

**DIRECTORS' REPORT TO THE SHAREHOLDERS  
FOR THE YEAR ENDED 30 JUNE 2023**

**To the Members,**

Your directors have pleasure in presenting the Annual Report on the business and operations of the Company, together with the audited financial statements for the financial year ended June 30, 2023 ("FY 2022-23").

This report has been prepared in compliance with the Section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

Bangladesh has an inspiring story of growth and development, aspiring to be an upper middle-income country by 2031. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. Due to the higher quality and competitive price of Bangladeshi garments, the name "Made in Bangladesh" has now become familiar to most countries and major brands. Bangladesh is also a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. The global economy is in a synchronized slowdown, resulting from a variety of factors affecting the world. While the Bangladesh economy is still struggling to overcome the rippling effects of the slowdown of global economy, we have reported another year of steady revenue growth. Our Company always makes sincere efforts to enhance the value of all stakeholders and we continue to do so every year. I thank all the Board of Directors, shareholders, stakeholders, employees & workers and our customer for their efforts in making this journey successful.

**PRINCIPAL ACTIVITIES OF THE COMPANY**

The Company has been carrying out the business of manufacturing and exporting of garment hangers and accessories which facilitate the export of garments to the world's largest retailers like WalMart, K-Mart, Khol's, J C Penny, C&A, Auchan, H&M etc. in the USA, Canada as well as in Europe.

**MATERIAL CHANGE OR CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there are no material changes in the nature of business of the Company.

**INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT OF THE INDUSTRY**

Bangladesh's Ready Made Garments export fetched \$46.99 billion, recording a growth of 10.27% during the just concluded FY2022-23. The official data of the export promotion bureau (EPB) showed that Bangladesh's Ready Made Garments products export performance in FY2022-23 exceeded the target set for fiscal 2022-23 by 0.41%. While in the previous financial year of 2021-22, the readymade garment (RMG) sector earned \$42.61 billion. Hangers are an essential Ready Made Garments commodity that have permeated into almost every section of society, leading to a robust and growing global hanger market. The global demand for hangers is projected to increase at a CAGR of 8% during the forecast period between 2022 and 2032, reaching a total of USD 1043.6 million in 2032, according to a report from Future Market Insights (FMI). The major factor driving the growth of the hanger market is a thriving retail and hospitality sector leading to continuous growth. RMG is one of the oldest industries in Bangladesh economy and today one of largest contributors to Bangladesh's exports. The industry is increasingly focusing on product diversification, innovation, technology upgradation and skill development in a bid to enhance its capabilities and competitiveness in the global market in the coming days.

The Global General Hanger market is anticipated to rise at a considerable rate during the forecast period, between 2023 and 2030. In 2022, the market is growing at a steady rate and the market is expected to rise over the projected horizon. North America, especially The United States, will still play an important role which cannot be ignored. Any changes from United States might affect the development trend of Clothes Hangers. The market in North America and Europe is expected to grow considerably during the forecast period. The high adoption of advanced technology and the presence of growing demand in this

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region are likely to create ample growth opportunities for the market. Clothes Hangers Market size is projected to reach Multimillion USD by 2030. Despite the presence of intense competition, due to the global recovery trend is clear, investors are still optimistic about this area, and it will still be more new investments entering the field in the future. Technological innovation and advancement will further optimize the performance of the product, making it more widely used in downstream applications. Moreover, Consumer behavior analysis and market dynamics (drivers, restraints, opportunities) provides crucial information for knowing the Clothes Hangers market. The readymade garments sector has a large potential for growth and can double foreign exchange earnings if the government rationalizes fiscal and monetary policies and provides the necessary monetary and non-monetary support and incentives to both local and strategic investors. The industry is focusing on diversifying products, as part of its strategy of shifting from volume to value and quantity to quality. This means we have tremendous opportunities in this segment. As a result, the country's readymade garment and accessory industry, like hangers will continue its phenomenal growth and make a significant contribution to the country's development.

### RISKS AND CONCERNS

Risks and concerns of the industries solely depends on the interest rate, exchange rate fluctuation, change of raw materials cost, management perception, industry risks, Technology related risks, labour unrest and upcoming changes of global and national policies & pandemic, which may have negative impact on the cost structure and profitability of the Company.

### OPERATIONAL PERFORMANCE

The operational performance of the Company, such as Revenue, Cost of Goods Sold, Gross Profit and Net Profit after Tax for the last two years are given below:

Financial Year	Revenue	Cost of Goods Sold	(Figure in Thousand Taka)	
			Gross Profit	Net Profit after Tax
2021-2022	750,839	578,420	172,418	47,589
2022-2023	736,286	596,110	140,175	46,315

### FINANCIAL RESULT AND APPROPRIATION OF PROFIT

The Directors of the Company are pleased to report its shareholders the financial results of the Company for the year ended on 30 June 2023 and their recommendations for appropriation of earnings for the year under review are as follows:

Particulars	(Figure in Taka)	
	As on 30 June 2023	As on 30 June 2022
Opening Balance	854050716	817,156,986
Net Profit after Tax	46,315,100	47,589,596
Dividend Paid	21,391,732	10,695,866
Retained Earnings	878,974,084	854,050,716

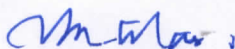
### DIVIDEND

In the view of the profit earned by the Company for the year ended 30 June 2023, the Board of Directors agreed to recommend 5% cash dividend (Except Sponsors & Directors) for this year considering the Company's profitability, finance prudence and the long-term interest of the shareholders.

### DIVIDEND DISTRIBUTION POLICY

The Board believe that it is the best interest of the Company to draw up a long term and predictable dividend policy. The objective of the policy is to allow the Shareholders to make informed investment decisions.

In compliance with the Directive dated 14th January 2021 bearing reference No. BSEC/CMRRCD/2021-386/03 issued by the Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors



of the Company has formulated "The Dividend Distribution Policy" about dividend declaration, pay off, disbursement and compliance and disclosed the same publishing in the Company's annual report and official website as a guiding framework for the shareholders. Company's Dividend Distribution Policy is stated in **Annexure-G** in this Annual Report.

#### **TRANSFERRING THE UNCLAIMED DIVIDEND TO CAPITAL MARKET STABILIZATION FUND (CMSF)**

Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03, dated 14th January 2021 and BSEC Capital Market Stabilization Rules, 2021, the Company transferred the amount of Tk. 2,529,705.63 (Twenty Five Lac Twenty Nine Thousand Seven Hundred Five taka and Sixty Three Paisa) only held against unclaimed or undistributed or unsettled dividend from the year 2013 to 2018 to Capital Market Stabilization Fund. We also have transferred our (13,068 shares) unclaimed or undistributed or unsettled stock dividend or bonus shares or un-allotted rights shares from our Suspense BO Account to Capital Market Stabilization Fund (CMSF) on 13 January 2022.

Year wise unclaimed/undistributed/unsettled dividend amount is stated in **Annexure-H** in this Annual Report.

#### **EXTRA-ORDINARY GAIN OR LOSS**

There is no extra-ordinary gain or loss in the financial statements under report.

#### **BASIS FOR RELATED PARTY TRANSACTIONS**

The detail lists of the related parties with whom transactions have been taken place and their relationship for the year 2022-2023 are as follows:

Particulars	Nature of relationship	Types of transaction	Opening Balance	Amount of addition during the financial year	Amount of adjustments during the financial year	Receivable/Payable as at 30 June 2023
Bengal Propak Limited	Common Directors	Purchase of packing materials	501,630	19,209,730	15,098,440	4,612,920
Bengal Corrugated Carton Ind. Ltd.	Common Directors	Purchase of packing materials	-	-	-	-
Hamilton Metal Corporation Ltd.	Common Directors	Purchase of Accessories	-	12,133,110	12,133,110	-
Hamilton Mold and Engineering Ltd.	Common Directors	Purchase of Mold	22,513,211	31,499,963	27,513,211	26,499,963

#### **SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS**

No significant variations have occurred between quarterly and final financial results of the Company during the year under report.

#### **BOARD SIZE**

The Board of Directors of the Company is comprised of 9 (Nine) members including 2 (Two) independent directors.

#### **CODE OF CONDUCT OF ALL BOARD MEMBERS**

In compliance with the corporate governance guidelines, the Board has laid down a code of conduct of all Board members and annual compliance of the code is recorded accordingly.

#### **INTERNAL CONTROL**

The Board has the ultimate responsibility of establishing effective systems of internal control. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business,

the safeguarding of its assets, the prevention and detection of frauds and errors, compliance with applicable legislations, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has also established an internal audit and compliance department that functions under an independent head of internal audit and compliance to ensure that internal control and compliances are in place.

#### BOARD MEETING AND ATTENDANCE

The Board of Directors of the Company met together 5 (Five) times for meeting during the year. The attendance record of the Directors is as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Morshed Alam	Chairman	05	03
Mr. Md. Jashim Uddin	Vice Chairman	05	03
Mr. Humayun Kabir	Managing Director	05	03
Mrs. Bilqis Nahar	Director	05	03
Mr. Firoz Alam	Director	05	03
Mr. Shamsul Alam	Director	05	02
Mr. Saiful Alam	Director	05	04
Mr. Shahedul Islam	Independent Director	05	04
Mr. Abu Zafor Md. Kibria FCA	Independent Director	05	04

The Directors who could not attend the meetings were granted leave of absence.

#### REMUNERATION TO DIRECTORS

The Company did not pay any remuneration to any director including independent director except board meeting attendance fee and Taka 200,000.00 as salary per month to Managing Director.

#### DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Morshed Alam (Chairman), Mrs. Bilqis Nahar (Director) and Mr. Shamsul Alam (Director) will retire from the Board by rotation as per Article-127 of the Articles of Association of the Company and as per Article 128 of the Articles of Association of the Company, being eligible, have offered themselves for re-election. Brief resume and other information of the above-mentioned directors as per clause 1.5(xxiv)a, 1.5(xxiv)b, and 1.5(xxiv)c, of BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated, 03 June 2018 are depicted in **Annexure-E** in this Annual Report.

#### APPOINTMENT OF AUDITORS

The directors hereby report that the existing auditors, M/s. Toha Khan Zaman & Co., Chartered Accountants, who were appointed as auditors of the Company in the last Annual General Meeting of the Company has carried out the audit for the year ended 30 June 2023, will retire and being eligible offered themselves for reappointment as Auditors of the Company for the year 2023-2024. The Board also accepted the proposal and recommended to appoint M/s. Toha Khan Zaman & Co., Chartered Accountants as statutory auditors which will be placed before Annual General Meeting (AGM) for shareholders' approval. Remuneration of the auditor will also be approved by the shareholders at the AGM.

#### DIRECTORS STATEMENTS

The Directors, in accordance with BSEC's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated, 03 June 2018 confirms the following to the best of their knowledge:

- The financial statements prepared by the management of Company present fairly its state of affairs, the results 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 and that the accounting estimates are based on reasonable and prudent judgment.

- d) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The 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.
- g) There are no significant doubts of the Company's ability to continue as a going concern.
- h) No bonus share or stock dividend has been or shall be declared as interim dividend.

#### PATTERN OF SHAREHOLDING

In accordance with the condition of the corporate governance issued by the Bangladesh Securities and Exchange Commission (BSEC) on 03 June 2018, the shareholding pattern of the Company is disclosed in **Annexure-D** in this annual report.

#### FIVE YEAR'S FINANCIAL HIGHLIGHTS

The key operating and financial data for the last five years are as follows:

Figure in Thousand Taka

Particulars	2023	2022	2021	2020	2019
Turnover (Export sales)	736,286	750,839	702,722	497,461	805,948
Gross Profit	140,175	172,418	159,459	86,484	189,474
Operating Profit	66,534	86,779	62,402	19,030	123,153
Profit before Provision and Tax	62,106	83,894	58,485	11,514	111,042
Net profit after tax for the year	46,315	47,589	45,746	10,922	96,714
Property, Plant and Equipment at cost less accumulated depreciation	698,208	591,916	589,141	628,554	656,987
Intangible Assets	4,066	4,900	2,765	3,330	3,894
Current Assets	1,796,163	1,759,232	1,753,120	1,661,573	1,693,718
Share Capital	914,760	914,760	914,760	914,760	914,760
Retained Earnings	878,974	854,050	817,156	782,106	816,922
Equity	2,348,758	2,319,261	2,274,744	2,230,990	2,252,861
Current Liabilities	256,634	196,637	194,367	180,884	202,550
				<b>Figure in Taka</b>	
Particulars	2023	2022	2021	2020	2019
Net Asset Value Per Share (NAVPS)	25.68	25.35	24.87	24.39	24.63
Earnings per Share	0.51	0.52	0.50	0.12	1.06
Net Operating Cash Flow Per Share (NOCFPS)	1.50	1.20	0.73	2.32	2.86

#### CONTRIBUTION TO THE NATIONAL EXCHAQUER

During the year under review, our Company paid Taka.13,969,804.00 to the national exchequer in the form of corporate income tax, customs duties and value added tax.

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## MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the condition of corporate governance code, 'Management discussion and analysis' has been duly signed by the Managing Director of the Company and is included in **Annexure-F** of this annual report.

## DECLARATION BY MD AND CFO

In accordance with the conditions of corporate governance code, a declaration on financial statements for the year ended 30 June 2023 duly signed by the MD and CFO is included in **Annexure-A** of this annual report.

## CORPORATE GOVERNANCE

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, for inspiring confidence of all stakeholders. We have the pleasure to confirm that the Company has meanwhile complied with all the necessary guidelines under BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated, 03 June 2018. The compliance report along with the necessary remarks/disclosures is appended in this Annual Report of the Company for the year 2022-2023 (**Annexure-C**). Further, a Certificate of Corporate Governance Compliance required under the said Code, as provided by M/s Suraiya Parveen & Associates, Chartered Secretary in Practice, is also annexed to this report in (**Annexure- B**).

## SPECIAL BUSINESS

To pass a special resolution in regard to change the name of the Company from "Bengal Windsor Thermoplastics Limited" to "Bengal Windsor Thermoplastics PLC." as per provision of the Companies Act, 1994 (2nd amendment 2020) and to amend the relevant Clause -I and Article-2, 51 and 107 of the Memorandum and Articles of Association of the Company.

The Board of Directors in its meeting held on 26th October, 2023 has adopted the following resolution in order to comply with the provisions of the Companies Act, 1994 (2nd amendment 2020).

Therefore, if thought fit, the shareholders are requested to pass the following resolutions adopted by the Board of Directors as special resolutions:

**Resolved that the name of the Company "Bengal Windsor Thermoplastics Limited" be and is hereby changed to "Bengal Windsor Thermoplastics PLC." as per the provision of the Companies Act, 1994 (2nd amendment 2020) and accordingly the relevant Clause - I and Article- 2 of the Memorandum and Articles of Association respectively shall be amended.**

**Resolved Further that the word "Limited" appearing in Article 51 and 107 shall be replaced by "PLC."**

**Resolved Further that a new printed copy of the Memorandum and Articles of Association of the Company incorporating the amendments made up in substitution of the existing Memorandum and Articles of Association of the Company be and hereby adopted as the Memorandum and Articles of Association of the Company, and the same be filed with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh.**

## MEMBERSHIP WITH BAPLC

Bengal Windsor Thermoplastics Limited has membership with the Bangladesh Association of Publicly Listed Companies (BAPLC). A certificate of BAPLC membership has been included on page no. 69 of this Annual Report.



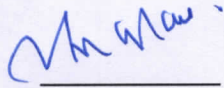
#### POST BALANCE SHEET EVENTS

There are no material events which have occurred after the balance sheet/reporting date, the nondisclosure of which could affect the ability of users of these financial statements to make an appropriate evaluation.

#### ACKNOWLEDGEMENT

The Board of Directors record with deep appreciation the performance of the management, the officers, staffs and workers whose relentless effort helped increase the productivity of the Company despite the natural and unnatural adverse factors throughout the country and the world. The Board of Directors humbly expresses its gratitude and acknowledges with satisfaction the cooperation and unflinching support it has received from various regulatory bodies and financial institutions.

For and on behalf of the Board of Directors,



**Morshed Alam**  
Chairman  
26 October 2023