

Auditor's Report and Audited Financial Statements
of
MAQ Paper Industries Limited
42/1, Segun Bagicha
Dhaka-1000, Bangladesh
As at & For the year ended 30 June 2022

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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.

Risk	Our response to the risk
Revenue Recognition	
<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>See Note No. 16.00 to The Financial Statements</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards; • 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 <p>Inspecting VAT returns submitted to VAT authority to determine consistency of sales revenue recognized.</p>
Risk	Our response to the risk
Valuation of Inventory	
<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>See Note No 7.00 to the Financial Statements</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of warehouses; • 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. <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>

Risk	Our response to the risk
Valuation of Property, Plant and Equipment 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. 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. See Note No 3.00 to the Financial Statements	
	Our audit included the following procedure: <ul style="list-style-type: none"> • 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. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • 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.

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

S H Talukder FCA
Partner
ICAB Enrollment No: 1244
DVC No.: 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
ASSETS:			
Non-Current Assets:		85,371,078	88,004,602
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
Current Assets:		197,529,154	183,651,346
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
Total Assets		282,900,232	271,655,948
EQUITY AND LIABILITIES:			
Capital, Reserve and Surplus:		(22,105,235)	(24,901,289)
Share Capital	10.00	120,000,000	120,000,000
Retained Earnings	11.00	(142,105,235)	(144,901,289)
Non Current Liability:		585,540	585,540
Dividend Payable	12.00	585,540	585,540
Current Liabilities:		304,419,927	295,909,275
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
Total Equity & Liabilities		282,900,232	271,593,527
Net Asset Value (NAV)		(22,105,235)	(24,901,289)
Net Asset Value per Share	20.00	(18.42)	(20.75)

The attached notes form an integral part of the financial statements.

Company Secretary

Director

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

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
Gross Profit		13,654,253	14,328,015
Less : Administrative Expenses	18.00	10,025,657	10,126,703
Net Profit before Financial Expenses		3,628,596	4,201,312
Less: Financial Expenses	19.00	20,784	6,006
Net Profit before Non-Operating Income		3,607,812	4,195,306
Net Profit before Provision for Tax		3,607,812	4,195,306
Less: Provision for Tax		811,758	943,944
Net Profit after Tax		2,796,055	3,251,362
Earning Per Share	21.00	2.33	2.71

The attached notes form an integral part of the financial statements.

Company Secretary

Director

Managing Director

This is the Statement of Profit or Loss 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

S H Talukder FCA
Partner
ICAB Enrollment No: 1244
DVC: 2210271244AS987727

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

Particulars	Amount in Taka	
	2021-2022	2020-2021
CASH FLOWS FROM OPERATING ACTIVITIES	10,400,200	6,157,160
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)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	(10,187,323)	(5,645,610)
Loan from Managing Director	5,000,000	-
Payment/Received to Associate Company	(15,187,323)	(5,645,610)
Net Cash Flows During the Year	212,876	511,550
Opening Cash & Cash Equivalent	988,474	476,924
Closing Cash & Cash Equivalent	1,201,350	988,474
Net Operating Cash Flow Per Share (NOCFPS)	8.67	5.13

The attached notes form an integral part of the financial statements.

Company Secretary

Director

Managing Director

Place : Dhaka, Bangladesh

Dated : 27 October 2022

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
Closing Balance as on 30 June 2022	120,000,000	(142,105,235)	(22,105,235)

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
Closing Balance as on 30 June 2021	120,000,000	(144,901,290)	(24,901,290)

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

Company Secretary

Director

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 etc.

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 Equipments	10%
8	Furniture & Fixture	10%
9	Crockerys & 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

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

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	-	-	-
Total					2,520,000

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.

02.20 Financial Risk Management

The management of company has overall for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

a) Credit Risk

b) Liquidity Risk

c) Market Risk

a) Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that is controlled and monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Trade receivables are related to sale of Media, Liner, Simplex, Duplex Board and Quality Writing Papers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Risk exposures from other financial assets, i.e. Cash at bank and other receivables are nominal.

b) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach in managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

c) Market Risk

Market risk is the risk that any changes in market prices such as foreign exchange rates, interest rate will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) Currency

Currency risk is the risk that arises due to changes in currency exchange rate. The company procures major part of raw materials from local markets and sells finished products in domestic markets which are not affected by changes in currency exchange rates. The company only procures machineries and immaterial part of raw materials from abroad which are not significantly affected changes in currency exchange rate.

(ii) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. Local loans are, however, not significantly affected by fluctuations in interest rate risk. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
03.00	Property, Plant & Equipment: Tk 81,485,770		
	At Cost	204,556,535	204,556,535
	Less: Accumulated Depreciation	123,070,765	120,437,240
	Written Down Value	81,485,770	84,119,295
04.00	Preliminary Expenses: Tk 24,929		
	This is as per last Accounts	24,929	24,929
		24,929	24,929
	Intangible assets have not been written off as per the decision of the board.		
05.00	Unallocated Pre-operation Expenses: Tk 2,169,305		
	This is as per last Accounts	2,169,305	2,169,305
		2,169,305	2,169,305
	Intangible assets have not been written off as per the decision of the board.		
06.00	Issue Expenses Tk 1,691,073		
	This is as per last Accounts	1,691,073	1,691,073
		1,691,073	1,691,073
	Intangible assets have not been written off as per the decision of the board.		
07.00	Inventories: Tk 11,462,816		
	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
		11,462,816	16,182,439
	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.		
08.00	Advance, Deposits & Prepayment: Tk 184,927,410		
	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
		184,927,410	166,480,433

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
08.01	Advance Against Gas Bill : Tk 175,032,404		
	Opening Balance	156,830,110	140,087,897
	Add: Addition During the Year	18,202,294	16,742,213
		175,032,404	156,830,110
	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.		
08.02	Security Deposits : Tk 8,857,165		
	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
		8,857,165	8,857,165
09.00	Cash and Cash Equivalents: Tk 1,138,929		
	Cash in Hand	12,500	18,000
	Cash at Bank (Uttara Bank Ltd (A/C No:-1495)	1,126,429	970,474
		1,138,929	988,474
10.00	Share Capital: Tk 120,000,000		
	2,400,000 Ordinary Shares of TK.100.00 each	240,000,000	240,000,000
	Issued, Subscribed and Paid Up:		
	1,200,000 Ordinary Shares of TK.100.00 each	120,000,000	120,000,000
		120,000,000	120,000,000
	GROUP	No. of Shares	No. of Shares
	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
		1,200,000	1,200,000
	GROUP	% of Shares	% of Shares
	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
		100	100

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
11.00	Retained Earnings: Tk -142,105,235		
	Opening Balance	(144,901,289)	(148,152,651)
	Add: Net Profit During the Year	2,796,055	3,251,362
		(142,105,235)	(144,901,289)
12.00	Dividend Payable: Tk 585,540		
	Payable to Others	585,540	585,540
	Net Dividend Payable	585,540	585,540
13.00	Other Liabilities : Tk 8,800,000		
	Advance against Sales (Zannat)	8,800,000	10,000,000
		8,800,000	10,000,000
14.00	Provision for Tax: Tk 1,505,947		
	Opening Balance	1,186,594	576,958
	Add: During the Year	811,758	943,944
		1,998,352	1,520,902
	Less: Adjustment During the Year	492,405	334,308
		1,505,947	1,186,594
15.00	Liability for Expenses: Tk 170,705,831		
	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
		170,705,831	151,127,209
	Gas Bill: 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.		
16.00	Sales : Tk 129,903,480		
	Gross Sale	136,398,654	140,982,828
	Less: VAT	6,495,174	6,731,193
		129,903,480	134,251,635

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
17.00	Cost of Goods Sold: Tk 116,249,227		
	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	124,631,070	131,443,799
	Less : Closing Stock of Finished Goods	8,381,843	11,520,179
		116,249,227	119,923,620
17.01	Cost of Production: Tk 113,110,891		
	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
	Cost of Production Available for Sale	113,710,102	121,786,659
	Less : Closing Stock of Work-in-Process	599,211	694,135
	Cost of Production	113,110,891	121,092,524
17.01.01	Raw Material Consumption: Tk 58,572,535		
	Opening Stock of Raw materials	2,365,949	1,775,308
	Add : Material Received	57,086,172	71,851,074
		59,452,121	73,626,382
	Less: Closing Stock of Raw Materials	879,586	2,365,949
		58,572,535	71,260,433
17.01.02	Production Overhead: Tk 54,443,432		
	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
		54,443,432	49,714,935

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21
18.00	Administrative Expenses: Tk 10,025,657		
	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
		10,025,657	10,126,703
18.01	Directors' Remuneration: Tk 2,520,000		
	Chairman	420,000	420,000
	Managing Director	840,000	840,000
	Director (A Q M Mahbubul Alom)	630,000	630,000
	Director (Quasem Azam)	630,000	630,000
		2,520,000	2,520,000
19.00	Financial Expenses: Tk 20,784		
	Bank Charges	20,784	6,006
		20,784	6,006

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21

20.00 Net Asset Value (NAV) Per Share with Revaluation

Net Asset Value	(22,105,235)	(24,901,289)
Number of Shares	1,200,000	1,200,000
Net Asset Value Per Share	(18.42)	(20.75)

21.00 Earnings Per Share (EPS)

Surplus for the year attributable to Shareholders	2,796,055	3251362
Number of Shares	1,200,000	1,200,000
Earnings Per Share (Restated)	2.33	2.71

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.

22.00 Cash Flows Per Share from Operating Activities

Operating Cash Inflow during the Period	10,400,200	6,163,166
Number of Shares (Restated)	1,200,000	1,200,000
	8.67	5.14

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.

23.00 Reconciliation of Profit/(Loss) after Tax with Cash Flows from Operating Activities

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	Note-07	(18,446,977)	-
(Increase)/Decrease in Inventory	Note-05	4,719,623	-
Increase/(Decrease) in Trade and Other Pay	Note-14	(1,200,000)	-
Increase/(Decrease) in Provision for Income	Note-15	319,353	-
		(9,157,638)	-

Note	Particulars	Amount in Taka	
		30-Jun-22	30-Jun-21

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	432,405.00
2018-2019	2019-2020	827,233	-	492,405.00
2019-2020	2020-2021	576,958	(43,467)	494,913.00
2020-2021	2021-2022	943,944	737,136	125,457.00
2021-2022	2022-2023			

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

Sl. No	Salary Range	2021-22	2020-21
I	36000 above	3	4

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 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.

Company Secretary

Director

Managing Director

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 Equipments	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	Crockerys & 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
Total		204,556,535	-	204,556,535		120,437,240	2,633,524	123,070,765	81,485,770

Note: Depreciation has been charged on fixed assets under Diminishing Balance Method.

Allocation of Depreciation

Depreciation charge has been made in accounts:

A. Production Overhead:		2,022	2,021
Building & Civil Work		549,153	578,056
Plant & Machinery		1,995,579	2,100,609
Electrical Installation		10,166	11,296
Gas Installation		7,229	8,032
Water Pipe Line & Drainage		4,836	5,373
Fire Fighting Equipment		957	1,064
Sub Total		2,567,920	2,704,430
B. Administrative Overhead:			
Motor Car		41,920	46,578
Air Condition		2,510	2,789
Office Equipments		13,810	15,345
Furniture & Fixture		7,120	7,911
Crockerys & Cutleries		244	271
Sub Total		65,604	72,894
Total(A+B)		2,633,524	2,777,324

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	-
TOTAL	2577	100.00	1,200,000	100.00

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
TOTAL	1,200,000	100.00