

# NATIONAL POLYMER INDUSTRIES PLC. DIRECTORS' REPORT

## DEAR SHAREHOLDERS

The Board of Directors of National Polymer Industries PLC. is pleased to welcome you to the 38<sup>th</sup> Annual General Meeting (AGM) of the company and to report you on the overall performance of the Company for the year ended on June 30, 2025 in compliance with section 184 of the Companies Act, 1994 and Condition No. 1(5) of the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, as follows:

National Polymer Industries PLC. was incorporated as a Public Limited Company in 1987 under the Companies Act, 1994 and was listed in the Stock Exchanges (DSE & CSE) 1991 and 1995 respectively. The Company's name has been changed from National Polymer Industries Limited to National Polymer Industries PLC. in 2023. The Company is actively engaged in manufacturing and supplying a wide range of plastic products for water supply, sanitation, construction and agricultural applications.

## BUSINESS OVERVIEW

Over the past few years, both the global and national economies have faced a series of unprecedented challenges, including the COVID-19 pandemic, Russia-Ukraine war and the Middle-East conflicts, all of which have intensified economic pressure worldwide. These crises have triggered widespread supply chain disruptions, volatile commodity prices and increased costs in essential sectors such as food, energy and industrial raw materials.

In addition to global challenges, Bangladesh's economy has experienced a considerable instability during the year under review. The political unrest following the July'2024 uprising, coupled with a devastating flood in the south-eastern regions caused severe damage to lives, livelihoods and infrastructure. These factors collectively exerted significant strain on the country's overall socio-economic condition and business environment.

Our business is closely related to the construction sector- including the real estate and public development projects. During the year, our business is directly affected as the country's construction activities slowed down severely with many private and government projects facing delay or suspension for unstable socio-economic condition of the country. Inflationary pressures have further weakened the market demand. As a result, the Company's revenue declined by approximately 23% in the FY 2024-2025 compared to the previous year. Despite this decline, we continued to meet up our fixed operating expenses and financial commitments to our stakeholders, which led to a significant reduction in net profit. As per the audited financial statements for the FY 2024-2025, the key financial information is as follows:

Amount in Taka

Particulars	2024-2025	2023-2024
Revenue	5,614,933,873	7,271,200,538
Cost of Goods Sold	(4,828,397,815)	(6,202,883,796)
Gross profit	786,536,057	1,068,316,743
Operating expenses	(325,679,357)	(364,724,623)
Foreign exchange loss/gain	(37,917,253)	(84,520,232)
Finance expenses	(378,080,299)	(406,910,870)
Profit before WPPF and tax	64,225,695	220,048,203
Net Profit	5,017,990	165,942,514
EPS	0.07	2.27

## APPROPRIATION OF PROFIT

Particulars	Amount in Taka	
	30 June 2025	30 June 2024
Retained earnings brought forward	692,765,419	626,023,056
Net Profit for the year	5,017,990	165,942,514
<b>Total profit available for appropriation</b>	<b>697,783,409</b>	<b>791,965,570</b>
<b>Proposed appropriation: -</b>		
Cash Dividend Paid	(76,632,851)	(76,632,851)
Tax adjustment against assessment (FY 2020-2021)	-	(22,567,300)
<b>Retained earnings carried forward</b>	<b>621,150,558</b>	<b>692,765,419</b>



## DECLARATION OF DIVIDEND

The Board of Directors of the company is always sincere to provide with a good return to the shareholders. Considering the overall business situation, the Board of Directors has recommended 5% Cash Dividend from the retained earnings of the company for the year ended on 30 June 2025 for the General Shareholders and Investment Corporation of Bangladesh (ICB), excluding the Sponsor Directors. The declared dividend will be distributed to the shareholders, whose names have been recorded in the Register of Members/Depository Register on the Record Date, i.e. 16 November 2025 within the stipulated time after having approval of the shareholders in the Annual General Meeting (AGM).

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

According to section 91(2) of the Companies Act, 1994 and clause no. 128 & 130 of the Articles of Association of the Company one third of the total number of Directors of the Board retire and re-elect every year. Accordingly, Ms. Mahmuda Akhter, Director, Nominated by the Investment Corporation of Bangladesh (ICB) retired from the Board this year and is eligible for re-election. Upon her consent, the Board of Directors has re-elected her for the next term, subject to approval of the shareholders in this 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 and the membership of committees of the Board is disclosed in the profile of Directors as stated in page no. 09 of the annual report.

## APPOINTMENT OF INDEPENDENT DIRECTOR(S)

In compliance with the BSEC's Corporate Governance Code, the Board of Directors has appointed Ms. Sherina Idrish, Senior Lecturer of the Department of Marketing and International Business of the North South University, Dhaka and Mr. Md. Sahadat Hossain, Advocate, Supreme Court of Bangladesh as the Independent Directors of the company for a period of 03 (three) years, subject to approval of the shareholders in the AGM. In terms of Condition No. 1(5)(xxiv) of the BSEC's Notification dated 03 June, 2018, their brief resumes, expertise and the name of companies in which they hold the directorship and the membership of committees of the Board is disclosed in the profile of Directors as stated in page no. 10 & 11 of the annual report.

## APPOINTMENT OF STATUTORY AUDITORS

M/s. Islam Quazi Shafique & Co. Chartered Accountants audited the financial statements of the company for the FY 2024-2025. As per the Section No. 210 of the Companies Act 1994 and Regulation 15(2) of the DSE Listing Regulations, 2015, Islam Quazi Shafique & Co. Chartered Accountants is eligible for re-appointment and so they have expressed their willingness for re-appointment as the Statutory Auditors of the company for the next FY 2025-2026 with their existing remuneration of Tk. 300,000/- (Taka three lac only) excluding VAT. Considering the BSEC's panel enlistment and decent professional records, M/s. Islam Quazi Shafique & Co., Chartered Accountants has been appointed as the Statutory Auditors of the company for the next FY 2025-2026, subject to the approval of the shareholders in the AGM.

## APPOINTMENT OF CORPORATE GOVERNANCE COMPLIANCE AUDITORS

M/s. Artisan, Chartered Accountants acted as the Corporate Governance Compliance Auditors of the company for the FY 2024-2025. Being eligible, they have expressed their willingness for re-appointment as the Corporate Governance Compliance Auditors for the next FY 2025-2026 with their existing remuneration of Tk. 35,000/- (Taka thirty five thousand only) excluding VAT. Considering their decent professional records, M/s. Artisan, Chartered Accountants has been appointed as the Corporate Governance Compliance Auditors of the company for the next FY 2025-2026, subject to the approval of the shareholders in the AGM.

## HUMAN RESOURCES

In real sense, National Polymer believes that the employees are the best resources for the organization and their motivation is very important for the growth and development of the organization because of their active participation to the productivity. National Polymer Industries PLC. places emphasis on nurturing homegrown talent. The company encourages employees to participate in key management positions and has established a clear succession policy for every department. The company has established a training and development department dedicated for continuous training & improvement of the workforce.

## CORPORATE SOCIAL RESPONSIBILITY

As a corporate citizen, National Polymer endeavors to discharge its responsibilities towards the society and the environment. Our social responsibilities includes our valued customers, employees, shareholders, business associates and other stakeholders. The Board of Directors is aware of the social development as part of the corporate social responsibility (CSR), especially in the areas of race-religion-regional equality, non-employment of child labor, donation to the flood victims, educational and charitable institutions,



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prevention of environmental pollution etc. We do believe that our business objectives are not only to maximize the profitability but also to contribute to the society. The Company's CSR Policy is disclosed in the annual report.

## **CORPORATE GOVERNANCE**

Corporate Governance is the system of rules, regulations, practices and processes by which a company is directed, operated, monitored and controlled with a view to achieving 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 applicable regulatory rules & regulations, accountability, transparency, well-understood policies & procedures. The details of corporate governance are discussed in the corporate governance statement.

## **THE BOARD OF DIRECTORS ALSO REPORTS AS PER CONDITION NO. 1(5) OF THE BSEC'S CORPORATE GOVERNANCE CODE-2018 AS FOLLOWS:**

### **INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT**

The plastic sector, one of the most dynamic and strategically important industrial segments in Bangladesh, contributes significantly to the country's economic growth and industrial diversification. Despite prevailing macroeconomic challenges including inflationary pressures, increased import costs, and slowdown in market demand, this sector continues to demonstrate resilience, adaptability and sustained potential for expansion.

At present, the plastic industry contributes approximately 1% to the national GDP and nearly 1.5% to total export earnings. With around 6,000 small, medium, and large enterprises operating across the country, the sector provides employment to an estimated 1.5 million people, directly supporting national socio-economic development.

Given the increasing domestic consumption, rising industrial demands and gradual diversification of export products, Bangladesh's plastic sector holds strong potential for further expansion and deeper contribution to the national economy.

National Polymer Industries PLC. (NPOLY) has been operating as one of the pioneer manufacturing entities in Bangladesh's plastic industry for over three decades. The Company manufactures a wide range of plastic products for water supply, sanitation, construction and agricultural applications and thereby contributes to the country's infrastructure & agriculture development and industrial growth. Through consistent innovation, quality assurance and commitment to sustainability, National Polymer has established itself as a trusted and reputed brand in the domestic market. The company remains steadfast in its mission to deliver high-quality, durable, and environment-friendly products to its valued customers, ensuring long-term value creation for all stakeholders.

Despite the challenging economic environment, National Polymer has maintained operational efficiency and continued to strengthen its market presence through modernization, process improvement and customer-focused initiatives. Beyond national borders, the Company's products have also gained recognition in international markets, contributing to foreign exchange earnings and enhancing Bangladesh's reputation as a growing hub for quality industrial products.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The Company's operation is carried out and managed as a single operating segment for manufacturing and marketing of plastic products for water supply, sanitation and building solutions.

### **RISKS AND CONCERNS**

Risk and concern is the inherent element of any business operation. Like other industries, National Polymer Industries PLC. is also exposed to various risks and uncertainties that may affect its profitability, growth and long-term sustainability. The Management regularly monitors, assesses and identifies the potential risks and threats and takes appropriate measures to minimize the impact through proactive risk management practices. A detailed discussion on the risk management systems of National Polymer is stated in the Management Discussion and Analysis.

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

During this year the company's revenue declined by 23% due to stuck-off the country's construction and development works for ongoing political unrest resulting weaker market demand. The cost of goods sold (COGS) decreased by 22% compared to the previous year. Throughout the year under-utilization of production capacity, fixed operating expenses, high finance cost etc. have affected the net profit significantly. Almost every aspect of costs incurred is high against the revenue generation than the comparative year. As per the audited financial statements for the year ended on June 30, 2025, a comparative view is given below:



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Amount in Taka

Particulars	2024-2025	2023-2024
Cost of Goods Sold	4,828,397,815	6,202,883,796
Gross profit	786,536,057	1,068,316,743
Net Profit	5,017,990	165,942,514

**CONTINUITY OF ANY EXTRA-ORDINARY ACTIVITIES**

During the year ended on June 30, 2025, the Company did not encounter any extraordinary gain or loss requiring adjustment or disclosure in the financial statements, excepting the adverse impact of July'24 uprising, political unrest and natural disaster (flood), resulting the decrease of revenue and net profit.

**RELATED PARTY TRANSACTIONS**

A detail discussion on related party transactions along with statement showing amount, nature of related party, nature of transactions and basis of transactions are stated in note no. 49.00 of the financial statements.

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

No such event occurred during the financial year.

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

No such event occurred during the year.

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

No significant variance occurred during the financial year 2024-2025 between quarterly financial performances and annual financial performances.

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

The Directors of National Polymer Industries PLC get only board meeting fees, but not any remuneration, bonus or any other form, excepting the Managing Director's salary for his direct participation to the company's day to day operations. Honorarium (meeting fees) paid to the Directors including the Independent Directors is disclosed in notes 46 & 49 of the financial statements.

**FAIRNESS OF FINANCIAL STATEMENTS**

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

**MAINTENANCE OF PROPER BOOKS OF ACCOUNT**

Proper books of account of the company have been maintained.

**ADOPTION OF APPROPRIATE ACCOUNTING POLICIES**

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

**COMPLIANCE WITH IAS AND IFRS IN PREPARATION OF FINANCIAL STATEMENTS**

The Board of Directors of the company is entrusted to ensure the disclosure of the actual financial position and preparation and maintenance of all types of statutory statements as per the BSEC's regulations and the Companies Act, 1994. The Board of Directors ensures 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.



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## INTERNAL CONTROL SYSTEM

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

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

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

## SHAREHOLDERS RIGHTS AND PROTECTION OF MINORITY INTEREST

National Polymer Industries PLC. always upholds the interests of shareholders' rights regardless of their shareholdings. The Company encourages the communication with the shareholders throughout the year and welcomes their participation and opinion at the shareholders' meeting. The company communicates to the shareholders minimum three ways regarding its business, financial position and earnings during the year. These include:

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

## ABILITY TO CONTINUE AS A GOING CONCERN

There are no significant doubts upon the Company's ability to continue as a going concern.

## SIGNIFICANT DEVIATIONS IN OPERATING RESULTS COMPARED TO LAST YEAR

During the FY 2024-2025, the Company experienced a significant decline of revenue and net profit compared to the previous year. This is mainly due to drop of sales for declining of market demand in context of political unrest following July'24 uprising.

## KEY OPERATING AND FINANCIAL DATA OF PRECEDING FIVE YEARS

The comparative key operating and financial data of preceding five years is presented in page no. 27 of the annual report.

## EXPLANATION ON THE REASONS IF THE COMPANY HAS NOT DECLARED DIVIDEND (CASH OR STOCK) FOR THE YEAR

No such event occurred during the year.

## INTERIM DIVIDEND

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

## NUMBER OF BOARD MEETINGS HELD DURING THE YEAR AND ATTENDANCE

During the FY 2024-2025 the Board of Directors met 06 (six) times. The details of board meetings and attendance are as follows:

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



## **PATTERN OF SHAREHOLDING**

Pattern of shareholding of the company is disclosed in page no. 35 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, Companies Act, 1994 and other related rules and legislations issued from time to time by the Regulators. The information (brief resume, nature of his expertise and name of companies in which he/she holds the directorship and the membership of committees of the Board) in case of such appointment or re-appointment has been disclosed in the Profile of Directors (Page No. 8-11 of the Annual Report).

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

Management's discussion and analysis is disclosed in page no. 21-26 of the Annual Report.

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

Declaration or certification by the CEO and the CFO is disclosed in page no. 56 of the Annual Report.

## **REPORT AS WELL AS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE CODE**

The report as well as certificate regarding compliance of conditions of corporate governance code as per condition No. 9 provided by M/s Artisan, Chartered Accountants is disclosed in page no. 57 of the Annual Report.

## **Appreciation**

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

For and on behalf of Board of Directors



**Golam Murshed**  
Chairman

