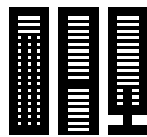


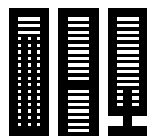
# **Annual Report**

**2021 – 22**



**MAQ PAPER INDUSTRIES LTD.**

# **30th Annual General Meeting**



**MAQ PAPER INDUSTRIES LTD.**

# Letter of Transmittal

Date : 23 November, 2022

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

Dear Sir/Madam,

## **Annual Report for the year ended on June 30, 2022.**

By the consent of the Board of Directors, I am enclosing herewith a copy of Annual Report along with 30th AGM Notice, the Chairpersons Statement, Directors' Report to the Shareholders, Audited Financial Statements including Statements of Financial Position, Statements of Profit or Loss and other Comprehensive Income, Statements of Cash Flows, Statements of Changes in Equity and notes to the Financial Statements for the year ended June 30, 2022 of MAQ Paper Industries Ltd. for your kind information and record.

Thanking you,

Sincerely yours,

sd/-  
Md. Aktar Humayun  
Company Secretary

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## **CORPORATE INFORMATION**

<b>Registered Office</b>	: 42/1, Segun Bagicha Dhaka-1000, Bangladesh Tel : 880-2-58310543 Email : maqpaperltd@gmail.com website : www.maqpaperltd.net
<b>Factory</b>	: Hajigonj, Narayangonj Bangladesh
<b>Listings</b>	: Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.
<b>Statutory Auditors</b>	: M/s MABS & J Partners Chartered Accountants
<b>Corporate Governance Auditors</b>	: M/s SARashid & Associates Chartered Secretaries
<b>Bankers</b>	: Uttara Bank Ltd.

The details of latest Notice, Price Sensitive Information, Annual Report and Financial Statements of MAQ Paper Industries Ltd. are available in the website of the company. The address of the website is **www.maqpaperltd.net**

## **Board of Directors of the Company**

### **Chairperson**

Mrs. Sufia Quasem

### **Managing Director & Chief Executive Officer (CEO)**

Mr. M. A. Quasem

### **Directors**

Mr. AQM Mahbubul Alom

Mr. Quasem Azam

### **Independent Director**

Mr. Md. Nur Sultan Khan

### **Company Secretary**

Mr. Aktar Humayun

### **Additional Company Secretary**

Mr. K M Abdullah Al-Zubayer

### **Audit Committee**

Mr. Md. Nur Sultan Khan, Independent Director (Chairman)

Mr. AQM Mahbubul Alom, Director (Member)

Mr. Quasem Azam, Director (Member)

### **Nomination and Remuneration Committee (NRC)**

Mr. Md. Nur Sultan Khan, Independent Director (Chairman)

Mr. AQM Mahbubul Alom, Director (Member)

Mr. Quasem Azam, Director (Member)

## Profiles of Directors

### **Mrs. Sufia Quasem**

Chairperson

Mrs. Sufia Quasem is a widely traveled business entrepreneur. She has acquired firsthand knowledge of management system and production technologies in the developed world. Her experience has been of immense assistance to the group to cope with the competitive environment prevailing in the industrial sector.

### **Mr. M. A. Quasem**

Managing Director & Chief Executive Officer (CEO)

Mr. M. A. Quasem, a science graduate from Dhaka University, started his career as a government officer and after about two years switched to the banking service. During his stint with the banking service, he rose to the position of a branch manager. In early 1973, Mr. M. A. Quasem set out to establish a business house of his own. He is the Managing Director and Chief Executive Officer of MAQ Paper Industries Ltd. Mr. M. A. Quasem has traveled to many countries of the world to keep himself abreast of the changing scenario in the field of production and technology. To gain insight into the techniques and complexities of paper making, in particular, He traveled Germany, Korea and other countries before launching the project.

### **Mr. AQM Mahbulul Alom**

Director

Mr. AQM Mahbulul Alom is a Director of the company. On completion of his graduation, Mr. AQM Mahbulul Alom set out to be a pilot, accordingly joined Civil Aviation Authority, and obtained the private pilot license (PPL) from Civil Aviation Authority of Bangladesh (CAAB) before getting involved with the company. He is involved in all phases of planning and development. Mr. AQM Mahbulul Alom is also responsible for the entire human resource management and public relations of the company and for all clearing and investigation of equipment that are purchased on behalf of the company. He is also involved in all phases of strategic planning and control, policy enhancements and operational and business development. He has traveled too many countries of the world for business & technology purpose.

### **Mr. Quasem Azam**

Director

Mr. Quasem Azam completed his high school under the University of London, Sussex, England and then went to United States in order to complete his Bachelor degree in electrical Engineering. Mr. Azam also completed MBA degree from University of Mississippi, USA. He is a widely traveled energetic person who has been able to demonstrate his talent in conducting impressive dialogues in fruitful business negotiations and in the fields of corporate finance. He is involved in all phases of strategic planning and control, policy enhancements and operational and business development.

### **Mr. Md. Nur Sultan Khan**

Independent Director

Mr. Md. Nur Sultan Khan Graduated in Commerce and had long involvement with Government service. He was former official of Planning Commission, People's Republic of Bangladesh and Bangladesh Jute Mills Corporation. He ended his professional life in the year 2015 from a reputed Packaging & Paper Manufacturing Company. He has been re-appointed as an independent director of MAQ Paper Industries Ltd. on 24th September, 2021. His experience has been immense assistance to the company to cope with the competitive environment prevailing in the industrial sector.

Company (other than MAQ Paper Industries Ltd.) in which Directors of the Company hold directorship and committee membership :

SI No.	Name of Director	Directorship	Member of Board committee
1.	Mrs. Sufia Quasem	MAQ Enterprises Ltd.	None
2.	Mr. M. A. Quasem	MAQ Enterprises Ltd.	None
3.	Mr. AQM Mahbulul Alom	MAQ Enterprises Ltd.	NRC & Audit Committee MAQ Enterprises Ltd.
4.	Mr. Quasem Azam	MAQ Enterprises Ltd.	NRC & Audit Committee MAQ Enterprises Ltd.
5.	Mr. Md. Nur Sultan Khan Independent Director	MAQ Enterprises Ltd.	NRC & Audit Committee MAQ Enterprises Ltd.

## **MAQ PAPER INDUSTRIES LTD.**

42/1, Segun Bagicha (2nd Floor), Dhaka-1000, Bangladesh

website : [www.maqpaperltd.net](http://www.maqpaperltd.net)

### **Notice of 30th Annual General Meeting**

Notice is hereby given that the 30th Annual General Meeting of MAQ Paper Industries Ltd. will be held at RAOWA Convention Hall, Anchor (Hall-2), Level-3, VIP road, Mohakhali, Dhaka on Thursday, 22 December, 2022 at 10:00a.m. to transact the following business :

#### **AGENDA**

1. To receive, consider and adopt the Financial Statements and the Report of the Independent Auditors thereon together with the Report of the Directors for the year ended June 30, 2022.
2. To elect Director as per Articles of Association of the Company.
3. To appoint Statutory Auditors of the Company for the year 2022-23 and fix their remuneration.
4. To appoint Corporate Governance Auditors for the year 2022-23.

42/1, Segun Bagicha, Dhaka

Dated : 14 November, 2022

By order of the Board

Sd/-

Md. Aktar Humayun

Company Secretary

#### **Notes :**

1. The Members' Register of the Company will remain closed from 04 December, 2022 to 22 December, 2022 (both days included). The Shareholders whose names will appear in the Members' Register of the Company on the Book Closure will be eligible to attend and vote in 30th Annual General Meeting.
2. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her behalf. The proxy form must be affixed with revenue stamp and should be deposited at the registered office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
3. Admission into the hall will be on production of the attendance slip.
4. The Shareholders are requested to notify change of address, if any, to the Company.
5. No gift or benefit in cash or kind shall be given to the shareholders in compliance with the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 and Circular No. SEC/CMRRC/2009-193/154 dated 24 October 2013 of BSEC for attending the AGM.



# Chairperson's Statement to the Shareholders

বিসমিল্লাহির রাহমানির রাহিম,  
সম্মানিত বিনিয়োগকারীবৃন্দ,  
আসসালামুআলাইকুম ওয়া রাহমাতুল্লাহি ওয়াবাবারাকাতুহু,

ম্যাক পেপার ইন্ডাস্ট্রিজ লিঃ এর পরিচালনা পর্ষদের পক্ষ থেকে কোম্পানির ৩০তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে স্বাগত জানাই। বার্ষিক সাধারণ সভায় আপনাদের সাথে অংশ নিতে পেরে আমি সম্মানিত বোধ করছি। আপনাদের বিশেষ অনুরোধে ও মতামত আদান-প্রদানের সুবিধার্থে ৩০তম বার্ষিক সাধারণ সভা Physical Platform এ অনুষ্ঠিত হচ্ছে। বার্ষিক প্রতিবেদন প্রনয়ণের ক্ষেত্রে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের প্রজ্ঞাপন নং- BSEC/CMRRC/2006-158/207/Admin/80 তারিখ 3 June, 2018 এর কর্পোরেট গভার্নেন্স কোড এবং কোম্পানী আইন ১৯৯৪ অনুসরণ করা হয়েছে। বার্ষিক প্রতিবেদনের বিভিন্ন অংশে নিরীক্ষিত আর্থিক হিসাব বিবরণীর বিষয় সমূহ নিয়ে বিস্তারিতভাবে আলোচনা করা হয়েছে। আপনাদের অনুরোধে মাতৃভাষায় কোম্পানীর জুন ৩০, ২০২২ইং এ সমাপ্ত বছরের আর্থিক কার্যক্রমের কিছু চিত্র সংক্ষিপ্তাকারে তুলে ধরছি।

সম্মানিত অংশীদারবৃন্দ, কোম্পানীর জুন ৩০, ২০২২ইং এর Statement of Profit or Loss এ দেয়া হিসেব অনুযায়ী ২০২১-২২ এ কোম্পানীর Revenue ২০২০-২১ এর তুলনায় ৪৩,৪৮,১৫৫ টাকা কম হয়েছে। ২০২১-২২ এ Revenue Growth ছিল ৩.২৪ শতাংশ। ২০২১-২২ এ COGS এর ব্যয় ছিল Revenue'র ৮৯.৪৯%, যা ২০২০-২১ এ ছিল ৮৯.৩৩% অর্থাৎ আলোচ্য বছরে COGS ০.১৬% বেশী ছিল। ২০২১-২২ এ Gross Profit ২০২০-২১ থেকে ৬,৭৩,৭৬২ টাকা কম হয়েছে। Gross Profit margin ২০২০-২১ এ ছিল ১০.৬৭ শতাংশ এবং ২০২১-২২ ছিল ১০.৫১ শতাংশ। প্রতিবেদন বছরে Gross Profit margin ০.১৬ শতাংশ হ্রাস পেয়েছে। Administrative Expenses এর উল্লেখযোগ্য কোন হ্রাস/বৃদ্ধি ঘটেনি। ২০২০-২১ এ Net Profit margin ছিল ২.৪২ শতাংশ এবং ২০২১-২২ এ ০.২৭ শতাংশ কমে দাঁড়ায় ২.১৫ শতাংশ। পর্যালোচনাধীন বছরে কোম্পানীর শেয়ার প্রতি আয় (EPS) সামান্য কমেছে। যেখানে পূর্ববর্তী বছরে কোম্পানীর শেয়ার প্রতি আয় (EPS) ছিল ২.৭১ টাকা, সেখানে ২০২১-২২ এ শেয়ার প্রতি আয় (EPS) হয়েছে ২.৩৩ টাকা। কোম্পানীর বড় অংকের পুঞ্জীভূত লোকসান (যা ক্রমশঃ হ্রাস পাচ্ছে) বিদ্যমান থাকায় পরিচালনা পর্ষদ লভ্যাংশ ঘোষণা করতে অপারগতা প্রকাশ করেছেন।

আপনারা ইতিমধ্যে ঢাকা স্টক এক্সচেঞ্জ লিঃ কর্তৃক প্রকাশিত বিজ্ঞপ্তির মাধ্যমে জেনেছেন যে, গুটিসি মার্কেটে তালিকাভুক্ত কোম্পানীসমূহের বিনিয়োগকারীদের কাছে থাকা সংশ্লিষ্ট কোম্পানীর পেপার শেয়ার সিকিউরিটিজ আইন অনুযায়ী ১২ নভেম্বর ২০২২ইং এর মধ্যে ডিমেট করার জন্য অনুরোধ করা হয়েছিল। কিন্তু কাজটি করার জন্য এমন একটা সময় নির্ধারণ করা হয়েছে, যে সময়ে অন্যান্য Listed কোম্পানির মতো আমরাও বার্ষিক নিরীক্ষিত এবং প্রথম ত্রৈমাসিক অনিরীক্ষিত আর্থিক হিসাব বিবরণীর কাজ ও এজিএম এর প্রস্তুতি সহ গুরুত্বপূর্ণ বিষয় নিয়ে ব্যস্ত সময় অতিক্রম করিতেছিলাম। তাই আন্তরিক ইচ্ছা থাকা সত্ত্বেও আমরা ডিমেট করার কাজটি করতে পারিনি এবং কর্তৃপক্ষগণকে অবহিত করা হয়েছে। আশাকরি বার্ষিক সাধারণ সভা সম্পন্ন হওয়ার পর প্রয়োজনীয় প্রস্তুতি শেষে আমরা পেপার শেয়ার ডিমেট করার কাজ শুরু করতে পারবো। পেপার শেয়ার ডিমেট করার বিষয়ে যথাসময়ে কোম্পানির পক্ষ থেকে সম্মানিত বিনিয়োগকারীদের অবহিত করা হবে।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমাদেরকে মূল্যবান পরামর্শ ও সহযোগীতা প্রদানের মাধ্যমে এই প্রতিষ্ঠানকে এগিয়ে নিতে ভূমিকা রাখার জন্য আমার এবং পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সকলকে ধন্যবাদ জানাই। আরও ধন্যবাদ জানাই জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ, চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ সহ সংশ্লিষ্ট সকলকে। আমাকে সার্বিকভাবে সহযোগীতা করার জন্য পরিচালনা পর্ষদের নিকট আন্তরিক কৃতজ্ঞতা প্রকাশ করছি।

ধন্যবাদান্তে,

স্বাক্ষর/-

মিসেস সুফিয়া কাশেম  
চেয়ারপার্সন

ঢাকা,  
১৭ নভেম্বর, ২০২২ইং

Bismillahir Rahmanir Rahim  
Dear Shareholders,  
Aas Salamualaikum Wa Rahmatullahi Wa Barakatuhu

Respected Shareholders, it is an honor and a privilege for me and the Board of Directors' of the Company to welcome you all at the 30th Annual General Meeting of MAQ Paper Industries Ltd. The Directors have the pleasure in presenting their report on the activities of the Company and the Auditors' Report together with the Audited Financial Statements of the company for the year ended June 30, 2022 for your valued consideration, approval and adoption. The Directors' Report is prepared in compliance with Bangladesh Securities & Exchange Commission (BSEC) Notification No.– BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, Listing Rules of Stock Exchanges and the Companies Act. 1994.

### **Industry Outlook & Possible Future Development**

Packaging board, containerboard, writing, printing paper and tissue papers are the major products of the Paper Industry. The paper industry is becoming a successful sector in Bangladesh and it has a great potential to become one of the country's major foreign currency earners. Private paper mills are producing export-oriented paper products. Many opportunities are available in the wake of rising demand for paper and allied products. Although the future of paper manufacturing are bright but imported board and paper as well as high price of electricity, electricity & gas crisis, costly raw materials are the major obstacles for the local paper industry to integrate their position in the competitive market. However, other segments within this industry are showing steady progress. As a whole outlook of the paper & paper related Industry seems bright due to increase in population, advancement in education and economic growth.

### **Segment or product-wise performance**

The Company operates in a single product i.e. manufacturing and selling of paper. Therefore, disclosure of segment wise performance is irrelevant.

### **Risk and Concerns**

Every investment always associates with risks. Some of risks can be averted, some are beyond control. The production hampered enormously due to high raw material cost, labor cost, frequent power and gas supply shortage and increase of gas & Electricity price in a regular interval may increase adverse profitability of the company. We produce our products from wastage paper. The entire production process is environment pollution free.

### **Discussion on COGS, Gross Profit Margin & Net Profit Margin :**

#### **a) Cost of Goods Sold :**

Period	COGS (BDT)	Growth of COGS	Percentage (%) of Increase (Decrease)
June 30, 2022	116,249,227	(3.06%)	42.57% lower than previous year
June 30, 2021	119,923,620	39.51%	24.97% higher than previous year
June 30, 2020	85,963,665	14.54%	12.06% lower than previous year
June 30, 2019	98,466,183	26.60%	2.3% higher than previous year
June 30, 2018	77,778,409	24.30%	98.7% lower than previous year

#### **b) Gross Profit Margin :**

Period	Gross Profit (BDT)	Gross Profit Margin	Percentage (%) of Increase (Decrease)
June 30, 2022	13,654,253	10.51%	0.16% Decreased than previous year
June 30, 2021	14,328,015	10.67%	0.07% Increased than previous year
June 30, 2020	10,196,496	10.60%	2.10% Decreased than previous year
June 30, 2019	14,330,597	12.70%	9.90% Decreased than previous year
June 30, 2018	22,717,551	22.60%	2.68% Decreased than previous year

#### **c) Net Profit Margin :**

Period	Net Profit (BDT)	Net Profit Margin	Percentage (%) of Increase (Decrease)
June 30, 2022	2,796,055	2.15%	0.27% lower than previous year
June 30, 2021	3,251,362	2.42%	2.05% higher than previous year
June 30, 2020	371,715	0.37%	1.83% lower than previous year
June 30, 2019	2,481,700	2.20%	3.35% lower than previous year
June 30, 2018	5,574,985	5.55%	2.57% lower than previous year

There were no extra-ordinary activities during the year, which may results significant gain or loss.

### **Related Party Transaction**

From the beginning, the company has been maintaining the related party transaction as an internal transaction and it is a normal course of business. The name of related party, amount, nature of related party, nature of transaction and basis of transaction for the year ended June 30, 2022 has been set as follows:

<b>Name of related party</b>	<b>Amount</b>	<b>Nature of related party</b>	<b>Nature of transaction</b>	<b>Basis of transaction</b>
MAQ Enterprises Limited	24,216,263	Associate company	Interest free loan	Short term loan
M. A. Quasem	99,191,886	Managing Director	Interest free loan	Short term loan

### **Any Variance between Quarterly & Annual Financial Statements**

There is no such significant variance occurred between Quarterly Financial performance and Annual Financial Statements of the company during the period.

### **Statement of Remuneration paid to the Directors & Independent Director**

The statement of remuneration paid to the Directors is included in Note No.-18.01 of Notes to the Financial Statements for the year ended June 30, 2022 of the company. It is to be noted that only the Managing Director holds an executive position in another company.

### **Financial Reporting Framework**

The Company has complied with the requirements of Corporate Governance and the applicable rules and regulations of CG Code of Bangladesh Securities & Exchange Commission.

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
- The Company has maintained proper books of account.
- 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.
- The International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh, has been followed in preparation of the financial statements.
- The Company maintains internal control system, which is sound in design and has been effectively implemented and monitored by the management.

### **Protection of Minority Shareholders' Interest**

The company ensures the protection of the interest of its minority shareholders by following the rules and regulations made by the regulatory body.

### **Going Concern**

The Board of Directors has a reasonable expectation that the company has adequate internal resources to continue its operation consistently for the future.

### **Significant Deviation from last Year's Operating Results**

There is no significant deviation during the period.

### **Dividend**

As the Company had accumulated loss at the end of the year, the Board of Directors expresses their inability to declare any dividend for the year under report.

### **Bonus Share or Stock Dividend**

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

Pursuant to the condition No. 1 (5) (xix) of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 a statement of key operating and financial data stated below :

**Operating Data :**

Taka in million

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018
Turnover	129.90	134.25	96.16	112.80	100.50
Cost of Goods sold	116.25	119.92	85.96	98.47	77.78
Gross Profit	13.65	14.33	10.20	14.33	22.72
Administrative Expenses	10.03	10.13	9.24	11.02	8.47
Operating Profit	3.63	4.20	0.95	3.31	14.24
Financial Expenses	0.02	0.006	0.007	0.005	6.81
Net Profit before Tax	3.61	4.20	0.95	3.31	7.43
Net Profit after Tax	2.80	3.25	0.37	2.48	5.57

**Balance Sheet Data :**

Taka in million

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018
Paid up Capital	120	120	120	120	120
Shareholders' Equity	(22.11)	(24.90)	(28.15)	(27.39)	(29.87)
Current Assets	197.53	183.65	164.94	174.68	162.93
Current Liabilities	304.36	295.91	283.23	284.86	278.14
Total Assets	282.90	271.66	255.72	258.12	248.92
Total Liabilities	305.01	296.56	283.87	285.50	278.79

**Financial Ratios :**

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018
Gross profit ratio	0.11	0.11	0.11	0.13	0.23
Net profit ratio	0.03	0.03	0.01	0.03	0.07
Current Ratio	0.65	0.62	0.58	0.61	0.59

**Others Data :**

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018
EPS (Taka)	2.33	2.71	0.31	2.07	4.65
NAV (Taka in million)	22.10	(24.90)	(28.15)	(27.39)	(29.87)
NOCFPS (Taka)	8.67	5.13	18.70	1.26	8.56
Dividend (%)	0	0	0	0	0
Total outstanding shares	12,00,000	12,00,000	12,00,000	12,00,000	12,00,000
No. of Shareholders	2577	2,614	2,677	2,679	2,691

For the year ending at June 30, 2022 the Board of Directors held five (05) meetings. Name of the Directors and the number of meetings attended by each are given below :

Name of the Directors	No. of Meeting attended
Mrs. Sufia Quasem	05
Mr. M. A. Quasem	05
Mr. AQM Mahbubul Alom	03
Mr. Quasem Azam	05
Mr. Md. Nur Sultan Khan	05

### **Shareholdings Information as at June 30, 2022**

Pursuant to the condition No. 1 (5) (xxiii) of the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the pattern of shareholding disclosing the aggregate number of shares stated below :

(a) There is no Parent or Subsidiary or Associated Company and other related shareholding party.

(b) Name and shareholdings pattern of Chairperson, CEO, Directors/Sponsors :

Sl. No.	Name of Shareholder	Description	No. of shares	Percentage (%)
01	Sufia Quasem	Chairperson	24,200	2.00
02	M. A. Quasem	Managing Director & CEO	2,97,000	24.75
03	AQM Mahbubul Alom	Director	71,000	5.92
04	Quasem Azam	Director	71,000	5.92
05	Quasem Rob	Sponsor	71,000	5.92
06	Quasem Monirul Alam	Sponsor	71,000	5.92
07	Major Gen. (Rtd.) Abdul Jabbar	Sponsor	100	0.008
08	Shahadat Hossain	Sponsor	100	0.008
09	K. G. Jilani	Sponsor	100	0.008
10	Md. Nur Sultan Khan	Independent Director	Nil	Nil
<b>Sub-Total</b>			<b>6,05,500</b>	<b>50.46</b>

(c) Company Secretary, Independent Director, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children are not holding any share of the company.

(d) Executives (Top 5 salaried employees) are not holding any share of the company.

(e) 10% and above shareholders name and no. of shares holding :

Sl. No.	Name	No. of shares	Percentage (%)
01	Mr. M. A. Quasem	2,97,000	24.75
02	ICB Unit Fund	2,15,200	17.93

As per condition No. 1(5)(xxvi) a Certification of the CEO and CFO to the Board under condition No. 3(3) of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 has been enclosed as "Annexure - A".

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

Pursuant to the condition No. 1(5)(xxv) of BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 the Managing Director & CEO of the company signed 'Management's Discussion and Analysis' & attached as "Annexure - B".

### **Audit Committee Report**

Audit committee report signed by Md. Nur Sultan Khan, Chairman, Audit committee, under the condition No. 5(7) of BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 has been attached as "Annexure - C".

### **Nomination & Remuneration Committee (NRC) Report**

Disclosure of the Nomination & Remuneration Committee (NRC) report signed by the Chairman of the NRC committee Mr. Md. Nur Sultan Khan under the condition No. 6(5)(c) of BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 has been attached as "Annexure - D".

### **Explanation Regarding Qualified Opinion in the Auditor's Report**

The Directors state that their good intention and views related to the financial position, disclosure of material information and compliance with all applicable laws, rules, regulations, standards and guidelines are reflected in the Certification by CEO and CFO to the Board in accordance with the requirements of Condition No.- 1(5)(xxvi) of the BSEC's Corporate Governance Code and also in the Report of the Audit Committee. The Directors shall do the needful towards overcoming any weakness, as stated in the Auditor's Report, in near future.

### **Certificate on Compliance of Corporate Governance Code**

In compliance with the condition 9(1) under BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 regarding Corporate Governance Code of the Bangladesh Securities and Exchange Commission, a copy of certificate obtained from Mr. S. Abdur Rashid FCS, practicing Chartered Secretary of SARashid & Associates for the year ended June 30, 2022 has been attached as "Annexure - E".

### **Status of Compliance of Corporate Governance Code**

The Company has complied with the conditions as stipulated in the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). Pursuant with the requirement under condition No. 9 (3) of the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 the report of Compliance with Corporate Governance Code for the year ended June 30, 2022 has been attached as "Annexure - F".

### **Composition of the Board of Directors**

The Board of Directors of the Company consists of 5(five) Directors including the Managing Director & Chief Executive Officer of the Company and one Independent Director. As per BSEC's Corporate Governance Code, condition 1.4(d), the roles and responsibilities of the Chairperson and the Managing Director/Chief Executive Officer has clearly defined.

### **Code of Conduct**

In compliance with the condition 1(7)(a) of the Corporate Governance Code of the BSEC, the Code of Conduct of all Board members, the Chairperson of the Board and Chief Executive Officer of the company has laid down and posted in the company's website. The annual compliance of the code has been recorded.

### **Duality of Chairperson of the Board of Directors and MD/CEO**

Different individuals have filled the position of the Chairperson of the Board and the Managing Director (MD)/Chief Executive Officer (CEO) of the company. The Chairperson of the Board elected from among the non-executive directors of the company. At present, the Managing Director (MD)/Chief Executive Officer (CEO) of the company is holding the same position of another listed company that is an associate company of MAQ Paper Industries Ltd. The Board of Directors has been working for implementation of the code and for complying with the condition No. 1(4)(b) of the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018.

### **Profiles of Directors**

The profile of the Board of Directors including Independent Director with their specialty in specific functional areas and name of the company in which they also holds the Directorship and the membership of committee of the Board is disclosed in the "Profiles of Directors" of this Annual Report.

### **Retirement and Re-election of Directors**

According to the provisions of the Companies Act, 1994, one-third Directors, except the Managing Director (Chief Executive Officer of the Company) shall retire at the ordinary meeting in every subsequent year.

Pursuant to the Article 114 & 116 of the Articles of Association of the Company Mr. AQM Mahbulul Alom, Director is subject to retirement by rotation at this 30th Annual General Meeting and being eligible, he offers himself for re-election under Article 116 of the Articles of Association of the Company. In compliance with the condition No. 5(xxiv) of BSEC's Notification No.-SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 the Profile of Mr. AQM Mahbulul Alom enclosed in the "profiles of Directors".

### **Continuation of Independent Director**

Pursuant to the condition 1(2)(c) of Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, the Board of Directors re-appointed Mr. Md. Nur Sultan Khan as an Independent Director of the company for the further period of 3 (three) years with effect from 24 September, 2021 and approved by the Shareholders in the 29th Annual General Meeting. Profile enclosed in the "profiles of Directors".

### **Appointment of Statutory Auditor**

Pursuant to the section 210 of the Companies Act 1994, existing Auditor of the Company M/s. MABS & J Partners, Chartered Accountants, retires at this 30th Annual General Meeting and as per BSEC's Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 they offered themselves for re-appointment. The Audit Committee duly evaluated the performance and recommended to the Board for re-appointment of M/s MABS & J Partners, Chartered Accountants, as the auditor of the Company for the year 2022-23. The Board of Directors endorsed the recommendation of the Audit Committee for re-appointment of M/s MABS & J Partners, Chartered Accountants, as the auditor of the Company for the year 2022-23 and till conclusion of 31st Annual General Meeting at a remuneration of Tk. 1,75,000/- (One Lac Seventy Five thousand) and placed before the shareholders at this 30th Annual General Meeting for approval.

### **Appointment of Corporate Governance Auditors**

The Audit Committee recommended to the Board for appointment of M/s SARashid & Associates, Chartered Secretaries, for the year 2022-23 for reviewing the Compliance of Conditions of Corporate Governance Code of the Company under Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 and provide the certificate.

The Board of Directors endorsed the recommendation and placed before the shareholders at this 30th Annual General Meeting for approval of appointment of M/s SARashid & Associates, Chartered Secretaries, as Corporate Governance Auditors for reviewing the Compliance of Conditions of Corporate Governance Code for the year 2022-23 and provide the certificate.

### **Acknowledgement**

I on behalf of the Board of Directors take this opportunity of expressing their thanks and gratitude to the Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and Shareholders for their valuable assistance, guidance and cooperation extended to us from time to time. We consider it as the privilege, on behalf of the shareholders as well as the Board, to acknowledge the contribution of all employees of the Company. We look forward for your continuous support and best wishes for meeting the challenges that awaits us in days to come.

With best regards

On behalf of the Board of Directors

Sd/-

Mrs. Sufia Quasem  
Chairperson

Dhaka,  
20 November, 2022

## MAQ PAPER INDUSTRIES LTD.

### Certification by the CEO & CFO to the Board

Date: October 26, 2022

To

The Board of Directors  
MAQ Paper Industries Ltd.  
42/1, Segun Bagicha  
Dhaka-1000

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

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that :

- (1) The Financial Statements of MAQ Paper Industries Ltd. for the year ended on June 30, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed ; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed financial statements for the year ended June 30, 2022 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present a 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 our 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,

sd/-  
(Md. Zakirul Mazed)  
Chief Financial Officer

sd/-  
(M. A. Quasem)  
Managing Director & CEO



## Management's Discussion and Analysis

Pursuant to the condition No. 1 (5) (xxv) of the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 a management's discussion and analysis signed by MD/CEO presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements stated below :

- a) The financial statements of the company for the year 2021-22 have been prepared in accordance with Bangladesh Accounting Standards (BAS) the standards issued by the Institute of Chartered Accountants of Bangladesh (ICAB), International Accounting Standards (IAS), International Financing Reporting Standards (IFRS), Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange and other applicable laws and regulations. The accounting estimates are based on reasonable and prudent judgment.
- b) There are no changes in accounting policies and estimation. International Accounting Standards, as applicable in Bangladesh, has been following in preparation of the financial statements.
- c) **Comparative analysis of Financial Performance :**

### Revenue

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Revenue	129,903,480	134,251,635	96,159,665	112,796,780	100,495,960	83,769,360

The yearly turnover of the company in 2021-22 was Tk.43,48,155 lower than previous year. Lower Turnover results slight reduce of Revenue growth during the year under report.

### Gross Profit

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Gross Profit	13,654,253	14,328,015	10,196,496	14,330,597	22,717,551	21,180,740

As at June 30' 2022 Gross Profit the company was Tk. 6,73,762 less than the previous year as at June 30' 2021. Gross Profit Margin at 2021-22 was 10.51% and 10.67% in 2020-21. In the reporting year profit margin of the company declined by 0.16% than the previous year.

### Operating Expense

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Operating Expense	10,025,657	10,126,703	9,240,827	11,019,206	8,473,192	3,330,277

Operating Expenses of the company decreased by Tk.1,01,046 in the year 2021-22 compared to 2020-21. Cost minimization in Administrative expenses results lower Operating Expenses.

### Operational Profit

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Operational Profit	3,628,596	4,201,312	955,670	3,311,391	14,244,359	17,850,463

In the reporting year as at June 30' 2022, Operational Profit of the company was Tk.5,72,716 less than 2020-2021. After paying the various cost of production, the Return on Sales of the company was 2.78% in the year 2021-22.

### Profit after tax

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Profit after Tax	2,796,055	3,251,362	371,715	2,481,700	5,574,985	6,798,057

The company has earned Net Profit after Tax Tk. 2,796,055, but it was Tk. 2,879,647 less than the year 2020-21. Net Profit margin after tax of the company was 0.27% lower than previous year.

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Earnings per Share	2.33	2.71	0.31	2.07	4.65	5.67

Earnings per Share of the company during the reporting year was Tk. 0.38 lower than year 2020-21.

### Comparative analysis of Financial Position :

#### Total Assets

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Total Assets	282,900,232	271,655,948	255,720,848	258,115,973	248,915,970	226,631,475

Non-Current Assets Tk.85,371,078 and Current Assets Tk.197,529,154 generated by the company during the year under report. Average total assets of the company amounting Tk. 277,278,090 and total assets turnover ratio is 0.47.

#### Total Liabilities

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Total Liabilities	305,005,467	296,494,815	283,873,498	285,504,098	278,785,796	261,446,286

Total Non-Current liabilities remain unchanged during the year and Current liabilities stood Tk. 304,419,927. Current liabilities increased by Tk. 85,10,652 in the year under report.

#### Capital & Reserve

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Capital & Reserve	(22,105,235)	(24,901,289)	(28,152,651)	(27,388,126)	(29,869,826)	(34,814,811)

Capital & Reserve of the company was Tk. (22,105,235) in 2021-22 and Tk. (24,901,289) in 2020-21. The Capital & Reserve increased amounting Tk. 27,96,054 in the year 2021-22 over the prior year. Reserves to capital ratio of the company under reporting year was (1.2).

### Comparative analysis of Cash Flows :

#### Cash Flows from Operating Activities

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Cash Flows from Operating Activities	10,400,200	6,157,160	22,435,947	1,509,910	10,271,774	33,061,440

Cash Flows from operating activities during the year under review was Tk. 10,400,200 compared to Tk. 6,157,160 in the year 2020-21. Cash Flows from Operating activities increased by Tk. 42,43,040 than the year 2020-21.

#### Cash Flows from Investing Activities

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Cash Flows from Investing Activities	0	0	(10,008,000)	0	0	0

There were no Cash Flows from Investing activities during the year under report.

#### Cash Flows from Financing Activities

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Cash Flows from Financing Activities	(10,187,323)	(5,645,610)	(15,811,524)	(1,858,364)	(6,762,712)	(33,573,917)

Borrowing/repaying from associate company is a part of the regular work of the company. For the best interest of business, loan has been given/taken by the Company from associate company and received/paid them off as and when funds were available. Loan borrowing/repaying from associate is a part of the regular business of the company.

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- d) Comparison of such financial performance or results and financial position as well as cash flows of the company with the peer industry scenario-

Particulars	2021-2022	2020-2021	Peer industry 2019-2020
Non-Current Assets	85,371,078	88,004,602	847,319,717
Current Assets	197,529,154	183,651,346	528,263,576
Total Asset	282,900,232	271,655,948	1,375,583,293
Non-Current Liabilities	585,540	585,540	479,942,323
Current Liabilities	304,419,927	295,909,276	419,212,821
Total Liabilities	305,005,467	296,494,815	899,155,144
Capital & Reserve	(22,105,235)	(24,901,289)	468,034,601
Revenue	129,903,480	134,251,635	473,084,915
Cost of Goods Sold	116,249,227	119,923,620	395,732,584
Gross Profit	13,654,253	14,328,015	77,352,331
Operational Profit	3,628,596	4,201,312	2,457,668
Net Profit after Tax	2,796,055	3,251,362	1,420,266
Cash Flows from Operating Activities	10,400,200	6,157,160	(66,255,238)
Cash Flows from Investing Activities	0	0	(27,031,552)
Cash Flows from Financing Activities	(10,187,323)	(5,645,610)	99,889,636
Earnings Per Share (EPS)	2.33	2.71	0.07
Net Asset Value (NAV)	(22,105,235)	(24,901,289)	212,611,673
Net Asset Value per Share (NAVPS)	(18.42)	(20.75)	11.19
Net Operating Cash Flow Per Share (NOCFPS)	8.67	5.13	(3.49)

e) Financial and economic scenario of Bangladesh -

The Bangladesh economy is set to continue expanding at a rapid pace, underpinned by strong domestic demand, especially large infrastructure projects and new initiatives in the energy sector.

Particulars	Bangladesh Scenario	
	June' 2022	June' 2021
GDP Growth	7.25%	5.47%
Inflation Rate	5.5%	5.56%
Export	\$52.08 billion	\$35.18 billion
Foreign Exchange Reserve	\$34 billion	\$46.39 billion
Foreign Exchange Reserve (% of GDP)	4.00%	11.26%
FDI inflow (Gross)	\$4.7 billion	\$2.5 billion
Remittance	\$21.08 billion	\$24.78 billion
Import	\$82.49 billion	\$60.68 billion
Capital investment (% of GDP)	31.68%	29.9%

- f) Risk and concern issues related to the high raw material cost, labor cost, frequent power and gas supply shortage and increase of gas & Electricity price in a regular interval, including national and international political and business situations may increase adverse profitability of the company..
- g) Imported board and paper as well as price hike of electricity & gas in a regular interval, high price of raw materials are the major obstacles for us to integrate our position in the competitive market. However, the Board of Directors is striving to consolidate the position of the business.

Dhaka,  
19 November, 2022

sd/-  
M. A. Quasem  
Managing Director & CEO

# Audit Committee Report

[Report under Condition No. 5 (7)]

To comply with the Bangladesh Securities and Exchange Commission's Corporate Governance Code condition 4 & 5 the Board of Directors of the Company has constituted an audit committee as a sub-committee of the Board of Directors. The Audit Committee assists the Board of Directors in ensuring the true and fair view of the financial statements of the state of affairs of the company and a good monitoring system within the business.

## Composition of the Audit Committee

- The Board of Directors constituted an Audit Committee as a sub-committee of the Board.
- Composition of the Audit Committee :

Mr. Md. Nur Sultan Khan (Independent Director)	Chairman
Mr. AQM Mahbubul Alom (Director)	Member
Mr. Quasem Azam (Director)	Member

- The Company Secretary acts as the Secretary of the Audit Committee.

## Terms of Reference (TOR) of the Audit Committee

- The Board defined Terms of Reference (TOR) for the Audit Committee. Activities of the Committee are performed as per the said TOR.
- The Committee submits its report directly to the Board of Directors.

## Meetings of the Audit Committee

The Committee had five (05) meetings during the year ended June 30' 2022. Attendance of the Members was as follows :

Name of the Member	Attended
Mr. Md. Nur Sultan Khan	05
Mr. AQM Mahbubul Alom	02
Mr. Quasem Azam	05

- Audit Committee meetings were properly recorded and the Company Secretary keeps Minutes of meetings.

## Activities

In order to discharge the duties and responsibilities of the Audit Committee, the Committee-

- reviewed the accounting policies and principles and financial reporting process;
- reviewed the Internal Control System and the financial statements of the first quarter, half year, third quarter and the whole period of July' 2021 to June' 2022 and subsequently recommended to the Board for consideration and approval;
- discussed with the statutory auditors for review of the annual financial statements before submission to the Board for approval;
- reviewed the first quarter, half year, third quarter and annual financial statements with the management before submission to the Board for approval;

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- reviewed the adequacy of internal audit function;

- reviewed the statement of all related party transactions submitted by the management;
- reviewed the management’s discussion and analysis before disclosing in the Annual Report;
- reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company’s state of affairs for the period of July’ 2021 to June’ 2022;
- while reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to the Company;
- discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern;
- approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- reviewed the work of the Internal Audit Department and made suggestions for improvement;
- recognized the observations of the Internal Audit Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation;
- reviewed the Internal Auditors’ reports and suggested appropriate actions where needed. Internal Auditors were also advised to carryout audit of all the branches in each year. Branch audit reports are required to ensure their effectiveness and suggest appropriate information where required; and
- reviewed the performance of External Auditors during the last year and recommended them for re-appointment.

## Reporting

- Pursuant to Condition No. 5 (6) (a) (i) (ii) (b) of the Corporate Governance Guidelines issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee

sd/-

Md. Nur Sultan Khan  
Chairman  
Audit Committee  
15 November, 2022

# Nomination & Remuneration Committee (NRC) Report

[Report under Condition No. 6 (5)(c)]

In compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance Code condition No. 6 the Board of Directors of the Company constituted a Nomination & Remuneration Committee (NRC) as a sub-committee of the Board of Directors. The Nomination & Remuneration Committee (NRC) assists the Board of Directors in ensuring the formulation of the nomination criteria or policy as well as formal process of considering remuneration of directors and top level executives. In accordance with the approval of the Board, the Nomination and Remuneration Policy may be amended and/or restated from time to time by the NRC. The Company Secretary keeps Minutes of all Remuneration and Nomination Committee meetings, which are available to all members of the Board of Directors.

## Composition of the NRC

The Board nominated and appointed the members of the Committee as follows :

Md. Nur Sultan Khan (Independent Director)	Chairman
AQM Mahbubul Alom (Director)	Member
Quasem Azam (Director)	Member

The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee (NRC).

## Meeting of the Nomination & Remuneration Committee (NRC)

The Committee had one (01) meeting during the year ended June 30' 2022. Attendance of the Members was as follows :

Name of the Member	Attended
Mr. Md. Nur Sultan Khan	1
Mr. AQM Mahbubul Alom	1
Mr. Quasem Azam	1

Nomination & Remuneration Committee (NRC) meeting was properly recorded and the Company Secretary keeps Minutes of meeting.

## Terms of Reference (TOR) of the NRC

- The Board clearly defined the Terms of Reference (TOR) of the NRC covering the areas stated at the condition No. 6(5)(b) of the Corporate Governance Code. Activities of the NRC are performed as per the said TOR.
- The NRC Committee submits its report directly to the Board of Directors.

## Nomination Policy

1. The nomination of directors and top level executives will be determined by the Committee and recommended to the Board for approval. The nomination shall be subject to the prior/post approval of the Company's shareholders as the case may be.
2. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or top level executive and recommend to the Board for his/her appointment.
3. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
4. A person to be appointed for the corresponding position should possess impeccable reputation for integrity and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to others.
5. A person to be appointed as director or top level executive shall not hold any office except in its subsidiary/sister company at the same time as per approval of the Board.

6. Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role.
7. The nomination structure determined by the Board, and is revised from time to time, depending on the Company's needs.

## **Remuneration Policy**

1. The remuneration structure determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance;
2. The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board;
3. In the case of the top level executives, increments to the existing remuneration structure may be recommended by the Committee to the Board for approval within the ceiling fixed by the Board;
4. The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as prescribed by the Board from time to time;
5. The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber and high potential personnel in a competitive global market;
6. The total remuneration level is to be reset annually based on a comparison with the relevant peer company and in accordance with the income-expenditure ratio;
7. Remuneration and reward structure mainly comprises with annual remuneration and long-term rewards. The Committee would determine and formulate the guidelines for remuneration and long-term rewards;
8. Term Incentive Plans under which incentives would be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and recommendation of the Committee;
9. The grant, vesting and other scheme details would be formulated from time to time. These schemes are implemented to attract and retain key talent in the company;

## **Evaluation criteria**

The evaluation of the Directors and top level executive position of the Company is to be conducted on an annual basis. The following criteria may assist in determining how effective the performances of the Directors and top level executive officials have been:

1. Leadership and stewardship abilities;
2. Performance against corporate plans & objectives;
3. Strategic Planning- Financial & Business;
4. Identify, monitor & mitigate significant corporate risks;
5. Review management's succession plan;
6. Obtain adequate, relevant & timely information from external sources;
7. Communication skills;
8. Motivating employees, providing assistance & directions;
9. Team work attributes;
10. Regular monitoring of corporate results against projections;
11. Direct, monitor & evaluate senior officials;
12. Attendance & presence in meetings of Board & Committees;
13. Punctuality;
14. Leadership skills;
15. Exercising duties diligently;
16. Compliance with ethical standards & code of conduct;
17. Safeguard of confidential information;

On behalf of the Nomination & Remuneration Committee (NRC)

sd/-

Md. Nur Sultan Khan

Chairman

Nomination & Remuneration Committee (NRC)

15 November, 2022

***SARashid & Associates***  
***(Chartered Secretaries)***

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**S. Abdur Rashid FCS**

MBS, MBA (Finance), PGDHRM, LLB, FIPM

**Chartered Secretary in Practice**

Private Practice Certificate No.: 003

**Report to the Shareholders of Maq Paper Industries Limited**  
**on**  
**Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Maq Paper Industries Limited. for the year ended on 30 June 2022. This Code relates to the Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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 except as stated in the remarks column of the Statement on Status of Compliance prepared by the Directors of the Company;
- (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 the company 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

Dated : 22 November 2022



For  
**SARashid & Associates**

*Rashid*

**S. Abdur Rashid FCS**

Chartered Secretary in Practice



## Status of Compliance of Corporate Governance Code [2021-22]

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 3 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 :

**(Report under Condition No. 9)**

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1</b>	<b>BOARD OF DIRECTORS:</b>			
1 (1)	Board's Size [number of Board members to be 5 – 20]	√		
<b>1 (2)</b>	<b>Independent Directors</b>			
1 (2) (a)	Number of Independent Directors [at least 1/5]	√		
<b>1 (2) (b)</b>	<b>Independent Director (ID) means a director:</b>			
1 (2) (b) (i)	Holding no share or holding less than 1% shares;	√		
1 (2) (b) (ii)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares;	√		
1 (2) (b) (iii)	Not being an executive of the company in immediately preceding 2 (two) financial years;	√		
1 (2) (b) (iv)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies;			
1 (2) (b) (v)	Not being member/TREC holder/director/officer of any stock exchange;	√		
1 (2) (b) (vi)	Not being shareholder/director excepting independent director/officer of any member or TREC holder of stock exchange or intermediary of the capital market;	√		
1 (2) (b) (vii)	Not being partner/executive at present or during the preceding 3 (three) years of the company's statutory audit firm/audit firm engaged in internal audit services/ conducting special audit/professional certifying compliance of CG Code;	√		
1 (2) (b) (viii)	Not being an independent director in more than 5 (five) listed companies;	√		
1 (2) (b) (ix)	Not convicted by a court as defaulter in any loan of a bank or NBFIs;	√		
1 (2) (b) (x)	Not convicted for a criminal offence;	√		
1 (2) (c)	To be appointed by BOD and approved in the AGM;	√		
1 (2) (d)	The post cannot remain vacant for more than 90 days;	√		
1 (2) (e)	Tenure of ID : 3 years, may be extended for one term;	√		
<b>1 (3)</b>	<b>Qualification of Independent Director</b>			
1 (3) (a)	Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution to the business;	√		
1 (3) (b)	Other qualifications of Independent director :			
1 (3) (b) (i)	Being business Leader who is/was a promoter/director of an unlisted company having minimum paid-up capital of Tk.100 million/any listed company/member of any national/international chamber of commerce/business association; or			N/A
1 (3) (b) (ii)	Being Corporate Leader who is/was not lower than CEO/MD/DMD/CFO/Head of LS/ Finance/Accounts/CS/HIAC or equivalent position of an unlisted company having minimum paid-up capital of Tk.100 million/of listed company; or			N/A
1 (3) (b) (iii)	Being former official of government/statutory/autonomous/regulatory body in the position not below 5th Grade of national pay scale, bachelor degree in economics/commerce/business/Law; or	√		
1 (3) (b) (iv)	Being University Teacher with background in Economics/Commerce/Business Studies/Law; or			N/A
1 (3) (b) (v)	Being professional who is/was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court/CA/CMA/CFA/CCA/CPA/Chartered Management Accountant/CS or equivalent qualification; or			N/A
1 (3) (c)	Independent Director shall have at least 10 (ten) years of experiences in any field mentioned clause (b);	√		
1 (3) (d)	Prior approval of the Commission in special cases.			N/A

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1 (4)</b>	<b>Duality of Chairperson of the Board of Directors and MD/CEO -</b>			
1 (4) (a)	The position of the Chairperson of the Board and the MD and/or CEO of the company shall be filled by different individuals;	√		
1 (4) (b)	The MD and/or CEO of a listed company shall not hold the same position in another listed company;		√	The matter is under process
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive of the company;	√		
1 (4) (d)	Defining roles and responsibilities of the Chairperson and the MD and/or CEO by the Board;	√		
1 (4) (e)	In absence of the Chairperson of the Board, the remaining members may elect Chairperson from non-executive directors for that particular Board's meeting; the reason of absence of regular Chairperson shall be duly recorded in the minutes.			N/A
<b>1 (5)</b>	<b>The Director's Report to Shareholders shall include</b>			
1 (5) (i)	Industry outlook and possible future developments;	√		
1 (5) (ii)	Segment-wise or product-wise performance;	√		
1 (5) (iii)	Risks and concerns;	√		
1 (5) (iv)	Discussion on COGS, Gross Profit and Net Profit Margins;	√		
1 (5) (v)	Discussion on continuity of Extra-Ordinary gain or loss;			N/A
1 (5) (vi)	Basis for and a statement of related party transactions;	√		
1 (5) (vii)	Utilization of proceeds from issuing instruments;			N/A
1 (5) (viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc.;			N/A
1 (5) (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements;			N/A
1 (5) (x)	Remuneration to directors including Independent Directors;	√		
1 (5) (xi)	Fair presentation in financial statements prepared by the management;	√		
1 (5) (xii)	Maintaining proper books of accounts;	√		
1 (5) (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent;	√		
1 (5) (xiv)	Following applicable IAS/IFRS and adequate disclosure for any departure therefrom, if any;	√		
1 (5) (xv)	Soundness and monitoring of internal control system;	√		
1 (5) (xvi)	Statement regarding protection of minority shareholders;	√		
1 (5) (xvii)	Statement regarding ability to continue as going concern;	√		
1 (5) (xviii)	Significant deviations from last year's operating results;			N/A
1 (5) (xix)	Summary of key operating/financial data of last 5 years;	√		
1 (5) (xx)	Reason for non-declaration of Dividend;	√		
1 (5) (xxi)	Statement regarding no bonus share/stock dividend has been or shall be declared as interim dividend;	√		
1 (5) (xxii)	Number of Board meetings and attendance of directors.	√		
<b>1 (5) (xxiii)</b>	<b>Pattern of shareholding (along with name wise details) by-</b>			
1 (5) (xxiii) (a)	Parent/Subsidiary/Associate Companies & related parties;	√		
1 (5) (xxiii) (b)	Directors, CEO, CS, CFO, HOIAC, their spouses & children;	√		
1 (5) (xxiii) (c)	Executives (Top 5 salaried employees other than above);	√		
1 (5) (xxiii) (d)	Shareholders holding 10% or more voting interest.	√		
<b>1 (5) (xxiv)</b>	<b>In case of the appointment/re-appointment of a director</b>			
1 (5) (xxiv) (a)	A brief resume of the director;	√		
1 (5) (xxiv) (b)	Nature of his/her expertise in specific functional areas;	√		
1 (5) (xxiv) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board.	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1 (5) (xxv)</b>	<b>CEO/MD signed a detailed Management's discussion and analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others focusing on :</b>			
1 (5) (xxv) (a)	Accounting policies and estimation for preparation of financial statements;	√		
1 (5) (xxv) (b)	Changes in accounting policies and estimation;			N/A
1 (5) (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current and immediate preceding 5 years explaining reason thereof;	√		
1 (5) (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1 (5) (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1 (5) (xxv) (f)	Risk and concern issues related to the financial statements and mitigation plan;	√		
1 (5) (xxv) (g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof;	√		
1 (5) (xxvi)	As per <b>Annexure-A</b> disclosure of declaration or certification by the CEO and the CFO to the Board under condition No. 3(3);	√		
1 (5) (xxvii)	As per <b>Annexure-B</b> and <b>Annexure-C</b> disclosure of the report and certificate regarding compliance of conditions of CG codes under condition No. 9;	√		
1 (6)	As per provisions of the Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) the Board meetings shall be conducted and recorded the minutes by the company.	√		
1 (7)	<b>Code of Conduct for the Chairperson, other Board members and CEO</b>			
1 (7) (a)	Laying down of code of conduct of Chairperson, other Board members and CEO as recommended by the Nomination and Remuneration Committee (NRC) under condition No. 6;	√		The Board has laid down COC
1 (7) (b)	Posting of code of conduct on the website as determined by the NRC including prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		The COC, as laid down by the Board has been posted on the website
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company -</b>			
2 (a)	Composition of the Board to be similar to holding company;			N/A
2 (b)	One ID to be in both holding and subsidiary company;			N/A
2 (c)	Minutes of Board meetings of subsidiary company to be placed for review at following Board meeting of holding company;			N/A
2 (d)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed;			N/A
2 (e)	Audit Committee of holding company to review financial statements, in particular the investments of subsidiary company.			N/A
<b>3</b>	<b>MD or CEO, CFO, HIAC and CS -</b>			
3 (1) (a)	Appointment of MD/CEO, CS, CFO and HIAC;	√		
3 (1) (b)	The post of MD/CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3 (1) (c)	The MD/CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;		√	The matter is under process
3 (1) (d)	Defining the roles, responsibilities & duties of the CFO, HIAC, and CS;	√		
3 (1) (e)	The MD/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);			N/A
3 (2)	Attendance of MD/CEO, CS, CFO and HIAC in the meetings of the Board.	√		
<b>3 (3)</b>	<b>Duties of MD/CEO and CFO:</b>			
3 (3) (a) (i)	To certify that MD/CEO and CFO have reviewed FSs of the year which contain no untrue or misleading statement or omit no material fact;	√		
3 (3) (a) (ii)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws;	√		
3 (3) (b)	To certify that no transactions entered into by the company is fraudulent, illegal or violation of code of conduct for the company's Board or its members;	√		
3 (3) (c)	Disclosure of certification of the MD/CEO and CFO in the Annual Report.	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>4</b>	<b>Board of Directors' Committee -</b>			
4 (i)	Audit Committee.	√		
4 (ii)	Nomination and Remuneration Committee (NRC).	√		
<b>5</b>	<b>Audit Committee -</b>			
<b>5 (1)</b>	<b>Responsibility to the Board of Directors</b>			
5 (1) (a)	Having Audit Committee as a sub-committee of the Board;	√		
5 (1) (b)	Audit Committee to assist the Board in ensuring fairness of financial statements and a good monitoring system;	√		
5 (1) (c)	Audit Committee being responsible to the Board; duties of Audit Committee to be clearly set forth in writing.	√		
<b>5 (2)</b>	<b>Constitution of the Audit Committee</b>			
5 (2) (a)	Audit Committee to be composed of at least 3 members;	√		
5 (2) (b)	Audit Committee members to be appointed by the Board and composed by the non-executive directors, excepting chairperson of the Board including at least 1 (one) Independent Director to be included;	√		
5 (2) (c)	Audit Committee members to be "financially literate" and at least 1 (one) to have accounting or related financial management background with 10 year's experience	√		
5 (2) (d)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month;			N/A
5 (2) (e)	The CS to act as the secretary of the Audit Committee;	√		
5 (2) (f)	No quorum shall be constituted in Audit Committee meeting without at least 1 (one) independent director.	√		
<b>5 (3)</b>	<b>Chairperson of the Audit Committee</b>			
5 (3) (a)	Chairperson to be an independent director, selected by the Board;	√		
5 (3) (b)	In absence of Chairperson the Audit Committee may elect Chairperson for that particular meeting from one of themselves from remaining members, constituting a quorum as required under condition No. 5(4)(b), absence of regular Chairperson shall be recorded duly with reason in the minutes;			N/A
5 (3) (c)	Chairman of audit committee to remain present in AGM.	√		
<b>5 (4)</b>	<b>Meeting of the Audit Committee</b>			
5 (4) (a)	Audit Committee shall conduct at least four meetings in a financial year;	√		
5 (4) (b)	The quorum of the Audit Committee meeting shall be constituted in presence of two or two-third of the members, whichever is higher, presence of an ID is must.	√		
<b>5 (5)</b>	<b>Role of Audit Committee</b>			
5 (5) (a)	Oversee the financial reporting process;	√		
5 (5) (b)	Monitor choice of accounting policies and principles;	√		
5 (5) (c)	Monitor Internal audit and Compliance process including approval of the Internal audit and Compliance plan and review the Internal audit and Compliance report;	√		
5 (5) (d)	Oversee hiring and performance of external auditors;	√		
5 (5) (e)	Hold meeting with 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;			N/A
5 (5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit evaluate the performance of external auditors;	√		
5 (5) (m)	Oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purpose stated in relevant offer documents or prospectus approved by the Commission;			N/A

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>5 (6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5 (6) (a)</b>	<b>Reporting to the Board of Directors</b>			
5 (6) (a) (i)	Reporting on the activities of Audit Committee;	√		
5 (6) (a) (ii) (a)	Reporting on conflicts of interests;			N/A
5 (6) (a) (ii) (b)	Reporting on suspected or presumed fraud/irregularity/material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5 (6) (a) (ii) (c)	Reporting on suspected infringement of laws;			N/A
5 (6) (a) (ii) (d)	Reporting on any other matter to disclose immediately;			N/A
5 (6) (b)	Reporting to BSEC;			N/A
5 (7)	Reporting to the Shareholders and General Investors.	√		
<b>6</b>	<b>Nomination &amp; Remuneration Committee (NRC) -</b>			
<b>6 (1)</b>	<b>Responsibility to the Board of Directors</b>			
6 (1) (a)	Having Nomination & Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6 (1) (b)	NRC to assist the Board in formulating remuneration consideration process and nomination criteria/policy for determining qualification, positive attributes, experiences, independence of directors and top level executive;	√		
6 (1) (c)	The TOR of the NRC to be clearly set forth in writing covering the areas stated at the condition No. 6 (5) (b).	√		
<b>6 (2)</b>	<b>Constitution of the NRC</b>			
6 (2) (a)	The Committee to be composed of at least 3 members including an ID;	√		
6 (2) (b)	Committee members to be non-executive directors;	√		
6 (2) (c)	Committee members to be nominated and appointed by the Board;	√		
6 (2) (d)	Committee members to be removed and appointed by the Board;	√		
6 (2) (e)	The post of Committee members cannot remain vacant for more than 180 days;			N/A
6 (2) (f)	The Chairperson may appoint any advisor of the Committee who shall be non-voting member;			N/A
6 (2) (g)	The company secretary to act as the secretary of the Committee;	√		
6 (2) (h)	No quorum shall be constituted in NRC meeting without at least an ID;	√		
6 (2) (i)	NRC members shall not receive any remuneration from the company except Director's fees or honorarium.	√		
<b>6 (3)</b>	<b>Chairperson of the NRC</b>			
6 (3) (a)	Chairperson of the NRC to be an independent director, selected by the Board;	√		
6 (3) (b)	In absence of the Chairperson of the NRC, the remaining members may elect Chairperson from non-executive directors for that particular Board's meeting; the reason of absence of regular Chairperson shall be duly recorded in the minutes;			N/A
6 (3) (c)	Chairperson of NRC to remain present in the AGM.	√		
<b>6 (4)</b>	<b>Meeting of the NRC</b>			
6 (4) (a)	At least one meeting shall be conducted by the NRC in a financial year;	√		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any NRC member;			N/A
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of two or two-third of the members, whichever is higher, presence of an ID is must;	√		
6 (4) (d)	Duly be recorded the proceedings in the minutes of the NRC meeting and to be confirmed in the next NRC meeting.	√		
<b>6 (5)</b>	<b>Role of the NRC</b>			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.			TOR of NRC includes this role

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>6 (5) (b)</b>	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>			
6 (5) (b) (i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend directors, top level executives remuneration policy to the Board, considering the following:			
6 (5) (b) (i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			TOR of NRC includes this role
6 (5) (b) (i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark;			TOR of NRC includes this role
6 (5) (b) (i) (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;			TOR of NRC includes this role
6 (5) (b) (ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			TOR of NRC includes this role
6 (5) (b) (iii)	Identifying qualified person to become directors and who may be appointed in top level executive position according the criteria laid down, and recommended their appointment and removal to the Board;			TOR of NRC includes this role
6 (5) (b) (iv)	Formulating the criteria for evaluation of performance of ID and the Board;			TOR of NRC includes this role
6 (5) (b) (v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			TOR of NRC includes this role
6 (5) (b) (vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			TOR of NRC includes this role
6 (5) (c)	Disclosure of nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in the annual report.	√		
<b>7</b>	<b>External or Statutory Auditors -</b>			
<b>7 (1)</b>	<b>The issuer company shall not engage its external or statutory auditors to perform company's following services:-</b>			
7 (1) (i)	Appraisal or valuation services or fairness opinions;	√		
7 (1) (ii)	Designing & implementation of FIS;	√		
7 (1) (iii)	Book Keeping or accounting 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 services determines by the Audit Committee;	√		
7 (1) (viii)	Audit/Certification services on Compliance of Corporate Governance as required under condition No. 9(1);	√		
7 (1) (ix)	Any other services that creates conflict of interest;	√		
7 (2)	Possessing no share by any partner or employee of the external audit firm at least during the tenure of assignment; his/her family members also shall not hold any shares of the company;	√		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders Meeting (AGM/EGM) to answer the queries of the shareholders.	√		
<b>8</b>	<b>Maintaining a website by the Company -</b>			
8 (1)	An official website linked with the website of the stock exchange;	√		
8 (2)	Keeping the website functional from the date of listing;	√		
8 (3)	Availability of the detailed disclosure on its website as required under the listing regulations of the concerned stock exchange(s).	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance -</b>			
9 (1)	Obtaining certificate from a practicing professional Accountant or Secretary regarding compliance of conditions of CG code of the Commission and shall be disclosed in the Annual Report.	√		
9 (2)	The professional who will provide the certificate on compliance of the CG Code shall be appointed by the shareholders in the annual general meeting.	√		
9 (3)	To state, in accordance with Annexure-C attached, in the directors' report whether the company has complied with the conditions or not.	√		

# **Independent Auditor's Report**

## **To the Shareholders of MAQ Paper Industries Limited**

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the financial statements of **MAQ Paper Industries Limited**, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our qualified opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Qualified Opinion**

1) **Material Uncertainty Related to Going Concern:**

The financial statements included a negative amount of Tk. 142,105,235 as *Retained Earnings*. Moreover, current liabilities of the company has been exceeded its net assets by Tk. 22,105,235. The consequences of these along with other matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the Financial Statements have not disclosed this matter adequately.

2) **Ref. to the Notes# 03.00, 07.00, 08.01 and 08.00:**

The financial statements have included *Property, Plant and Equipment* of Tk. 81,485,770, *Inventories* of Tk. 11,462,816 (including *Spare Parts-a Lot* worth of Tk. 1,602,176 which is remained unused/unadjusted since long) and *Advance, Deposit & Prepayment* of Tk. 1,733,298 (Out of Tk. 184,927,410) remained unverified as the management of the company were not able to provide sufficient and appropriate documents.

3) **Ref. to the Note# 12.00:**

The financial statements have included *Dividend Payable* of Tk. 585,540 remained unadjusted since long. Even, these balances have not been transferred to the Capital Market Stabilization Fund (CMSF) as directed by the Bangladesh Securities and Exchange Commission's directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules 2021 and Commission's letter no. SEC/SRMIC/165-2020/ part-1/166 dated 06 July 2021 and Commission's letter no. SEC/SRMIC/165-2020/ part-1/182 dated 9 July 2021.

4) **Ref. to Notes# 16.00 & 17.00:**

All transacting in relation to *Sales* of Tk. 129,903,480 and *Purchase of Materials* of Tk. 57,086,172 have been made through cash and no proper records were kept by the company as well.

5) **Ref. to the Notes# 04.00, 05.00 and 06.00:**

The financial statements have included *Preliminary Expenses, Unallocated Pre-operation Expenses* and *Issue Expenses* of Tk. 24,929, Tk. 2,169,305 and Tk. 1,691,073 respectively which are constant since long. Though, there is no possibility to recover but the management of the company did not write off of these balances.

6) **Departure from IASs and Other Laws:**

Gratuity Fund, Provident Fund and Workers' Profit Participation Fund have not been introduced by the company in compliance with the Bangladesh Labor Act 2006 (As amended in 2013), Bangladesh Labor Rules 2010 and International Accounting Standard-19 *Employee Benefits*.

Deferred tax has not been recognized as per International Accounting Standard 12 *Income Taxes*.

7) **Statement of Financial Position:**

No documents provided by the management of the company against *Loan from Associate Company* of Tk. 24,216,263. Moreover, the company did not disclose the related party transactions and related party disclosures as required by the International Accounting Standards 24 *Related Party Disclosures*.

8) **Ref. to Note# 08.02:**

No documents provided by the management of the company against *Pubali Bank Ltd. Margin* of Tk. 642,165. Even, the company does not have any account with the Pubali Bank Ltd.

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) and we have fulfilled our 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 qualified opinion.

**Other Matters**

Financial statements for the year ended 30 June 2021 were audited by Shiraz Khan Basak & Co, Chartered Accountants, who expressed qualified opinion on those financial statements on 10 November 2021.

**Key Audit Matters**

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

<b>Risk</b>	<b>Our response to the risk</b>
<b>Revenue Recognition</b>	
<p>During this year, net sales revenue of Tk. 129,903,480. Revenue is measured net of discounts, commission and rebates earned by customers on the sales. Within a number of the company markets, the estimation of discounts, commission and rebates recognized based on 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><b>See Note No. 16.00 to The Financial Statements</b></p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"><li>• Segregation of duties in invoice creation and modification; and</li><li>• Timing of revenue recognition.</li></ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"><li>• Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing.</li><li>• Agreeing a sample of claims and rebate accruals to supporting documentation;</li><li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items;</li><li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards;</li><li>• Performing cut-off test by obtaining delivery challan for goods delivered during the beginning of the next accounting year and at the close of current accounting year to verify whether sales are recorded in the current accounting year; and</li></ul> <p>Inspecting VAT returns submitted to VAT authority to determine consistency of sales revenue recognized.</p>



<b>Risk</b>	<b>Our response to the risk</b>
<b>Valuation of Inventory</b>	
<p>The Inventory of Tk. 11,462,816 as at 30 June 2022, held in warehouses and across multiple product lines.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.</p> <p><b>See Note No 7.00 to the Financial Statements</b></p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> <li>• evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of warehouses;</li> <li>• Testing, on a sample basis, the stock aging profile, expiry dates and the market price used in assessing the net realizable values of inventories to the related documents.</li> </ul> <p>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;</p>
<b>Risk</b>	<b>Our response to the risk</b>
<b>Valuation of Property, Plant and Equipment</b>	
<p>The carrying value of the Property, Plant and Equipment (PPE) was Tk. 81,485,770 as at 30 June, 2022. Expenditures are capitalized if they create new assets or enhance the existing assets and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p><b>See Note No 3.00 to the Financial Statements</b></p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none"> <li>• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS 16 and found them to be consistent.</li> <li>• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.</li> <li>• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</li> <li>• We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.</li> </ul>

### **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.

Our qualified 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, we also report that except for the effects of the matters described in the Basis for Qualified Opinion section of our report:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) 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;
- c) the statement of financial position and statement of profit or loss dealt with by the report are in agreement with the books of account; and;
- d) the expenditure incurred was for the purpose of the Company's business.

**Signed for & on behalf of**  
MABS & J Partners  
Chartered Accountants

**Place : Dhaka, Bangladesh**  
Dated : 27 October 2022

sd/-  
**S H Talukder FCA**  
Partner  
ICAB Enrollment No: 1244  
DVC: 2210271244AS987727

**MAQ Paper Industries Limited**  
**Statement of Financial Position**  
**As at June 30, 2022**

Particulars	Notes	Amount in Taka	
		30/Jun/2022	30/Jun/2021
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>		<b>85,371,078</b>	<b>88,004,602</b>
Property, Plant and Equipment	03.00	81,485,770	84,119,295
Preliminary Expenses	04.00	24,929	24,929
Unallocated Pre-operation Expenses	05.00	2,169,305	2,169,305
Issue Expenses	06.00	1,691,073	1,691,073
<b>Current Assets:</b>		<b>197,529,154</b>	<b>183,651,346</b>
Inventories	07.00	11,462,816	16,182,439
Advance, Deposits and Prepayment	08.00	184,927,410	166,480,433
Cash and Cash Equivalents	09.00	1,138,929	988,474
<b>Total Assets</b>		<b>282,900,232</b>	<b>271,655,948</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Capital, Reserve and Surplus:</b>		<b>(22,105,235)</b>	<b>(24,901,289)</b>
Share Capital	10.00	120,000,000	120,000,000
Retained Earnings	11.00	(142,105,235)	(144,901,289)
<b>Non Current Liability:</b>	-	<b>585,540</b>	<b>585,540</b>
Dividend Payable	12.00	585,540	585,540
<b>Current Liabilities:</b>	-	<b>304,419,927</b>	<b>295,909,275</b>
Loan from Managing Director		99,191,886	94,191,886
Loan from Associate Company		24,216,263	39,403,586
Other Liabilities	13.00	8,800,000	10,000,000
Provision for Tax	14.00	1,505,947	1,186,594
Liability for Expenses	15.00	170,705,831	151,127,209
<b>Total Equity &amp; Liabilities</b>		<b>282,900,232</b>	<b>271,593,527</b>
<b>Net Asset Value (NAV)</b>		<b>(22,105,235)</b>	<b>(24,901,289)</b>
<b>Net Asset Value per Share</b>	<b>20.00</b>	<b>(18.42)</b>	<b>(20.75)</b>

The attached notes form an integral part of the financial statements

sd/  
**Company Secretary**

sd/-  
**Director**

sd/-  
**Managing Director**

This is the Statement of Financial Position referred to in our separate report of even date.

**Signed for & on behalf of**  
MABS & J Partners  
Chartered Accountants

**Place : Dhaka, Bangladesh**  
Dated : 27 October 2022

sd/-  
**S H Talukder FCA**  
Partner  
ICAB Enrollment No: 1244  
DVC: 2210271244AS987727

**MAQ Paper Industries Limited**  
**Statement of Profit or Loss**  
**For the Year Ended June 30, 2022**

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
Sales (Net off VAT)	16.00	129,903,480	134,251,635
Less : Cost of Goods Sold	17.00	116,249,227	119,923,620
<b>Gross Profit</b>		<b>13,654,253</b>	<b>14,328,015</b>
Less : Administrative Expenses	18.00	10,025,657	10,126,703
<b>Net Profit before Financial Expenses</b>		<b>3,628,596</b>	<b>4,201,312</b>
Less: Financial Expenses	19.00	20,784	6,006
<b>Net Profit before Non-Operating Income</b>		<b>3,607,812</b>	<b>4,195,306</b>
<b>Net Profit before Provision for Tax</b>		<b>3,607,812</b>	<b>4,195,306</b>
Less: Provision for Tax		811,758	943,944
<b>Net Profit after Tax</b>		<b>2,796,055</b>	<b>3,251,362</b>
<b>Earnings Per Share</b>	<b>21.00</b>	<b>2.33</b>	<b>2.71</b>

The attached notes form an integral part of the financial statements

sd/  
**Company Secretary**

sd/-  
**Director**

sd/-  
**Managing Director**

This is the Statement of Financial Position referred to in our separate report of even date.

**Signed for & on behalf of**  
MABS & J Partners  
Chartered Accountants

**Place : Dhaka, Bangladesh**  
Dated : 27 October 2022

sd/-  
**S H Talukder FCA**  
Partner  
ICAB Enrollment No: 1244  
DVC: 2210271244AS987727

**MAQ Paper Industries Limited**  
**Statement of Changes in Equity**  
**For the Year Ended June 30, 2022**

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01 July 2021	120,000,000	(144,901,290)	(24,901,290)
Net profit for the year	-	2,796,055	2,796,055
<b>Closing Balance as on 30 June 2022</b>	<b>120,000,000</b>	<b>(142,105,235)</b>	<b>(22,105,235)</b>

**For the Year Ended 30 June 2021**

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01 July 2020	120,000,000	(148,152,651)	(28,152,651)
Net profit for the year	-	3,251,362	3,251,362
<b>Closing Balance as on 30 June 2021</b>	<b>120,000,000</b>	<b>(144,901,290)</b>	<b>(24,901,290)</b>

The annexed notes form an integral part of these Financial Statements.

sd/  
**Company Secretary**

sd/-  
**Director**

sd/-  
**Managing Director**

**Place : Dhaka, Bangladesh**  
Dated : 27 October 2022

**MAQ Paper Industries Limited**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>10,400,200</b>	<b>6,157,160</b>
Collection from turnover and others	128,703,480	134,251,635
Payments to for cost and expenses	(117,790,091)	(127,754,161)
Finance Expenses	(20,784)	(6,006)
Payment for Tax	(492,405)	(334,308)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(10,187,323)</b>	<b>(5,645,610)</b>
Loan from Managing Director	5,000,000	-
Payment/Received to Associate Company	(15,187,323)	(5,645,610)
<b>Net Cash Flows During the Year</b>	<b>212,876</b>	<b>511,550</b>
Opening Cash & Cash Equivalent	988,474	476,924
<b>Closing Cash &amp; Cash Equivalent</b>	<b>1,201,350</b>	<b>988,474</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>8.67</b>	<b>5.13</b>

The attached notes form an integral part of the financial statements

sd/  
**Company Secretary**

sd/-  
**Director**

sd/-  
**Managing Director**

**Place : Dhaka, Bangladesh**  
Dated : 27 October 2022

# MAQ Paper Industries Limited

## Notes to the Financial Statements

### For the Year Ended June 30, 2022

#### 01.00 Significant Accounting Policies & Other Material Information:

##### 01.01 Legal Form of the Company:

MAQ PAPER INDUSTRIES LIMITED was originally incorporated as a Private Limited Company on 27 February 1992 under the Companies Act, 1913 and it was converted into a Public Limited Company on 8th August 1994 and offered its share to the public with the approval of the Securities and Exchange Commission (SEC) in the month of December 1994. The shares of the company are listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The registered office of the Company is located at 42/1, Segun Bagicha, Dhaka-1000 and the Industrial Units are located at Hajigonj, Narayanganj.

##### 01.02 Nature of Business Activities:

The principal activities of the Company is concentrated on manufacturing and selling of industrial grade paper such as Brown Paper.

#### 02.00 Basis of preparation

##### 02.01 Accounting Convention:

For preparing and presenting the Financial Statements of the Company the following assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered: going concern, accrual concept, historical cost convention, Generally Accepted Accounting Principles and practices in Bangladesh, the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges, the Accounting Standards issued by The Institute of Chartered Accountants of Bangladesh (ICAB) and International Accounting Standards (IAS).

##### 02.02 Recognition of Income:

Revenue of the Company are recognized at the time of shipment of goods from the warehouse/sales center after considering the significant risk and reward, the amount of revenue can be measured reliably, the cost incurred or to be incurred in respect of the transactions can be measured reliably et

##### 02.03 Property, Plant & Equipment:

Property, Plant & Equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises purchase price, including import duties and non-refundable taxes, and any directly attributable cost of bringing the asset to working condition for its intended use.

##### 02.04 Depreciation:

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other Property, Plant & Equipment, depreciation is provided to amortize the cost of the assets after commissioning over their expected useful economic lives. Depreciation is computed using the Diminishing Balance Method.

The annual depreciation rates applicable to the principal categories are:

S.N	Name of Item	Rate
1	Building & Civil Work	5%
2	Plant & Machinery	5%
3	Vehicles (Motor Car)	10%
4	Gas Installation	10%
5	Electrical Installation	10%
6	Air Condition	10%
7	Office Equipment's	10%
8	Furniture & Fixture	10%
9	Crockeries & Cutleries	10%
10	Water Pipeline & Drainage	10%
11	Fire Fitting Equipment	10%

The entire amount of depreciation for the year has been charged off to cost of revenue.



**02.05 Inventories:**

Inventories comprise Raw Materials, Work-in-Process, Finished Goods, Spares & Accessories. Value of stock other than stock of finished goods represents average cost. Finished goods are valued at lower of cost or net realizable value and include allocation of production overhead while work-in-process are valued at material cost. Net realizable value means the sales price less VAT, estimated cost of completion and selling expenses.

**02.06 Foreign Currency Transactions:**

The financial records of the company are maintained and the financial statements are stated in Bangladeshi taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

**02.07 Other Corporate Debt, Accounts Payable, Trade and Other Liabilities**

These liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

**02.08 Provisions:**

Provisions are liabilities of uncertain timings or amounts. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**02.09 Cash & Cash Equivalent:**

This represents only cash which consists of Cash in Hand and Cash at Bank.

**02.10 Other Current Assets:**

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

**02.11 Employment Benefits:**

The company has not operated any contributory Provident Fund and Gratuity Plan for their employees. Retirement/Termination benefits are paid to Workers/ Employee/Officers on actual payment basis.

**02.12 Earnings Per Share:**

This has been calculated by dividing the basic earnings/ (loss) by the weighted average number of ordinary shares outstanding during the year.

**02.13 Reporting Currency:**

The amount shown in this Financial Statements are presented in Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate deductions.

**02.14 Information by Industry Segments and Geographical Areas:**

No mention is made because the company does not have any segment other than the manufacturing and sale of paper and does not have any business unit abroad.

**02.15 General:**

Figures have been rounded off to the nearest Taka.

**02.16 Payment to Directors**

Name of Board of Directors	Designation	No. of Meeting	Meeting Attending Fees	Directors Remuneration	Total (Taka)
Sufia Quasem	Chairman	6	-	420,000	420,000
M. A. Quasem	Managing Director	6	-	840,000	840,000
AQM Mahbubul Alom	Director	2	-	630,000	630,000
Quasem Azam	Director	6	-	630,000	630,000
Md. Nur Sultan Khan	Independent Director	6	-	-	-
<b>Total</b>					<b>2,520,000</b>

During the year total 6 board meetings were held and the board of directors have not been entitled any meeting fee but Tk 25,20,000 as Remuneration including Tax & VAT.

## 02.17 Capital Expenditure Commitment

Contract for capital expenditure are being executed by the Contractors and the running bill are accounted for but the unfinished contracts has not been reflected in this Financial Statements. There was no material capital expenditure authorized by the board.

## 02.18 Claim Acknowledgement

There was no claim against the Company acknowledged as debt as on 30 June 2022.

## 02.19 Credit Facility

There was no credit facility available to the Company under any contract other than bank credit facility and trade credit available in the ordinary course of business.

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>03.00</b>	<b>Property, Plant &amp; Equipment: Tk 81,485,770</b>		
	At Cost	204,556,535	204,556,535
	Less: Accumulated Depreciation	123,070,765	120,437,240
	<b>Written Down Value</b>	<b>81,485,770</b>	<b>84,119,295</b>
<b>04.00</b>	<b>Preliminary Expenses: Tk 24,929</b>		
	This is as per last Accounts	24,929	24,929
		<b>24,929</b>	<b>24,929</b>
	Intangible assets have not been written off as per the decision of the board.		
<b>05.00</b>	<b>Unallocated Pre-operation Expenses: Tk 2,169,305</b>		
	This is as per last Accounts	2,169,305	2,169,305
		<b>2,169,305</b>	<b>2,169,305</b>
	Intangible assets have not been written off as per the decision of the board.		
<b>06.00</b>	<b>Issue Expenses Tk 1,691,073</b>		
	This is as per last Accounts	1,691,073	1,691,073
		<b>1,691,073</b>	<b>1,691,073</b>
	Intangible assets have not been written off as per the decision of the board.		
<b>07.00</b>	<b>Inventories: Tk 11,462,816</b>		
	Raw Materials	879,586	2,365,949
	Work-in-Process	599,211	694,135
	Finished Goods	8,381,843	11,520,179
	Spare Parts-a Lot	1,602,176	1,602,176
		<b>11,462,816</b>	<b>16,182,439</b>

Inventories other than stock of finished goods represents average cost. Finished goods are valued at lower of cost or net realizable value and include allocation of production overhead while work-in-process are valued at material cost. Net realizable value means the sales price less VAT, estimated cost of completion and selling expenses.

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>08.00</b>	<b>Advance, Deposits &amp; Prepayment: Tk 184,927,410</b>		
	Advance Tax	620,425	620,425
	Advance VAT	417,416	172,733
	Advance Against Gas Bill (Note: 08.01)	175,032,404	156,830,110
	Security Deposits (Note: 08.02)	8,857,165	8,857,165
		<b>184,927,410</b>	<b>166,480,433</b>
<b>08.01</b>	<b>Advance Against Gas Bill : Tk 175,032,404</b>		
	Opening Balance	156,830,110	140,087,897
	Add: Addition During the Year	18,202,294	16,742,213
		<b>175,032,404</b>	<b>156,830,110</b>
	A Court case between Maq Paper Industries Ltd. and Titas Gas Transmission and Distribution Co. Ltd. is going on regarding the settlement of this regard.		
<b>08.02</b>	<b>Security Deposits : Tk 8,857,165</b>		
	Security Deposit at PDB	900,000	900,000
	Security Deposit at T & T	18,400	18,400
	Security Deposit at Titas Gas	7,296,600	7,296,600
	Pubali Bank Ltd. Margin	642,165	642,165
		<b>8,857,165</b>	<b>8,857,165</b>
<b>09.00</b>	<b>Cash and Cash Equivalents: Tk 1,138,929</b>		
	Cash in Hand	12,500	18,000
	Cash at Bank (Uttara Bank Ltd (A/C No:-1495)	1,126,429	970,474
		<b>1,138,929</b>	<b>988,474</b>
<b>10.00</b>	<b>Share Capital: Tk. 120,000,000</b>		
	2,400,000 Ordinary Shares of TK.100.00 each	<b>240,000,000</b>	<b>240,000,000</b>
	<b>Issued, Subscribed and Paid Up:</b>		
	1,200,000 Ordinary Shares of TK.100.00 each	120,000,000	120,000,000
		<b>120,000,000</b>	<b>120,000,000</b>
	<b>GROUP</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Sponsors	605,500	605,500
	Foreigners	18,240	19,380
	I C B	268,760	268,760
	Other Company	5,440	5,720
	General Public	302,060	300,640
		<b>1,200,000</b>	<b>1,200,000</b>
	<b>GROUP</b>	<b>% of Shares</b>	<b>% of Shares</b>
	Sponsors	50.46	50.46
	Foreigners	1.52	1.62
	I C B	22.40	22.40
	Other Company	0.45	0.47
	General Public	25.17	25.05
		<b>100</b>	<b>100</b>

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>11.00</b>	<b>Retained Earnings: Tk -142,105,235</b>		
	Opening Balance	(144,901,289)	(148,152,651)
	Add: Net Profit During the Year	2,796,055	3,251,362
		<b>(142,105,235)</b>	<b>(144,901,289)</b>
<b>12.00</b>	<b>Dividend Payable: Tk 585,540</b>		
	Payable to Others	585,540	585,540
	Net Dividend Payable	<b>585,540</b>	<b>585,540</b>
<b>13.00</b>	<b>Other Liabilities : Tk 8,800,000</b>		
	Advance against Sales (Zannat)	8,800,000	10,000,000
		<b>8,800,000</b>	<b>10,000,000</b>
<b>14.00</b>	<b>Provision for Tax: Tk 1,505,947</b>		
	Opening Balance	1,186,594	576,958
	Add: During the Year	811,758	943,944
		<b>1,998,352</b>	<b>1,520,902</b>
	Less: Adjustment During the Year	492,405	334,308
		<b>1,505,947</b>	<b>1,186,594</b>
<b>15.00</b>	<b>Liability for Expenses: Tk 170,705,831</b>		
	Salary and Allowances	418,720	413,782
	Wages	1,377,150	1,183,627
	Overtime & Other expenses	411,384	420,906
	Electricity Bill	1,384,354	487,749
	Gas Bill*	165,730,515	147,354,858
	Audit Fee	175,000	180,000
	DSE Renewal Fee	870,000	810,000
	AIT	180,582	118,161
	VAT	158,126	158,126
		<b>170,705,831</b>	<b>151,127,209</b>
	<b>Gas Bill:</b> A Court case between Maq Paper Industries Ltd. and Titas Gas Transmission and Distribution Co. Ltd. is going on regarding the settlement of this regard.		
<b>16.00</b>	<b>Sales : Tk 129,903,480</b>		
	Gross Sale	136,398,654	140,982,828
	Less: VAT	6,495,174	6,731,193
		<b>129,903,480</b>	<b>134,251,635</b>
<b>17.00</b>	<b>Cost of Goods Sold: Tk 116,249,227</b>		
	Opening Stock of Finished Goods	11,520,179	10,351,275
	Add : Cost of Production ( Note - 17.01)	113,110,891	121,092,524
	Total Cost of Goods Available for Sale	<b>124,631,070</b>	<b>131,443,799</b>
	Less : Closing Stock of Finished Goods	8,381,843	11,520,179
		<b>116,249,227</b>	<b>119,923,620</b>

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>17.01</b>	<b>Cost of Production: Tk 113,110,891</b>		
	Opening Stock of Work-in-Process	694,135	811,291
	Raw Material Consumed ( Note - 17.01.01)	58,572,535	71,260,433
	Production Overhead ( Note - 17.01.02)	54,443,432	49,714,935
	<b>Cost of Production Available for Sale</b>	<b>113,710,102</b>	<b>121,786,659</b>
	Less : Closing Stock of Work-in-Process	599,211	694,135
	<b>Cost of Production</b>	<b>113,110,891</b>	<b>121,092,524</b>
<b>17.01.01</b>	<b>Raw Material Consumption: Tk. 58,572,535</b>		
	Opening Stock of Raw materials	2,365,949	1,775,308
	Add : Recycled Finished Goods	-	-
	Add : Material Received	57,086,172	71,851,074
		<b>59,452,121</b>	<b>73,626,382</b>
	Less: Closing Stock of Raw Materials	879,586	2,365,949
		<b>58,572,535</b>	<b>71,260,433</b>
<b>17.01.02</b>	<b>Production Overhead: Tk 54,443,432</b>		
	Wages	16,525,800	14,203,524
	Overtime	3,019,744	2,915,163
	Bonus	2,212,800	2,179,300
	Electricity Bill	5,941,561	4,898,693
	Gas Bill	18,375,657	16,742,213
	Electric Goods	195,425	265,905
	Store & Spare	596,445	824,502
	Repair & Maintenance (Machinery)	2,588,861	2,660,651
	Oil & Lubricants	912,836	856,010
	Labor Bill (Daily Paid Labor)	1,462,621	1,401,450
	Factory Maintenance	29,342	38,899
	Carriage Inward	14,420	24,195
	Depreciation (Annexure-A)	2,567,920	2,704,430
		<b>54,443,432</b>	<b>49,714,935</b>
<b>18.00</b>	<b>Administrative Expenses: Tk 10,025,657</b>		
	Directors' Remuneration (Note: 18.01)	2,520,000	2,520,000
	Salary & Allowances	5,024,640	4,965,380
	Bonus	906,280	882,618
	Stationery	14,273	12,179
	Electricity Bill	130,088	137,465
	Travelling & Conveyance	175,285	156,338
	Electric Goods	67,778	92,740
	Entertainment	68,578	66,363
	DSE Renewal Fee	60,000	60,000
	Newspaper & Periodicals	-	280
	Office Expenses	32,176	53,320
	Audit Fee	175,000	180,000
	Food Allowance	3,400	46,050
	Renewal & Registration	254,332	30,188
	AGM Expenses	155,845	149,885
	Medical Expenses	11,898	32,469
	Truck Repair & Maintenance	69,210	115,665
	Computer Repair & Maintenance	55,540	40,270
	Car Fuel Cost	168,280	146,000
	Car Repair and Maintenance	34,650	264,300
	Miscellaneous Expenses	13,800	76,000
	Carriage Outward	19,000	26,300
	Depreciation (Annexure-A)	65,604	72,893
		<b>10,025,657</b>	<b>10,126,703</b>

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>18.01</b>	<b>Directors' Remuneration: Tk 2,520,000</b>		
	Chairman	420,000	420,000
	Managing Director	840,000	840,000
	Director (AQM Mahbubul Alom)	630,000	630,000
	Director (Quasem Azam)	630,000	630,000
		<b>2,520,000</b>	<b>2,520,000</b>
<b>19.00</b>	<b>Financial Expenses: Tk 20,784</b>		
	Bank Charges	20,784	6,006
		<b>20,784</b>	<b>6,006</b>
<b>20.00</b>	<b>Net Asset Value (NAV) Per Share with Revaluation</b>		
	Net Asset Value	(22,105,235)	(24,901,289)
	Number of Shares	1,200,000	1,200,000
	<b>Net Asset Value Per Share</b>	<b>(18.42)</b>	<b>(20.75)</b>
<b>21.00</b>	<b>Earnings Per Share (EPS)</b>		
	Surplus for the year attributable to Shareholders	2,796,055	3251362
	Number of Shares	1,200,000	1,200,000
	<b>Earnings Per Share (Restated)</b>	<b>2.33</b>	<b>2.71</b>
	During the Financial Year Our Sales and Others Income have been increased as a result EPS has also been increased compare to the Financial Year 2021-2022.		
<b>22.00</b>	<b>Cash Flows Per Share from Operating Activities</b>		
	Operating Cash Inflow during the Period	10,400,200	6,163,166
	Number of Shares (Restated)	1,200,000	1,200,000
		<b>8.67</b>	<b>5.14</b>
	During the financial year the company purchased less quantity of raw materials for production of finished goods, for this reason during the year operating cash flows decreased in comparison with previous year.		
<b>23.00</b>	<b>Reconciliation of Profit/(Loss) after Tax with Cash Flows from Operating Activities</b>		
			<b>30-Jun-22</b>
	Net Profit/(Loss) after Tax	Profit/Loss A/C	2,796,055
	Add: Depreciation	Annexure-"A"	2,633,524
	Add: Finance Cost	Note-20	20,784
	(Increase)/Decrease in Advance, Deposits and Prepayment	Note-07	(18,446,977)
	(Increase)/Decrease in Inventory	Note-05	4,719,623
	Increase/(Decrease) in Trade and Other Payables	Note-14	(1,200,000)
	Increase/(Decrease) in Provision for Income Tax	Note-15	319,353
			<b>(9,157,638)</b>

**24.00 Tax Assessment Status**

Income tax return submitted by the company under income tax ordinance 1984. Income tax paid under section-74 basic of return.

Income year	Assessment Year	Provision	Tax Liabilities	Remarks After Assessment
2017-2018	2018-2019	1,858,328	903,595	432,405
2018-2019	2019-2020	827,233	-	492,405
2019-2020	2020-2021	576,958	(43,467)	494,913
2020-2021	2021-2022	943,944	737,136	125,457
2021-2022	2022-2023			

**25.00 Salary Range: Salary range of the employees are given below**

Sl. No	Salary Range (Yearly)	2021-22	2020-21
I	36,000 above	21	21

**27.00 Production Capacity and Utilization:**

Major Products	Unit	Production Capacity	Actual Production	Capacity Utilization %
corrugated medium paper	MT	25 ton/day	19 ton/day	76%

**28.00 Event After the Reporting Period**

- a) The Board of Directors of the Company in it's meeting held on 27 October 2022 approved the financial statements of the Company for the year ended 30 June 2022 and authorized the same for issue.
- b) There is no other significant event that has occurred between the Financial Position date and the date when the Financial Statements were authorized for issue by the Board of Directors.

sd/  
Company Secretary

sd/-  
Director

sd/-  
Managing Director

Place : Dhaka, Bangladesh  
Dated : 27 October 2022

# MAQ PAPER INDUSTRIES LIMITED

## Schedule of Property, Plant & Equipment As at June 30, 2022

ANNEXURE-  
A

Sl.No.	Particulars	Cost			Rate	Depreciation			Written Down Value 30-06-2022
		Balance as at 01-07-2021	Addition During the Year	Balance as at 30-06-2022		Balance as at 01-07-2021	Charged During the Year	Balance as at 30-06-2022	
1	Cost of Land	32,336,733	-	32,336,733		-	-	-	32,336,733
2	Building & Civil Work	40,142,461	-	40,142,461	5%	29,159,395	549,153	29,708,548	10,433,913
3	Plant & Machinery	121,694,918	-	121,694,918	5%	81,783,345	1,995,579	83,778,923	37,915,995
4	Motor Car	4,643,500	-	4,643,500	10%	4,224,299	41,920	4,266,220	377,280
5	Electrical Installation	1,492,183	-	1,492,183	10%	1,390,523	10,166	1,400,689	91,494
6	Gas Installation	891,549	-	891,549	10%	819,260	7,229	826,489	65,060
7	Air Condition	377,000	-	377,000	10%	351,899	2,510	354,409	22,591
8	Office Equipment's	1,257,404	-	1,257,404	10%	1,119,303	13,810	1,133,113	124,291
9	Furniture & Fixture	971,865	-	971,865	10%	900,666	7,120	907,786	64,079
10	Crockery's & Cutleries	34,981	-	34,981	10%	32,541	244	32,785	2,196
11	Water Pipe Line & Drainage	639,341	-	639,341	10%	590,981	4,836	595,817	43,524
12	Fire Fighting Equipment	74,600	-	74,600	10%	65,027	957	65,984	8,616
<b>Total</b>		<b>204,556,535</b>	<b>-</b>	<b>204,556,535</b>		<b>120,437,240</b>	<b>2,633,524</b>	<b>123,070,765</b>	<b>81,485,770</b>



## MAQ PAPER INDUSTRIES LIMITED

### SHARE HOLDING POSITION

For the Year Ended June 30, 2022

RANGE OF HOLDINGS IN NUMBER OF SHARES	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES	% OF SHARE CAPITAL
01 TO 500	2473	95.94	135,660	11.31
501 TO 5,000	86	3.37	128,440	10.70
5,001 TO 10,000	7	0.27	49,960	4.16
10,001 TO 20,000	3	0.11	43,920	3.66
20,001 TO 30,000	2	0.08	45,820	3.82
30,001 TO 40,000	0	0.00	-	-
40,001 TO 50,000	0	0.00	-	-
50,001 TO 1,00,000	4	0.15	284,000	23.67
1,00,001 TO 10,00,000	2	0.08	512,200	42.68
OVER 10,00,000	0	0.00	0	-
<b>TOTAL</b>	<b>2577</b>	<b>100.00</b>	<b>1,200,000</b>	<b>100.00</b>

#### THE SHAREHOLDING CONSISTS OF :

GROUP	NO. OF SHARES	% OF SHARES
SPONSORS	605,500	50.46
FOREIGN	18,240	1.52
I.C.B	268,760	22.40
OTHER COMPANY	5,440	0.45
GENERAL PUBLIC	302,060	25.17
<b>TOTAL</b>	<b>1,200,000</b>	<b>100.00</b>

# MAQ PAPER INDUSTRIES LTD.

## PROXY FORM

Shareholder(s) Folio No.

Revenue Stamp
------------------

I/we.....  
of .....  
being shareholder(s) of **MAQ PAPER INDUSTRIES LTD.**, hereby appoint Mr./Ms. ....  
..... as my/our proxy to attend and vote for me/us and on my/our  
behalf at the 30th Annual General Meeting of the Company to be held at RAOWA Convention Hall, Anchor (Hall-2),  
Level-3, VIP road, Mohakhali, Dhaka on Thursday, 22nd December, 2022 at 10:00a.m. and at any adjournment thereof.

As witness my/our hand this .....day of .....2022

\_\_\_\_\_  
Signature of Shareholder(s)

\_\_\_\_\_  
Signature of Proxy

Date : \_\_\_\_\_

Notes :

1. This form of proxy, duly completed with a revenue stamp must be deposited at least 48 hours before the meeting at the Company's registered office. Proxy will be invalid if not signed and stamped.
2. Signature of the Shareholder must agree with the specimen signature registered with the Company.

✂-----

## MAQ PAPER INDUSTRIES LTD.

### ATTENDANCE SLIP

I/we hereby record my/our presence at the 30th Annual General Meeting of **MAQ PAPER INDUSTRIES LTD.** on Thursday, 22nd December, 2022 at 10:00a.m. at RAOWA Convention Hall, Anchor (Hall-2), Level-3, VIP road, Mohakhali, Dhaka.

Full name of the shareholders  
(In block letter) \_\_\_\_\_

\_\_\_\_\_  
Signature

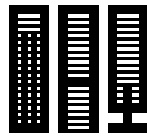
Full name of proxy  
(In block letter) \_\_\_\_\_

\_\_\_\_\_  
Signature

Shareholder(s) Folio No.: 

--

Notes : Shareholders are requested to deposit this slip at the entrance of the meeting hall.



**MAQ PAPER INDUSTRIES LTD.**

42/1, Segun Bagicha, Dhaka-1000.