re-appointed one member but no removal was occurred during the year
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 days of occurring such vacancy in the Committee;	✓		The Board duly re-appointed one member for another tenure due to completion of his 1 st tenure.

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.	✓		
6(3)	Chairperson of the NRC:			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be the 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 during the year
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 during the year
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such event occurred during 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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	✓		
6(5)(b)	NRC shall observe, among others, the following matters and make report with recommendation to the Board:			
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:	✓		
	(a) the level and composition of remuneration is responsible 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;	✓		
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;	✓		
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 Report is disclosed in the annual report
7	External or Statutory Auditors:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
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.	✓		
8	Maintaining a website by the Company:			
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).	✓		
9	Reporting and Compliance of Corporate Governance:			
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.	✓		Certificate provided by Mahfel Huq & Co., Chartered Accountants is 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 LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **National Polymer Industries Limited** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2022, 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 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition	
Risks	Our Response to the Risks
<p>At year end the company reported total revenue of BDT 5,065,419,290.</p> <p>Revenue is generated from both local and export sales. In which, VAT is applicable only on local sales. Therefore, calculation of VAT return is required for identifying local sales.</p> <p>Sales recognized based on export sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p> <p><i>[See note 28.00 to the financial statements]</i></p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of discounts, incentives and rebates; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Within a number of the company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Existence and Valuation of Inventories	
Risks	Our Response to the Risks
<p>The company had inventories of BDT 1,322,302,337 at 30 June 2022, held in warehouses.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress.</p> <p>The provision of Work in Progress is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error may occur.</p> <p><i>[See note 7.00 to the financial statements]</i></p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches; • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; and • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
Recognition of and Measurement of Property, Plant and Equipment	
Risks	Our Response to the Risks
<p>The carrying value of the PPE is Tk. 2,596,601,177 as at 30 June, 2022. The valuation of PPE excluding land and land development are measured at cost less accumulated depreciation. Land and Land Development are revalued on 4th May 2015 amounting to Tk. 597,312,000.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of useful life of the assets is a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p> <p><i>[See note 4.00 to the financial statements]</i></p>	<p>In order to obtain the completeness and accuracy of the measurement of Property, Plant & Equipment, we have tested the following key control activities:</p> <ul style="list-style-type: none"> • Attends the physical verification of fixed assets. • Checking the fixed assets register for property, plant and equipment. • Assessed the legal right and obligations of property, plant and equipment. • Assessed the control activities of Property, Plant and Equipment. • Assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. <p>Our substantive procedure in relating to the property, plant and equipment recognition and measurements are following:</p> <ul style="list-style-type: none"> • Checked the purchase and adjustments with the relevant bills and vouchers. • Verified the hard copy of fixed assets register. • Verified the calculation process of depreciation. • Checked the appropriateness of presentation and disclosure.
Long Term Loan	
Risks	Our Response to the Risks
<p>As at June 30, 2022, the reported amount of total Long Term loan is Tk. 239,516,402 (Current and Non-current portion). The company borrowed fund from various banks for the purpose of acquisition of non-current assets and working capital as well.</p>	<p>In order to obtain the accuracy, completeness and correctness of measurement of Long Term Loan, we have followed the following key and control activities:</p> <ul style="list-style-type: none"> • Attend the actual position of loan. • Checking the bank statements.

<p><i>[See note 17.00 to the financial statements]</i></p>	<ul style="list-style-type: none"> • Checking the loan agreement. <p>Our substantive procedure in relating to the Loan Term Loan recognition and measurement are following:</p> <ul style="list-style-type: none"> • Checked the bank statement also with the opening balance. • Checked the recoding of the transaction. • Verified the sanction letter, loan schedule bank statements to confirm the loan outstanding and found the balance shown in the financial statements accurately. • Checked the financial expenses and classification of loan and repayments schedule as well.
<p>Trade & Other Receivable</p>	
<p>Risks</p>	<p>Our Response to the Risks</p>
<p>The total amounts of Trade & Other Receivable are Tk. 1,341,945,269 from local customers in different business segments and jurisdiction is subject to their independent business risk.</p> <p><i>[See note 3.11i(a) and 8.00 to the financial statements]</i></p>	<p>In order to obtain the accuracy, completeness and correctness of accounts receivable, we have followed the following key and control activities:</p> <ul style="list-style-type: none"> • Attend the actual position of accounts receivable. • Checking the ledger with schedule. <p>Our substantive procedure in relating to the accounts receivable recognition and measurement are following:</p> <ul style="list-style-type: none"> • Checked the opening balance with the ledger. • Confirmation letters issued to a few numbers of customers for confirming the balance. Confirmation letter have been received from some of that customer.
<p>Employees Salary and Wages</p>	
<p>Risks</p>	<p>Our Response to the Risks</p>
<p>Salary and Wages are measured on accrual basis and its allocation in accordance with cost center. Salary and wages are measured when it is paid and payable.</p> <p><i>[See note 3.29, 30.00 & 31.00 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"> • Assessed the provision of salary and wages. • Checking the approval by authorized person. • Assessed properly transfer with bank or cash compare to salary statement. • Assessed the allocation of salary and wages to the cost center appropriately or not. <p>Our substantive procedure in relating to the Salary and wages are following:</p> <ul style="list-style-type: none"> • Verified the provision and payment of total salary and wages. • Checked the salary and wages calculation with appropriate scale. • Tested the salary and wages statement and vouchers properly or advance payment of salary, if any. • Verified the deduction against salary, like tax etc.

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.

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: October 26, 2022



Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khan Basak & Co
Chartered Accountants
ICAB Enrolment No. 461
DVC: 2210260461AS943007

National Polymer Industries Limited
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	2,596,601,177	1,623,629,173
Investment	5	39,904,030	376,514,587
Capital Work in Progress (CWIP)	6	104,992,313	239,197,593
Total Non-Current Assets		2,741,497,520	2,239,341,353
Current Assets			
Inventories	7	1,322,302,337	1,300,832,835
Trade & Other Receivables	8	1,341,945,269	1,168,475,262
Accrued Interest Receivable on FDR	9	1,069,617	2,408,179
Advance, Deposits & Pre-payments	10	280,096,426	226,186,180
Advance Income Tax	11	389,567,842	409,102,776
Cash & Cash Equivalents	12	360,104,084	693,459,809
Total Current Assets		3,695,085,575	3,800,465,041
TOTAL ASSETS		6,436,583,095	6,039,806,394
EQUITY & LIABILITIES			
Shareholders Equity & Reserves			
Share Capital	13	729,836,680	729,836,680
Share Premium	14	316,459,170	316,459,170
Revaluation Reserve	15	496,260,922	496,260,922
Retained Earnings	16	546,280,722	425,835,699
Total Shareholders Equity & Reserves		2,088,837,494	1,968,392,471
Non-Current Liabilities			
Long Term Loan - (Non-Current Maturity)	17	104,952,327	219,900,986
Deferred Tax Liability	18	79,485,014	79,485,014
Inter-Company Loan (Non-Current Maturity)	19	1,076,666,662	1,235,000,000
Total Non-Current Liabilities		1,261,104,003	1,534,386,000
Current Liabilities			
Short Term Loan	20	2,342,598,960	1,512,960,991
Long Term Loan (Current Maturity)	17	134,564,075	191,597,942
Bank Overdraft	21	167,074,377	276,651,509
Accounts Payable	22	40,505,247	34,726,580
Unclaimed Dividend Account	23	8,970,183	5,287,959
Inter-Company Loan (Current Maturity)	24	253,333,336	380,000,000
Provision for Expenses	25	20,050,709	21,009,359
WPPF & Welfare Fund	26	13,320,315	11,765,140
Provision for Taxation	27	106,224,396	103,028,442
Total Current Liabilities		3,086,641,598	2,537,027,922
TOTAL EQUITY & LIABILITIES		6,436,583,095	6,039,806,394
Net Asset Value (NAV) Per Share	40	28.62	30.49


The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary

Dhaka: 26 October 2022


Md. Shifazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC: 2210260461AS943007

National Polymer Industries Limited
Statement of Profit or Loss and Others Comprehensive Income
For the Year ended 30 June 2022

Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
Revenue	28	5,065,419,290	4,487,233,362
Cost of Goods Sold	29	(4,187,329,642)	(3,764,486,550)
Gross Profit		878,089,648	722,746,812
Administrative, Selling and Distribution Expenses:			
Administrative Expenses	31	(176,824,948)	(156,028,946)
Selling and Distribution Expenses	32	(119,436,805)	(79,216,737)
Profit from Operations		581,827,895	487,501,129
Other Income	33	4,629,220	25,733,128
Foreign Exchange Gain/(Loss)	34	(3,894,750)	(3,518,595)
Finance Expense	35	(302,835,740)	(262,647,705)
Profit before WPPF and Taxation		279,726,625	247,067,957
WPPF and Welfare Fund	36	(13,320,315)	(11,765,141)
Provision for Tax	37	(53,281,262)	(52,943,134)
Net Profit for the Period		213,125,047	182,359,683
Other Comprehensive Income/(Loss) for the Period			
Actuarial Loss on Defined Benefit Plan		-	-
Total Comprehensive Income for the Period		213,125,047	182,359,683
Basic Earnings Per Share (EPS)	38	2.92	2.82
Diluted Earnings Per Share (EPS) for Right Issue	38	2.92	1.71


The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary

Dhaka: 26 October 2022

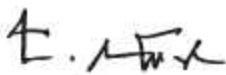

Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC: 2210260461AS943007

National Polymer Industries Limited
Statement of Changes in Equity
For the Year ended 30 June 2022

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2021	729,836,680	316,459,170	496,260,922	425,835,699	1,968,392,471
Cash Dividend Paid (FY 2020-2021)	-	-	-	(72,983,668)	(72,983,668)
Tax Adjustment against assessment (2019-2020 FY)	-	-	-	(19,696,357)	(19,696,357)
Profit Earned during the year	-	-	-	213,125,047	213,125,047
Balance as at 30 June 2022	729,836,680	316,459,170	496,260,922	546,280,722	2,088,837,494

Statement of Changes in Equity
For the year ended 30 June 2021

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



Chairman



Managing Director



Company Secretary

Dhaka: 26 October 2022

National Polymer Industries Limited
Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
Cash Flows from Operating Activities			
Collection from Sales and Others		4,891,949,283	4,073,573,035
Payment to Suppliers, Employees and Others		(4,169,084,332)	(3,979,917,138)
		722,864,951	93,655,897
Income Tax Paid	11	(185,514,250)	(197,920,739)
Foreign Exchange Gain/(Loss)		(3,894,750)	(3,518,595)
Financial Expenses		(182,551,348)	(171,780,000)
Net Cash Flows from Operating Activities		350,904,602	(279,563,437)
Cash Flows from Investing Activities			
Payment for acquisition of Property, Plant & Equipment	4.01	(1,030,234,501)	(244,022,761)
Investment/ Encashment in FDR		336,610,558	(125,601,051)
Capital Work in Progress (CWIP)	6	(60,446,633)	(185,940,000)
Net Cash used in Investing Activities		(754,070,576)	(555,563,812)
Cash Flows from Financing Activities			
Proceeds from Long Term Loan		-	1,091,806,206
Payment of Long Term Loan		(171,982,526)	(1,532,198,577)
Proceeds from Right Issue		-	547,377,510
Short Term Loan- Increase/(Decrease)		720,060,836	(257,530,451)
Cash Dividend Paid (2020-2021 FY)		(72,983,668)	-
Cash Dividend Paid (2019-2020 FY)		-	(54,737,751)
Inter Company loan		(285,000,002)	1,563,099,687
Interest Paid on Long Term Loan		(120,284,392)	(90,867,705)
Net Cash Flows/ (used) from Financing Activities		69,810,249	1,266,948,919
Net Increase/(Decrease) in Cash during the year		(333,355,725)	431,821,670
Opening Cash & Cash Equivalents		693,459,809	261,638,140
Closing Cash & Cash Equivalents	12	360,104,083	693,459,810
Net Operating Cash Flow per Share	41	4.81	(4.33)

The annexed notes form an integral part of these Financial Statements



Chairman



Managing Director



Company Secretary

Dhaka: 26 October 2022

National Polymer Industries Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2022

1.00 Reporting Entity

1.1 Profile of the Company

1.1.1 Legal Status of the Company

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

1.1.2 Address of Registered Office and Principal Place of Business

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

1.1.3 Nature of Business

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

1.1.4 Number of Employees

The number of employees at year-end were 1045 and Board of Directors 06.

2.00 Structure, Content and Presentation of Financial Statements

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

- (i) Statement of Financial Position as at June 30, 2022;
- (ii) Statement of Profit or Loss and Others Comprehensive Income for the year ended June 30, 2022;
- (iii) Statement of Changes in Equity for the year ended June 30, 2022;
- (iv) Statement of Cash Flows for the year ended June 30, 2022; and
- (v) Notes to the Financial Statements for the year ended June 30, 2022.

3.00 Significant Accounting Policies

3.01 Basis of Measurement of Elements of Financial Statements

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

3.02 Reporting Period

The Financial Statements covers the period from 1 July 2021 to 30 June 2022.

3.03 Statement on Compliance with Local Laws

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

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

3.04 Going Concern

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

3.05 Accrual Basis

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

3.06 Use of Estimates and Judgments

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

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

3.07 Property, Plant & Equipment (PPE)

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

Subsequent Costs

The cost of replacing part of an item of Property, Plant and 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.

3.08 Accrual basis of Capital Work in Progress

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

3.09 Application of Standards

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

Name of the Accounting Standards	Ref.	Status
First-time adoption of International Financial Reporting Standards	IFRSs-1	Not applicable
Share Based Payment	IFRSs-2	Not applicable
Business Combinations	IFRSs-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRSs-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRSs-6	Not applicable
Financial Instruments: Disclosures	IFRSs-7	Applied
Operating Segments	IFRSs-8	Not applicable
Financial Instruments	IFRSs-9	Applied
Consolidated Financial Statements	IFRSs-10	Not applicable
Joint Arrangements	IFRSs-11	Not applicable
Disclosure of Interest in other Entities	IFRSs-12	Not applicable
Fair Value Measurement	IFRSs-13	Not applicable
Regulatory Deferral Accounts	IFRSs-14	Not applicable
Revenue from Contracts with Customers	IFRSs-15	Applied
Leases	IFRSs-16	Not applicable
Insurance Contracts	IFRSs-17	Not applicable
Presentation of Financial Statements	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	Not applicable
The Effects of Changes in Foreign Exchange Rates	IASs-21	Applied
Borrowing Costs	IASs-23	Applied
Related Party Disclosures	IASs-24	Applied
Investments in Associates	IASs-28	Not applicable
Earnings per Share	IASs-33	Applied
Interim Financial Reporting	IASs-34	Applied
Intangible Assets	IASs-38	Not Applicable
Financial instruments: Recognition and Measurement	IASs-39	Applied
Investment Property	IASs-40	Not applicable
Agriculture	IASs-41	Not applicable

3.10 Inventory

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

3.11 Financial Instruments

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

i) Financial Assets

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

i.(a) Accounts Receivables

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

i.(b) Cash and Cash Equivalents

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

Other Current Assets

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

ii) Financial Liabilities

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

ii.(a) Finance Lease Obligation

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

ii.(b) Loans and Borrowings

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

ii.(c) Accounts Payables

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

3.12 Impairment

i. Financial Assets

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

ii. Non-Financial Assets

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

3.13 Taxation

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

i. Current Taxation

The tax currently payable is based on the Taxable profit for the year and any adjustment to tax payable in respect of previous year. The company is a Publicly Traded Company. As per the Income Tax Ordinance, 1984 the rate of taxation applied at the rate of 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 3rd Schedule of the Income Tax Ordinance, 1984. Depreciation has been charged on all items of Fixed Assets except for Land and Land Development on **Reducing Balance Method**. During the period, there were no temporary difference/s between Tax Base and Carrying Amount of an Asset or Liability.

3.14 Revaluation Reserve

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

The company has revalued (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. Chartered Accountants. 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	2014-2015
Opening Balance	45,845,841
Revaluation Reserve without Charging Capital Gain	529,900,095
Total Revaluation on Land	575,745,936
Deferred Tax Liability @15% on Tk. 529,900,095	(79,485,014)
Revaluation Reserve	496,260,922

3.15 Tax Holiday Reserve

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

3.16 Foreign Currency Translation

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

3.17 Provisions, Accrued Expenses and Other Payables

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

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

3.18 Contingent Liabilities

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

3.19 Revenue (Turnover) From Sales

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

Revenue Recognition

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

- a. The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. The Company retains neither continuing managerial involvement to the degree usually associated ownership nor effective control over the goods sold;
- c. The amount of revenue can be measured reliably;
- d. It is probable that the economic benefits associated with the transaction will flow to the company;
- e. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Other non-operating income has been recognized on accrual basis.

3.20 Borrowing Cost

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

3.21 Earnings Per Share

The Company calculates Earnings Per Shares (EPS) in accordance with IASs 32 & 33 "Diluted Earnings Per Share" & "Earnings per Shares" which has been shown on the face of Statement of Comprehensive Income and, the computation of EPS is stated in Note 38. Earning per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 30 June 2022 as per IASs-33 "Earnings per Shares".

3.22 Basic Earnings / Loss

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

3.23 Diluted Earnings Per Share

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

3.24 Statement of Cash Flows

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

3.25 Dividend for the 2021-2022

The Board of Directors recommended 10.50% cash dividend per share excepting the sponsor share holder Mr. Riad Mahmud (Managing Director) which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

3.26 Events after the Reporting Period

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

3.27 Post Closing Events

After the reporting period, the Board of Directors recommended 10.50% cash dividend per share excepting the sponsor share holder Mr. Riad Mahmud (Managing Director). The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

3.28 Human Resources

Particulars	2021-22	2020-21
Officers	385	379
Staff	204	186
Skilled and unskilled workers	456	442
Total	1045	1007

3.29 Employee Benefit

i. Defined Contribution Plan

The Company maintains a recognized provident fund @ 10.50% of basic pay (equally contributed by employee and employer) for all eligible permanent employees. The said fund is managed by a board of trustees.

ii. Defined Benefit Plan

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

iii. Employee's Group Insurance

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

3.30 Advertisement, Publicity & Promotional Expenses

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

3.31 Additional Information on Financial Statements

i. Responsibilities for Preparation and Presentation of Financial Statements

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

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

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

iii. Compliance with the International Accounting Standards (IASs)

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

3.32 Authorization for Issue

These Financial Statements have been authorized for issue by the Board of Directors of the Company on 26 October, 2022.

3.33 Segment Reporting

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

3.34 Comparative Information

Figures of the year 2020-2021 have been rearranged and regrouped whenever considered necessary to ensure comparability with the current period. The disclosures in the Financial Statements, in all materials respects, are in accordance with International Accounting Standards (IASs).

3.35 Offsetting

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

3.36 Materiality and Aggregation

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

3.37 Reporting Currency

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

3.38 Directors' Responsibility Statement

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

3.39 Regarding tax depreciation and accounts depreciation

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

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

3.40 Deviation of Revenue & EPS

Taking some cost control measure COGS decreased from 83.89% to 82.67%. Basic Earnings Per Share (EPS) increased 2.82 to 2.92 and Diluted Earnings Per Share (EPS) was increased 1.71 to 2.92 per share due to Issued Right Share.

3.41 Deviation of NOCF

Net Operating Cash Flows is just the resultant figure of Cash Inflows and Outflows from Operating Activities. Therefore, Net Operating Cash Flows increases, if only Cash Inflows is higher than Cash Outflows in a particular period and vice versa.

Net Operating Cash Flows of our Company has been increased because of Cash Outflows for the reported year was lower than Cash Inflows and the main reasons are:-

Revenue and collection increased and payment to Suppliers and Others has been decreased significantly than Comparative period.

3.42 General

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

National Polymer Industries Limited

As at and for the year ended 30 June 2022

Note 4.00 : Property, Plant and Equipment

Assets Category	COST (Taka)			DEPRECIATION (Taka)				Written Down Value as on 30.06.2022	
	As on 01.07.2021	Additions during the Year	Adjustment/ Sales during the Year	Total as on 30.06.2022	Dep. Rate	Cumulative as on 01.07.2021	Charged during the Year		Adjustment/ Sales during the Year
Land & Land Development									
Cost	49,718,575	697,091,410	-	746,809,985	-	-	-	-	746,809,985
Revaluation	575,745,936	-	-	575,745,936	-	-	-	-	575,745,936
Factory Buildings	216,695,142	55,813,593	-	272,508,735	10.0%	124,663,137	9,203,201	-	133,866,338
Plant & Machinery	1,983,246,901	430,551,878	-	2,413,798,779	20.0%	1,151,577,317	228,356,901	-	1,379,934,218
Godown Shed & Steel Rack	35,174,845	-	-	35,174,845	10.0%	27,918,855	725,599	-	28,644,454
Factory Laboratory	179,420	-	-	179,420	20.0%	174,294	1,025	-	175,319
Factory Boundary Wall	4,045,053	-	-	4,045,053	10.0%	3,229,445	81,561	-	3,311,006
Generator	82,519,490	-	-	82,519,490	20.0%	73,706,094	1,762,679	-	75,468,773
Titus Gas Installation	2,288,132	-	-	2,288,132	10.0%	1,733,822	55,431	-	1,789,253
Furniture & Fixtures	7,567,273	928,500	-	8,495,773	10.0%	4,352,902	344,368	-	4,697,270
Vehicles	114,377,413	36,579,000	-	150,956,413	20.0%	79,669,516	9,349,846	-	89,019,362
Office Equipment	47,272,969	3,922,032	-	51,195,001	10.0%	28,176,593	2,033,799	-	30,210,392
As at 30 June 2022	3,118,831,149	1,224,886,413	-	4,343,717,563		1,495,201,976	251,914,410	-	1,747,116,386
As at 30 June 2021	2,874,808,389	244,022,761	-	3,118,831,149		1,305,255,912	189,946,064	-	1,495,201,976

Depreciation allocated to :

Manufacturing Overhead (Note-30)	240,186,396
Administrative Expenses (Note- 31)	11,728,013
	<u>251,914,410</u>

4.01 Property, Plant & Equipment

	Amount in Taka	
	30 June 2022	30 June 2021
Opening Balance	3,118,831,149	2,874,808,389
Addition during the year	1,224,886,413	244,022,760
Cost as at 30 June 2022	4,343,717,563	3,118,831,149
Accumulated Depreciation	(1,747,116,386)	(1,495,201,976)
Closing Balance (Details in Note- 4.00)	2,596,601,177	1,623,629,173

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

5.00 Investment

FDR in Uttara Finance & Investment Ltd.	-	125,668,536
Addition During the year	-	10,139,151
	-	135,807,687
FDR in IPDC with Addition	28,547,787	75,245,000
Addition During the year	-	2,205,833
	28,547,787	77,450,833
FDR in SCB Ltd.	-	50,000,000
FDR in City Bank Ltd.	726,565	-
FDR in One Bank Ltd.	10,629,678	113,256,067
	39,904,030	376,514,587

Name of Institute	FDR No.	Principal	Interest Rate	Branch	Maturity Date
IPDC Finance Limited	2592	2,951,993	6.50%	Gulshan	08 July 2023
IPDC Finance Limited	8901	8,520,908	5.75%	Gulshan	13 Jan 2023
IPDC Finance Limited	7574	8,206,250	5.75%	Gulshan	26 Nov 2022
IPDC Finance Limited	2590	5,827,000	6.50%	Gulshan	01 Aug 2022
IPDC Finance Limited	1625	3,041,636	6.50%	Gulshan	28 May 2023
City Bank Limited	8001	726,565	5.25%	Gulshan	23 June 2023
One Bank Limited	2267	10,629,678	4.00%	Banani	15 May 2023

6.00 Capital Work in Progress (CWIP)

Capital Machinery in Transit	112,100,000	112,100,000
Transferred to Plant and Machinery during the year	(96,571,320)	-
	15,528,680	112,100,000
Opening Balance of Advance on Civil Construction	55,813,593	53,257,593
Transferred to Factory Building during the year	(55,813,593)	-
Advance for Civil Construction during the year	56,860,000	2,556,000
	56,860,000	55,813,593
Opening Balance of Advance on Land & Land Development	71,284,000	71,284,000
Advance during this period	3,586,633	-
Transferred to Land & Land Development during the year	(42,267,000)	-
	32,603,633	71,284,000
	104,992,313	239,197,593

7.00 Inventories

Raw Materials	582,729,694	593,315,462
Work in Process	55,709,794	40,812,317
Finished Goods	444,488,933	453,560,136
Stores and Spares	14,675,870	12,479,481
Stock in Transit	217,369,593	196,892,748
Packing Materials	7,328,453	3,772,691
	1,322,302,337	1,300,832,835

8.00 Trade & Other Receivables

Receivables against Sales & others	1,341,945,269	1,168,475,262
	1,341,945,269	1,168,475,262

Day Range	Amount in Taka	Amount in Taka
Below 30 days	752,965,491	655,631,470
Below 90 days	472,230,540	411,186,445
Below 180 days	110,039,512	95,814,971
Above 180 Below 1 Year	6,709,726	5,842,376
Total	1,341,945,269	1,168,475,262

9.00 Accrued Interest Receivable on FDR

Bank Name	Interest Rate	FDR No.	Maturity Date	30 June 2022	30 June 2021
Uttara Finance & Investment Ltd.	9.00%	10224/17	31 May 2022	-	1,018,558
IPDC Finance Limited	5.25%	2592	08 July 2022	151,536	140,910
IPDC Finance Limited	5.75%	8901	13 Jan 2023	227,283	218,890
IPDC Finance Limited	6.50%	7574	28 Nov 2022	314,117	212,224
IPDC Finance Limited	5.75%	2590	01 Aug 2022	306,201	152,990
IPDC Finance Limited	5.75%	1625	28 May 2023	15,546	41,423
IPDC Finance Limited	5.25%	8684	11 May 2023	-	357,292
Standard Chartered Bank Ltd.	5.25%	8138	23 June 2023	-	51,042
City Bank Limited	3.50%	8001	18 May 2023	2,967	-
One Bank Limited (Three Months)	4.00%	2267	15 May 2022	51,967	-
One Bank Limited (Three Months)	4.60%	2198	15 Sep 2022	-	17,755
One Bank Limited (Three Months)	4.60%	2187	15 Sep 2022	-	169,596
One Bank Limited (Three Months)	4.60%	2201	15 Sep 2022	-	27,499
				1,069,617	2,408,179

10.00 Advance, Deposit & Pre-payments

Advance to Suppliers

Opening Balance	6,700,505	15,636,539
Add: During the Year	3,268,590	2,254,200
Bill Adjustment	-	(11,190,234)
	9,969,095	6,700,505
Advance to Employee	7,604,548	7,564,452
Advance against Brand Development	5,258,486	5,796,361
Other Advances	1,470,244	1,410,245
	24,302,374	21,471,563
Deposits:		
Security Deposit	4,429,300	3,859,800
Margin, Tender Earnest Money & other Deposits	78,762,846	52,508,564
Deposit for Utilities	2,187,484	3,976,619
	85,379,630	60,344,983
Prepayments:		
Prepaid Rent	29,341,868	27,681,007
Value Added Tax (VAT)	141,072,555	116,688,627
	170,414,423	144,369,634
	280,096,426	226,186,180

a) Employees advance of Tk. 76,04,548 includes advance to officers mostly for official purpose.

b) No amount is due by the Directors, including Managing Director or officer of the company and any of them severally or jointly with any other person except as stated in (a) above.

11.00 Advance Income Tax

Opening balance	409,102,776	269,275,136
AIT Paid at Port (Import Stage)	156,224,709	170,110,167
AIT Paid at Port (Export, Local & Others)	27,964,785	25,015,187
AIT on Vehicles	1,143,500	504,000
AIT on Bangladesh Bank Cash Assistance	98,600	784,765
AIT on FDR interest	82,656	1,506,620
AIT Refund up to 2019-2020 FY	(58,901,189)	-
AIT Refund up to 2018-2019 FY	(76,366,330)	-
Prior Year Adjustment on Income Tax Assessment (Income Year 2018-2019)	-	(58,093,099)
Prior Year Adjustment on Income Tax Assessment (Income Year 2019-2020)	(69,781,665)	-
	389,567,842	409,102,776

12.00 Cash & Cash Equivalents

Cash in Hand
Cash at Bank

Amount in Taka	
30 June 2022	30 June 2021
6,598,500	3,530,600
353,505,584	689,929,209
360,104,084	693,459,809

12.01 Cash at Bank

	Branch	A/C No.		
AB Bank Limited	Gulshan Circle-2	CD-88500	2,136,676	710,382
Agrani Bank Limited	Amin Court Corp. Br.	COR-03583	-	44,778
Agrani Bank Limited	Gulshan -1	CD-2926	56,349	-
Agrani Bank Limited	Nawabpur Corp. Br.	COR-06621	610,278	479,679
Al-Arafa Islami Bank Ltd.	Pagati Sharoni Br.	CD-8812	297,103	-
Bank Asia Limited	Gulshan -1	CD-10829	884,964	1,958,326
Bengal Commercial Bank Ltd.	Gulshan Corp. Br.	CD-2436	4,210	-
Community Bank Bangladesh Ltd.	Gulshan Br.	CD-8101	15,851	-
Dhaka Bank Limited	Gulshan Circle-2	CD-0148	4,105	-
Dhaka Bank Limited	Gulshan Circle-2	CD-1253	2,578,369	494,742
Dutch Bangla Bank Limited	Bashundhara	CD-10144	53,260,604	62,010,146
BRAC Bank Limited	Satmosjeed Road	CD-51001	47,945,278	67,765,620
BRAC Bank Limited	Gulshan Br.	CD-51001	422,895	235,686,193
City Bank Limited	Dhanmondi	CD-28001	3,934,882	14,700,975
Eastern Bank Ltd.	Gulshan Circle-2	CD-22731	29,644	771,534
IFIC Bank Limited	Moulavi Bazar	CD-143821	2,288,237	680,701
Islami Bank Bangladesh Limited	Kawran Bazar	CD-12804	10,223,303	2,731,900
Jamuna Bank Limited	Gulshan	CD-13615	58,523,757	69,476,281
Janata Bank Limited	Alu Bazar	CD-16125	-	598,760
Janata Bank Limited	Gulshan-1	CD-71210	2,405,636	399,390
Modhumati Bank Limited	Gulshan	CD-00070	176,525	539,617
Mutual Trust Bank Limited	MTB Center Corp. Br.	CD-05604	-	356,340
Mutual Trust Bank Limited	Banani	CD-07295	913,075	11,810,476
National Bank Limited	Gulshan	CD-69629	46,353,326	54,804,779
NCC Bank Ltd.	Dhanmondi	CD-00320	177,408	52,632
One Bank Limited	Dhanmondi	CD-87001	1,449,743	2,603,119
One Bank Limited	Banani	CD-7183	1,169,315	-
Premier Bank Limited	Gulshan Circle-2	CD-00033	453,273	328,480
Prime Bank Limited	Motijheel	CD-80705	-	35,510,548
Prime Bank Limited	Gulshan Circle-2	CD-22889	50,161,497	55,053,194
Prime Bank Limited	Gulshan Circle-2 (Dividend Acc 19-20)	SND-26085	5,050,731	5,127,805
Prime Bank Limited	Gulshan Circle-2 (Dividend Acc 20-21)	SND-27750	3,759,297	-
Prime Bank Limited	Gulshan Circle-2	FC-8788	1,532,160	-
Prime Bank Limited	Gulshan	CD-5221	2,112,608	-
Pubali Bank Limited	Gulshan M.T Corp. Br.	CD-28344	2,084,845	1,432,808
Shahajalal Islami Bank Limited	Satmosjeed Road	CD-01639	1,548,329	1,048,437
Shahajalal Islami Bank Limited	Gulshan-1	CD-0595	768,373	8,368
Sonali Bank Limited	Lalmatia	CD-08067	-	752,087
Sonali Bank Limited	Gulshan-1	CD-0735	1,038,781	4,773,068
Standard Chartered Bank	Gulshan-2	CD-25804	1,599,787	-
Standard Bank Limited	Gulshan-1	CD-3814	221,029	254,838
Trust Bank Ltd.	Gulshan Corp. Br.	CD-16474	803,804	1,489,885
United Commercial Bank Limited	Tongi	CD-03100	46,410,829	54,927,745
Uttara Bank Limited	Kalabagan	CD-11673	65,002	410,451
Uttara Bank Limited	Tongi	CD-13797	33,709	135,124
			353,505,584	689,929,209

13.00 Share Capital

Authorized:

300,000,000 Ordinary Shares of Taka 10 each

Issued, Subscribed and Paid-up:

- I) 134,0000 Ordinary Shares of Taka 10 each
- II) 134,0000 Rights Shares of Taka 10 each (1:1)
- III) 536,0000 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

Amount in Taka	
30 June 2022	30 June 2021

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

Composition of Shareholding:

	30 June 2022		30 June 2021	
	Number	%	Number	%
Sponsors/Directors	25,295,134	34.66	27,740,897	38.01
Financial Institutions	10,206,592	13.98	7,951,893	10.90
General	37,481,942	51.36	37,290,878	51.09
	72,983,668	100	72,983,668	100

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%
Mr. Nuruzzaman Khan	Nominated Director	13,637,557	18.69%
Mr. Robel Mahmud	Sponsor	726,202	1.00%
Mrs. Razia Morshed	Sponsor	304,082	0.42%
Mrs. Khaleda Akhand	Sponsor	9,069	0.01%
Late Shamsul Abedin Akhand and Mrs. Khaleda Akhand (Joint Account)	Sponsor	3,231,611	4.43%
Total		25,295,134	34.66%

Classification of Shareholders by holding:

Holdings	Number of Holders		Total Holding (%)	
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
1 to 500	4,058	3,848	39.25	40.00
501 to 1,000	1,776	1,571	17.18	16.33
1,001 to 5,000	2,931	2,807	28.35	29.18
5,001 to 50,000	1,452	1,269	14.05	13.19
50,001 to above	121	125	1.17	1.30
	10,338	9,620	100	100

14.00 Share Premium

Total 536,000 Shares of Taka 250 each (January 2009)
Total 36,491,834 Shares of Taka 05 each (February 2021)

134,000,000	134,000,000
182,459,170	182,459,170
316,459,170	316,459,170

15.00 Revaluation Reserve

Opening Balance
Land Revalued during this year
Deferred Tax on Land Revaluation

496,260,922	496,260,922
-	-
496,260,922	496,260,922
496,260,922	496,260,922

On 4th May 2015, the company has revaluated its own land located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer Mahfel Huq & Co. Chartered Accountants The area of the land is 311.10 Decimals. (Details in Note- 3.14)

Amount in Taka	
30 June 2022	30 June 2021

16.00 Retained Earnings

Opening Balance	425,835,699	313,904,444
Payment of Stock Dividend	-	-
	425,835,699	313,904,444
Cash Dividend Paid (2019-2020 FY)	-	(54,737,751)
Cash Dividend Paid (2020-2021 FY)	(72,983,668)	-
Tax Adjustment against assessment (2018-2019 FY)	-	(15,690,676)
Tax Adjustment against assessment (2019-2020 FY)	(19,696,357)	-
Profit during the year end	213,125,047	182,359,683
	546,280,722	425,835,699

17.00 Long Term Loan

Standard Chartered Bank

Opening Balance	67,078,928	164,662,475
Received during the year	-	-
Paid during the year	(67,078,928)	(97,583,547)
	-	67,078,928

Current Maturity within one year

Prime Bank Ltd.

Opening balance	344,420,000	242,173,933
Received during the year	-	180,356,122
Paid during this year	(104,903,598)	(78,110,055)
	239,516,402	344,420,000

Current Maturity within one year

Standard Chartered Bank

Prime Bank Ltd.

Long Term Loan - (Current Maturity)

Prime Bank Ltd.

Long Term Loan - (Non-current Maturity)

	-	67,078,928
	134,564,075	124,519,014
	134,564,075	191,597,942
	104,952,327	219,900,986
	104,952,327	219,900,986
	239,516,402	411,498,928

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank	Motijheel	BA8/10836628/SCB/UC	29-Feb-2022
Prime Bank Ltd.	Gulshan-1	Prime/CAD/CNIB/2021/293	22-Aug-2021

Security against Facilities

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

18.00 Deferred Tax Liability

Deferred tax liability has been calculated on the revaluation surplus of land. On 4th May 2015, the company has revaluated 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

Deferred Tax Liability @ 15%.

529,900,095	529,900,095
79,485,014	79,485,014

Amount in Taka	
30 June 2022	30 June 2021

19.00 Inter-Company Loan (Non-Current Maturity)

National Fittings & Accessories Limited

Opening Balance	1,615,000,000	-
Received during the year	-	1,900,000,000
Paid during the year	(285,000,002)	(285,000,000)
	1,329,999,998	1,615,000,000
Current Maturity within one year	(253,333,336)	(380,000,000)
	1,076,666,662	1,235,000,000

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

20.00 Short Term Loan

Loan against Trust Receipt (LTR)	1,223,781,977	758,690,332
Short Term Finance (STF)	1,118,816,983	754,270,659
	2,342,598,960	1,512,960,991

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank Limited	Motijheel	BAS/10836628/SCB/UC	29-Feb-2022
Prime Bank Limited	Gulshan-1	Prime/CAD/CNIB/2021/293	22-Aug-2021
Mutual Trust Bank Limited	Banani	MTB/CAD/NPIL/2021/3808	01-Sep-2021
City Bank Limited	New Market	CBL/HO/CAD/2021/1812	25-Aug-2021
IDLC Finance Limited	Gulshan	IDLC/CAD/LRCORP/GLN/2020/1612	01-Dec-2020
One Bank Limited	Banani	OBL/BB/CR/SA/191/2022	24-May-2022
Community Bank Bangladesh Ltd.	Gulshan	CBBL/HO/CAD/2021/3298	01 Nov 2021
BRAC Bank Limited	Shatmosjeed Road	CAD-Dhaka/MII/01161151/2022/0055	20-Feb-2022

Security against Facilities

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

21.00 Bank Overdraft

	Branch	A/C No.		
Standard Chartered Bank	Motijheel	01124925801	33,639,624	4,669,372
Community Bank Bangladesh Ltd.	Gulshan-1	0070315928701	29,191,616	-
Prime Bank Limited	Gulshan-1	2118759023032	40,964,510	7,675,536
One Bank Limited	Banani	0181020003524	63,278,627	264,306,601
			167,074,377	276,651,509

22.00 Accounts Payable

Payable against Carriage Outwards	1,718,667	1,765,212
Gratuity Payable	2,942,900	2,536,983
Gas Bill Payable	13,624,705	6,384,068
Mobile Bill Payable	317,169	495,400
Directors Remuneration Payable	120,000	120,000
Godown Rent	45,000	45,000
Electricity Bill	1,086,998	4,033,449
Non-refunded Rights Share Subscription Money-2021	38,520	-
House Rent (Engineers & Officers)	80,000	80,000
Employer's Contribution to Provident Fund	20,531,288	19,266,468
	40,505,247	34,726,580

		Amount in Taka	
		30 June 2022	30 June 2021
23.00 Unclaimed Dividend Account			
Unclaimed Fractional Cash Dividend up to 2019		160,154	160,154
Unclaimed Cash Dividend for the FY-2019-2020		5,050,731	5,127,805
Unclaimed Cash Dividend for the FY-2020-2021		3,759,297	-
*Including interest and other deduction.		8,970,183	5,287,959
24.00 Inter-Company Loan (Current Maturity)			
National Fittings & Accessories Limited			
Current Maturity within one year		253,333,336	380,000,000
		253,333,336	380,000,000
25.00 Provision for Expenses			
Accrued Interest on STL & LTR		-	2,594,942
Staff Salary Payable		17,861,709	16,237,917
Audit Fees		137,500	125,000
VDS payable		1,036,500	1,292,300
TDS Payable		1,015,000	759,200
		20,050,709	21,009,359
26.00 WPPF & Welfare Fund			
Opening Balance		11,765,140	10,017,062
WPPF Disbursed to Beneficiary		(11,765,140)	(10,017,062)
Allocation for the year (Note-36)		13,320,315	11,765,141
		13,320,315	11,765,140
Tk. 11,76,514.00 Govt. portion has been paid through Pay Order No. 5257455 Dated: 25.10.2021 for the FY-2020-2021			
27.00 Provision for Taxation			
Opening Balance		103,028,442	92,487,731
Provision for the year (Note- 37)		53,281,262	52,943,134
Tax Adjustment against assessment (2018-2019 FY)		-	(42,402,423)
Tax Adjustment against assessment (2019-2020 FY)		(50,085,308)	-
		106,224,396	103,028,442
28.00 Revenue			
Total Local Sales		5,741,899,764	5,056,070,558
VAT Paid during the year		(748,943,447)	(659,487,464)
Net Local Sales		4,992,956,316	4,396,583,094
Export Sales		72,462,974	90,650,268
		5,065,419,290	4,487,233,362
Supplementary duty is not applicable, VAT on export are zero rated, VAT on local sales are 15% for manufacturer (Section 3 & 7 of VAT Act, 2012)			
Quantity (MT)- Sales		Quantity (MT)	Quantity (MT)
Opening Stock		6,065	5,725
Production during the year		52,535	51,120
Goods available for Sale		58,600	56,845
Closing Stock of Finished Goods		(5,596)	(6,065)
Sale during the year		53,004	50,780

	Amount in Taka	
	30 June 2022	30 June 2021
29.00 Cost of Goods Sold		
Opening Stock of Raw Materials	593,315,462	567,342,309
Purchase during the year	3,618,393,747	3,404,064,835
Closing Stock of Raw Materials	(582,729,694)	(593,315,462)
Raw Materials used in Production (Note- 29.01)	3,628,979,515	3,378,091,682
Manufacturing Overhead (Note-30)	518,449,944	398,843,964
Consumption of Packing Materials	45,726,457	20,111,356
Total Production Costs	4,193,155,916	3,797,047,002
Opening Work in Process	40,812,317	41,518,125
Closing Work in Process	(55,709,794)	(40,812,317)
Costs of Goods Manufactured	4,178,258,439	3,797,752,810
Opening Stock of Finished Goods	453,560,136	420,293,876
Goods available for Sales	4,631,818,575	4,218,046,686
Closing Stock of Finished Goods (Note- 29.02)	(444,488,933)	(453,560,136)
Cost of Goods Sold	4,187,329,642	3,764,486,550

29.01 Raw Material used in Production

Particulars	2021-2022		2020-2021	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	9,955	593,315,462	9,980	567,342,309
Purchase during the year	58,065	3,618,393,747	56,460	3,404,064,835
	68,020	4,211,709,209	66,440	3,971,407,144
Closing Stock	(9,420)	(582,729,694)	(9,955)	(593,315,462)
	58,600	3,628,979,515	56,485	3,378,091,682

29.02 Closing Stock of Finished Goods (Quantity and Value):

Particulars	30 June 2022		30 June 2021	
	Quantity MT	Value (TK)	Quantity MT	Value (TK)
Finished Goods	5,596	444,488,933	6,065	453,560,136

30.00 Manufacturing Overhead

	Amount in Taka	
	30 June 2022	30 June 2021
Salary & Wages	81,937,722	66,249,690
C & F Commission Expenses	4,088,000	5,543,338
Conveyance	149,162	172,640
Entertainment & Staff Food	6,811,668	4,812,660
Fuel and Lubricant Vehicle (FAC)	909,907	-
Carriage Inward	1,368,078	551,464
House Rent (Engineers & Officers)	1,428,000	1,368,017
Insurance Premium (Fire)	7,547,140	10,894,380
Internet Bill	126,000	115,800
Labour Charges (Unload)	12,897,539	11,490,768
Land Rent	12,094,416	12,305,558
License and Renewal Fee	76,025	774,815
Medical Expenses	20,000	292,370
Municipal and Land Tax	1,981,281	1,990,454
Office Maintenance Exp.	880,826	934,877
Papers & Periodicals	89,150	94,790
Postage & Stamps	350	19,830
Power & Fuel	137,622,854	96,430,652
Printing Expenses	-	1,015,735
Registration and Renewal Fee	480,000	-
Repair and Maintenance	5,514,161	748,978
Stationery	712,104	45,376
Stores and Spares	-	126,605
T/DA Expenses	-	39,763
Telephone & Mobile Bill	731,933	686,357
Travelling Expenses	60,433	161,851
Uniform Expenses	-	13,800
Vehicle Maintenance	421,798	590,204
Warehouse Rent	315,000	345,000
Depreciation	240,186,396	181,028,192
	518,449,944	398,843,964

Notes- 4.00

31.00 Administrative Expenses

Salary & Allowances	
Annual Listing Fees	
Audit Fees	
Managing Directors' Remuneration & Perquisites	Notes- 43.00
Bank Guarantee Commission	
CDBL Bill & Service Charge	
Conveyance	
Courier Expenses	
Credit Rating Service	
Depreciation	Notes- 4.00
Directors' Board Meeting Fees	
Donation & Subscription	
EGM & AGM Exp.	
Electric, WASA Bills, GAS Bills	
Employer's Contribution Recognized Provident Fund	
Entertainment & Staff Food	
Expenses for Right Issue and others	
Expenses for Bond Issue and others	
Fees & Professional Charges	
Fire Fighting Expenses	
Fuel Bills for Vehicle	
Group Insurance	
ID card and Uniform Exp.	
Internet Bill	
License Renewal Fee, Rates & Taxes	
Medical Expenses	
Office Maintenance	
Office Rent	
Papers & Periodicals	
Printing Expenses	
Recruitment Exp.	
Registration and Renewal Fees	
Renovation & Decoration	
Stationery Expenses	
TA/DA Expenses	
Telephone & Mobile Bill	
Training & Development	
Vehicle Maintenance	

Amount in Taka	
30 June 2022	30 June 2021
106,983,735	85,380,535
839,312	2,787,673
137,500	125,000
1,440,000	1,440,000
1,369,095	-
-	369,815
754,706	314,278
120,426	180,856
193,500	96,750
11,728,013	8,917,872
385,000	373,570
-	623,000
131,250	189,840
1,779,168	1,445,660
12,896,985	13,829,475
1,624,654	806,208
-	7,325,719
5,874,529	-
2,005,583	1,844,245
233,360	113,295
1,670,205	2,484,231
880,568	807,188
208,978	-
565,323	648,759
1,813,306	1,217,760
-	1,200
1,507,002	1,563,068
15,870,000	14,251,260
-	11,790
93,977	680,901
318,983	-
74,300	358,315
-	5,841,214
39,517	9,290
406,870	-
1,566,688	1,021,470
333,500	-
2,978,915	968,710
176,824,948	156,028,946

32.00 Selling and Distribution Expenses

Advertisement & Publicity	
Conveyance	
Entertainment	
Fuel Bills for Vehicle	
Godown Rent	
Incentive	
Courier Expenses	
C & F charges- Export	
Printing Expenses	
Promotional Expenses	
Sales Conference/ Meeting	
Stationery Expenses	
Internet Bill	
Telephone & Mobile Bill	
Tender & Testing Expenses	
Transport / Carriage Outwards	
Traveling Expenses & Oversees	
Vehicle Maintenance	

1,807,916	1,817,495
175,086	81,542
1,188,133	376,529
597,462	475,279
2,678,430	242,400
19,696,583	2,933,024
541,736	830,956
1,101,500	-
1,638,234	928,686
9,769,023	972,860
3,961,945	737,162
1,194,667	7,543
90,224	95,816
3,302,502	3,626,815
622,525	563,025
39,865,545	35,938,655
30,114,860	27,075,585
1,090,435	2,513,365
119,436,805	79,216,737

		Amount in Taka	
		30 June 2022	30 June 2021
33.00 Other Income			
	Bangladesh Bank Cash Assistance on Export	986,000	8,259,753
	Interest on FDR Investment	2,573,603	15,065,196
	Accrued Interest Receivable on FDR	1,069,617	2,408,179
		4,629,220	25,733,128
34.00 Foreign Exchange Gain/(Loss)			
	Foreign Exchange Gain	893,974	-
	Foreign Exchange Loss	(4,788,724)	(3,518,595)
		(3,894,750)	(3,518,595)
35.00 Financial Expenses :			
	Bank Charges	5,244,827	4,783,565
	Interest paid on Inter-Company Loan	-	7,344,421
	Interest on Short Term Loan :		
	Interest on OD	37,653,458	48,745,812
	Interest on LTR & STF Loan	139,653,063	110,906,202
		182,551,348	171,780,000
	Interest on Long term Loan :		
	Interest on Long Term Loan	120,284,392	90,867,705
		302,835,740	262,647,705
36.00 WPPF and Welfare Fund			
	Profit before WPPF and Tax	279,726,625	247,067,957
	Allocation for WPPF and Welfare Fund @ 5%	13,320,315	11,765,141
37.00 Provision for Taxation			
	Net Profit Before Tax	266,406,309	235,302,816
	Applicable Tax Rate	20.00%	22.50%
	Provision for Taxation	53,281,262	52,943,134
	Turnover Tax	5,065,419,290	4,487,233,362
	Applicable Tax Rate	0.60%	0.60%
		30,392,516	26,923,400
	Last year Tax rate was 22.50% and Current year Tax Rate 20.00% on EBT and turn over Tax 0.60% which is higher as per Income Tax Ordinance 1984.		
38.00 Earnings Per Share (EPS)			
	Net Profit After Tax	213,125,047	182,359,683
	Weighted Average Number of Shares (Note-39.00)	72,983,668	64,555,993
		2.92	2.82
	Diluted EPS for Right Issue (Basic EPS/ Adjusting Factor)	2.92	1.71

39.00 Calculation of weighted average number of shares:

Dated	Particulars	Number of Shares	Time	Bonus Factor	Adjusting factor for right Issue	Outstanding Shares of 30 June 2022	Outstanding Shares of 30 June 2021
01-07-20	Opening Balance	36,491,834	1.000	1.65	1.65	-	40,228,103
28-02-21	Rights Shares	36,491,834				-	-
31-03-21	Closing Balance	72,983,668	1.000	1.00	1.65	72,983,668	24,327,889
			2.00			72,983,668	64,555,993
Calculation of Adjusting Factor:							
	Fair/Market value before right share	1	71.6	71.6			
	Exercise Price	1	15	15			
		2		86.60			
	Theoretical Ex-right fair value per share (86.60/2)			43.30			
	Adjusting factor for right issue (71.60/43.30)			1.65			

40.00 Net Asset Value Per Share (NAV)

Net Asset Value
Weighted Average Number of Shares (Note-39.00)

Amount in Taka	
30 June 2022	30 June 2021
2,088,837,494	1,968,392,471
72,983,668	64,555,993
28.62	30.49

Comparative number of outstanding shares 64,555,993 as at 30 June 2021.

41.00 Net Operating Cash Flow Per Share (NOCFPS)

Net Operating Cash Flow
Weighted Average Number of Shares (Note-39.00)

350,904,602	(279,563,437)
72,983,668	64,555,993
4.81	(4.33)

Comparative number of outstanding shares 64,555,993 as at 30 June 2021.

42.00 Net Operating Cash Flow**Under Direct method:**

Revenue
Opening Trade Debtors

Closing Trade Debtors

Interest on FDR
Bangladesh Bank Cash Assistance on Export
Collection from Sales and Others
Cost of Goods Sold
Administrative & Selling Expenses
Depreciation
Interest on LTR & STF Loan
AIT Paid at Port (Import / export Stage & Vehicles)
AIT Refund (FY-18-19 & FY-19-20)
WPPF Disbursed to Beneficiary
Foreign Exchange Gain/(Loss)
Provision for Expenses
Unclaimed Dividend Account
(Increase)/Decrease in Inventories
Increase/(Decrease) in Other Current Liabilities
(Increase)/Decrease in Other Current Assets
Payment to Suppliers, Employees and Others
Net Cash Flows from Operating Activities

5,065,419,290	4,487,233,362
1,168,475,262	731,489,986
6,233,894,552	5,218,723,348
(1,341,945,269)	(1,168,475,262)
4,891,949,283	4,050,248,086
2,573,603	15,065,196
986,000	8,259,753
4,895,508,886	4,073,573,035
(4,187,329,642)	(3,764,486,550)
(296,261,753)	(235,245,683)
251,914,410	189,946,064
(182,551,348)	(171,780,000)
(185,514,250)	(197,920,739)
135,267,519	-
(11,765,140)	(10,017,062)
(3,894,750)	(3,518,595)
(958,650)	(6,952,712)
3,682,224	5,127,805
(21,469,502)	(66,664,939)
8,186,846	3,481,968
(53,910,246)	(95,106,028)
(4,544,604,284)	(4,353,136,472)
350,904,602	(279,563,437)

43.00 Director's Remuneration and Perquisites

Mr. Riad Mahmud

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

44.00 Capacity Utilization

Capacity of Production in M. Ton per year	Utilization (MT)		
	30 June 2022	30 June 2021	
Installed Capacity 65,500 M. Ton Current year, Last year 58,000 M.Ton	Installed Capacity	65500 MT	58000 MT
	Current Year Production	52,535	51,120
	Rate	80.21%	88.14%

45.00 Contingent Liability:

(I) There was no contingent liability as on 30 June, 2022.

(II) There was no claim against the company, not acknowledged as debt as on 30 June, 2022.

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

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

The following amounts has been demanded by VAT Authority as per their departmental audit objection against which cases have been filed in Tribunal and Court. It is probable that the judgment will be in 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, High Court Division
January' 2006 to June' 2008	11,646,222	Writ petition no. 1755 of 2009 in the Honorable Supreme Court of Bangladesh, High Court Division
January' 2006 to June' 2008	4,545,225	Filed a case with Honorable Appellate Tribunal for proper judgment which is under jurisdiction. Writ petition no. 3217 of 2010 in the Honorable Supreme Court of Bangladesh, High Court Division
July' 2008 to December' 2008	7,534,439	Writ petition no. 3288 of 2009 in the Honorable Supreme Court of Bangladesh, High Court Division

All of these ceases are stayed till disposal of Rule.

46.00 Related Party Transactions

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

Related Party & Relationship	Nature of Transactions	Total Transaction	Outstanding Balance	
		2021-2022	2021-2022	2020-2021
Mr. Riad Mahmud, Managing Director (Note- 31.00)	Remuneration	1,440,000	120,000	120,000
Directors Board Meeting Fees		385,000	-	-
National Fittings & Accessories Limited, Npolymer Construction Limited Common Management (Note- 19.00 & 24.00)	Inter-Company Loan Payable	Movement		
	Opening Balance	1,615,000,000	-	-
	Received during the year	-	-	-
	Paid during the year	(285,000,002)	1,329,999,998	1,615,000,000
			<u>1,330,119,998</u>	<u>1,615,120,000</u>

47.00 Number of Employees Engaged

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000/- per annum or Taka 3,000/-per month were Nil at the end of June 2022 as against Nil in 2021

The number of employees engaged for the whole year

1,045 Person

1,007 Person

The number of Board of Directors

6 Person

1,051 Person

1,013 Person

Chairman

Managing Director

Company Secretary

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