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**ANNUAL
REPORT
2022-2023**

**National
Polymer
Industries
PLC.**



National Productivity and Quality Excellence Award - 2021

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

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LETTER OF TRANSMITTAL

December 10, 2023

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

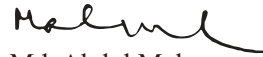
Subject: Annual Report for the Financial Year ended June 30, 2023.

Dear Sir(s)

We are pleased to enclose herewith the Annual Report of National Polymer Industries PLC. together with the Audited Financial Statements which include the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2023 along with notes thereon and other related reports & statements for your kind records and perusal.

Thanking you

Yours sincerely
For National Polymer Industries PLC.


Md. Abdul Maleque
Company Secretary

NOTICE OF THE 36TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 36th Annual General Meeting (AGM) of National Polymer Industries PLC. will be held on Wednesday, December 27, 2023 at 11:00 AM (Dhaka Time) virtually by using the Digital Platform through the link: <https://nationalpolymer.bdvirtualagm.com> to transact the following businesses:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2023 together with the reports of Directors and the Auditors thereon;
2. To approve dividend for the year ended June 30, 2023 as recommended by the Board of Directors;
3. To elect/re-elect Director(s) of the Company;
5. To approve the re-appointment of Managing Director;
4. To approve the appointment of ICB Nominated Director;
6. To appoint the Statutory Auditor for the year 2023-2024 and fix their remuneration;
7. To appoint the Corporate Governance Compliance Auditor for the year 2023-2024 and fix their remuneration.

Dated: Dhaka
December 03, 2023

By order of the Board


(Md. Abdul Maleque)
Company Secretary

Notes:

1. **The Record Date has been fixed on 19 November 2023.** The Shareholders, whose names have been recorded in the Member/Depository Register on the Record Date, i.e. 19 November 2023 will be eligible to attend and vote at the virtual AGM and to receive dividend.
2. The Shareholders 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 or to the shares department of the company not later than 48 hours before the time fixed for the Annual General Meeting.
3. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81; dated 20 June 2018, soft copy of the Annual Report 2022-2023 will be sent to the Shareholders' respective email addresses as available with us. The Annual Report 2022-2023 will be available on the Company's website at: www.nationalpolymer.net. The Shareholders 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 also sent to the respective Shareholders through their e-mail addresses and also through SMS to their mobile numbers as available with us.
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.

VISION, MISSION, OBJECTIVES AND CORE VALUES

VISION

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

MISSION

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

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

OBJECTIVES

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

CORE VALUES

Commitment:

Shareholders: Create sustainable value for our shareholders by utilizing an honest and efficient business methodology;

Customers: Render quality services to our customers by using the state-of-the-art technology, offering diversified quality products to fulfill their needs to the best of our abilities;

Employees: Be reliant on the inherent talents of the employees. Work together to attain goal and reward the skills and talents of everyone at the work place; and

Community: To serve the society through employment generation with equal opportunities, support the community and be a responsible corporate citizen.

Accountability:

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

Respectfulness:

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

CHIEF FINANCIAL OFFICER

Mr. Abu Jafar, FCA

COMPANY SECRETARY

Mr. Md. Abdul Maleque

HEAD OF INTERNAL AUDIT & COMPLIANCE

Mr. Mohammad Shoujat Hossain

MANAGEMENT COMMITTEE

Mr. Riad Mahmud	Managing Director & CEO
Mr. Md. Mahmudul Islam	Executive Director, Sales & Marketing
Mr. Abu Jafar, FCA	Chief Financial Officer
Md. Shariful Islam	General Manager and Head of Plant Operations
Mr. Mohammad Manzur Hossain	General Manager and Head of HR & Admin
Mr. Mohammad Shoujat Hossain	Head of Internal Audit and Compliance
Mr. Md. Abdul Maleque	Member 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

Nature of Business:	Manufacturer & Supplier of UPVC, CPVC, PP-R, HDPE Pipes & Fittings, PVC Sheets, Doors, Water Tanks, Water Taps etc.
Membership:	DCCI, BAPLC, BPGMEA & KBCCI
Certification:	ISO 9001: 2015, 14001: 2015 & 45001: 2018 certified by AJA Europe Ltd. and IS 4985: 2021 & IS 13592: 2013 certified by the Bureau of Indian Standards.
Award:	1 st Prize of National Productivity and Quality Excellence Award-2021 in Large Industry Category (Plastic) of Bangladesh awarded by the Ministry of Industry, Bangladesh.
Credit rating:	Long Term – “A+” & Short Term –“ST-2” Rated by National Credit Ratings Ltd.
Statutory Auditor:	M/s. 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 PLC. BRAC Bank PLC. Bank Asia Limited City Bank Limited Mutual Trust Bank Limited One Bank PLC. Community Bank Bangladesh Limited IDLC Finance Limited IPDC Finance Limited
Insurance:	Mercantile Islami Insurance PLC. Bangladesh National Insurance Co. Ltd. Provati Insurance Company Ltd. Central 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 PLC. was incorporated as a Public Limited Company in 1987 and started its commercial operation during the same year. The company has been listed with the Dhaka Stock Exchange Ltd. (DSE) in 1991 and Chittagong Stock Exchange PLC (CSE) in 1995 respectively. Being a listed company with the Stock Exchanges, it has a good track record and 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 36 years’ of its journey, National Polymer has successfully established itself as one of the strongest and most recognizable brand names in the country.

The Company is actively engaged in manufacturing different sizes of UPVC, CPVC, PP-R, HDPE Pipes & Fittings, PVC Doors, 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.

At present, National Polymer remains as a strong player in the market with its strong brand image, high quality products, focused sales & marketing and timely delivery of products to its valued customers. Anticipating the sharp demand for it’s quality products at home and abroad, necessary measures have been taken to expand it’s production capacity and thus the Company has been implementing the 2nd unit at Valuka, Mymensingh, which is in progress in terms of factory development works. Some of the unit already in operation and the rests will be in operation soon as per plans and projections.

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

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

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

PROFILE OF DIRECTORS



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 PLC. He has been with National Polymer Industries PLC. since it's inception as the Sponsor Director and contributing a lot for the development of the Company. Currently, he is performing his duties and responsibilities as the Chairperson of the Board and Member of the Nomination and Remuneration Committee (NRC). Apart from National Polymer Industries PLC, 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 the Sponsor Shareholder of National Polymer Industries PLC., joined the Board of the Company in 2007 as a Director and was subsequently been appointed as the Managing Director of the company in 2008. Since then he has been leading the company very efficiently. At present the Company is on a solid growth stage under his dynamic leadership.

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

Also, 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 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 Government of the People's Republic of Bangladesh and the Government of the Republic of Georgia.



Ms. Mahmuda Akhter
ICB Nominated Director

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

Ms. Mahmuda started her career as a Senior Officer in the Investment Corporation of Bangladesh (ICB), the state owned renowned financial institution in Bangladesh on 1st November 1995 and served in various capacities including the General Manager of Administration and Operation wings and other departmental & divisional heads of the ICB for around 27 years. She enriched her career through participating in various training programs, seminars and symposiums on capital market and other related fields. She has diverse experience in Investment Banking, Entrepreneurship Development, Asset Management, Economic and Business Research, Securities Analysis, Portfolio Management, Risk Management etc.

Currently, she is performing her duties and responsibilities as the Chief Executive Officer (CEO) of the ICB Asset Management Company Ltd., a subsidiary company of the ICB. Moreover, she is entrusted with the responsibilities of the Nominated Director of ICB Securities Trading Company Ltd. and Silva Pharmaceuticals Ltd. on behalf of the ICB.

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

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 arena 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 registered 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 PLC. 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.

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, USA and Ph.D. from the University of Kansas, USA. Dr. Rahman has a long 23 years of experience in academia in different renowned universities at home and abroad. His professional background is as follows:

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

Based on his brilliant educational background and professional experience and in compliance 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 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
Assalamualikum,

It is my pleasure to welcome you all to the 36th Annual General Meeting (AGM) of National Polymer Industries PLC. I extend my sincere thanks and appreciation to you all as you are showing untiring confidence on National Polymer Industries PLC accompanying its journey towards its progress and prosperity.

On this auspicious occasion, I would like to present you the Annual Report 2022-2023 showing the financial status, achievements and notable performances of the company for your kind information. I believe that you will get a complete view from this report.

The global environment is going through significant changes. Geo-economic factors such as US Dollar fluctuation, supply chain disruptions, rise of energy & other basic commodity prices, high inflation rate, exchange rate depreciation etc. have caused a slow-down of global growth and created stress on the overall business and economic situation. It's impact on the Bangladesh's economy is also noticeable. Despite various global and national crisis, we could manage to complete the year 2022-2023 successfully by achieving a positive result in terms of business. During the year under review, we could achieve the positive growth of revenue and gross profit by 27.86% and 29.64% compared to the previous year.

I would like to say that our overall business condition in FY 2022-2023 was not depressed at all. Despite the challenging environment, we have become successful with our business operations and have served our customer's expectations efficiently. I believe that we are on the right track and are firmly determined to continue with our journey through the processes that started 36 years ago. We are going forward with our relentless efforts and assure you that our endeavors will help us to maximize the value of your ownership creating more brand image.

We are fully committed to the overall welfare of all stakeholders and through such commitment and actions, it is expected that the company's future development and shareholders' interests will be fully achieved. The management is pursuing the strategy to further grow the business by enhancing the production capacity and adding more quality products into the production lines. We have also given the priority to ensure customers' satisfaction through providing them with our diversified quality products and services in national and international domains.

We are always committed to maintaining the highest standard of corporate governance and adhering the corporate governance requirements, which facilitate the effective management system and enable us to maintain the highest level of business ethics and optimize the value of all stakeholders. We are looking toward in achieving the excellence with integrity and in collaboration with all our stakeholders, building trust and long-term relationship with them.

In closing, let me express my deep gratitude to the regulatory bodies, our clients, partners and other stakeholders who have placed their trust and confidence on us. I would also like to express my heartfelt thanks to my fellow board members, management team and all employees of the company for their sincere support and hard work without which it would not be possible to achieve our objectives.

Thank you all with best wishes



(Golam Murshed)
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders
Assalamualikum,

It is my pleasure to welcome you all to the 36th Annual General Meeting (AGM) of National Polymer Industries PLC. 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 to share you that National Polymer has grown up into one of the strongest and most recognizable brand names in the market during last 36 years of its journey. Since the inception, we have been striving with a view to making the company as a sustainable growing business entity and we are on the right track that has already been proved through our previous years' business performances for which we are very much grateful to our valued customers, shareholders, employees and other stakeholders.

During the year the global economy witnessed the adverse effect of severe Dollar crisis, supply chain disruptions, rise of energy & other basic commodity prices, high inflation rate, exchange rate depreciation etc. Particularly, the most unexpected event, the increase of value of US Dollar has badly affected the trade and commerce making the business activities stagnant. As a result, the business community has been suffering greatly as its impact is observed in all aspects of our economy.

It is my pleasure to report you that despite various crises we witnessed during the year, we have completed the year successfully by achieving a positive result in terms of business. During the year under review, we could achieve the revenue from sales Tk. 6,47.69 crore, Gross Profit Tk. 113.84 crore and operating profit Tk. 81.05 crore with the growth of 27.86%, 29.64% and 39.30% respectively compared to the previous year. But the foreign exchange loss, which is beyond our control, caused due to significant deflation of Taka against US Dollar, has badly affected our net profit during the year. Except this, all other business indicators remain positive.

As per our commitment to serve the customers efficiently and reward the shareholders, we have been continuing with our endeavors for further growth 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 image, high quality products, focused sales & marketing and timely delivery of products to its valued customers. Anticipating the sharp demand for our products at home and abroad, we have taken necessary measures to expand our production capacity and thus we have been implementing the 2nd unit at Valuka, Mymensingh, which is in progress in terms of factory development works. Some of the unit already in operation and the rests will be in operation soon as per our projection, which will increase our production as well as sales volume to an optimum level.

Being the Managing Director & CEO of the Company, I would like to assure you that we are always sincere to discharge our duties and responsibilities at the optimum level for the highest interests of the company through a culture of transparency, accountability, integrity and reliability in all aspects of our business activities. Our endeavors shall always be continued with our total commitment to maximize the profitability as well as to deliver optimum return to your investments. I would like to assure you all that your investments at the National Polymer Industries PLC will always be safe, secured and full of possibilities.

I would like to conclude by expressing my gratitude and appreciation to the honorable shareholders, valued customers, regulators, financial institutions 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

DIRECTOR'S REPORT

DEAR SHAREHOLDERS,

The Board of Directors of National Polymer Industries PLC. has the pleasure to welcome you to the 36th Annual General Meeting (AGM) of the company and to present you the Annual Report 2022-2023 comprising the Directors' Report, Auditor's Report, Audited Financial Statements and other relevant reports and statements prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The Board of Directors is pleased to report you on the overall performance of the Company for the year ended on June 30, 2023 as follows:

PRINCIPAL ACTIVITIES

National Polymer Industries PLC. is actively engaged in manufacturing and supplying different sizes of UPVC, CPVC, PPR, HDPE Pipes & Fittings, PVC Sheets, Doors, Water Tanks, Water Taps etc. for water supply, sanitation, building and household usage and solutions.

INDUSTRY OUTLOOK & POSSIBLE FUTURE DEVELOPMENT

The Company has been in operation for over three decades and has established itself as a renowned brand name in the country. The Company has been operating its business activities with a view to becoming the market leader in the plastic sector of Bangladesh. We are committed to providing with the high quality innovative products to our valued customers that are environment friendly. Anticipating the sharp demand for our products at home and abroad, we have taken necessary measures to expand the production capacity and thus we have been implementing the 2nd unit at Valuka, Mymensingh, which is in progress in terms of factory development works. Some of the unit already in operations and rest will be in operation soon as per our projection, which will increase our production as well as sales volume to an optimum level.

BUSENESS OVERVIEW

During the year the global economy observed the adverse effects of US Dollar fluctuation, supply chain disruptions, rise of energy & food price, high inflation rate, exchange rate depreciation etc. due to various crisis. We have become successful to recover from the after-effects of COVID, but still have been fighting against the destructions of the Russia-Ukraine war started from the early 2022. Despite various global and national crisis, we could manage to complete the year 2022-2023 successfully by achieving a positive result in terms of business. During the year under review, we could achieve the positive growth of revenue and gross profit by 27.86% and 29.64% compared to the previous year. But the net profit for the year decreased due to foreign exchange loss for significant devaluation of Taka against US Dollar. Except foreign exchange loss, which is beyond our control, all other business indicators have positive sign. As per the audited financial statements for the year ended on June 30, 2023, a comparative view is given below for your better understanding on the overall performance of the Company:

Particulars	Amount in Taka		
	2022-2023	2021-2022	Growth (%)
Revenue	6,476,878,342	5,065,419,290	27.86%
Cost of Goods Sold	(5,338,491,661)	(4,187,329,642)	27.49%
Gross Profit	1,138,386,680	878,089,648	29.64%
Operating expenses	(327,914,665)	(296,261,753)	10.68%
Foreign Exchange loss	(268,633,736)	(3,894,750)	6,797%
Finance expenses	(355,385,068)	(302,835,740)	17.35%
Profit before WPPF & Tax	201,025,119	279,726,625	(28.14%)
Net Profit	152,591,224	213,125,047	(28.40%)

EXPORT EARNINGS

Crossing the national border we have entered into the global markets with our diversified quality products and have been contributing to the national economy by earning the foreign currency. Despite ongoing severe global crisis, we could managed to earn the export revenue of Tk. 6.41 crore during this year. We have been working relentlessly to earn more export revenue in coming days.

PRODUCTION, MARKETING AND DISTRIBUTION

As a production and sales oriented company, we always give priority on smooth production and sales activities. The production system of our company has been equipped with the competent manpower, latest technology, most advanced machineries and raw materials. Simultaneously, effective market promotional activities have been going on, which play a vital role for sales increment. The Company has also a well-managed distribution network all over the country for timely delivery of our products to the valued customers. Our smooth production system, efficient marketing strategy and strong distribution network etc. greatly help us to achieve our target.

APPROPRIATION OF PROFIT

Particulars	Amount in Taka	
	30 June 2023	30 June 2022
Retained earnings brought forward	546,280,722	425,835,699
Net Profit for the year	152,591,224	213,125,047
Total profit available for appropriation	698,871,946	638,960,746
Proposed appropriation:		
Cash Dividend	(72,848,890)	(72,983,668)
Tax adjustment against assessment (FY 2019-2020)	-	(19,696,357)
Retained earnings carried forward	626,023,056	546,280,722

DECLARATION OF DIVIDEND

The Board of Directors of the company is always sincere to provide with a good return to the shareholders of the company. Thus, a stable dividend policy is followed by the Board considering the benefit of the shareholders and safeguarding their valuable investments. Considering the overall business situation, the Board of Directors has recommended **10.50% Cash Dividend** amounting Tk. 76,632,851 for the year ended on 30 June 2023, which will be distributed to the shareholders, whose names have been recorded in the Register of Members/Depository Register on the Record Date, i.e. November 19, 2023 within the stipulated time after having approval of the Shareholders in the next Annual General Meeting (AGM).

SEGMENT-WISE PERFORMANCE

The Company's operation is carried out and managed as a single operating segment for manufacturing and marketing of UPVC, CPVC, PPR, HDPE Pipes and Fittings, PVC Sheets, Doors, Water Tanks, Water Taps etc. for water supply, sanitation and building 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

As per the annual audited financial statements of the company for the year ended 30 June 2023, the cost of goods sold, Gross Profit Margin and Net Profit Margin of the company are stated below:

Particulars	2022-2023 (Taka)	2021-2022 (Taka)
Cost of Goods Sold	5,338,491,661	4,187,329,642
Gross Profit	1,138,386,680	878,089,648
Net Profit	152,591,224	213,125,047

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

No such event of any extra-ordinary gain or loss occurred during the reporting year.

RELATED PARTY TRANSACTIONS

Related party transactions are stated in note no. 48.00 of the financial statements.

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

Bond Issue: Bangladesh Securities and Exchange Commission (BSEC) vide its letter no. BSEC/CI/DS-181/2021/758 dated 3rd March 2022 has given us consent for issuance of Transferable, Redeemable, Non-Convertible, Unsecured Zero-Coupon Bond of BDT 300 crore through private placement. The purpose of the said bond issue is to pay-off the existing high cost bank loan and also to finance the capital expenditure for enhancement of production capacity of the company. But as on 3rd October 2023 the Company could manage to collect only BDT 49.80 crore out of total Tk. 300 crore due to ongoing crises in the capital market, which has totally been used for re-payment of high cost loans of the company.

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

No such event occurred.

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

The Directors of National Polymer Industries PLC. don't get any facilities/remuneration, bonus or any other form, excepting 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. 48.00 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.

- **Internal Control System:** National Polymer Industries PLC. has a well-defined internal control system to ensure smooth business operations. The internal control system ensures reasonable assurance of the internal checking system of monetary transactions and safeguarding of assets. The internal control systems are reviewed by the Internal Audit & Compliance Department and reported to the Audit Committee regularly. The internal control system ensures the receiving of quality raw materials, stores & spares of non-current assets and production of quality products for the customers. The quality of the goods are tested by the recognized testing authorities regularly.
- **The Minority Shareholders' Interests:** The Company believes in equal rights of all shareholders irrespective of the number of shares they hold. All shareholders are treated equally and are provided with quarterly & annual financial statements, annual report and all other permissible information and are also welcomed to participate at the shareholders' meeting. The adoption of the annual financial statements, the Directors' report, election of Directors 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 Management uses the going concern basis of accounting in preparation of 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. 45 of the Annual Report.
- Explanation or 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/Member have been disclosed in page no. 48 of the Annual Report.
- The pattern of shareholding has been disclosed page no. 47 of the Annual Report.
- Information relating to the appointment or re-appointment of Director(s): With regard to the appointment or re-appointment of Director(s), the Company follows its Articles of Association, the Companies Act, 1994 and other related rules and legislations issued time to time by the Regulators and the information (brief resume, nature of expertise and name of companies in which they hold the directorship and the membership of committees of the Board) in case of such appointment or re-appointment has been disclosed in the Profile of Directors.
- Management's discussion and analysis is disclosed in page no. 21 of the Annual Report.
- Declaration or certification by the CEO and the CFO to the Board, as per Annexure-A has been disclosed in page no. 49 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 have been disclosed as per Annexure-B and Annexure-C in page no. 51 & 52 of the Annual Report.

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 and 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 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 transferred the unpaid or unclaimed or undistributed stock dividend/bonus shares/rights share up to the FY 2018-2019 to the Capital Market Stabilization Fund's BO Account. The details of the same have been disclosed in the Company's website.

The unpaid or unclaimed cash dividend for the FY 2019-2020 shall be transferred to the Capital Market Stabilization Fund's (CMSF) bank account duly as per the BSEC's Directive. The summary of unpaid or unclaimed or undistributed dividend account is disclosed in page No. 38 of the Annual Report.

DIVIDEND DISTRIBUTION POLICY

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

NRC POLICY

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

INSIDER TRADING POLICY

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

CODE OF CONDUCT

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

QUALITY POLICY

The Company strictly maintains the quality procedures in all sectors of its operations with the aim of maximizing the customers' satisfaction by adopting the high quality standards, using modern machineries & technology and hiring competent & qualified personnel. It is mentioned that National Polymer has adopted ISO 9001:2015, 14001:2015 & 45001:2018 certification and also the IS 4985: 2021 & 13592: 2013 certification provided by the

Bureau of Indian Standards. Recently, the Company has been awarded the 1st Prize of National Productivity and Quality Excellence Award 2021 in recognition of its contribution to increase productivity and quality in large industry category in plastic sector of Bangladesh.

HUMAN RESOURCES

In real sense, National Polymer believes that employees are the best resources for the organization and their motivation is very important for the growth and development of the organization, because of their active participation to the productivity. National Polymer 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 its long-term corporate success and sustainable growth. As good corporate governance is one of the valuable assets of an organization, National Polymer is committed to ensuring the good governance system through the culture of compliance with all regulatory rules & regulations, accountability, transparency, well-understood policies & procedures. The details of corporate governance are discussed in the corporate governance statement.

WINDING UP OF SUBSIDIARY COMPANY

Considering the feasibility, the Board of Directors formed a subsidiary company named ‘NPOLY TRADING LTD.’ on 27 November 2022 and started necessary pre-commercial activities accordingly. But due to ongoing crisis situation in the business domain, it is no longer viable to run the business of the subsidiary company. Therefore, the Board of Directors has decided to wind up of the said subsidiary company voluntarily.

ELECTION/RE-ELECTION OF DIRECTOR(S)

As per clause no. 128 & 129 of the Articles of Association of the Company not less than one third of the total number of Directors retire every year. Accordingly, ICB Nominated Director Ms. Mahmuda Akhter, retired by rotation from the Board this year. As per clause no. 130 of the Articles of Association of the Company, she is eligible for re-election. Upon her consent, the Board has re-elected her for the next term, subject to the approval of the shareholders in the next AGM. In terms of Condition No. 1 (5) (xxiv) of the BSEC’s Notification dated 03 June, 2018, her brief resume, expertise and the name of companies in which she holds the directorship have been stated in page no. 9 of the annual report.

RE-APPOINTMENT OF MANAGING DIRECTOR

The Managing Director of the company Mr. Riad Mahmud completed his 5 (Five) years’ term this year. As per section 110 of the Companies Act 1994, Mr. Mahmud is eligible for re-appointment for the next term. Upon his consent, the Board of Directors has re-appointed him as the Managing Director of the company for the next 05 (five) years’ term from the FY 2023-2024 to FY 2027-2028, subject to the approval of the shareholders in the next 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 & 9 of the annual report.

RE-APPOINTMENT OF ICB NOMINATED DIRECTOR

Investment Corporate Corporation of Bangladesh (ICB) through its letter dated 19 April 2023 has withdrawn Mr. Nuruzzaman Khan from the Board of Directors and at the same time has nominated Ms. Mahmuda Akhter in the Board of National Polymer Industries PLC. The Board of Directors in its Meeting held on 24 May 2023 has accepted the said nomination and appointed Ms. Mahmuda Akhter as the Nominated Director of National Polymer Industries PLC., subject to the approval of the shareholders in the next AGM. In terms of Condition No. 1 (5) (xxiv) of the BSEC's Notification dated 03 June, 2018, her brief resume, expertise and the name of companies in which she holds the directorship have been stated in page no. 9 of the annual report.

APPOINTMENT OF EXTERNAL AUDITOR

The Company's present Auditor M/s Shiraz Khan Basak & Co., Chartered Accountants has audited the financial statements of the Company for the FY 2022-2023. It is mentioned that Shiraz Khan Basak & Co., audited the financial statements of the company for the past consecutive 03 (three) (2020-2021, 2021-2022 & 2022-2023) years. As per the DSE's Listing Regulations, 2015, M/s. Shiraz Khan Basak & Co., Chartered Accountants is not eligible for re-appointment for the next year. In view of appointing the new External Auditor, the Company searched for several Audit Firms listed in the BSEC'S panel of Auditors and placed the same before the Board for consideration and approval. Accordingly, the Board of Directors selected and appointed **M/s. Islam Quazi Shafique & Co., Chartered Accountants**, who is a renowned Audit Firm listed in the BSEC'S Panel of Auditors, for the FY 2023-2024 with a remuneration of Tk. 300,000/- (Taka Three Lac) only, subject to the approval of the shareholders in the next AGM.

APPOINTMENT OF CORPORATE GOVERNANCE COMPLIANCE AUDITOR

M/s. Mahfel Huq & Co., Chartered Accountants has acted as the Corporate Governance Compliance Auditor of the Company for the FY 2022-2023 and retired this year. Being eligible, the Company offered them for re-appointment for the next FY 2023-2024. But they expressed their un-willingness for re-appointment. Therefore, the Board of Directors has appointed **M/s. Artisan, Chartered Accountants**, one of the BSEC's panel listed renowned Audit Firms, as the Corporate Governance Compliance Auditor for the next FY 2023-2024 with a remuneration of Tk. 35,000/- (Taka Thirty 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 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.

Thanking you all
For and on behalf of the Board of Directors



(Golam Murshed)
Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management team headed by the Managing Director & CEO of National Polymer Industries PLC. is responsible for 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 BSEC's Corporate Governance Code-2018, a brief discussion and analysis of the Management on the overall performance of the Company is as follows:

INDUSTRY ANALYSIS

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

National Polymer Industries PLC, producing a wide variety of water supply, sanitation, household and building solution products, has been in operation for over three decades and has established itself as a renowned brand name in the country. The Company has been strengthening its position with a view to becoming the market leader in the plastic industry of Bangladesh. Renowned brand name by offering a wide variety of high-quality products in plastic sector has been the key to this success. National Polymer is committed to providing with the innovative products to its valued customers that are environment friendly. The Company has two units- one (main plant) is at Tongi, Gazipur and the other (2nd unit) is at Valuka, Mymensingh, which is in progress in terms of factory development works. Some of the unit already in operations and rest will be in operation soon as per our projection, which will increase our production as well as sales volume to an optimum level.

FINANCIAL ANALYSIS

Revenue Generation:

National Polymer Industries PLC has been experiencing a positive revenue growth trend continuously over the past years. During the FY 2022-2023, the Company has reported its revenue BDT 6,476.88 million with the growth of 27.86% compared to the previous year. Year-wise revenue generation of preceding five years is as follows:

Financial Year	Revenue (in Taka)
2022-2023	6,476,878,342
2021-2022	5,065,419,290
2020-2021	4,487,233,362
2019-2020	3,432,956,238
2018-2019	3,000,007,744

Cost and Profitability:

The Management of the company is always sincere to run the company with a view to make it as a sustainable growing business entity. As per the audited financial statements for the year ended June 30, 2023, a comparative key financial information is given below:

Particulars	2022-2023 (Taka)	2021-2022 (Taka)
Revenue	6,476,878,342	5,065,419,290
Cost of Goods Sold	(5,338,491,661)	(4,187,329,642)
Gross Profit	1,138,386,680	878,089,648
Operating Expenses	(327,914,665)	(296,261,753)
Foreign Exchange loss	(268,633,736)	(3,894,750)
Finance Expenses	(355,385,068)	(302,835,740)
Profit before WPPF & Tax	201,025,119	279,726,625
Provision for Tax	(38,861,270)	(53,281,262)
Net Profit	152,591,224	213,125,047

Financial Position

The assets of the Company has grown up, and total assets of the Company stood at Tk. 7,380,776,390 during the year 2022-23, as against Tk. 6,436,583,095 in 2021-22. On the other hand, total liabilities (Excepting Deferred Tax Liability) of the Company is Tk. 5,132,701,548 for the reporting year, as against Tk. 4,268,260,587 during the previous year (Excluding Deferred Tax Liability).

ACCOUNTING POLICIES AND ESTIMATIONS FOR PREPARATION OF FINANCIAL STATEMENTS

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

CHANGES IN ACCOUNTING POLICIES AND ESTIMATIONS

There is no change in accounting policies and estimation in preparation of the financial statements during the year ended on June 30, 2023 that might have the effect on the financial performance or results and the financial position as well as cash flows of the company.

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

Financial Performance:

Figures in Tk.

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue	6,476,878,342	5,065,419,290	4,487,233,362	3,432,956,238	3,000,007,744	2,366,380,577
Gross Profit	1,138,386,680	878,089,648	722,746,812	602,184,319	557,787,699	387,459,951
Net Profit for the year	152,591,224	213,125,047	182,359,683	150,255,924	127,207,270	79,350,886
Shareholders' Equity	2,168,579,828	2,088,837,494	1,968,392,471	1,309,083,706	1,165,907,991	1,062,094,915
Total Assets	7,380,776,390	6,436,583,095	6,039,806,394	4,504,502,778	4,180,780,745	3,462,273,008
Total Current Assets	3,750,365,689	3,695,085,575	3,800,465,041	2,630,779,173	2,353,922,517	1,832,529,413
Total Current Liabilities	3,421,004,875	3,086,641,598	2,537,027,922	2,567,038,848	2,252,938,054	1,919,205,568
Current Ratio (Time)	1.10	1.20	1.49	1.02	1.04	0.95

Cash Flow Movement:

Figures in Tk.

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Cash flows from operating activities	476,263,428	350,904,602	(279,563,437)	243,025,271	(98,139,516)	225,590,681
Net cash flows used in investing activities	(1,159,562,688)	(754,070,576)	(555,563,812)	(266,072,645)	(395,682,531)	(507,147,249)
Net cash flows from financing activities	538,525,278	69,810,249	1,266,948,919	84,368,037	484,597,316	319,792,673
Net increase/Decrease in cash and cash equivalents	(144,773,981)	(333,355,725)	431,821,670	61,320,663	(9,224,731)	38,236,104
Opening cash and cash equivalents	360,104,084	693,459,809	261,638,140	200,317,476	209,542,207	171,306,103
Closing cash and cash equivalents	215,330,102	360,104,083	693,459,810	261,638,140	200,317,476	209,542,207
Net operating cash flows per share	6.53	4.81	(4.33)	6.66	(2.69)	9.20

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

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

FINANCIAL AND ECONOMIC SCENARIO OF THE COUNTRY AND THE GLOBE

Global Scenario:

While global economy was recovering from the after-effects of COVID-19 pandemic, Russia-Ukraine war gave a blow to it and have made the situation much more volatile. During the year global economy observed the adverse effects of sanctions, supply chain disruptions, rise of energy & food price, high inflation rate, exchange rate depreciation, interest rate hikes and the actions taken to address those issues through several fiscal and monetary measures. Therefore, the global economic growth remains highly uncertain. In the 'World Economic Outlook (WEO) April 2023', International Monetary Fund (IMF) projected the global economy to slow down from 3.4% in 2022 to 2.8% in 2023 and rebound to 3.0% in 2024.

Bangladesh Scenario:

The Bangladesh economy has been able to recover from the adverse effects of COVID-19 pandemic. Before pandemic, the GDP growth was 7.88% in FY 2018-19 which fell to 3.45% in FY 2019-20. GDP growth has been rebounded and stood at 6.94% in FY 2020-21 and 7.10% in FY 2021-22. But due to Russia-Ukraine crisis, the economic growth in FY 2022-23 has greatly been hampered. According to the provisional estimation of Bangladesh Bureau of Statistics (BBS), the GDP growth is expected to be 6.03% in FY 2022-23. Country's per capita national income stood at US\$ 2,765 in FY 2022-23 compared to US\$ 2,793 in FY 2021-22.

Since the beginning of 2021, the increase of price of all commodities including food and energy has been witnessed in the world market, which has been accelerated due to the ongoing Russia-Ukraine war started from the beginning of 2022. Bangladesh has also been experiencing the price hike of all commodities, which has badly affected the economy of the country. According to Bangladesh Bureau of Statistics (BBS), the average inflation rate for the fiscal year 2022-23 stood 9.02%, which is 2.87% higher than the previous fiscal year. In order to keep the inflation at a tolerable level, the Government has taken various measures under fiscal and monetary policies.

RISK AND CONCERN ISSUES AND MITIGATION PLAN

Risk and concern is the integral parts of business. Like others, our business may also be affected by risk and uncertainties. The Management of the company regularly monitors, assesses 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 PLC operates in plastics sector with advanced technologies and machineries since its inception. There are other competitors in the market with similar products. There is also the risk of new entrants.

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

few years' time. Besides, its brand name 'NPOLY' is firmly established in the market as a high quality producer of plastic products.

Credit Risk

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

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

Liquidity Risk

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

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

Market Risk

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

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

Exchange Rate Risk

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

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

Interest Rate Risk

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

Mitigation: National Polymer has legal contracts with its banks for fixing up the rate of interest on both near and mid-term borrowings. These contracts are renewed periodically after negotiation with the banks. Being an excellent borrower to its banks, the Company negotiates the interest rates downwards if the market rate falls

below its contract rates. We always keep our keen eyes on interest rate trends in the market with a view to negotiating with the lenders and taking competitive advantage in time.

Technology Related Risk

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

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

Employee Turnover Risk

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

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

Compliance Risk

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

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

FUTURE PLAN OR PROJECTION

The Management of National Polymer Industries PLC. has been running the company with a view to making it as a sustainable growing business entity. In view of the sharp increase in demand for it's products in the country and the abroad, the Company has projected to increase its production capacity. Therefore, necessary measures have been taken for its project expansion and the pre-production activities of the same have been going on accordingly. Hope, it will be completed very soon as per our projections and thus our production as well as revenue will increase to an optimum level.

For and on behalf of the Management



(Riad Mahmud)
Managing Director

REPORT OF THE AUDIT COMMITTEE

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

COMPOSITION OF THE AUDIT COMMITTEE

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

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

IROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

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

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

MEETING OF THE AUDIT COMMITTEE

During the financial year ended on 30 June 2023, the Audit Committee held 04 (four) meetings, which is in compliance with the regulatory requirements. The proceedings of the Audit Committee meetings have been reported to the Board of Directors regularly.

Sl No.	Name	Position	Meetings Attended
1	Mr. Mohammed Ariful Islam	Chairman	4/4
2	Dr. Mohammad Mahboob Rahman	Member	4/4
3	Mr. Nuruzzaman Khan	Member	4/4

SUMMARY OF ACTIVITIES DURING THE YEAR

The Audit Committee carried out the following activities during the year ended on June 30, 2023:

Regulatory Compliance:

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

Financial Reporting Process:

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

The Committee also reviewed along with the management:

- The annual audited financial statements for the year ended June 30, 2023 and recommended the Board for approval;
- The quarterly un-audited financial statements and recommended the Board for approval.
- The Bond Issue Proceeds of the company and the utilization of the same.

Internal Audit and Control:

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

External Audit:

The Audit Committee reviewed:

- The external auditor's performance;
- The audited financial statements, audit findings and recommendations before submission to the Board for approval;
- Whether appropriate action has been taken based on the audit findings and recommendations;
- The hiring processes of external auditor and determination of audit fees; and
- Ensures independence status of the external auditor.

Management's Discussion and Analysis:

The Audit Committee has also reviewed the Management's Discussion & Analysis for the year ended 30 June 2023 and recommended for necessary publication of the same in the Annual Report 2022-2023.

ACKNOWLEDGEMENT

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

For and on behalf of the Audit Committee



(Mohammed Ariful Islam)
Chairman

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

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

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

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

ROLES AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

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

- (i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors and the top level executives, considering the followings:
 - 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 and top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (ii) Devising a policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality;

- (iii) Identifying persons who are qualified to become Directors and who may be appointed in top level executive positions in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (iv) Formulating the criteria for evaluation of performance of Independent Directors and the Board;
- (v) Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) Developing, recommending and reviewing annually the company's human resources and training policies;

WORKING PROCEDURES OF NRC

Nomination Criteria

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

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

Selection Criteria

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

• Selection of Directors

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

• Selection of Independent Director:

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

• Selection of Top-level Executives:

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

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

• Selection of other Employees:

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

CRITERIA FOR APPOINTMENT OF MANAGING DIRECTOR, COMPANY SECRETARY (CS), CHIEF FINANCIAL OFFICER (CFO) AND HEAD OF INTERNAL AUDIT & COMPLIANCE (HIAC)

The following factors are considered for identifying an appropriate person for the position of Managing Director, CS, CFO and HIAC:

- The Board shall appoint Managing Director (MD), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit & Compliance (HIAC);
- The positions of Managing Director (MD), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit & Compliance (HIAC) shall be filled by different individuals;
- The MD, CS, CFO and HIAC shall not hold any executive position in any other company at the same time;
- “Provided that CFO or CS may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:
- Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by the appointing companies proportionately;”
- 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).

Other matters to be considered:

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

PERFORMANCE EVALUATION

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

REMUNERATION CRITERIA

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

REMOVAL OF DIRECTORS

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

RETIREMENT OF DIRECTORS

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

MEETING AND ATTENDANCE

During the financial year ended on 30 June 2023, the Nomination and Remuneration Committee (NRC) held 2 (two) meetings, which is in compliance with the regulatory requirements. The proceedings of the Audit Committee meetings have been reported to the Board of Directors regularly.

SI No.	Name	Position	Meetings Attended
1	Dr. Mohammad Mahboob Rahman	Chairman	2/2
2	Mr. Nuruzzaman Khan	Member	1/2
3	Mr. Mohammed Ariful Islam	Member	1/2
4	Mr. Golam Murshed	Member	2/2

SUMMARY OF ACTIVITIES DURING THE YEAR

The Nomination and Remuneration Committee (NRC) carried out the following activities during the year ended June 30, 2023:

The NRC reviewed:

- The nomination and remuneration policy and evaluation criteria for the Directors and the top level executives;
- The performance of Directors including Independent Directors;
- The performance of the Top Level Executives and the compensation package;
- The compliance of the code of conduct for the Chairman, Directors and Top Level executives;
- Vacancy position or new position, if any, for Director and top level executive;
- Re-appointment of the Managing Director and revision of his remuneration and recommended the Board for his re-appointment;
- The election/re-election of Director(s) in compliance with the Articles of Association of the company; and recommended the Board for re-election; and
- The Company's need for employees at different levels and their selection, transfer or replacement, training and promotion criteria.

ACKNOWLEDGEMENT

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

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



(Dr. Mohammad Mahboob Rahman)
Chairman

NOMINATION AND REMUNERATION POLICY

1. OVERVIEW

Preface

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

8. REMUNERATION TO DIRECTORS AND TOP LEVEL EXECUTIVES

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

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

c) The Non-Executive/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.

DIVIDEND DISTRIBUTION POLICY

1.00 INTRODUCTION

Dividend Distribution Policy is a set of principles/guidelines in relation to declaration and distribution of dividend and matters incidental thereto or connected therewith. National Polymer Industries 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 প্রবিধান ৪৬ of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares.

- The sale proceeds of fractional bonus share shall be paid off as per rules and regulations of the regulators issued from time to time.

- The Company shall maintain a Suspense BO account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- The Company shall send at least 3 (three) reminders to the entitled shareholder;

- The suspense BO account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus share as and when the allottee approaches to the Company.

- Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO account.

- The Company shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the Exchange(s).

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

9.00 CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

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

10.00 SUBMISSION OF DIVIDEND COMPLIANCE REPORT

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

11.00 UNPAID OR UNCLAIMED OR UNSETTLED CASH AND STOCK DIVIDEND

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

12.00 CONFLICT IN POLICY

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

13.00 AMENDMENTS/MODIFICATIONS

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

14.00. DISCLOSURE

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

REPORT ON UNCLAIMED DIVIDEND ACCOUNT

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

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:

- (a) 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. 924,481.00 up to the FY 2009-2010 (including fractional cash dividend upto the FY 2018-2019) to the Capital Marker Stabilization Fund's (CMSF) bank account.
- (b) As per the BSEC's Directive No. SEC/SRMIC/165-2020/306 dated 24 November 2021, the Company has transferred total 190,146 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 2018-2019) to the Capital Marker Stabilization Fund's BO Account.

THE STATUS OF UNPAID OR UNCLAIMED CASH AND STOCK DIVIDEND IS AS FOLLOWS:

- (a) Unpaid or Unclaimed Cash Dividend:
 - (i) Unpaid or Unclaimed Cash Dividend for the FY 2019-2020: Tk. 5,055,851.00
 - (ii) Unpaid or Unclaimed Cash Dividend for the FY 2020-2021: Tk. 3,698,156.00
 - (iii) Unpaid or Unclaimed Cash Dividend for the FY 2021-2022: Tk. 3,603,905.00
- (b) Unpaid or Unclaimed Stock Dividend/Bonus Shares: Nil
- (c) Non-refunded Rights Share Subscription money for the year 2021: Tk. 38,520.00
- (d) Unpaid or Unclaimed or Un-allotted Rights Shares for the year 2021: 1,432 shares

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

CORPORATE GOVERNANCE STATEMENT

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

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

BOARD OF DIRECTORS

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

BOARD MEETING AND ATTENDANCE

The Company conducts the board meetings and records the minutes of the meetings in line with the provisions of the relevant secretarial standards as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). The Board of Directors of National Polymer Industries PLC, accordingly, met 07 (seven) times during the year 2022-2023 to transact various agendas. The Board Meetings and attendance by the board members have been disclosed in this 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 leading the company to achieve the expected financial results, ensure business sustainability and generate value for the shareholders. The major roles and responsibilities of the Board are as follows:

- The Board of Directors provides effective guidance and directions to ensure that the robust policies and procedures are maintained properly to achieve the business objectives.
- The Board of Directors reviews the adequacy of internal control and risk management systems of the company through risk management 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 to their investments.
- The Board of Directors provides appropriate decisions/directions on the matters, which are legally required to be considered or decided by the Board, such as approval of the quarterly un-audited financial statements, annual audited financial statements, declaration of dividends and appointment/ re-appointment of Directors and Auditors etc.

- The Board of Directors also oversees and monitors the operational performance, corporate strategies, business plans, annual budgets, capital expenditure proposals for modernization and expansion of projects/product lines, procurement of plant & machineries, raw materials, arrangement or borrowing of funds etc.
- The Board of Directors monitors the appointment of the top management and review the management succession planning to ensure the effectiveness of 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 disclosed its report before the shareholders, which is an integral part of the Annual Report.

CHAIRPERSON OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR/CEO

As per the BSEC's Corporate Governance Code-2018, the positions of the Chairperson of the Board and the Managing Director are held by the different individuals. The roles and responsibilities of the Chairperson and the Managing Director are defined clearly.

CHAIRPERSON OF THE BOARD

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

ROLES & RESPONSIBILITIES OF THE CHAIRPERSON

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

- The primary role of the Chairperson is to preside over the meeting of the Board of Directors and the meeting of the Shareholders (AGM/EGM).
- The Chairperson confirms that the Board is constituted and is operating its activities in accordance with the Memorandum and Articles of Association of the company along with other legislations.
- The Chairperson consulting with the Managing Director and the Company Secretary sets the Board Meeting Schedule and Agenda to discuss and approve the important issues of the company along with other Board Members in the Board Meeting.
- Representing the company from the highest level, the Chairperson also maintains relationships with the relevant stakeholders in consultation with the Board as well as the Managing Director/ CEO for ensuring that an appropriate balance is maintained between the interests of shareholders and other stakeholders.
- As a Chairperson of the Board, he neither personally possess the jurisdiction to apply policy making or executive authority nor he participates in or interfere with the administration or operational and/or routine affairs of the company.
- The Chairperson may assume any responsibility, if the Board assigns within the purview of the relevant rules, regulations, acts and articles.

MANAGING DIRECTOR

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

ROLE & RESPONSIBILITIES OF THE MANAGING DIRECTOR

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

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

INDEPENDENT DIRECTORS

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

CHIEF FINANCIAL OFFICER (CFO)

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

COMPANY SECRETARY

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

HEAD OF INTERNAL AUDIT & COMPLIANCE

As per the BSEC's Corporate Governance Code-2018, the Board of Directors has appointed the Head of Internal Audit & Compliance of the company, who performs his respective roles and responsibilities. Mr. Mohammad Shoujat Hossain, who has long 13 years of experience in the field of Internal Audit & Compliance has been acting as the Head of Internal Audit & Compliance of the company. The head of internal audit (HIA) plays a vital role in delivering his responsibilities by achieving company's objective and assessing the adequacy and effectiveness of governance systems and reducing the risk and giving an evidence-based opinion on all aspects of governance, risk management and internal control systems as per International standards of auditing (ISA). He also makes recommendations to the Management and the Audit Committee about the improvement of operational, financial, compliance and internal control systems of the company. He assists the Management in identifying the risks associated with the company and how to mitigate such risks. The Head of Internal Audit & Compliance attends the Board Meeting as required under the Condition No. 3(2) of the BSEC's Corporate Governance Code.

MANAGEMENT TEAM

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

BOARD'S COMMITTEES

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

AUDIT COMMITTEE

In accordance with the guidelines of the BSEC's Corporate Governance Code-2018, the Board of Directors has constituted the 'Audit Committee' as a sub-committee of the Board, comprising of the 03 (three) Members of the Board. Two of them are Independent Directors and another member is the Non-Executive Director of the Board. The Audit Committee is headed by Mr. Mohammed Ariful Islam, the Independent Director of the Board. As per regulatory requirements, all the Members of the Audit Committee are well-conversant regarding the financial, regulatory and corporate laws and are able to analyze the financial statements to effectively discharge their duties and responsibilities. The key responsibilities and activities of the Audit Committee are stated in the report of the Audit Committee for the year ended 30 June 2023. The meeting and attendance of the Audit Committee Members has been disclosed in this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

RISK MANAGEMENT COMMITTEE

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

PURCHASE COMMITTEE

The Purchase Committee of the Company is comprised of the experienced executives headed by a senior 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 the report on the basis of evaluation of the purchase proposal with recommendation and send for obtaining approval from the competent authority.
- To supervise the entire procurement activities.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT COMMITTEE

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

STATUTORY AUDIT

The appointment of the Statutory Auditor and their activities are regulated by the Companies Act, 1994, Securities & Exchange Rules, 1987 and the BSEC's Corporate Governance Code, 2018. As per these regulations, the Auditor is appointed by the Shareholders at the Annual General Meeting of the company and their remuneration is also fixed by the Shareholders. The Audit Committee of the company meets with the Statutory Auditor to ensure that the Auditor acts independently. M/s Shiraz Khan Basak and Co., Chartered Accountants acted as the Statutory Auditor of the company for the year ended on 30 June 2023.

CORPORATE GOVERNANCE COMPLIANCE AUDIT

The appointment of the Corporate Governance Compliance Auditor and their functions are regulated by the BSEC's Corporate Governance Code, 2018. The Company appointed M/s Mahfel Huq & Co., Chartered Accountants as the Corporate Governance Compliance Auditor, who has provided the certificate on compliance with Conditions of Corporate Governance Code-2018 for the year ended on 30 June 2023 after due inspection of all relevant documents. The corporate governance certificate is disclosed in this annual report.

INTERNAL AUDIT AND CONTROL

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

DIVIDEND DISTRIBUTION POLICY

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

NRC POLICY

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

INSIDER TRADING POLICY

The Board of Directors of the company has adopted the 'Insider Trading Policy' as per the BSEC's Insider Trading Prohibition Rules, 2022. This Policy has outlined, among others, the restrictions on trading of securities by the insiders, who have inside information relating to securities or financial instruments of the company. This Policy has also specified the nature of disclosure of Price Sensitive Information (PSI) and Material Information (MI) of the company. This Policy has been disclosed in the official website of the company.

CODE OF CUNDUCT

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

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, AGM/EGM notice, price sensitive information, material information and/or any other permissible information, which the Company considers as its principal communication with them. The Shareholders are also provided with the routine services by the Company Secretariat & Share Department of the company.

RELATIONSHIP WITH THE SUPPLIERS

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

RELATIONSHIP WITH THE FINANCERS/BANKERS

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

COMPANY WEBSITE

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

Comparative analysis of Key Financial Performance/Information of preceding 05 years

Figures in Taka

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Revenue	6,476,878,342	5,065,419,290	4,487,233,362	3,432,956,238	3,000,007,744	2,366,380,577
Gross Profit	1,138,386,680	878,089,648	722,746,812	602,184,319	557,787,699	387,459,951
Profit Before WPPF & Taxation	201,025,119	279,726,625	247,067,957	210,358,293	178,536,519	111,369,664
Net Profit	152,591,224	213,125,047	182,359,683	150,255,924	127,207,270	79,350,886
Earnings Per Share	2.09	2.92	2.82	4.12	4.25	3.24
* Earnings Per Share (Restated)	-	-	1.71 (Diluted)	2.50	3.49	2.65
Non-Current Assets	3,630,410,701	2,741,497,520	2,239,341,353	1,873,723,605	1,826,858,228	1,629,743,594
Current Assets	3,750,365,689	3,695,085,575	3,800,465,041	2,630,779,173	2,353,922,517	1,832,529,413
Total Assets	7,380,776,390	6,436,583,095	6,039,806,394	4,504,502,778	4,180,780,745	3,462,273,008
Authorized Capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	500,000,000	500,000,000
Paid up Capital	729,836,680	729,836,680	729,836,680	364,918,340	299,113,400	245,174,920
Shareholders' Equity	2,168,579,828	2,088,837,494	1,968,392,471	1,309,083,706	1,165,907,991	1,062,094,915
Current Liabilities	3,421,004,875	3,086,641,598	2,537,027,922	2,567,038,848	2,252,938,054	1,919,205,568
** Non-Current Liabilities	1,711,696,673	1,181,618,989	1,454,900,986	548,895,210	682,449,686	401,487,510
Total Liabilities & Shareholders' Equity	7,380,776,390	6,436,583,095	6,039,806,394	4,504,502,778	4,180,780,745	3,462,273,008
NAV Per Share	29.71	28.62	30.49	35.87	38.98	43.32
NAV Per Share (Restated)	-	-	-	-	31.95	35.51
NOCFPS	6.53	4.81	(4.33)	6.66	0.22	9.51
NOCFPS (Restated)	-	-	-	-	(2.69)	7.79
Market Price Per Share (On 30 June)	51.00	53.30	57.40	56.60	111.15	89.40
Dividend	10.50%	10.50%	10%	15%	22%	22%
	Cash Dividend (Recommended)	Cash Dividend	Cash Dividend	Cash Dividend	Stock Dividend	Stock Dividend
Price Earnings Ratio	24.40	18.25	20.35	13.74	26.14	27.62
Current Ratio	1.10	1.20	1.49	1.02	1.04	0.95
Return on Equity (ROE) Ratio-%	7.04	10.20	9.26	11.48	10.91	7.47
Profit Margin Ratio-%	2.36	4.21	4.06	4.38	4.24	3.35
** Debt - Equity Ratio	2.37	2.04	2.03	2.38	2.52	2.19

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

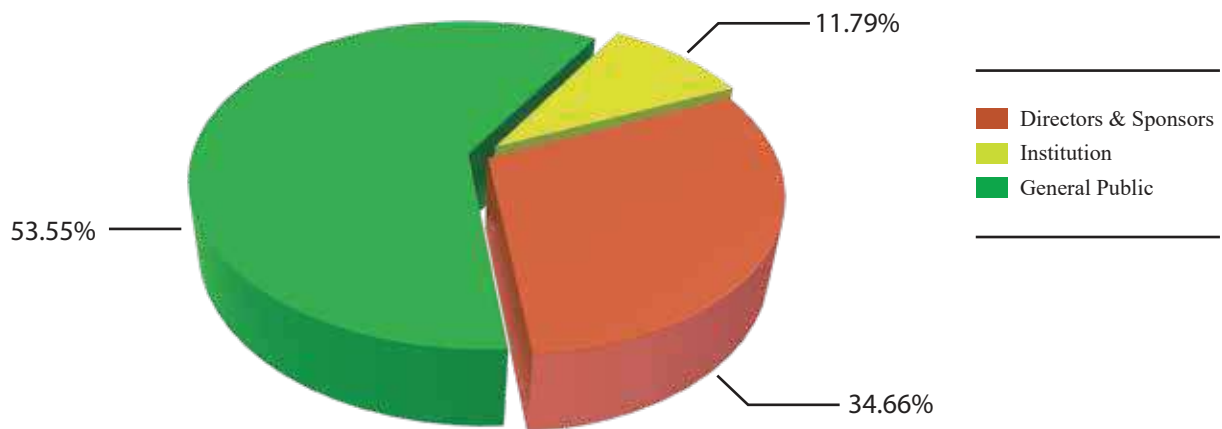
** Deferred Tax Liability not considered

SHAREHOLDING STRUCTURE (As on 30 June 2023)

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

Particulars	Number of Shareholders	Number of Shares	Percentage (%)
Directors & Sponsors	07	25,295,134	34.66%
Government	-	-	-
Institution	151	8,607,587	11.79%
Foreign	-	-	-
General Public	11,133	39,080,947	53.55%
Total	11,291	72,983,668	100%

Shareholding Structure by Category in the Graph



PATTERN OF SHAREHOLDING

- (a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details): **Nil**
- (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 & Chairman	3,782,840	5.18%
2	Mr. Riad Mahmud	Sponsor Director & Managing Director/CEO	3,603,773	4.94%
3	Ms. Mahmuda Akhter	ICB Nominated Director	13,637,557	18.69%
4	Late Shamsul Abedin Akhand & Mrs. Khaleda Akhand (Joint Account)	Sponsor	32,31,611	4.43%
5	Mr. Rohel Mahmud	Sponsor	7,26,202	0.99%
6	Mrs. Razia Morshed	Sponsor	304,082	0.42%
7	Mrs. Khaleda Akhand	Sponsor	9,069	0.01%
8	Mr. Mohammed Ariful Islam	Independent Director	Nil	-
9	Dr. Mohammad Mahboob Rahman	Independent Director	Nil	-
10	Mr. Abu Jafar, FCA	Chief Financial Officer	Nil	-
11	Mr. Md. Abdul Maleque	Company Secretary	Nil	-
12	Mr. Mohammad Shoujat Hossain	Head of Internal Audit & Compliance	Nil	-
Shares held by the spouses and minor children of the above persons:				
13	Mr. Ehsanul Karim	Son of Mr. Golam Murshed & Mrs. Razia Morshed	250,000	0.34%
14	Spouses and minor children of other Directors, MD/CEO, CFO, CS and Head of Internal Audit & Compliance	-	Nil	-

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

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

BOARD AND COMMITTEE MEETINGS & ATTENDANCE

Board Meeting and Attendance

During the year 2022-2023 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	Non-executive Sponsor Director & Chairman	7/7
2	Mr. Riad Mahmud	Sponsor Director & Managing Director/CEO	7/7
3	Mr. Nuruzzaman Khan (Retired from the Board on 24/05/2023)	ICB Nominated Director	6/7
4	Mr. Mohammed Ariful Islam	Independent Director	6/7
5	Dr. Mohammad Mahboob Rahman	Independent Director	7/7
6	Ms. Mahmuda Akhter (Joined the Board on 24/05/2023)	ICB Nominated Director	1/7

Audit Committee Meeting and Attendance

During the year 2022-2023 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 2022-2023 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	2/2
2	Mr. Mohammed Ariful Islam	Independent Director & Member of the NRC	1/2
3	Mr. Nuruzzaman Khan	ICB Nominated Director & Member of the NRC	1/2
4	Mr. Golam Murshed	Non-executive Sponsor Director & Member of the NRC	2/2

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

Date: November 30, 2023

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2023

Dear Sirs,

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

- (1) The Financial Statements of National Polymer Industries PLC. for the year ended on 30 June 2023 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.

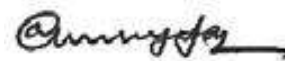
In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2023 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)

CERTIFICATE OF BAPLC



CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE CODE



Mahfel Huq & Co.
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An independent member firm of AGN International

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

We have examined the compliance status to The Corporate Governance Code by NATIONAL POLYMER INDUSTRIES PLC. (the company) for the year ended on 30 June 2023. This Code relates to the Notification No-BSEC/CMRRCD/2006-158/207/admin/80; Date: 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 PLC. as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Place: Dhaka
Date: December 3, 2023.


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

Mahfel Huq & Co. is an independent member firm of AGN International, UK. AGN International is a worldwide association of separate and independent accounting & consulting firms. Each member of AGN operates under its own local or national name and remains autonomous.

CORPORATE GOVERNANCE COMPLIANCE STATUS

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

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put \checkmark 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)	\checkmark		Board of Directors consists of 05 (five) members
1.2	Independent Directors:			
1(2) (a)	At least 2 (two) directors or one-fifth (1/5) of the total number of Directors in the company's Board, whichever is higher, shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	\checkmark		The Board has appointed 2 (two) Independent Directors
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "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;	\checkmark		The 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;	\checkmark		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	\checkmark		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark		
1(2)(b)(v)	Who is not a member or TREC (Trading, Right Entitlement Certificate) holder, director or officer of any stock exchange;	\checkmark		
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;	\checkmark		

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
	TREC holder of stock exchange or an intermediary of the capital market;			
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;	√		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a Financial Institution (NBFI); and			To be followed in future
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The Independent Director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM):	√		
	Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC).			To be followed for next appointment or re-appointment of independent director
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 with prior consent of the Commission
	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 registered business association; or	√		One Independent Director is a business leader

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of 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 or existing 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; Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		Another Independent Director is a university 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			No such event occurred

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
	particular Board's meeting; the reason of absence of the regular Chairperson shall be duly 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	N/A		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
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	No such event occurred		Do
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.	✓		Do
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	✓		Do
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;	✓		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;	✓		Do
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		Do
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting elements are based on reasonable and prudent judgment;	✓		Do
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		Do
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Do
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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;	√		Stated in the Directors' report
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;	√		Disclosed in the annual report
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A		The company has declared Cash Dividend which is stated in the Directors' report
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		Stated 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);	Nil		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;	N/A		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(5) (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
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.	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		Posted on the website of the company
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;	✓		A subsidiary company was formed on 27 Nov 2022, but the Board has decided to wind up the subsidiary company on 28 Oct 2023 as it's business is no longer viable.
2(b)	At least 1 (One) independent director on the Board of the holding company shall be a director on the board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		
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:	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:			Shall be done in future accordingly, if requires
	Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by the appointing companies proportionately;			Do
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).	√		The HIAC resigned from his position, which was approved by the Board and was disseminated to the Commission and the stock exchange(s)
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	√		
	(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.	√		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	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		The Audit Committee consists of 03 (three) members
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be not-executive directors of the company excepting the 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;	✓		
5(2)(d)	When the term of service of any committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the committee to ensure continuity of the performance of work of the Audit Committee;			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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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
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
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 ;	√		
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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 and/or any other instruments have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	√		Overseen the utilization of Bond 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
	(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Do
	(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Do
	(d) Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			Do
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Do
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	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
	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;	√		The NRC consists of 04 (four) members
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		All members of the Committee are 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;	√		
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;			No such event occurred
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
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
	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
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;	√		
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.	√		
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;	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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 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;	√		
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.	√		Corporate Governance Certificate disclosed in the annual report
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Independent Auditor’s Report to the Shareholders’ of National Polymer Industries PLC. Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the Consolidated and Separate financial statements of National Polymer Industries PLC. (the “Company”), which comprise the Statement of Financial Position as at 30 June 2023, 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 for both the Consolidated and Separate Financial Statements.

In our opinion, the accompanying financial statements is present fairly, in all material respects, the financial position of the company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Securities and Exchange Rules 1987 and other applicable law and regulations.

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 6,476,878,342. 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. 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</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>

<p>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>[See note 31.00 to the financial statements]</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.
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Existence and Valuation of Inventories

Risks	Our Response to the Risks
<p>The company had inventories of BDT 1,318,223,933 at 30 June 2023, 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>[See note 8.00 to the financial statements]</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. 2,961,497,539 as at 30 June, 2023. 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>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.

Recognition of and Measurement of Property, Plant and Equipment

Risks	Our Response to the Risks
<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>[See note 4.00 to the financial statements]</p>	<ul style="list-style-type: none"> • Assessed the legal right and obligations of property, plant and equipment. • Assessed the control activities of Property, Plant and Equipment. <p>Assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS sand found them to be consistent.</p> <p>Our substantive procedure in relating to the property, plant and equipment recognition and measurements are following:</p> <ul style="list-style-type: none"> • Checked the purchase and adjustments with the relevant bills and vouchers. • Verified the hard copy of fixed assets register. • Verified the calculation process of depreciation. <p>Checked the appropriateness of presentation and disclosure.</p>

Long Term Loan

Risks	Our Response to the Risks
<p>As at June 30, 2023, the reported amount of total Long Term loan is Tk. 520,538,931 (Current and Non-current portion). The company borrowed fund from various banks and WPPF for the purpose of acquisition of non-current assets and working capital as well.</p> <p>[See note 19.00 to the financial statements]</p>	<p>In order to obtain the accuracy, completeness and correctness of measurement of Long Term Loan, we have followed the following key and control activities:</p> <ul style="list-style-type: none"> • Attend the actual position of loan. • Checking the bank statements. • Checking the loan agreement. <p>Our substantive procedure in relating to the Loan Term Loan recognition and measurement are following:</p> <ul style="list-style-type: none"> • Checked the bank statement also with the opening balance. • Checked the recoding of the transaction. • 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.

Inter-company Loan

Risks	Our Response to the Risks
<p>As at June 30, 2023, the reported amount of total Long Term loan is Tk. 1,076,666,662 (Current and Non-current portion). The company borrowed fund from National Fittings & Accessories Limited (sister company) for the purpose of acquisition of non-current assets and working capital as well.</p> <p>[See note 22.00 and 27.00 to the financial statements]</p>	<p>Our substantive procedure in relating to the Inter-company 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. • Checked the financial expenses and classification of loan and repayments schedule as well.

Trade & Other Receivable

Risks	Our Response to the Risks
<p>The total amounts of Trade & Other Receivable are Tk. 1,296,309,109 from local customers in different business segments and jurisdiction is subject to their independent business risk.</p> <p>[See note 3.13i(a) and 9.00 to the financial statements]</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.

Employees Salary and Wages

Risks	Our Response to the Risks
<p>Salary and Wages are measured on accrual basis and its allocation in accordance with cost center. Salary and wages are measured when it is paid and payable.</p> <p>[See note 3.30, 33.00 & 34.00 to the financial statements]</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. • Our substantive procedure in relating to the Salary and wages are following: • 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 28, 2023



Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khan Basak & Co
Chartered Accountants
ICAB Enrolment No. 461
DVC:2310290461AS611929

National Polymer Industries PLC.
Consolidated Statement of Financial Position
As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	2,961,497,539	2,596,601,177
FDR Investment	5	38,600,464	39,904,030
Incorporation & Pre- Operating Expenses	6	394,720	-
Capital Work in Progress (CWIP)	7	629,917,978	104,992,313
		3,630,410,701	2,741,497,520
Current Assets			
Inventories	8	1,318,223,933	1,322,302,337
Trade & Other Receivables	9	1,296,309,109	1,341,945,269
Accrued Interest Receivable on FDR	10	1,333,859	1,069,617
Advance, Deposits & Pre-payments	11	314,871,070	280,096,426
Advance Income Tax	12	604,297,617	389,567,842
Cash & Cash Equivalents	13	215,330,102	360,104,084
		3,750,365,689	3,695,085,575
TOTAL ASSETS		7,380,776,390	6,436,583,095
EQUITY & LIABILITIES			
Shareholders Equity & Reserves			
Share Capital	14	729,836,680	729,836,680
Share Premium	15	316,459,170	316,459,170
Revaluation Reserve	16	496,260,922	496,260,922
Retained Earnings	17	626,023,056	546,280,722
		2,168,579,828	2,088,837,494
Non-Controlling Interest	18	10,000	-
Non-Current Liabilities			
Long Term Loan - (Non-Current Maturity)	19.1	390,363,347	104,952,327
Deferred Tax Liability	20	79,485,014	79,485,014
Zero Coupon Bonds	21	498,000,000	-
Inter-Company Loan (Non-Current Maturity)	22	823,333,326	1,076,666,662
		1,791,181,687	1,261,104,003
Current Liabilities			
Short Term Loan	23	2,321,147,223	2,342,598,960
Long Term Loan (Current Maturity)	19.2	130,175,584	134,564,075
Bank Overdraft	24	432,636,027	167,074,377
Accounts Payable	25	64,062,657	40,505,247
Unclaimed Dividend Account	26	12,357,912	8,970,183
Inter-Company Loan (Current Maturity)	27	253,333,336	253,333,336
Provision for Expenses	28	52,633,844	20,050,709
WPPF & Welfare Fund	29	9,572,625	13,320,315
Provision for Taxation	30	145,085,666	106,224,396
		3,421,004,875	3,086,641,598
TOTAL EQUITY & LIABILITIES		7,380,776,390	6,436,583,095
Net Asset Value (NAV) Per Share	42	29.71	28.62


The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary


Dhaka: 28 October 2023



Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC:2310290461AS611929

National Polymer Industries PLC.
Consolidated Statement of Profit or Loss and Others Comprehensive Income
For the year ended 30 June 2023

Particulars	Note	Amount in Taka	
		30 June 2023	30 June 2022
Revenue	31	6,476,878,342	5,065,419,290
Cost of Goods Sold	32	(5,338,491,661)	(4,187,329,642)
Gross Profit		<u>1,138,386,680</u>	<u>878,089,648</u>
Administrative, Selling and Distribution Expenses:			
Administrative Expenses	34	(186,174,209)	(176,824,948)
Selling and Distribution Expenses	35	(141,740,456)	(119,436,805)
Profit from Operations		<u>810,472,015</u>	<u>581,827,895</u>
Other Income	36	14,571,908	4,629,220
Foreign Exchange Gain/(Loss)	37	(268,633,736)	(3,894,750)
Finance Expense	38	(355,385,068)	(302,835,740)
Profit before WPPF and Taxation		<u>201,025,119</u>	<u>279,726,625</u>
WPPF and Welfare Fund	39	(9,572,625)	(13,320,315)
Provision for Tax	40	(38,861,270)	(53,281,262)
Net Profit for the Period		<u>152,591,224</u>	<u>213,125,047</u>
Other Comprehensive Income/(Loss) for the Period			
Actuarial Loss on Defined Benefit Plan		-	-
Total Comprehensive Income for the Period		<u><u>152,591,224</u></u>	<u><u>213,125,047</u></u>
Basic Earnings Per Share (EPS)	41	<u>2.09</u>	<u>2.92</u>


The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary

Dhaka: 28 October 2023



Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC:2310290461AS611929


National Polymer Industries PLC.
Consolidated Statement of Changes in Equity
For the year ended 30 June 2023

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

For the period 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	1,968,392,472
Cash Dividend Paid (2020-2021 FY)	-	-	-	(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


Chairman


Managing Director


Company Secretary

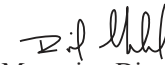
Dhaka: 28 October 2023

National Polymer Industries PLC.
Consolidated Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Cash Flows from Operating Activities			
Collection from Sales and Others		6,537,086,410	4,891,949,283
Payment to Suppliers, Employees and Others		(5,380,509,343)	(4,169,084,332)
		1,156,577,067	722,864,951
Income Tax Paid	12	(214,729,775)	(185,514,250)
Foreign Exchange Gain/(Loss)		(268,633,736)	(3,894,750)
Financial Expenses		(196,950,129)	(182,551,348)
Net Cash Flows from Operating Activities		476,263,428	350,904,602
Cash Flows from Investing Activities			
Payment for acquisition of Property, Plant & Equipment	4	(611,470,331)	(1,030,234,501)
Pre- Incorporation & Operating Expenses		(394,720)	-
Investment/ Encashment in FDR		1,303,567	336,610,558
Capital Work in Progress (CWIP)	7	(549,001,202)	(60,446,633)
Net Cash used in Investing Activities		(1,159,562,688)	(754,070,576)
Cash Flows from Financing Activities			
Proceeds from Long Term Loan		433,059,654	-
Payment of Long Term Loan		(152,037,125)	(171,982,526)
Share money Deposit None controlling Interest		10,000	-
Bonds Subscription		498,000,000	-
Cash Dividend Paid (2021-2022 FY)		(72,848,890)	-
Cash Dividend Paid (2020-2021 FY)		-	(72,983,668)
Short Term Loan- Increase/(Decrease)		244,109,914	720,060,836
Inter Company loan		(253,333,336)	(285,000,002)
Interest Paid on Long Term Loan		(158,434,939)	(120,284,392)
Net Cash Flows/ (used) from Financing Activities		538,525,278	69,810,249
Net Increase/(Decrease) in Cash during the year		(144,773,981)	(333,355,725)
Opening Cash & Cash Equivalents		360,104,084	693,459,809
Closing Cash & Cash Equivalents	13	215,330,102	360,104,083
Net Operating Cash Flow per Share	43	6.53	4.81

The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary

Dhaka: 28 October 2023

National Polymer Industries PLC.
Notes to the Consolidated Financial Statements
As at and for the year ended 30 June 2023

1.00 Reporting Entity

1.1 Profile of the Company

1.1.1 Legal Status of the Company

National Polymer Industries PLC (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. The Limited company change name **National Polymer Industries Limited** To **National Polymer Industries PLC.** under the Company Act 1994 section 11 sub-section (7) on 19 February 2023 its incorporation number C-16602. Also its subsidiary company is Npoly Trading Limited was incorporated with register of joint stock companies and firm, Dhaka.

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 Water Tank, 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 1334 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, 2023;
- (ii) Statement of Profit or Loss and Others Comprehensive Income for the year ended June 30, 2023;
- (iii) Statement of Changes in Equity for the year ended June 30, 2023;
- (iv) Statement of Cash Flows for the year ended June 30, 2023; and
- (v) Notes to the Financial Statements for the year ended June 30, 2023.

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 2022 to 30 June 2023.

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;
- Income Tax Act 2023;
- 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 Accounting

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

3.06 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and entity controlled by the company. Control is achieved where the company has the power to give the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of the group.

All intra group transaction, balance, income and expenses are eliminated in full on consolidation. Minority interests in the net assets of consolidated subsidiaries are identified separately from the group equity therein. The consolidated financial statements are prepared as per guidance of IFRS-10: Consolidated Financial Statements.

These consolidated financial statements have been prepared in consolidation with the un-audited of the company and the unaudited accounts of Npoly Trading Limited for the period ended 30 June 2023 according to the relevant IFRS or IAS.

3.07 Percentage of Holding on Subsidiary Company

Name of Company	Total No. Shares	Total Holding	Percentage of Holding
Npoly Trading Limited	100,000	99,000	99.00%

3.08 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.

3.09 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.

3.10 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.

3.11 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	Applied
Joint Arrangements	IFRSs-11	Not applicable
Disclosure of Interest in other Entities	IFRSs-12	Not applicable
Fair Value Measurement	IFRSs-13	Not applicable
Regulatory Deferral Accounts	IFRSs-14	Not applicable
Revenue from Contracts with Customers	IFRSs-15	Applied
Leases	IFRSs-16	Not applicable
Insurance Contracts	IFRSs-17	Not applicable
Presentation of Financial Statements	IASs-1	Applied
Inventories	IASs-2	Applied
Statement of Cash Flows	IASs-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IASs-8	Applied
Events after the Reporting Period	IASs-10	Applied
Income Taxes	IASs-12	Applied
Property, Plant and Equipment	IASs-16	Applied
Employee Benefits	IASs-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IASs-20	Applied
The Effects of Changes in Foreign Exchange Rates	IASs-21	Applied
Borrowing Costs	IASs-23	Applied
Related Party Disclosures	IASs-24	Applied
Investments in Associates	IASs-28	Not applicable
Earnings per Share	IASs-33	Applied
Interim Financial Reporting	IASs-34	Applied
Intangible Assets	IASs-38	Not Applicable
Financial instruments: Recognition and Measurement	IASs-39	Applied
Investment Property	IASs-40	Not applicable
Agriculture	IASs-41	Not applicable

3.12 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.

3.13 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.

3.14 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.

3.15 Taxation

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

i. Current Taxation

The tax currently payable is based on the Taxable profit for the year and any adjustment to tax payable in respect of previous year. The company is a Publicly Traded Company. As per the Income Tax Act 2023 the rate of taxation applied at the rate of 20.00%.

ii. Deferred Taxation

The company does not require to compute deferred tax on PPE, because it charges depreciation as per method, conditions and rate(s) as specified in the third 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.

3.16 Revaluation Reserve

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

The company has revaluated (under 'Fair Value' method) its own land in the year of 2015 located at Squib Road, 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.

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

3.17 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.

3.18 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".

3.19 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.

3.20 Contingent Liabilities

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

3.21 Revenue (Turnover) From Sales

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

Revenue Recognition

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

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

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

3.22 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.

3.23 Earnings Per Share:

The Company calculates Earnings Per Shares (EPS) in accordance with IASs 32 & 33 "Diluted Earnings Per Share" & "Earnings per Shares" which has been shown on the face of Statement of Comprehensive Income and, the computation of EPS is stated in Note 37. Earning per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 30 June 2023 as per IASs-33 "Earnings per Shares".

3.24 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.

3.25 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".

3.26 Dividend for the 2022-2023

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

3.27 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.

3.28 Post Closing Events

After the reporting period, the Board of Directors recommended 10.50% cash dividend per share The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

3.29 Human Resources

Particulars	2022-23	2021-22
Officers	429	385
Staff	269	204
Skilled and unskilled workers	636	456
Total	1334	1045

3.30 Employee Benefit

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

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

iii. Employee's Group Insurance

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

3.31 Advertisement, Publicity & Promotional Expenses:

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

3.32 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.

3.33 Authorization for Issue:

These Financial Statements have been authorized for issue by the Board of Directors of the Company on 28 October 2023.

3.34 Comparative Information:

Figures of the year 2021-2022 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	Depreciation
	Rate as per book of Accounts	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 82.67% to 82.42% though raw material price was low. But during this period, Earnings Per Share (EPS) has been decreased significantly compared to the previous year due to Foreign Exchange Loss for significant devaluation of Taka against US Dollar. Though total Gross Profit increased 17.33% to 17.58% which was 0.24% growth.

3.41 Deviation of NOCF:

Net Operating Cash Flows is just the resultant figure of Cash Inflows and Outflows from Operating Activities. Therefore, Net Cash Flows increases, if only Cash Inflows is higher than Cash Outflows in a particular period and vice versa. Net Operating Cash Flows has been increased Tk.4.81 to Tk. 6.52 because of collection from sales & others was increased, otherwise there were no significant deviation found.

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.

	Amount in Taka	
	30 June 2023	30 June 2022
4.00 Consolidated Property, Plant & Equipment		
Opening Balance	4,343,717,563	3,118,831,149
Addition during the year	635,545,868	1,224,886,413
	-	-
Cost as at 30 June 2023	4,979,263,431	4,343,717,563
Accumulated Depreciation	(2,017,765,892)	(1,747,116,386)
Closing Balance (Details in Annexure : 1)	2,961,497,539	2,596,601,177

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

5.00 Consolidated FDR Investment

Name of Institute or Bank	FDR No.	Maturity Date	Interest Rate	Taka	Taka
IPDC Finance Limited (Gulshan Branch)	2592	08 July 2023	6.50%	3,072,976	2,951,993
IPDC Finance Limited (Gulshan Branch)	8901	13 Jan 2023	7.00%	8,909,870	8,520,908
IPDC Finance Limited (Gulshan Branch)	7574	28 Nov 2023	7.00%	9,057,803	8,206,250
IPDC Finance Limited (Gulshan Branch)	2590	01 Aug 2023	6.50%	6,092,042	5,827,000
IPDC Finance Limited (Gulshan Branch)	1625	28 May 2023	7.80%	3,196,801	3,041,636
IPDC Finance Limited (Gulshan Branch)	39005	25 April 2024	7.80%	5,000,000	-
City Bank Limited (Gulshan Branch)	8001	16 Aug 2023	3.50%	746,909	726,565
One Bank Limited (Banani Branch)	2267	15 May 2023	4.00%	-	10,629,678
Community Bank Bangladrsh Ltd. (B.B.)	0116	18 May 2024	6.00%	2,524,063	-
				38,600,464	39,904,030

6.00 Consolidated Incorporation & Pre- Operating Expenses

Incorporation & Pre- Operating Expenses	394,720	-
	394,720	-

7.00 Consolidated Capital Work in Progress (CWIP)

Capital Machinery in Transit	15,528,680	112,100,000
Advance during this period	98,861,426	-
Transferred to Plant and Machinery during the year	(15,528,680)	(96,571,320)
	98,861,427	15,528,680
Opening Balance of Advance on Civil Construction	56,860,000	55,813,593
Transferred to Factory Building during the year	-	(55,813,593)
Advance for Civil Construction during the year	427,071,919	56,860,000
	483,931,919	56,860,000
Opening Balance of Advance on Land & Land Development	32,603,633	71,284,000
Advance during this period	23,067,857	3,586,633
Transferred to Land & Land Development during the year	(8,546,857)	(42,267,000)
	47,124,633	32,603,633
	629,917,978	104,992,313

8.00 Consolidated Inventories

Raw Materials	610,139,148	582,729,694
Work in Process	54,595,598	55,709,794
Finished Goods	631,260,483	444,488,933
Stores and Spares	12,914,765	14,675,870
Stock in Transit	1,252,640	217,369,593
Packing Materials	8,061,298	7,328,453
	1,318,223,933	1,322,302,337

9.00 Consolidated Trade & Other Receivables

Receivables against Sales & others	1,296,309,109	1,341,945,269
	1,296,309,109	1,341,945,269

Day Range	Amount in Taka	Amount in Taka
Below 30 days	805,785,742	752,965,491
Below 90 days	430,244,993	472,230,540
Below 180 days	56,389,446	110,039,512
Above 180 days to below 1 Year	3,888,927	6,709,726
Total	1,296,309,109	1,341,945,269

a) This is unsecured, considered good and is falling due within one year.

b) No amount is considered doubtful or bad and therefore no provision is made in the Financial Statements.

c) No amount is due by any Director or other Officer of the company and any of them severally or jointly with any other person.

10.00 Accrued Interest Receivable on FDR

Name of Institute or Bank	Interest Rate	FDR No.	Maturity Date	30 June 2023	30 June 2022
IPDC Finance Limited	5.25%	2592	08 July 2023	195,305	151,536
IPDC Finance Limited	5.75%	8901	13 Jan 2024	289,323	227,283
IPDC Finance Limited	6.50%	7574	28 Nov 2023	373,383	314,117
IPDC Finance Limited	5.75%	2590	01 Aug 2023	361,884	306,201
IPDC Finance Limited	5.75%	1625	28 May 2023	22,164	15,546

Name of Institute or Bank	Interest Rate	FDR No.	Maturity Date	30 June 2023	30 June 2022
IPDC Finance Limited	5.25%	39005	11 May 2023	70,417	-
Standard Chartered Bank Ltd.	5.25%	8138	23 June 2023	-	-
City Bank Limited	3.50%	8001	18 May 2023	3,050	2,967
One Bank Limited	4.00%	2267	15 May 2023	-	51,967
Community Bank Bangladesh Ltd.	4.60%	2198	15 Sep 2022	18,333	-
				1,333,859	1,069,617

11.00 Consolidated Advance, Deposit & Pre-payments

Advance to Suppliers

Opening Balance	9,969,095	6,700,505
Add: During the Year	312,108,768	3,268,590
Bill Adjustment	(114,649,678)	-
	207,428,185	9,969,095
Advance to Employee	6,569,459	7,604,548
Advance against Brand Development	1,455,809	5,258,486
Other Advances	-	1,470,244
	215,453,454	24,302,374

Deposits:

Security Deposit	2,407,548	4,429,300
BG Margin & LC Margin	27,099,151	78,762,846
Deposit for Utilities	-	2,187,484
	29,506,699	85,379,630

Prepayments:

Prepaid Rent	27,717,474	29,341,868
Value Added Tax (VAT)	42,193,443	141,072,555
	69,910,917	170,414,423
	314,871,070	280,096,426

a) Employees advance of Tk. 65,69,459 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.

12.00 Consolidated Advance Income Tax

Opening balance	389,567,842	409,102,776
AIT Paid at Port (Import Stage)	134,506,372	156,224,709
AIT Paid at Port (Export, Local & Others)	77,464,426	27,964,785
AIT on Vehicles	1,260,500	1,143,500
AIT on Bangladesh Bank Cash Assistance	1,151,400	98,600
AIT on FDR interest	347,077	82,656
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 2019-2020)	-	(69,781,665)
	604,297,617	389,567,842

13.00 Consolidated Cash & Cash Equivalents

NPI PLC Cash in Hand	10,198,114	6,598,500
NPI PLC Cash at Bank	204,196,487	353,505,584
Npoly Trading Cash in Hand	-	-
Npoly Trading Cash at Bank	935,501	-
	215,330,102	360,104,084

14.00 Consolidated Share Capital

Authorized:

300,000,000 Ordinary Shares of Taka 10 each	3,000,000,000	3,000,000,000
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Issued, Subscribed and Paid-up:

I) 134,000 Ordinary Shares of Taka 10 each	13,400,000	13,400,000
II) 134,000 Rights Shares of Taka 10 each (1:1)	13,400,000	13,400,000
III) 536,000 Rights Shares of Taka 10 each (1:2)	53,600,000	53,600,000
IV) 6,388,845 Bonus Shares of Taka 10 each	63,888,450	63,888,450
V) 2,597,192 Bonus Shares of Taka 10 each	25,971,920	25,971,920
VI) 3,405,207 Bonus Shares of Taka 10 each	34,052,070	34,052,070
VII) 4,086,248 Bonus Shares of Taka 10 each	40,862,480	40,862,480
VIII) 5,393,848 Bonus Shares of Taka 10 each	53,938,480	53,938,480
IX) 6,580,494 Bonus Shares of Taka 10 each	65,804,940	65,804,940
X) 1:1 Right Shares of Taka 10 each	364,918,340	364,918,340
	729,836,680	729,836,680

Composition of Shareholding:

	30 June 2023		30 June 2022	
	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%
Ms. Mahmuda Akhter	ICB Nominated Director	13,637,557	18.69%
Mr. Rohel Mahmud	Sponsor	726,202	1.00%
Mrs. Razia Morshed	Sponsor	304,082	0.42%
Mrs. Khaleda Akhand	Sponsor	9,069	0.01%
Late Shamsul Abedin Akhand and Mrs. Khaleda Akhand (Joint Account)	Sponsor	3,231,611	4.43%
Total		25,295,134	34.66%

Classification of Shareholders by holding:

Holdings	Number of Holders		Total Holding (%)	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
1 to 500	4,058	4,058	39.25	39.25
501 to 1,000	1,776	1,776	17.18	17.18
1,001 to 5,000	2,931	2,931	28.35	28.35
5,001 to 50,000	1,452	1,452	14.05	14.05
50,001 to above	121	121	1.17	1.17
	10,338	10,338	100	100

Amount in Taka	
30 June 2023	30 June 2022

15.00 Consolidated Share Premium

Total 536,000 Shares of Taka 250 each (January 2009)	134,000,000	134,000,000
Total 36,491,834 Shares of Taka 05 each (February 2021)	182,459,170	182,459,170
	316,459,170	316,459,170

16.00 Consolidated Revaluation Reserve

Opening Balance	496,260,922	496,260,922
Land Revalued during this year	-	-
	496,260,922	496,260,922
Deferred Tax on Land Revaluation	-	-
	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- 3.16)

17.00 Consolidated Retained Earnings

Opening Balance	546,280,722	425,835,699
Payment of Stock Dividend	-	-
	546,280,722	425,835,699
Cash Dividend Paid (2021-2022 FY & 2020-2021 FY)	(72,848,890)	(72,983,668)
Tax Adjustment against assessment (2019-2020 FY)	-	(19,696,357)
Profit during the year end	152,591,224	213,125,047
	626,023,056	546,280,722

18.00 Non Controlling Interest

Paid-up Capital		
Npoly Trading Ltd.	10,000	-
Retained Earnings		
Npoly Trading Ltd.	-	-
	10,000	-

19.00 Consolidated Long Term Loan

Standard Chartered Bank		
Opening Balance	-	67,078,928
Received during the year	-	-
Paid during the year	-	(67,078,928)
	-	-
Prime Bank Ltd.		
Opening balance	239,516,402	344,420,000
Received during the year	-	-
Paid during this year	(152,037,125)	(104,903,598)
	87,479,277	239,516,402
Current Maturity within one year	(87,479,277)	(134,564,075)
	-	104,952,327
Syndicate Loan (Bank Asia & IDLC)		
Opening balance	-	-
Received during the year	421,559,654	-
Paid during this year	-	-
	421,559,654	-
Current Maturity within one year	(42,696,307)	-
	378,863,347	-

	Amount in Taka	
	30 June 2023	30 June 2022
Loan from WPPF		
Opening balance	-	-
Received during the year	11,500,000	-
Paid during this year	-	-
	11,500,000	-
Current Maturity within one year	-	-
	11,500,000	
19.1 Long Term Loan - (Non-current Maturity)		
Prime Bank Ltd.	-	-
IDLC Finance Limited	378,863,347	-
Prime Bank Ltd.	11,500,000	104,952,327
	390,363,347	104,952,327
19.2 Long Term Loan - (Current Maturity)		
Prime Bank Ltd.	87,479,277	-
IDLC Finance Limited	42,696,307	-
Prime Bank Ltd.	-	134,564,075
	130,175,584	134,564,075
	520,538,931	239,516,402

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
IDLC Finance Limited	Gulshan-1	IDLC/CAD/LRCORP/GLN/2022/2128, 2129, 2130, 2131	19 Dec 2022

Security against Facilities

- Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, BRAC Bank, One Bank Ltd, Commercial Bank of Ceylon Ltd., Prime Bank Limited of which area of Land is 146.90 decimals located at Kathaldia, Tongi, Gazipur.
- Demand Promissory Note & Letter of Continuation.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the Sponsor Directors.
- Syndicate Loan (Bank Asia & IDLC) 1263.00 decimals land at loacacted Hobirbari, Vhaliuka, Mymensingh and 78.45 decimals land located at Poddobila, korpara, Gopalgong.

20.00 Consolidated Deferred Tax Liability

Deferred tax liability has been calculated on the revaluation surplus of land. On 4th May 2015, the company has revalued its own land located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer Mahfel Huq & Co. The area of the land is 311.10 Decimals. Book value of the land was Taka 67,411,905. After valuation, this is increased to 597,312,000. Revalued amount is Taka 529,900,095.

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

	Amount in Taka	
	30 June 2023	30 June 2022
Revaluation Surplus on Land & Land Development	529,900,095	529,900,095
Deferred Tax Liability @ 15%	79,485,014	79,485,014

21.00 Consolidated Zero Coupon Bonds

Fund Received during this period	498,000,000	-
Interest Payable on Bond	-	-
	498,000,000	-

22.00 Consolidated Inter-Company Loan (Non-Current Maturity)

National Fittings & Accessories Limited		
Opening Balance	1,329,999,998	1,615,000,000
Received during the year	-	-
Paid during the year	(253,333,336)	(285,000,002)
	1,076,666,662	1,329,999,998
Current Maturity within one year	(253,333,336)	(253,333,336)
	823,333,326	1,076,666,662

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

23.00 Consolidated Short Term Loan

Loan against Trust Receipt (LTR)	1,190,906,266	1,223,781,977
Short Term Finance (STF)	1,130,240,957	1,118,816,983
	2,321,147,223	2,342,598,960

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank Limited	Motijheel	BA8/10836628/SCB/UC	29-Feb-2022
Prime Bank Limited	Gulshan-1	Prime/CAD/CNIB/2023/204	11 July 2023
IDLC Finance Limited	Gulshan	IDLC/CAD/LRCORP/GLN/2020/1612	01-Dec-2020
One Bank Limited	Banani	OBL/BB/CR/SA/256/2023	06 June 2023
Community Bank Bangladesh Ltd.	Gulshan	CBBL/HO/CAD/2023/1032	04 Jan 2023
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, BRAC Bank, One Bank Ltd, Commercial Bank of Ceylon Ltd., Prime Bank Limited of which area of Land is 146.90 decimals located at Kathaldia, Tongi, Gazipur.
- Demand Promissory Note & Letter of Continuation.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the Sponsor Directors.

	Branch	Account No.	Amount in Taka	
			30 June 2023	30 June 2022
24.00 Consolidated Bank Overdraft				
Standard Chartered Bank	Motijheel	01124925801	28,838,334	33,639,624
Community Bank Bangladesh Ltd.	Gulshan-1	0070315928701	30,683,842	29,191,616
Prime Bank Limited	Gulshan-1	2118759023032	97,476,405	40,964,510
One Bank Limited	Banani	0181020003524	275,637,447	63,278,627
			432,636,027	167,074,377
25.00 Consolidated Accounts Payable				
Payable against Carriage Outwards			5,275,334	1,718,667
Gratuity Payable			2,256,200	2,942,900
Gas Bill Payable			2,839,330	13,624,705
Mobile Bill Payable			755,695	317,169
Directors Remuneration Payable			120,000	120,000
Godown Rent			-	45,000
Electricity Bill			5,915,983	1,086,998
Local Supplier			25,350,307	-
Non-refunded Rights Share Subscription Money-2021			38,520	38,520
House Rent (Engineers & Officers)			-	80,000
Employer's Contribution to Provident Fund			21,511,288	20,531,288
			64,062,657	40,505,247
26.00 Consolidated Unclaimed Dividend Account				
Unclaimed Fractional Cash Dividend up to 2019			-	160,154
Unclaimed Cash Dividend for the FY-2019-2020			5,055,851	5,050,731
Unclaimed Cash Dividend for the FY-2020-2021			3,698,156	3,759,297
Unclaimed Cash Dividend for the FY-2021-2022			3,603,905	-
*Including interest and other deduction.			12,357,912	8,970,183
27.00 Consolidated Inter-Company Loan (Current Maturity)				
National Fittings & Accessories Limited				
Current Maturity within one year			253,333,336	253,333,336
			253,333,336	253,333,336
28.00 Consolidated Provision for Expenses				
Staff Salary Payable			19,963,601	17,861,709
Audit Fees			402,500	137,500
Interest payable on Inter-Company Loan			30,306,918	-
VDS payable			984,675	1,036,500
TDS Payable			976,150	1,015,000
			52,633,844	20,050,709
29.00 Consolidated WPPF & Welfare Fund				
Opening Balance				
WPPF Disbursed to Beneficiary			13,320,315	11,765,140
Allocation for the year			(13,320,315)	(11,765,140)
			9,572,625	13,320,315
			9,572,625	13,320,315
30.00 Consolidated Provision for Taxation				
Opening Balance			106,224,396	103,028,442
Provision for the year			38,861,270	53,281,262
Tax Adjustment against assessment (2018-2019 FY)			-	-
Tax Adjustment against assessment (2019-2020 FY)			-	(50,085,308)
			145,085,666	106,224,396

		Amount in Taka	
		30 June 2023	30 June 2022
31.00 Consolidated Revenue			
Total Local Sales		7,374,748,652	5,741,899,764
VAT Paid during the year		(961,923,737)	(748,943,447)
Net Local Sales		6,412,824,915	4,992,956,316
Export Sales		64,053,427	72,462,974
		6,476,878,342	5,065,419,290
Supplementary duty is not applicable, VAT on export are zero rated, VAT on local sales are 15% for manufacturer (Section 3 & 7 of VAT Act, 2012)			
Quantity (MT)- Sales		Quantity (MT)	Quantity (MT)
Opening Stock		5,596	6,065
Production during the year		56,550	52,535
Goods available for Sale		62,146	58,600
Closing Stock of Finished Goods		(6,557)	(5,596)
Sale during the year		55,589	53,004
32.00 Consolidated Cost of Goods Sold			
Opening Stock of Raw Materials		582,729,694	593,315,462
Purchase during the year		4,829,393,676	3,618,393,747
Closing Stock of Raw Materials		(610,139,148)	(582,729,694)
Raw Materials used in Production		4,801,984,222	3,628,979,515
Manufacturing Overhead (Note- 33)		670,951,161	518,449,944
Consumption of Packing Materials		51,213,632	45,726,457
Total Production Costs		5,524,149,015	4,193,155,916
Opening Work in Process		55,709,794	40,812,317
Closing Work in Process		(54,595,598)	(55,709,794)
Costs of Goods Manufactured		5,525,263,211	4,178,258,439
Opening Stock of Finished Goods		444,488,933	453,560,136
Goods available for Sales		5,969,752,144	4,631,818,575
Closing Stock of Finished Goods		(631,260,483)	(444,488,933)
Cost of Goods Sold		5,338,491,661	4,187,329,642
33.00 Consolidated Manufacturing Overhead			
NPIL - Manufacturing Overhead		670,951,161	518,449,944
Npoly Trading - Manufacturing Overhead		-	-
		670,951,161	518,449,944
34.00 Consolidated Administrative Expenses			
NPIL - Administrative Expenses		186,174,209	176,824,948
Npoly Trading - Administrative Expenses		-	-
		186,174,209	176,824,948
35.00 Consolidated Selling and Distribution Expenses			
NPIL - Selling and Distribution Expenses		141,740,456	119,436,805
Npoly Trading - Selling and Distribution Expenses		-	-
		141,740,456	119,436,805
36.00 Consolidated Other Income			
Bangladesh Bank Cash Assistance on Export		11,514,000	986,000
Interest on FDR Investment		1,724,049	2,573,603
Accrued Interest Receivable on FDR		1,333,859	1,069,617
		14,571,908	4,629,220
37.00 Foreign Exchange Gain/(Loss)			
Foreign Exchange Gain		17,241,832	893,974
Foreign Exchange Loss		(285,875,568)	(4,788,724)
		(268,633,736)	(3,894,750)
38.00 Consolidated Financial Expenses :			
Bank Charges		9,497,021	5,244,827
Interest on Short Term Loan :			
Interest on OD		46,264,746	37,653,458
Interest on LTR & STF Loan		141,188,361	139,653,063
Accrued Interest on STL & LTL		-	-
		196,950,129	182,551,348
Interest on Long term Loan :			
Interest on Long Term Loan		128,128,021	120,284,392
Provision for Bond interest		30,306,918	-
		355,385,068	302,835,740
39.00 Consolidated WPPF and Welfare Fund			
Profit before WPPF and Tax		201,025,119	279,726,625
Allocation for WPPF and Welfare Fund @ 5%		9,572,625	13,320,315

	Amount in Taka	
	30 June 2023	30 June 2022
40.00 Consolidated Provision for Taxation		
Net Profit Before Tax	191,452,494	266,406,309
Applicable Tax Rate	20.00%	20.00%
Provision for Taxation	38,290,499	53,281,262
Turnover Tax	6,476,878,342	5,065,419,290
Applicable Tax Rate	0.60%	0.60%
	38,861,270	30,392,516

Current year Tax Rate 20.00% on EBT and turn over Tax 0.60% which is higher as per Income Tax Ordinance 1984.

41.00 Earnings Per Share (EPS)		
Net Profit After Tax	152,591,224	213,125,047
Number of Shares outstanding	72,983,668	72,983,668
	2.09	2.92

42.00 Net Asset Value Per Share (NAV)		
Net Asset Value	2,168,579,828	2,088,837,494
Weighted Average Number of Shares	72,983,668	72,983,668
	29.71	28.62

43.00 Net Operating Cash Flow Per Share (NOCFPS)		
Net Operating Cash Flow	476,263,428	350,904,602
Weighted Average Number of Shares	72,983,668	72,983,668
	6.53	4.81

44.00 Net Operating Cash Flow		
Under Direct method:		
Revenue	6,476,878,342	5,065,419,290
Opening Trade Debtors	1,341,945,269	1,168,475,262
	7,818,823,611	6,233,894,552
Closing Trade Debtors	(1,296,309,109)	(1,341,945,269)
	6,522,514,502	4,891,949,283
Other income	14,571,908	3,559,603
Collection from Sales and Others	6,537,086,410	4,895,508,886
Cost of Goods Sold	(5,338,491,661)	(4,187,329,642)
Administrative & Selling Expenses	(327,914,665)	(296,261,753)
Depreciation	270,649,507	251,914,410
Interest on LTR & STF Loan	(196,950,129)	(182,551,348)
AIT Paid at Port (Import / export Stage & Vehicles)	(214,729,775)	(185,514,250)
AIT Refund (FY-18-19 & FY-19-20)	-	135,267,519
WPPF Disbursed to Beneficiary	(13,320,315)	(11,765,140)
Foreign Exchange Gain/(Loss)	(268,633,736)	(3,894,750)
Provision for Expenses	32,525,635	(958,650)
Unclaimed Dividend Account	3,387,729	3,682,224
Accrued Interest Receivable on FDR	(264,242)	1,338,562
(Increase)/Decrease in Inventories	4,078,404	(21,469,502)
Increase/(Decrease) in Other Current Liabilities	23,614,910	6,848,284
(Increase)/Decrease in Other Current Assets	(34,774,644)	(53,910,246)
Payment to Suppliers, Employees and Others	(6,060,822,982)	(4,544,604,284)
Net Cash Flows from Operating Activities	476,263,428	350,904,602

45.00 Director's Remuneration and Perquisites		
Mr. Riad Mahmud	1,440,000	1,440,000
	1,440,000	1,440,000

Capacity of Production in M. Ton per year	Utilization (MT)	
	30 June 2023	30 June 2022
Installed Capacity 65,500 M. Ton Current year, Last year 65,500 M.Ton	Installed Capacity	65500 MT
	Current Year Production	56,550
	Rate	86.34%
		65500 MT
		52,535
		80.21%

47.00 Contingent Liability:

(I) There was no contingent liability as on 30 June, 2023.

(II) There was no claim against the company, not acknowledged as debt as on 30 June, 2023.

(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.

48.00 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 2022-2023	Outstanding Balance	
			2022-2023	2021-2022
Mr. Riad Mahmud, Managing Director (Note- 45.00)	Remuneration	1,440,000	120,000	120,000
Directors Board Meeting Fees		451,000	-	-
National Fittings & Accessories Limited, Npolymer Construction Limited Common Management (Note- 22.00 & 27.00)	Inter-Company Loan Payable	Movement		
	Opening Balance	1,329,999,998	-	-
	Received during the year	-	-	-
	Paid during the year	(253,333,336)	1,076,666,662	1,329,999,998
			1,076,786,662	1,330,119,998

49.00 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 96,000/- per annum or Taka 8,000/-per month were Nil at the end of June 2023 as against Nil in 2022

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

1,334 Person	1,045 Person
6 Person	6 Person
1,340 Person	1,051 Person

National Polymer Industries PLC.
Consolidated Property, Plant and Equipment
For the year ended 30 June 2023

Annexure: 1

Assets Category	COST (Taka)		DEPRECIATION (Taka)				Written Down Value as on 30.06.2023		
	As on 01.07.2022	Additions during the Period	Adjustment/ Sales during the Period	Total as on 30.06.2023	Dep. Rate	Cumulative as on 01.07.2022		Charged during the Period	Adjustment/ Sales during the Period
Land & Land Development									
Cost	746,809,985	338,070,914	-	1,084,880,899	-	-	-	-	1,084,880,899
Revaluation	575,745,936	-	-	575,745,936	-	-	-	-	575,745,936
Factory Buildings	272,508,735	-	-	272,508,735	10.0%	133,866,338	13,864,240	-	147,730,577
Plant & Machinery	2,413,798,779	278,365,927	-	2,692,164,707	20.0%	1,379,934,218	238,022,555	-	1,617,956,773
Godown Shed & Steel Raack	35,174,845	-	-	35,174,845	10.0%	28,644,454	653,039	-	29,297,493
Factory Laboratory	179,420	-	-	179,420	20.0%	175,319	820	-	176,139
Factory Boundary Wall	4,045,053	-	-	4,045,053	10.0%	3,311,006	73,405	-	3,384,411
Generator	82,519,490	-	-	82,519,490	20.0%	75,468,773	1,410,143	-	76,878,917
Titas Gas Installation	2,288,132	-	-	2,288,132	10.0%	1,789,253	49,888	-	1,839,141
Furniture & Fixtures	8,495,773	-	-	8,495,773	10.0%	4,697,270	395,743	-	3,833,650
Vehicles	150,956,413	430,890	-	164,671,813	20.0%	89,019,362	13,240,807	-	102,260,169
Office Equipment	40,956,001	13,715,400	-	42,960,938	10.0%	24,168,313	1,761,893	-	25,930,206
Computer Equipment	10,239,000	2,004,937	-	13,196,800	20.0%	6,042,078	1,176,974	-	7,219,052
As at 30 June 2023	4,343,717,563	635,545,868	-	4,979,263,431		1,747,116,386	270,649,507	-	2,017,765,892
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

Depreciation allocated to :

Manufacturing Overhead	254,074,090
Administrative Expenses	16,575,416
	<u>270,649,507</u>

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

Opinion

We have audited the financial statements of **National Polymer Industries PLC.** (the “Company”), which comprise the Statement of Financial Position as at 30 June 2023, 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 2023, 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 6,476,878,342.</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>[See note 31.1 to the financial statements]</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

	<p>year and, where relevant, completing further inquiries and testing.</p> <ul style="list-style-type: none"> • 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.
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Existence and Valuation of Inventories

Risks	Our Response to the Risks
<p>The company had inventories of BDT 1,318,223,933 at 30 June 2023, 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>[See note 8.1 to the financial statements]</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. 2,961,497,539 as at 30 June, 2023. 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>[See note 4.1 to the financial statements]</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

	<p>relevant bills and vouchers.</p> <ul style="list-style-type: none"> • Verified the hard copy of fixed assets register. • Verified the calculation process of depreciation. • Checked the appropriateness of presentation and disclosure.
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Long Term Loan

Risks	Our Response to the Risks
<p>As at June 30, 2023, the reported amount of total Long Term loan is Tk. 520,538,931 (Current and Non-current portion). The company borrowed fund from various banks and WPPF for the purpose of acquisition of non-current assets and working capital as well.</p> <p>[See note 19.1 (19.1.1 & 19.1.2) to the financial statements]</p>	<p>In order to obtain the accuracy, completeness and correctness of measurement of Long Term Loan, we have followed the following key and control activities:</p> <ul style="list-style-type: none"> • Attend the actual position of loan. • Checking the bank statements. • Checking the loan agreement. <p>Our substantive procedure in relating to the Loan Term Loan recognition and measurement are following:</p> <ul style="list-style-type: none"> • Checked the bank statement also with the opening balance. • Checked the recoding of the transaction. • 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.

Inter-company Loan

Risks	Our Response to the Risks
<p>As at June 30, 2023, the reported amount of total Long Term loan is Tk. 1,076,666,662 (Current and Non-current portion). The company borrowed fund from National Fittings & Accessories Limited (sister company) for the purpose of acquisition of non-current assets and working capital as well.</p> <p>[See note 22.1 to the financial statements]</p>	<p>Our substantive procedure in relating to the Inter-company 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. • Checked the financial expenses and classification of loan and repayments schedule as well.

Trade & Other Receivable

Risks	Our Response to the Risks
<p>The total amounts of Trade & Other Receivable are Tk. 1,296,309,109 from local customers in different business segments and jurisdiction is subject to their independent business risk.</p> <p>[See note 3.11i (a) and 9.1 to the financial statements]</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.

Employees Salary and Wages

Risks	Our Response to the Risks
<p>Salary and Wages are measured on accrual basis and its allocation in accordance with cost center. Salary and wages are measured when it is paid and payable.</p> <p>[See note 3.28, 33.1 & 34.1 to the financial statements]</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. • Our substantive procedure in relating to the Salary and wages are following: • 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 28, 2023


Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khan Basak & Co
Chartered Accountants
ICAB Enrolment No. 461
DVC:2310290461AS611929

National Polymer Industries PLC.
Statement of Financial Position
As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4.1	2,961,497,539	2,596,601,177
Investment in Subsidiary Company	5.1	990,000	-
FDR Investment	6.1	38,600,464	39,904,030
Capital Work in Progress (CWIP)	7.1	629,917,978	104,992,313
Total Non-Current Assets		3,631,005,981	2,741,497,520
Current Assets			
Inventories	8.1	1,318,223,933	1,322,302,337
Trade & Other Receivables	9.1	1,296,309,109	1,341,945,269
Accrued Interest Receivable on FDR	10.1	1,333,859	1,069,617
Inter Company Receivables	11.1	272,721	-
Advance, Deposits & Pre-payments	12.1	314,871,070	280,096,426
Advance Income Tax	13.1	604,297,617	389,567,842
Cash & Cash Equivalents	14.1	214,394,601	360,104,084
Total Current Assets		3,749,702,909	3,695,085,575
TOTAL ASSETS		7,380,708,890	6,436,583,095
EQUITY & LIABILITIES			
Shareholders Equity & Reserves			
Share Capital	15.1	729,836,680	729,836,680
Share Premium	16.1	316,459,170	316,459,170
Revaluation Reserve	17.1	496,260,922	496,260,922
Retained Earnings	18.1	626,023,056	546,280,722
Total Shareholders Equity & Reserves		2,168,579,828	2,088,837,494
Non-Current Liabilities			
Long Term Loan - (Non-Current Maturity)	19.1.1	390,363,347	104,952,327
Deferred Tax Liability	20.1	79,485,014	79,485,014
Zero Cupon Bonds	21.1	498,000,000	-
Inter-Company Loan (Non-Current Maturity)	22.1	823,333,326	1,076,666,662
Total Non-Current Liabilities		1,791,181,687	1,261,104,003
Current Liabilities			
Short Term Loan	23.1	2,321,147,223	2,342,598,960
Long Term Loan (Current Maturity)	19.1.2	130,175,584	134,564,075
Bank Overdraft	24.1	432,636,027	167,074,377
Accounts Payable	25.1	64,062,657	40,505,247
Unclaimed Dividend Account	26.1	12,357,912	8,970,183
Inter-Company Loan (Current Maturity)	27.1	253,333,336	253,333,336
Provision for Expenses	28.1	52,576,344	20,050,709
WPPF & Welfare Fund	29.1	9,572,625	13,320,315
Provision for Taxation	30.1	145,085,666	106,224,396
Total Current Liabilities		3,420,947,375	3,086,641,598
TOTAL EQUITY & LIABILITIES		7,380,708,890	6,436,583,095
Net Asset Value (NAV) Per Share	43.1	29.71	28.62

The annexed notes form an integral part of these Financial Statements



Chairman



Managing Director



Company Secretary



Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC:2310290461AS611929


Dhaka: 28 October 2023

National Polymer Industries PLC.
Statement of Profit or Loss and Others Comprehensive Income
For the year ended 30 June 2023

Particulars	Note	Amount in Taka	
		30 June 2023	30 June 2022
Revenue	31.1	6,476,878,342	5,065,419,290
Cost of Goods Sold	32.1	(5,338,491,661)	(4,187,329,642)
Gross Profit		1,138,386,680	878,089,648
Administrative, Selling and Distribution Expenses:			
Administrative Expenses	34.1	(186,174,209)	(176,824,948)
Selling and Distribution Expenses	35.1	(141,740,456)	(119,436,805)
Profit from Operations		810,472,015	581,827,895
Other Income	36.1	14,571,908	4,629,220
Foreign Exchange Gain/(Loss)	37.1	(268,633,736)	(3,894,750)
Finance Expense	38.1	(355,385,068)	(302,835,740)
Profit before WPPF and Taxation		201,025,119	279,726,625
WPPF and Welfare Fund	39.1	(9,572,625)	(13,320,315)
Provision for Tax	40.1	(38,861,270)	(53,281,262)
Net Profit for the Period		152,591,224	213,125,047
Other Comprehensive Income/(Loss) for the Period			
Actuarial Loss on Defined Benefit Plan		-	-
Total Comprehensive Income for the Period		152,591,224	213,125,047
Basic Earnings Per Share (EPS)	42.1	2.09	2.92


The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary

Dhaka: 28 October 2023


Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC:2310290461AS611929

National Polymer Industries PLC.
Statement of Changes in Equity
For the year ended 30 June 2023

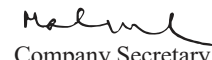
Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2022	729,836,680	316,459,170	496,260,922	546,280,722	2,088,837,494
Cash Dividend Paid (2021-2022 FY)	-	-	-	(72,848,890)	(72,848,890)
Profit Earned during the year	-	-	-	152,591,224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

For the period 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	1,968,392,472
Cash Dividend Paid (2020-2021 FY)	-	-	-	(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


Chairman


Managing Director



Company Secretary


Dhaka: 28 October 2023

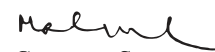
National Polymer Industries PLC.
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Cash Flows from Operating Activities			
Collection from Sales and Others		6,537,086,410	4,891,949,283
Payment to Suppliers, Employees and Others		(5,380,566,843)	(4,169,084,332)
		1,156,519,567	722,864,951
Income Tax Paid	13.1	(214,729,775)	(185,514,250)
Foreign Exchange Gain/(Loss)		(268,633,736)	(3,894,750)
Financial Expenses		(196,950,129)	(182,551,348)
Net Cash Flows from Operating Activities		476,205,928	350,904,602
Cash Flows from Investing Activities			
Payment for acquisition of Property, Plant & Equipment	4.1	(611,470,331)	(1,030,234,501)
Investment/ Encashment in FDR		1,303,567	336,610,558
Investment in Subsidiary Company		(990,000)	-
Capital Work in Progress (CWIP)	7.1	(549,001,202)	(60,446,633)
Net Cash used in Investing Activities		(1,160,157,967)	(754,070,576)
Cash Flows from Financing Activities			
Proceeds from Long Term Loan		433,059,654	-
Payment of Long Term Loan		(152,037,125)	(171,982,526)
Bond Subscription		498,000,000	-
Cash Dividend Paid (2021-2022 FY)		(72,848,890)	-
Cash Dividend Paid (2020-2021 FY)		-	(72,983,668)
Short Term Loan- Increase/(Decrease)		244,109,914	720,060,836
Inter Company loan Receivable (subsidiary)		(272,721)	-
Inter Company loan Payable (Syndicate) paid		(253,333,336)	(285,000,002)
Interest Paid on Long Term Loan		(158,434,939)	(120,284,392)
Net Cash Flows/ (used) from Financing Activities		538,242,557	69,810,249
Net Increase/(Decrease) in Cash during the year		(145,709,482)	(333,355,725)
Opening Cash & Cash Equivalents		360,104,084	693,459,809
Closing Cash & Cash Equivalents	14.1	214,394,602	360,104,083
Net Operating Cash Flow per Share	44.1	6.52	4.81

The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary

Dhaka: 28 October 2023

National Polymer Industries PLC.
Notes to the Financial Statements
As at and for the year ended 30 June 2023

1.1 Reporting Entity

1.1 Profile of the Company

1.1.1 Legal Status of the Company

National Polymer Industries PLC (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. The Limited company change name **National Polymer Industries Limited** To **National Polymer Industries PLC.** under the Company Act 1994 section 11 sub-section (7) on 19 February 2023 it's incorporation number C-16602.

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 Water Tanks, 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 1334 and Board of Directors 06.

2.1 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, 2023;
- (ii) Statement of Profit or Loss and Others Comprehensive Income for the year ended June 30, 2023;
- (iii) Statement of Changes in Equity for the year ended June 30, 2023;
- (iv) Statement of Cash Flows for the year ended June 30, 2023; and
- (v) Notes to the Financial Statements for the year ended June 30, 2023.

3.0 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 2022 to 30 June 2023.

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;
- Income Tax Act 2023;
- 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 Accounting

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

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,

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:

<u>Name of the Accounting Standards</u>	<u>Ref.</u>	<u>Status</u>
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	Applied
Joint Arrangements	IFRSs-11	Not applicable
Disclosure of Interest in other Entities	IFRSs-12	Not applicable

Name of the Accounting Standards	Ref.	Status
Fair Value Measurement	IFRSs-13	Not applicable
Regulatory Deferral Accounts	IFRSs-14	Not applicable
Revenue from Contracts with Customers	IFRSs-15	Applied
Leases	IFRSs-16	Not applicable
Insurance Contracts	IFRSs-17	Not applicable
Presentation of Financial Statements	IASs-1	Applied
Inventories	IASs-2	Applied
Statement of Cash Flows	IASs-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IASs-8	Applied
Events after the Reporting Period	IASs-10	Applied
Income Taxes	IASs-12	Applied
Property, Plant and Equipment	IASs-16	Applied
Employee Benefits	IASs-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IASs-20	Applied
The Effects of Changes in Foreign Exchange Rates	IASs-21	Applied
Borrowing Costs	IASs-23	Applied
Related Party Disclosures	IASs-24	Applied
Investments in Associates	IASs-28	Not applicable
Earnings per Share	IASs-33	Applied
Interim Financial Reporting	IASs-34	Applied
Intangible Assets	IASs-38	Not Applicable
Financial instruments: Recognition and Measurement	IASs-39	Applied

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 Act 2023 the rate of taxation applied at the rate of 20.00%.

ii. Deferred Taxation

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

3.14 Revaluation Reserve

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

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

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

3.16 Foreign Currency Translation:

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

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 42.1. 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 2023 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 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".

3.24 Dividend for the 2022-2023

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

3.25 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.

3.26 Post Closing Events

After the reporting period, the Board of Directors recommended 10.50% cash dividend per share. The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

3.27 Human Resources

Particulars	2022-23	2021-22
Officers	429	385
Staff	269	204
Skilled and unskilled workers	636	456
Total	1334	1045

3.28 Employee Benefit

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

The Company maintains an unfunded gratuity scheme and deduct when retirement benefits are paid by the company. The employees are entitled 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.

3.29 Advertisement, Publicity & Promotional Expenses:

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

3.30 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.

3.31 Authorization for Issue:

These Financial Statements have been authorized for issue by the Board of Directors of the Company on 28 October, 2023.

3.32 Comparative Information:

Figures of the year 2021-2022 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

3.33 Accounting Standards (IASs).

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.

3.34 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.

3.35 Reporting Currency

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

3.36 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).

3.37 Regarding Tax Depreciation and Accounts Depreciation:

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

Particular of Assets	Depreciation	Depreciation
	Rate as per book of Accounts	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%

3.38 Deviation of Revenue & EPS:

Taking some cost control measure COGS decreased from 82.67% to 82.48% though raw material price was low. But during this period, Earnings Per Share (EPS) has been decreased significantly compared to the previous year due to Foreign Exchange Loss for significant devaluation of Taka against US Dollar. Though total Gross Profit increased 17.33% to 17.58% which was 0.24% growth.

3.39 Deviation of NOCF:

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

Net Operating Cash Flows has been increased Tk.4.81 to Tk. 6.52 because of collection from sales & others was increased, otherwise there were no significant deviation found.

3.40 General

i. Figures have been rounded off to the nearest taka.

ii. Previous period's/year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

iii. The Company publishes its quarterly accounts as per IASs 34 "Interim Financial Reporting" and the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018.

4.1 Property, Plant & Equipment

	Amount in Taka	
	30 June 2023	30 June 2022
Opening Balance	4,343,717,563	3,118,831,149
Addition during the year	635,545,868	1,224,886,413
Sale of fixed assets	-	-
Cost as at 30 June 2023	4,979,263,431	4,343,717,563
Accumulated Depreciation	(2,017,765,892)	(1,747,116,386)
Closing Balance (Details in Annexure: 1.1)	2,961,497,539	2,596,601,177

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

5.1 Investment in Subsidiary Company

Npoly Trading Ltd. (99,000 shares of Tk. 10.00 each)	990,000	-
	990,000	-

6.1 FDR Investment

Amount in Taka					
				30 June 2023	30 June 2022
Name of Institute or Bank	FDR No.	Maturity Date	Interest Rate	Taka	Taka
IPDC Finance Limited (Gulshan Branch)	2592	08 July 2023	6.50%	3,072,976	2,951,993
IPDC Finance Limited (Gulshan Branch)	8901	13 Jan 2023	7.00%	8,909,870	8,520,908
IPDC Finance Limited (Gulshan Branch)	7574	28 Nov 2023	7.00%	9,057,803	8,206,250
IPDC Finance Limited (Gulshan Branch)	2590	01 Aug 2023	6.50%	6,092,042	5,827,000
IPDC Finance Limited (Gulshan Branch)	1625	28 May 2023	7.80%	3,196,801	3,041,636
IPDC Finance Limited (Gulshan Branch)	39005	25 April 2024	7.80%	5,000,000	-
City Bank Limited (Gulshan Branch)	8001	16 Aug 2023	3.50%	746,909	726,565
One Bank Limited (Banani Branch)	2267	15 May 2023	4.00%	-	10,629,678
Community Bank Bangladrsh Ltd. (B.B.)	0116	18 May 2024	6.00%	2,524,063	-
				38,600,464	39,904,030

7.1 Capital Work in Progress (CWIP)

Capital Machinery in Transit	15,528,680	112,100,000
Advance during this period	98,861,426	-
Transferred to Plant and Machinery during the year	(15,528,680)	(96,571,320)
	98,861,427	15,528,680
Opening Balance of Advance on Civil Construction	56,860,000	55,813,593
Transferred to Factory Building during the year	-	(55,813,593)
Advance for Civil Construction during the year	427,071,919	56,860,000
	483,931,919	56,860,000
Opening Balance of Advance on Land & Land Development	32,603,633	71,284,000
Advance during this period	23,067,857	3,586,633
Transferred to Land & Land Development during the year	(8,546,857)	(42,267,000)
	47,124,633	32,603,633
	629,917,978	104,992,313

Advance Against Land which was subsequently adjusted Tk. 11,260,000.00 as on 15 September 2023

8.1 Inventories

Raw Materials	610,139,148	582,729,694
Work in Process	54,595,598	55,709,794
Finished Goods	631,260,483	444,488,933
Stores and Spares	12,914,765	14,675,870
Stock in Transit	1,252,640	217,369,593
Packing Materials	8,061,298	7,328,453
	1,318,223,933	1,322,302,337

9.1 Trade & Other Receivables

Receivables against Sales & others	1,296,309,109	1,341,945,269
	1,296,309,109	1,341,945,269

Day Range	30 June 2023	30 June 2022
Below 30 days	805,785,742	752,965,491
Below 90 days	430,244,993	472,230,540
Below 180 days	56,389,446	110,039,512
Above 180 Below 1 Year	3,888,927	6,709,726
Total	1,296,309,109	1,341,945,269

a) This is unsecured, considered good and is falling due within one year.

b) No amount is considered doubtful or bad and therefore no provision is made in the Financial Statements.

c) No amount is due by any Director or other Officer of the company and any of them severally or jointly with any other person.

10.1 Accrued Interest Receivable on FDR

Name of Institute or Bank	Interest Rate	FDR No.	Maturity Date	30 June 2023	30 June 2022
IPDC Finance Limited	6.50%	2592	08 July 2023	195,305	151,536
IPDC Finance Limited	7.00%	8901	13 Jan 2024	289,323	227,283
IPDC Finance Limited	7.00%	7574	28 Nov 2023	373,383	314,117
IPDC Finance Limited	6.50%	2590	01 Aug 2023	361,884	306,201
IPDC Finance Limited	7.80%	1625	28 May 2023	22,164	15,546
IPDC Finance Limited	7.80%	39005	11 May 2023	70,417	-
City Bank Limited	3.50%	8001	18 May 2023	3,050	2,967
One Bank Limited	4.00%	2267	15 May 2023	-	51,967
Community Bank Bangladesh Ltd.	6.00%	2198	15 Sep 2022	18,333	-
				1,333,859	1,069,617

11.1 Inter Company Receivables

Npoly Trading Ltd.	272,721	-
	272,721	-

12.1 Advance, Deposit & Pre-payments**Advance to Suppliers**

Opening Balance
Add: During the Year
Bill Adjustment

Advance to Employee
Advance against Brand Development
Other Advances

Deposits:

Security Deposit
BG Margin & LC Margin
Deposit for Utilities

Prepayments:

Prepaid Rent
Value Added Tax (VAT)

Amount in Taka	
30 June 2023	30 June 2022
9,969,095	6,700,505
312,108,768	3,268,590
(114,649,678)	-
207,428,185	9,969,095
6,569,459	7,604,548
1,455,809	5,258,486
-	1,470,244
<u>215,453,454</u>	<u>24,302,374</u>
2,407,548	4,429,300
27,099,151	78,762,846
-	2,187,484
<u>29,506,699</u>	<u>85,379,630</u>
27,717,474	29,341,868
42,193,443	141,072,555
69,910,917	170,414,423
<u>314,871,070</u>	<u>280,096,426</u>

a) Employees advance of Tk. 65,69,459 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.

13.1 Advance Income Tax

Opening balance
AIT Paid at Port (Import Stage)
AIT Paid at Port (Export, Local & Others)
AIT on Vehicles
AIT on Bangladesh Bank Cash Assistance
AIT on FDR interest
AIT Refund up to 2019-2020 FY
AIT Refund up to 2018-2019 FY
Prior Year Adjustment on Income Tax Assessment (Income Year 2019-2020)

389,567,842	409,102,776
134,506,372	156,224,709
77,464,426	27,964,785
1,260,500	1,143,500
1,151,400	98,600
347,077	82,656
-	(58,901,189)
-	(76,366,330)
-	(69,781,665)
<u>604,297,617</u>	<u>389,567,842</u>

14.1 Cash & Cash Equivalents

Cash in Hand
Cash at Bank

10,198,114	6,598,500
204,196,487	353,505,584
<u>214,394,601</u>	<u>360,104,084</u>

Cash at Bank

AB Bank Limited
Agrani Bank Limited
Agrani Bank Limited
Al-Arafa Islami Bank Ltd.
Bank Asia Limited
Bank Asia Limited
Bank Asia Limited
Bengal Commercial Bank Ltd.
City Bank Limited
City Bank Limited
Community Bank Bangladesh Ltd.
Community Bank Bangladesh Ltd.
Dhaka Bank Limited
Dhaka Bank Limited
Dutch Bangla Bank Limited
Dutch Bangla Bank Limited
Dutch Bangla Bank Limited
Dutch Bangla Bank Limited
BRAC Bank Limited
BRAC Bank Limited
Eastern Bank Ltd.
IFIC Bank Ltd.
IFIC Bank Ltd.
Islami Bank Bangladesh Limited

Branch

Gulshan Circle-2
Gulshan -1
Nawabpur Corp.
Pagati Sharoni
Gulshan -1
Mohakhali
Mohakhali
Gulshan Corp.
Dhanmondi
Foreign Exchange
Gulshan
Gulshan
Gulshan Circle-2
Gulshan Circle-2
Bashundhara
Pagati Sharoni
Muradpur, ct.
Comilla
Satmosjeed Road
Gulshan Br.
Gulshan Circle-2
Moulavi Bazar
Pagati Sharoni
Kawran Bazar

A/C No.

CD-88500
CD-2926
COR-06621
CD-8812
CD-10829
CD-238
CD-1540
CD-2436
CD-28001
CD-5001
CD-8101
CD-8301
CD-0148
CD-1253
CD-10144
CD-3803
CD-4628
CD-2219
CD-51001
CD-51001
CD-22731
CD-21001
CD-22041
CD-12804

(2,027,160)	2,136,676
840,799	56,349
6,132,171	610,278
713,559	297,103
154,843	884,964
697,353	-
1,448,119	-
3,175	4,210
632,777	3,934,882
102,760	-
51,839	15,851
18,058	-
99,433	4,105
882,932	2,578,369
-	53,260,604
33,869,974	-
202,206	-
2,286	-
21,027,336	47,945,278
375,222	422,895
455,154	29,644
2,993,865	2,288,237
321,262	-
493,858	10,223,303

Cash at Bank	Branch	A/C No.	Amount in Taka	
			30 June 2023	30 June 2022
Islami Bank Bangladesh Limited	Badda	CD-3204	8,925,239	-
Islami Bank Bangladesh Limited	Takerhut	CD-3400	378,925	-
Jamuna Bank Limited	Gulshan	CD-13615	30,122,785	58,523,757
Janata Bank Limited	Gulshan-1	CD-71210	907,485	2,405,636
Midland Bank Ltd.	Gulshan	CD-6032	119,278	-
Modhumati Bank Limited	Gulshan	CD-00070	17,295	176,525
Mutual Trust Bank Limited	Banani	CD-07295	1,068,423	913,075
National Bank Limited	Gulshan	CD-69629	19,146,508	46,353,326
NCC Bank Ltd.	Dhanmondi	CD-00320	9,815	177,408
One Bank Limited	Dhanmondi	CD-87001	1,263,144	1,449,743
One Bank Limited	Banani	CD-7183	207,083	1,169,315
Premier Bank Limited	Gulshan Circle-2	CD-00033	4,447	453,273
Premier Bank Limited	Gulshan Circle-2	CD-01072	400,303	-
Prime Bank Limited	Gulshan Circle-2	CD-22889	18,793,100	50,161,497
Prime Bank Limited	Gulshan-2 (Dividend Acc 19-20)	SND-26085	5,055,851	5,050,731
Prime Bank Limited	Gulshan-2 (Dividend Acc 20-21)	SND-27750	3,698,156	3,759,297
Prime Bank Limited	Gulshan-2 (Dividend Acc 21-22)	SND-29738	3,603,905	-
Prime Bank Limited	Gulshan Circle-2	FC-8788	2,495,750	1,532,160
Prime Bank Limited	Gulshan	CD-5221	187,284	2,112,608
Pubali Bank Limited	Gulshan M.T Corp. Br.	CD-28344	-	2,084,845
Pubali Bank Limited	Pagati Sharoni	CD-0255	(2,350,454)	-
Shahajalal Islami Bank Limited	Satmosjeed Road	CD-01639	3,442,957	1,548,329
Shahajalal Islami Bank Limited	Gulshan-1	CD-0595	450,007	768,373
Sonali Bank Limited	Gulshan-1	CD-0735	1,332,310	1,038,781
Sonali Bank Limited	Bogra College road	CD-0574	201,614	-
South Bangla agriculture Bank Ltd.	Pagati Sharoni	CD-0254	4,178	-
Standard Chartered Bank	Gulshan-2	CD-25804	1,583,747	1,599,787
Standard Bank Limited	Gulshan-1	CD-3814	549,961	221,029
Trust Bank Ltd.	Gulshan Corp. Br.	CD-16474	1,015,885	803,804
Trust Bank Ltd.	Gulshan-1	CD-1414	4,137	-
United Commercial Bank Limited	Tongi	CD-03100	28,957,904	46,410,829
Uttara Bank Limited	Kalabagan	CD-11673	3,104,527	65,002
Uttara Bank Limited	Gulshan-1	CD-0012	3,117	-
Uttara Bank Limited	Tongi	CD-13797	-	33,709
			204,196,487	353,505,584

15.1 Share Capital

Authorized:

300,000,000 Ordinary Shares of Taka 10 each

Issued, Subscribed and Paid-up:

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

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

Composition of Shareholding:

	30 June 2023		30 June 2022	
	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%
Ms. Mahmuda Akhter	ICB Nominated Director	13,637,557	18.69%
Mr. Rohel Mahmud	Sponsor	726,202	1.00%
Mrs. Razia Morshed	Sponsor	304,082	0.42%
Mrs. Khaleda Akhand	Sponsor	9,069	0.01%
Late Shamsul Abedin Akhand and Mrs. Khaleda Akhand (Joint Account)	Sponsor	3,231,611	4.43%
Total		25,295,134	34.66%

Classification of Shareholders by holding:

Holdings	Number of Holders		Total Holding (%)	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
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

16.1 Share Premium

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

Amount in Taka	
30 June 2023	30 June 2022
134,000,000	134,000,000
182,459,170	182,459,170
316,459,170	316,459,170

17.1 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)

18.1 Retained Earnings

Opening Balance
Payment of Stock Dividend

Cash Dividend Paid (2020-2021 FY)
Cash Dividend Paid (2021-2022 FY)
Tax Adjustment against assessment (2019-2020 FY)
Profit during the year end

546,280,722	425,835,699
-	-
546,280,722	425,835,699
(72,848,890)	-
-	(19,696,357)
152,591,224	213,125,047
626,023,056	546,280,722

19.1 Long Term Loan

Standard Chartered Bank

Opening Balance
Received during the year
Paid during the year

-	67,078,928
-	-
-	(67,078,928)
-	-

Prime Bank Ltd.

Opening balance
Received during the year
Paid during this year

239,516,402	344,420,000
-	-
(152,037,125)	(104,903,598)
87,479,277	239,516,402
(87,479,277)	(134,564,075)
-	104,952,327

Current Maturity within one year

Syndicate Loan (Bank Asia & IDLC)

Opening balance
Received during the year
Paid during this year

-	-
421,559,654	-
-	-
421,559,654	-
(42,696,307)	-
378,863,347	-

Current Maturity within one year

		Amount in Taka	
		30 June 2023	30 June 2022
Loan from WPPF			
Opening balance		-	-
Received during the year		11,500,000	-
Paid during this year		-	-
		11,500,000	-
Current Maturity within one year		-	-
		11,500,000	-
19.1.1 Long Term Loan - (Non-current Maturity)			
Prime Bank Ltd.		-	104,952,327
IDLC Finance Limited		378,863,347	-
Loan from WPPF		11,500,000	-
		390,363,347	104,952,327
19.1.2 Long Term Loan - (Current Maturity)			
Prime Bank Ltd.		87,479,277	134,564,075
IDLC Finance Limited		42,696,307	-
Loan from WPPF		-	-
		130,175,584	134,564,075
		520,538,931	239,516,402

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
IDLC Finance Limited	Gulshan-1	IDLC/CAD/LRCORP/GLN/2022/2128, 2129, 2130, 2131	19-Dec 2022
Bank Asia Limited	Mohakhali	BA/MKH/CR/2023/0183	13-Feb 2023

Security against Facilities

- Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, BRAC Bank, One Bank Ltd, Commercial Bank of Ceylon Ltd., Prime Bank Limited of which area of Land is 146.90 decimals located at Kathaldia, Tongi, Gazipur.
- Demand Promissory Note & Letter of Continuation.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the Sponsor Directors.
- Syndicate Loan (Bank Asia & IDLC) 1263.00 decimals land at located Hobirbari, Vhaliuka, Mymensingh and 78.45 decimals land located at Poddobila, korpara, Gopalgong

20.1 Deferred Tax Liability

Deferred tax liability has been calculated on the revaluation surplus of land. On 4th May 2015, the company has revalued its own land located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer Mahfel Huq & Co. The area of the land is 311.10 Decimals. Book value of the land was Taka 67,411,905. After valuation, this is increased to 597,312,000. Revalued amount is Taka 529,900,095.

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

Revaluation Surplus on Land & Land Development	529,900,095	529,900,095
Deferred Tax Liability @ 15%.	79,485,014	79,485,014

21.1 Zero Coupon Bonds

Fund Received during this period	498,000,000	-
	498,000,000	-

22.1 Inter-Company Loan (Non-Current Maturity)

National Fittings & Accessories Limited

Opening Balance	1,329,999,998	1,615,000,000
Received during the year	-	-
Paid during the year	(253,333,336)	(285,000,002)
	1,076,666,662	1,329,999,998
Current Maturity within one year	(253,333,336)	(253,333,336)
	823,333,326	1,076,666,662

Company take Intercompany Loan from National Fittings & Accessories Ltd. for settle down higher rate Bank loan and NBF1 loan as per approval a syndicate loan from Standard chartered Bank Ltd.

23.1 Short Term Loan**Loan against Trust Receipt (LTR)
Short Term Finance (STF)**

Amount in Taka	
30 June 2023	30 June 2022
1,190,906,266	1,223,781,977
1,130,240,957	1,118,816,983
2,321,147,223	2,342,598,960

Name of Institute	Branch	Sanction No.	Issue Date
Standard Chartered Bank Limited	Motijheel	BA8/10836628/SCB/UC	29-Feb-2022
Prime Bank Limited	Gulshan-1	Prime/CAD/CNIB/2023/204	11 July 2023
IDLC Finance Limited	Gulshan	IDLC/CAD/LRCORP/GLN/2020/1612	01-Dec-2020
One Bank Limited	Banani	OBL/BB/CR/SA/256/2023	06 June 2023
Community Bank Bangladesh Ltd.	Gulshan	CBBL/HO/CAD/2023/1032	04 Jan 2023
BRAC Bank Limited	Shatmosjeed Road	CAD-Dhaka/MII/01161151/2022/0055	20-Feb-2022

Security against Facilities

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

24.1 Bank Overdraft

	Branch	Account No.		
Standard Chartered Bank	Motijheel	01124925801	28,838,334	33,639,624
Community Bank Bangladesh Ltd.	Gulshan-1	0070315928701	30,683,842	29,191,616
Prime Bank Limited	Gulshan-1	2118759023032	97,476,405	40,964,510
One Bank Limited	Banani	0181020003524	275,637,447	63,278,627
			432,636,027	167,074,377

25.1 Accounts Payable

Payable against Carriage Outwards	5,275,334	1,718,667
Gratuity Payable	2,256,200	2,942,900
Gas Bill Payable	2,839,330	13,624,705
Mobile Bill Payable	755,695	317,169
Directors Remuneration Payable	120,000	120,000
Godown Rent	-	45,000
Electricity Bill	5,915,983	1,086,998
Local Supplier	25,350,307	-
Non-refunded Rights Share Subscription Money-2021	38,520	38,520
House Rent (Engineers & Officers)	-	80,000
Employer's Contribution to Provident Fund	21,511,288	20,531,288
	64,062,657	40,505,247

26.1 Unclaimed Dividend Account

Unclaimed Fractional Cash Dividend up to 2019	-	160,154
Unclaimed Cash Dividend for the FY-2019-2020	5,055,851	5,050,731
Unclaimed Cash Dividend for the FY-2020-2021	3,698,156	3,759,297
Unclaimed Cash Dividend for the FY-2021-2022	3,603,905	-
*Including interest and other deduction.	12,357,912	8,970,183

Tk.160,154.00 Unclaimed dividend transfer to Capital Marketing Stabilization Fund (CMSF) as per BSEC's Directive No. BSEC/CMRRCD/2021-386/03 Dated 14 January 2021, Accounts Pay Cheque No. 4444067 from Islami Bank Bangladesh Ltd.

27.1 Inter-Company Loan (Current Maturity)**National Fittings & Accessories Limited**

Current Maturity within one year	253,333,336	253,333,336
	253,333,336	253,333,336

28.1 Provision for Expenses

Staff Salary Payable	19,963,601	17,861,709
Audit Fees Payable	345,000	137,500
Interest payable on Bond	30,306,918	-
VDS payable	984,675	1,036,500
TDS Payable	976,150	1,015,000
	52,576,344	20,050,709

29.1 WPPF & Welfare Fund**Opening Balance**

WPPF Disbursed to Beneficiary
Allocation for the year (Note-39.1)

Amount in Taka	
30 June 2023	30 June 2022
13,320,315	11,765,140
(13,320,315)	(11,765,140)
9,572,625	13,320,315
9,572,625	13,320,315

Tk. 13,32,031.00 Govt. portion has been paid through Pay Order No. 0837999 Dated: 21.11.2022 for the FY-2021-2022

30.1 Provision for Taxation

Opening Balance
Provision for the year (Note- 40.1)
Tax Adjustment against assessment (2019-2020 FY)

106,224,396	103,028,442
38,861,270	53,281,262
-	(50,085,308)
145,085,666	106,224,396

31.1 Revenue

Total Local Sales
VAT Paid during the year
Net Local Sales
Export Sales

7,374,748,652	5,741,899,764
(961,923,737)	(748,943,447)
6,412,824,915	4,992,956,316
64,053,427	72,462,974
6,476,878,342	5,065,419,290

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

Opening Stock
Production during the year
Goods available for Sale
Closing Stock of Finished Goods
Sale during the year

Quantity (MT)	Quantity (MT)
5,596	6,065
56,550	52,535
62,146	58,600
(6,557)	(5,596)
55,589	53,004

32.1 Cost of Goods Sold

Opening Stock of Raw Materials
Purchase during the year
Closing Stock of Raw Materials
Raw Materials used in Production
Manufacturing Overhead (Note- 33.1)
Consumption of Packing Materials
Total Production Costs
Opening Work in Process
Closing Work in Process
Costs of Goods Manufactured
Opening Stock of Finished Goods
Goods available for Sales
Closing Stock of Finished Goods
Cost of Goods Sold

582,729,694	593,315,462
4,829,393,676	3,618,393,747
(610,139,148)	(582,729,694)
4,801,984,222	3,628,979,515
670,951,161	518,449,944
51,213,632	45,726,457
5,524,149,015	4,193,155,916
55,709,794	40,812,317
(54,595,598)	(55,709,794)
5,525,263,211	4,178,258,439
444,488,933	453,560,136
5,969,752,144	4,631,818,575
(631,260,483)	(444,488,933)
5,338,491,661	4,187,329,642

32.1.1 Raw Material used in Production

Particulars	2022-2023		2021-2022	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	9,420	582,729,694	9,955	593,315,462
Purchase during the year	54,006	4,829,393,676	58,065	3,618,393,747
	63,426	5,412,123,370	68,020	4,211,709,209
Closing Stock	(7,631)	(610,139,148)	(9,420)	(582,729,694)
	55,795	4,801,984,222	58,600	3,628,979,515

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

Particulars	30 June 2023		30 June 2022	
	Quantity MT	Value (TK)	Quantity MT	Value (TK)
Finished Goods	6,557	631,260,483	5,596	444,488,933

33.1 Manufacturing Overhead

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

Notes- 4.1

Amount in Taka	
30 June 2023	30 June 2022
107,606,965	81,937,722
1,592,218	4,088,000
140,943	149,162
6,978,962	6,811,668
832,397	909,907
1,886,690	1,368,078
1,382,500	1,428,000
6,801,639	7,547,140
158,177	126,000
20,869,748	12,897,539
10,051,874	12,094,416
1,357,712	556,025
-	20,000
1,381,494	1,981,281
998,809	880,826
175,350	89,150
195,580	350
252,078,781	137,622,854
-	5,514,161
107,273	712,104
194,596	-
772,631	731,933
379,454	60,433
404,528	421,798
528,750	315,000
254,074,090	240,186,396
670,951,161	518,449,944

34.1 Administrative Expenses

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

Notes- 45.1

Notes- 4.1

110,782,029	106,983,735
939,312	839,312
345,000	137,500
1,440,000	1,440,000
1,575,836	1,369,095
265,000	-
975,521	754,706
269,281	120,426
96,750	193,500
16,575,416	11,728,013
451,000	385,000
136,500	131,250
1,762,331	1,779,168
15,250,828	12,896,985
2,594,879	1,624,654
1,851,627	5,874,529
628,111	2,005,583
-	233,360
4,538,005	1,670,205
240,786	880,568
144,674	208,978
531,282	565,323
1,852,774	1,887,606
1,822,501	1,507,002
16,504,800	15,870,000
134,640	93,977
464,887	318,983
156,178	39,517
679,741	406,870
1,157,618	1,566,688
-	333,500
2,006,902	2,978,915
186,174,209	176,824,948

	Amount in Taka	
	30 June 2023	30 June 2022
35.1 Selling and Distribution Expenses		
Advertisement & Publicity	389,549	1,807,916
Conveyance	587,269	175,086
Entertainment	1,103,723	1,188,133
Fuel Bills for Vehicle	1,646,906	597,462
Godown Rent	2,666,160	2,678,430
Incentive	24,980,823	19,696,583
Courier Expenses	345,283	541,736
C & F charges- Export	464,000	1,101,500
Printing Expenses	794,725	1,638,234
Promotional Expenses	4,968,702	9,769,023
Sales Conference/ Meeting	6,781,305	3,961,945
Stationery Expenses	116,141	1,194,667
Internet Bill	76,747	90,224
Telephone & Mobile Bill	4,373,460	3,302,502
Tender & Testing Expenses	2,388,198	622,525
Transport / Carriage Outwards	51,374,953	39,865,545
Oversees & Traveling Expenses	37,527,250	30,114,860
Vehicle Maintenance	1,155,262	1,090,435
	141,740,456	119,436,805
36.1 Other Income		
Bangladesh Bank Cash Assistance on Export	11,514,000	986,000
Interest on FDR Investment	1,724,049	2,573,603
Accrued Interest Receivable on FDR	1,333,859	1,069,617
	14,571,908	4,629,220
37.1 Foreign Exchange Gain/(Loss)		
Foreign Exchange Gain	17,241,832	893,974
Foreign Exchange Loss	(285,875,568)	(4,788,724)
	(268,633,736)	(3,894,750)
38.1 Financial Expenses :		
Bank Charges	9,497,021	5,244,827
Interest on Short Term Loan :		
Interest on OD	46,264,746	37,653,458
Interest on LTR & STF Loan	141,188,361	139,653,063
	196,950,129	182,551,348
Interest on Long term Loan & Bond :		
Interest on Long Term Loan	128,128,021	120,284,392
Bond interest	30,306,918	-
	355,385,068	302,835,740
39.1 WPPF and Welfare Fund		
Profit before WPPF and Tax	201,025,119	279,726,625
Allocation for WPPF and Welfare Fund @ 5%	9,572,625	13,320,315
40.1 Provision for Taxation		
Net Profit Before Tax	191,452,494	266,406,309
Applicable Tax Rate	20.00%	20.00%
Provision for Taxation	38,290,499	53,281,262
Turnover Tax		
Revenue (Note-31.1)	6,476,878,342	5,065,419,290
Applicable Tax Rate	0.60%	0.60%
	38,861,270	30,392,516
Current year Tax Rate 20.00% on EBT and turn over Tax 0.60% which is higher as per Income Tax Act 2023.		
41.1 Net Operating Cash Flow		
Under Direct method:		
Revenue	6,476,878,342	5,065,419,290
Opening Trade Debtors	1,341,945,269	1,168,475,262
	7,818,823,611	6,233,894,552
Closing Trade Debtors	(1,296,309,109)	(1,341,945,269)
	6,522,514,502	4,891,949,283
Other income	14,571,908	3,559,603
Collection from Sales and Others	6,537,086,410	4,895,508,886

	Amount in Taka	
	30 June 2023	30 June 2022
Cost of Goods Sold	(5,338,491,661)	(4,187,329,642)
Administrative & Selling Expenses	(327,914,665)	(296,261,753)
Depreciation	270,649,507	251,914,410
Interest on LTR & STF Loan	(196,950,129)	(182,551,348)
AIT Paid at Port (Import / export Stage & Vehicles)	(214,729,775)	(185,514,250)
AIT Refund (FY-18-19 & FY-19-20)	-	135,267,519
WPPF Disbursed to Beneficiary	(13,320,315)	(11,765,140)
Foreign Exchange Gain/(Loss)	(268,633,736)	(3,894,750)
Provision for Expenses	32,525,635	(958,650)
Unclaimed Dividend Account	3,387,729	3,682,224
Accrued Interest Receivable on FDR	(264,242)	1,338,562
(Increase)/Decrease in Inventories	4,078,404	(21,469,502)
Increase/(Decrease) in Other Current Liabilities	23,557,410	6,848,284
(Increase)/Decrease in Other Current Assets	(34,774,644)	(53,910,246)
Payment to Suppliers, Employees and Others	(6,060,880,482)	(4,544,604,284)
Net Cash Flows from Operating Activities	476,205,928	350,904,602
42.1 Earnings Per Share (EPS)		
Net Profit After Tax	152,591,224	213,125,047
Number of Shares outstanding	72,983,668	72,983,668
	2.09	2.92
43.1 Net Asset Value Per Share (NAV)		
Net Asset Value	2,168,579,828	2,088,837,494
Weighted Average Number of Shares	72,983,668	72,983,668
	29.71	28.62
44.1 Net Operating Cash Flow Per Share (NOCFPS)		
Net Operating Cash Flow	476,205,928	350,904,602
Weighted Average Number of Shares	72,983,668	72,983,668
	6.52	4.81
45.1 Director's Remuneration and Perquisites		
Mr. Riad Mahmud	1,440,000	1,440,000
	1,440,000	1,440,000

46.1 Capacity Utilization

Capacity of Production in M. Ton per year	Utilization (MT)	
	30 June 2023	30 June 2022
Installed Capacity	65500 MT	65500 MT
Current Year Production	56,550	52,535
Rate	86.34%	80.21%

47.1 Contingent Liability:

(I) There was no contingent liability as on 30 June, 2023.

(II) There was no claim against the company, not acknowledged as debt as on 30 June, 2023.

(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.

48.1 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 2022-2023	Outstanding Balance	
			2022-2023	2021-2022
Mr. Riad Mahmud, Managing Director (Note- 45.1)	Remuneration	1,440,000.00	120,000	120,000
Directors Board Meeting Fees		451,000.00	-	-
National Fittings & Accessories Limited, Npolymer Construction Limited Common Management (Note- 22.1 & 27.1)	Inter-Company Loan Payable	Movement		
	Opening Balance	1,329,999,998.00	-	-
	Received during the year	-	-	-
	Paid during the year	(253,333,336.00)	1,076,666,662	1,329,999,998
			1,076,786,662	1,330,119,998

49.1 Number of Employees Engaged

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 96,000/- per annum or Taka 8,000/-per month were Nil at the end of June 2023 as against Nil in 2022

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

1,334 Person	1,045 Person
6 Person	6 Person
1,340 Person	1,051 Person

National Polymer Industries PLC.

Property, Plant and Equipment
For the year ended 30 June 2023

Note 4.00 : Property, Plant and Equipment

Assets Category	COST (Taka)			DEPRECIATION (Taka)					Written Down Value as on 30.06.2023
	As on 01.07.2022	Additions during the Period	Adjustment/ Sales during the Period	Total as on 30.06.2023	Dep. Rate	Cumulative as on 01.07.2022	Charged during the Period	Adjustment/ Sales during the Period	
Land & Land Development									
Cost	746,809,985	338,070,914	-	1,084,880,899	-	-	-	-	1,084,880,899
Revaluation	575,745,936	-	-	575,745,936	-	-	-	-	575,745,936
Factory Buildings	272,508,735	-	-	272,508,735	10.0%	133,866,338	13,864,240	-	147,730,577
Plant & Machinery	2,413,798,779	278,365,927	-	2,692,164,707	20.0%	1,379,934,218	238,022,555	-	1,617,956,773
Godown Shed & Steel Rack	35,174,845	-	-	35,174,845	10.0%	28,644,454	653,039	-	29,297,493
Factory Laboratory	179,420	-	-	179,420	20.0%	175,319	820	-	176,139
Factory Boundary Wall	4,045,053	-	-	4,045,053	10.0%	3,311,006	73,405	-	3,384,411
Generator	82,519,490	-	-	82,519,490	20.0%	75,468,773	1,410,143	-	76,878,917
Titas Gas Installation	2,288,132	-	-	2,288,132	10.0%	1,789,253	49,888	-	1,839,141
Furniture & Fixtures	8,495,773	430,890	-	8,926,663	10.0%	4,697,270	395,743	-	5,093,013
Vehicles	150,956,413	13,715,400	-	164,671,813	20.0%	89,019,362	13,240,807	-	102,260,169
Office Equipment	40,956,001	2,004,937	-	42,960,938	10.0%	24,168,313	1,761,893	-	25,930,206
Computer Equipment	10,239,000	2,957,800	-	13,196,800	20.0%	6,042,078	1,176,974	-	7,219,052
As at 30 June 2023	4,343,717,563	635,545,868	-	4,979,263,431		1,747,116,386	270,649,507	-	2,017,765,892
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

Depreciation allocated to :

Manufacturing Overhead	254,074,090
Administrative Expenses	16,575,416
	<u>270,649,507</u>

NPOLY TRADING LTD. DIRECTORS' REPORT

Dear Shareholders,

In terms of the provision of section 184 of the Companies Act, 1994 and IAS (International Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Board of Directors of NPOLY TRADING LTD. is pleased to submit its Report to the Shareholders together with the Audited Financial Statements and Auditors' Report thereon containing the Statements of Financial Position, Statements of Profit or Loss or other Comprehensive Income, Statements of Cash Flows, Statements of Changes in Equity and Notes to the Financial Statements for the period ended June 30, 2023.

Background

The Company was incorporated with the RJSC on November 27, 2022 as a Private Limited Company. The Authorized Share Capital of the company is Tk. 100,000,000.00 (Taka Ten Crore) divided into 1,00,00,000 (One Crore) ordinary shares of Tk. 10.00 each. The paid-up capital as on 30 June 2023 is Tk. 1,00,000.00 (Taka Ten Lac) consisting of 1,00,000 (One Lac) ordinary shares of Tk. 10.00 each of which 99,000 ordinary shares of Tk. 10.00 each are held by National Polymer Industries PLC.

The Company is a Subsidiary Company of National Polymer Industries PLC. which holds 99% shares and another Sponsor Director of National Polymer Industries PLC. holds 1% share of the Company as on June 30, 2023.

Nature of Business

The company was formed to carry on the business of general trading, import, export & trading of all permissible items.

Shareholding

Name of Shareholders	No. of Shares Held	Percentage (%)
National Polymer Industries PLC.	99,000	99%
Mr. Golam Murshed	1,000	1%
Total	1,00,000	100%

Financial Results

The Company was formed with a view to doing the business of import and trading of all permissible products as per the Memorandum of Association of the company. In this regard, all legal and pre-commercial activities were done accordingly. But due to ongoing volatile business situation in the national and international market, especially, the acute crisis of Dollar, high inflation and regulatory restrictions on import trade, we couldn't start the commercial operations of the company. This is why, no business transaction was occurred during the year ended June 30, 2023.

Declaration of Dividend

As no business transaction of the company was occurred during the year, no dividend was recommended by the Board of Directors.

Winding up of the Company

As the business of the company is no longer viable due to ongoing volatile business situation, the Board of Directors has decided to wind up the company voluntarily, subject to the approval of the concerned authority.

Acknowledgment

The Board of Directors is pleased convey its appreciation and gratitude to the Shareholders for their sincere support and cooperation.

For and on behalf of the Board of Directors


(Golam Murshed)
Chairman

Independent Auditor's Report to the Shareholders' of NPOLY Trading Ltd Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NPOLY Trading Ltd.** which comprise the Statement of Financial Position as at 30 June 2023, 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 2023, 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.

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, the Companies Act 1994 and other applicable laws and regulations and for 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, We also report the following:

- (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.

Place: Dhaka
Date: September 27, 2023



Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khan Basak & Co
Chartered Accountants
DVC: 2309270461AS419506

NPOLY Trading Ltd.
Statement of Financial Position
As at 30 June 2023

Particulars	Notes	30 June 2023 Taka	30 June 2022 Taka
PROPERTY & ASSETS:			
Non-Current Assets			
Incorporation & Pre- Operating Expenses	4.2	394,720	
		394,720	
Current Assets			
Cash & Cash Equivalents	5.2	935,501	-
		935,501	
Total Assets		1,330,221	-
EQUITY & LIABILITIES:			
Shareholder's Equity			
Share Capital	6.2	1,000,000	-
Retained Earnings		-	-
		1,000,000	-
Current Liabilities			
Accounts Payable	7.2	57,500	-
Inter Company Payable	8.2	272,721	-
		330,221	-
Total Equity & Liabilities		1,330,221	-


The accounting policies and other notes form an integral part of the Financial Statements.


Chairman


Managing Director


Company Secretary

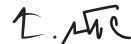
Dhaka: 27 September 2023



Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC: 2309270461AS419506


NPOLY Trading Ltd.
Statement of Comprehensive Income
For the period ended 30 June 2023

Particulars	NOTES	Amount Taka
Revenue		-
Less: Cost of Goods Sold		-
Gross Profit		-
Less: Administrative and Selling Expenses		-
		-
Less: Financial Expenses		-
Comprehensive Income / (Loss)		-


The accounting policies and other notes form an integral part of the Financial Statements.


Chairman


Managing Director



Company Secretary

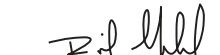
Dhaka: 27 September 2023


Md. Shirazul Islam Khan, FCA
Partner, Shiraz Khhan Basak & Co.
Chartered Accountants
ICAB Enrolment No. 461
DVC: 2309270461AS419506

NPOLY Trading Ltd.
Statement of Changes in Shareholders Equity
For the period ended 30 June 2023

Particulars	Share Capital Taka	Retained Earnings Taka	Total Taka
Balance as at 30 June, 2022	-	-	-
Share Capital	989,500	-	989,500
Comprehensive Income / (Loss)	-	-	-
Balance as at 30 June, 2023	989,500	-	989,500


Chairman


Managing Director



Company Secretary

Dhaka: 27 September 2023

NPOLY Trading Ltd.
Statement of Cash Flows
For the period ended 30 June 2023

Particulars	30 June 2023 Taka	30 June 2022 Taka
A. Cash Flows from Operating Activities		
Collection from Sales and Others	-	-
Payment to Suppliers, Employees and Others	-	-
Net Cash Flows from Operating Activities	<u>-</u>	<u>-</u>
B. Cash Flows from Investing Activities		
Payment for acquisition of Property, Plant & Equipment	-	-
Pre- Incorporation & Operating Expenses	(337,220)	-
Capital Work in Progress (CWIP)	-	-
Net Cash Increase from Investing Activities	<u>(337,220)</u>	<u>-</u>
C. Cash Flows from Financing Activities		
Share Money Deposit	1,000,000	-
Inter Company Payable	272,721	-
Net Cash Flows used from Financing Activities	<u>1,272,721</u>	<u>-</u>
D. Net Increase in Cash during the year (A+B+C)	935,501	-
Opening Cash & Cash Equivalents	-	-
E. Closing Cash & Cash Equivalents	<u><u>935,501</u></u>	<u><u>-</u></u>


Chairman


Managing Director


Company Secretary

Dhaka: 27 September 2023

NPOLY Trading Ltd.
Notes to the Financial Statements
As at and for the period ended 30 June 2023

1.0 Reporting Entity

1.1 Legal Status:

NPOLY Trading Limited is a private limited company incorporated in Bangladesh on 27 November 2022, registered with the Registrar of Joint Stock Companies & Firms (RJSC) C-185459, Dhaka, Bangladesh.

1.2 Nature of Business:

The company was formed to carry on the business on General Trading, Import, Export & Trading of all Commercial permissible items, Dealers, Indenters, Broker, Manufacturing, Contractor, General Supplier, Buying and Selling Agent, Wholesale and Distributors, Carrying of all and every kind of General and Special products, Computer Accessories and Network Accessories and other computer and Internet related Products. To carry on the business as importer, exporter and manufacturer of Solar Panel, Power Tiller and all kinds of agricultural machineries & tools and all kinds of Electronic and Electrical goods.

To import, export & trading all types of Water Pumps & Motors, uPVC Fittings, all kinds of Bathroom Fittings Kitchen Sink, HDPE Pipes & Fittings, Plastic PVC PETPETG products such as Plastic Containers, Tanks, Bottles, Chairs, Tables, Self, Flower Vases, Toys, Rakes, Kitchen Cabinet, Tissue holder, different types of Plastic Bucket, Basket, Bag, PVC Plastic Door, Window, False Ceiling, Partition Profile, Plastic Tin, Plastic Clip, Plastic Hanger, Plastic Nut, PET Bottle, PET Flacks Chips, PET Yearn, Pet Can, Toilet Paper, Wet Tissue, Water Tank, Plastic Furniture, PVC Floor Mats, Artificial Leather, Pan flex Banner, re-cycle of plastic products and all kinds of plastic products and building materials to carry on the business at home and abroad.

1.3 The Composition of Share Holdings of NPOLY Trading Limited is as under:

Name of the Shareholder	No. of shares	% of holding
National Polymer Industries PLC. Re-presented by Mr. Riad Mahmud	99,000	99.00%
Mr. Golam Murshed	1,000	1.00%
	100,000	100%

2.0 Basis of Preparation

2.1 Statement of Compliance:

The Financial Statements have been prepared in accordance with the International Accounting Standard (IAS), International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable Laws and Regulations.

2.2 Basis of Measurement:

The Financial Statements have been measured on historical cost basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Committee (IASC).

2.3 Going Concern:

The company has adequate resources to continue its operation for foreseeable future. For this reason the Directors continued to adopt going concern basis in preparing the Financial Statements.

2.4 Reporting Period:

The financial period of the company covers the period from 27 November 2022 to 30 June 2023.

2.5 Presentation of Financial Statements:

Being the general purpose Financial Statements, the presentation of these Financial Statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements".

A complete set of Financial Statements comprise:

- Statement of Financial Position as at 30 June 2023;
- Statement of Comprehensive Income for the period ended 30 June 2023;
- Statement of changes in shareholders equity for the period ended 30 June 2023;
- Statement of Cash Flows for the period ended 30 June 2023;
- Notes comprising summary of significant accounting policies and explanatory information.

2.6 Cash & Cash Equivalents:

Cash and cash equivalents includes cash in hand, cash at banks, deposits which are available for use by the Company without any restrictions. There is an insignificant risk of change in value of the same.

2.7 Significant Accounting Policies:

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation of Financial Statements have been consistently applied throughout the year and were also consistent with those used in earlier years, if any.

2.8 Liabilities:

All liabilities have been stated at their anticipated amount payable.

3.0 General:

Figures appearing in these Financial Statements have been rounded off to the nearest Taka.

4.2 Incorporation & Pre- Operating Expenses

Advance for License, Registration and renewal fees
Incorporation & Pre- Operating Expenses

30 June 2023 (Taka)

-
394,720
394,720

5.2 Cash & Cash Equivalents:

Cash in hand
Cash at Bank

-
935,501
935,501

6.2 Share Capital:**Authorized Capital**

10,000,000 Ordinary Shares of Tk. 10/- each

100,000,000

Issued, Subscribed & Paid-up CapitalName of Shareholder's

National Polymer Industries PLC. Re-presented by
Mr. Riad Mahmud (99,000 shares of Tk. 10.00 each)
Mr. Golam Murshed (1,000 shares of Tk. 10.00 each)

990,000
10,000
1,000,000

7.2 Accounts Payable

Audit Fee
VAT on Audit Fee

50,000
7,500
57,500

8.2 Inter Company Payable

National Polymer Industries PLC.

272,721
272,721



গাছ বাঁচান
প্রকৃতি বাঁচান

কাঠের দরজার বিকল্প হিসেবে **এনপলি পিভিসি ডোর** ঘরে লাগান



National Polymer Industries PLC.

NATIONAL POLYMER INDUSTRIES PLC.

NPOLY HOUSE: GA-99/3 Pragati Shoroni, Middle Badda, Dhaka-121 2.

FORM OF PROXY

I/We.....
of
being Member of National Polymer Industries PLC. hereby appoint
Mr./Mrs.....
of
as my/our proxy in my/our absence to attend and vote on my/our behalf at the 36th Annual General Meeting (AGM) of the company to be held on Wednesday, 27th December 2023 at 11:00 AM virtually by using the Digital Platform and/or at any adjournment thereof.

As witness my hand thisday of December 2023

(Signature of the Shareholder)

BO/Folio No.																							
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(Signature of the Proxy Holder)

BO/Folio No.																							
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Revenue Stamp of Tk. 20.00

Notes:

- 1. A member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her behalf. The proxy form duly completed must be sent through the e-mail: maleque@nationalpolymer.net or to the Shares Department of the company not later than least 48 hours before the commencement of the AGM.
- 2. Signature of the Shareholder(s) should be in accordance with the specimen signature recorded with the company.







৯৬.৬ ডিগ্রি সেন্টিগ্রেড তাপমাত্রা পর্যন্ত সহনশীল

এনপলি CPVC পাইপ

সহ্য করে
অসহ্য
গরম





Scan QR for more details



National Polymer Industries PLC.

NPOLY HOUSE

GA-99/3, Pragati Shoroni, Middle Badda, Dhaka-1212, Bangladesh.

Phone +8802 58812926 Fax +8802 58814967 IP No +880 961010001

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