



Esquire Knit Composite Limited

ANNUAL REPORT 2021-22



Hello.

ESQUIRE KNIT WAS BUILT ...

to protect the investment of the investor of the company and to provide good dividends against the investors' investments at the end of the financial year.

to diversify the fashion world with its ready-to-wear apparel and capture a place in the minds of fashion-conscious people.

to be the champion among suppliers by providing all-around services to its customer. Simultaneously, producing quality products and delivering products on time. In essence, to achieve customer satisfaction.

to create employment for people to improve the quality of life of its employees and brings smiles to employees' faces

to earn foreign exchange and keep the country's economy moving by exporting its manufactured readymade garments.

to maintain a strong relationship with all its stakeholders and support the views of all stakeholders.



Esquire at a glance

The Esquire Group

Esquire is a group of companies established in Bangladesh, with its corporate office located in the capital city of Dhaka. Esquire Group is growing up very fast as a renowned business conglomerate in the country. It has been proudly and significantly contributing to the society and national economy by creating remarkable employment opportunities and exporting globally.

Esquire Electronics Limited

Founded in 1977. Esquire Group started its journey as an electronic goods retailing company named Esquire Electronics Limited for trading electronics goods and for almost 4 decades Esquire Electronics has been trying to meet the household needs of consumers with quality electronics appliances. Esquire Electronics Limited is the Authorized Sole Distributor for the Japanese Giant Electronics Brands GENERAL, SHARP, and MITSUBISHI. Esquire is marketing General's entire range of RAC and PAC Air Conditioners and also the engineering wing within Esquire is giving solutions for the VRF Air-Conditioning by General brand. For SHARP, Esquire has been a trusting name for supplying its entire range of Home Appliances like LED Televisions, Refrigerators, Deep Freezers, Microwave Ovens, Washing Machines, Small Home Appliances, and also small residential Air-Conditioners with PCI and Inverter technology.

Currently, it is operating through 100+ outlets, out of which 25 outlets are in Dhaka, one outlet each in main centers at Chittagong, Khulna, Bogra, Narayangonj, Sylhet, Munshigonj, Mymensingh, and 150 dealers' networks countrywide. The hard-earned reputation of Esquire for quality and reliability is fully backed up by nationwide service support. A high-level sales force and customer support, quick deliveries, and more are there to serve valuable customers.

Esquire has given

world-class recognition:

Esquire Knit Composite Limited, L' Esquire Limited, Esquire Dyeing Industries Limited, Esquire Accessories Limited, Esquire Plastic Limited and Thakral Information Systems Private Limited, etc.



www.esquireelectronicsltd.com



Esquire Knit Composite Limited

Esquire Knit Composite Limited was incorporated as a private Limited company on 16 February 2000 under the Companies Act 1994 and the company commenced commercial operation in 2001. The factory is located at Kanchpur, Sonargaon, Narayangonj and Valuka, Mymensingh, Bangladesh and the registered and corporate office is Esquire Tower, 21, Shaheed Tajuddin Ahmed Sarani, Tejgaon Industrial Area, Tejgaon Dhaka-1208.

The company was converted into a public limited company on 22 January 2015. The company was listed on the Dhaka and Chittagong Stock Exchange on 9 April 2019 (Trading dated).

Esquire Knit is a 100% export-oriented readymade garments industry with bonded warehouse facilities. It produces different types of Knit Garments through its six units namely, knitting, fabric dyeing, printing, embroidery, industrial laundry and garments units and sells the same to foreign buyers including BESTSELLER, S P R I T, next, celio, max, C & A, TED BERNHARDTZ GROUP, LiDL, OSTIN, TED BAKER, Tee Javs, MASCOT, walbusch, ROOS, PUMA, pentex, GUESS, P & C (Clothing), MICHAEL KORS, CECIL (Street one) and Champion, etc.

www.esquireknit.com

L' Esquire Limited

L' Esquire Limited was incorporated in Bangladesh on 20 June 2019 as a Private Company Limited by share under the Companies Act 1994. The company is a subsidiary company of Esquire Knit Composite Limited, in which the majority i.e., 99.01 % of shares are owned by Esquire Knit Composite Limited. The factory location of L' Esquire is Valuka, Mymensingh, Bangladesh and Esquire Tower, 21, Shaheed Tajuddin Ahmed Sarani, Tejgaon Industrial Area, Tejgaon Dhaka-1208 is the registered and corporate office address.

The company is a 100% export-oriented readymade garment industry with bonded warehouse facilities. The company was established to run a manufacturing business unit of Lingerie, activewear, Intimex, Sportswear, knitwear, and readymade garments including knitting, dyeing, sewing printing and embroidery. The company can also produce all kinds of garment products such as men's and women's Shirts, Trousers, Baby dresses, Jeans pants, jeans shirts and Sportswear. The company is specialized in the production of Lingerie products, which are in huge demand in the global market.

www.esquireknit.com

Esquire Dyeing Industries Limited

Esquire Dyeing Industries Limited was incorporated on 7 April 1993 as a private limited company registered with the Register of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act 1994. The factory is located at Kanchpur, Sonargaon, Narayangonj, Bangladesh, and the registered and corporate office is Esquire Tower, 21, Shaheed Tajuddin Ahmed Sarani, Tejgaon Industrial Area, Tejgaon Dhaka-1208.

Esquire Dyeing has a world-class machine equipped with 10 tons capacity. The dyeing machine is from Italy, China and Taiwan. The winding machine is from Switzerland and Italy. The plant is fully computerized having all sorts of certificates, like, OEKO Tex, GOTS, RCS, DETOX, WARP, and more.

Esquire dyeing can dye all sorts of matted woven and knitted yarn like 100% cotton, polyester, poly, viscose, modal, and mercerize so and so. The Management is a techno-lover which is why they are always aligned with world-class technology as well as a full compliance factory. So, the factory is fully capable of any sort of good business transformation. Customer urgency: Buyer satisfaction is the ultimate objective of Esquire dyeing.



Esquire Accessories Limited

Esquire Accessories Limited was incorporated on 12 July 2006 as a private limited company registered with the Register of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act 1994. The factory is located at Jamaldi, Gazaria, Munshigonj, Bangladesh and the registered and corporate office is Esquire Tower, 21, Shaheed Tajuddin Ahmed Sarani, Tejgaon Industrial Area, Tejgaon Dhaka-1208.

Esquire Accessories is a 100% export-oriented (deemed exporter) manufacturing company under bonded warehouse facilities. This company manufactures a variety of Hangers, Cartons, Polys and Labels along with its Hanger, Carton, Poly and label units. The company has earned a considerable reputation as a back-ward industrial enterprise in the readymade garment industry.



Esquire Plastic Limited

Esquire Plastic Limited was incorporated on 13 November 2014 as a private limited company registered with the Register of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act 1994. The factory is located at Jamaldi, Gazaria, Munshigonj, Bangladesh and the registered and corporate office is Esquire Tower, 21, Shaheed Tajuddin Ahmed Sarani, Tejgaon Industrial Area, Tejgaon Dhaka-1208.

EPL is working to diversify the plastic products used by the people of the country. The company has already released more than 50 different types of plastic households in the market. They are widely appreciated by the people and have considerable demand among customers.

www.esquireplasticsltd.com



Thakral Information Systems Private Limited

Thakral Information Systems Private Limited is a Joint Venture of Thakral Group of Singapore and Esquire Group of Bangladesh. In 1997, the company started its operation in the Bangladesh market to provide Distribution and Services in Information Technology. The company draws its expertise in technology and technology services from Thakral Offices across the world and enjoys a close relationship with the various IT companies across the Asia Pacific belonging to the Thakral Group.

Thakral Group is one of the largest homegrown conglomerates in Singapore, which is opening in over 35 countries. Alongside reputable distribution companies in IT hardware and software, electronics, appliances, and consumables, the Group has an established background in property, real estate, hotels, and resorts.

www.thakral.com.bd

ICMAB Best Corporate Award-2021

Esquire Knit Composite Limited achieved

ICMAB Best Corporate Award-2021

We are pleased to announce that our Company Esquire Knit Composite Limited has secured Bronze Award under the Textiles Category in the ICMAB Best Corporate Award-2021, after an evaluation of our performance based on the Annual Report for the year 2020-2021.



Finally, On 1st December 2022, we received our Company's award from Chief Guest the Hon'ble Minister of Commerce Mr. Tipu Munshi, MP on behalf of the Company. Professor Shibli Rubayat-UI-Islam, Chairman, of the Bangladesh Securities and Exchange Commission, and Mr. Md. Jasim Uddin, President, FBCCI were present as special guests, and the Chairman/CEO or Corporate business leader of the country was also present.

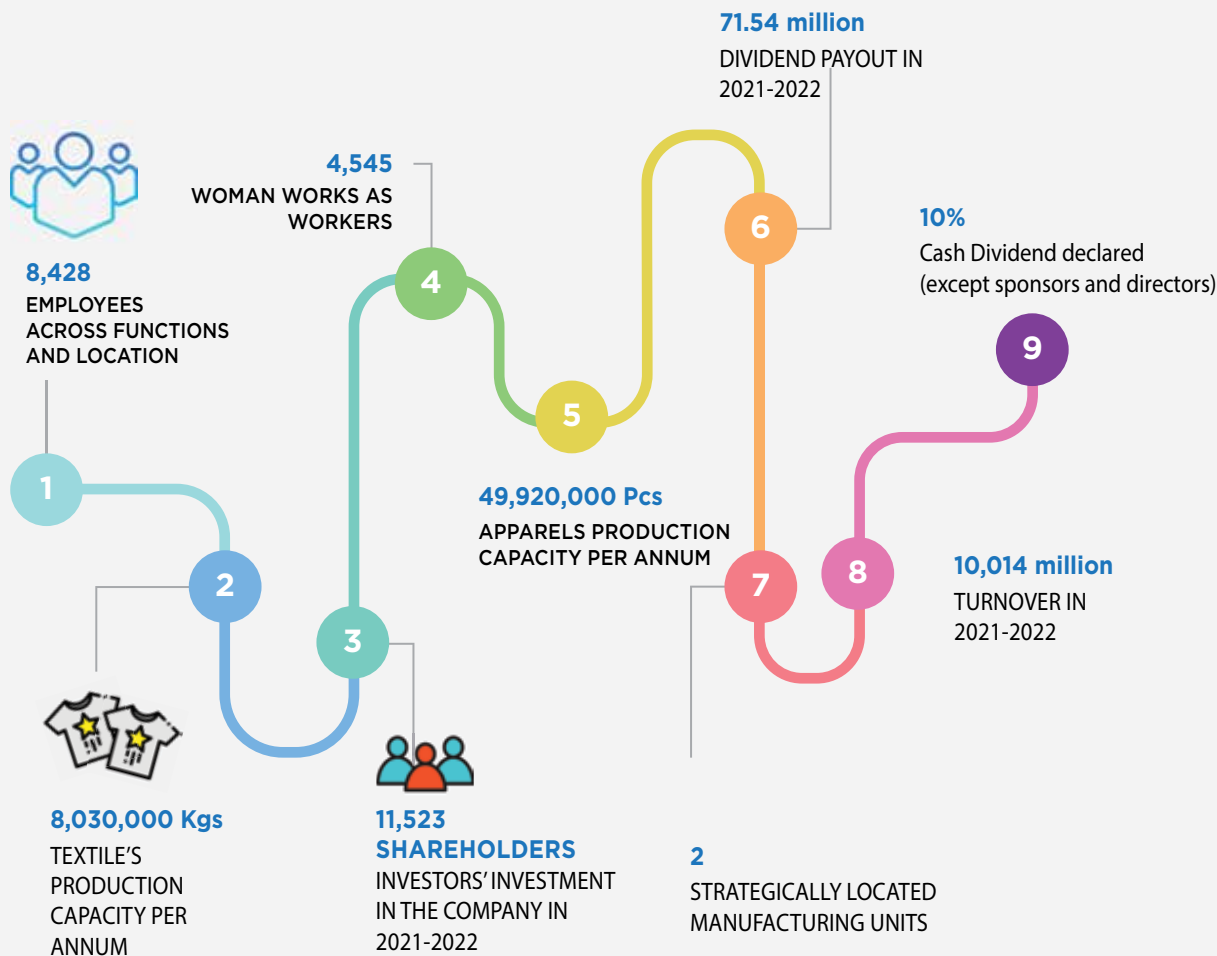


Company Snapshot

Established in 2000, Esquire Knit Composite Limited is one of the largest exporters and manufacturers of Knit Garments in the country. Our two state-of-the-art production facilities are located strategically across Bangladesh, producing a variety of Knit Garments.

As a customer-centric organization, we have kept pace with customers' changing preferences throughout the years and catered to their every requirement. Today, the name Esquire Knit stands synonymous with quality, style, and comfort. All this has helped in retaining a loyal customer base and becoming the most loved & trusted working team.

Our universe in number



There is Esquire ---

At Esquire, we are driven by the
**ASPIRATIONS OF OUR
STAKEHOLDERS**

A purpose-led organization, our ethic is centered around giving back more than what we take. For the past twenty years, this has enabled our transformative journey, which has delivered superior value for all our stakeholders.



TRUE TO OUR ETHOS, TODAY, AS WE CONTINUE
TO INNOVATE, TRANSFORM AND GROW, WE STAY
COMMITTED TO 'MAKING A DIFFERENCE.'

**In the financial year 2021-22, Esquire
Knit has been able to deliver on its
commitments to various stakeholders.
We have successfully completed the
sustainability roadmap with outstanding
results.**

CREDIT RATING REPORT



Esquire Knit Composite Limited has been rated by the Credit Rating Agency of Bangladesh Limited (CRAB) on the basis of Audited Financial Statements for the year ended 30 June 2022, 30 June 2021, 30 June 2020, and 30 June 2019 and Bank Liabilities position as on 31 October 2022 and other relevant as complied from client & bankers. This summary of the rating is presented below:

Valid From	Valid Till	Company Rating	Long Term Rating	Short Term Rating (funded & non-funded)	Outlook
20-Nov-22	25-Oct-23	AA3	AA3	ST-3	Stable
5-Dec-21	25-Oct-22	AA3	AA3	ST-3	Stable
21-Jan-21	25-Oct-21	A1	A1	ST-3	Stable

MEANS OF

- AA3 - Esquire Knit Compositied Limited rated AA3 has a very strong capacity to meet Financial Commitments. These Companies are judged to be very high quality, subject to very low CREDIT RISK.
- ST-3 - Esquire Knit Composite Limited is rated in this category and the rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.

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About Esquire Knit

About us

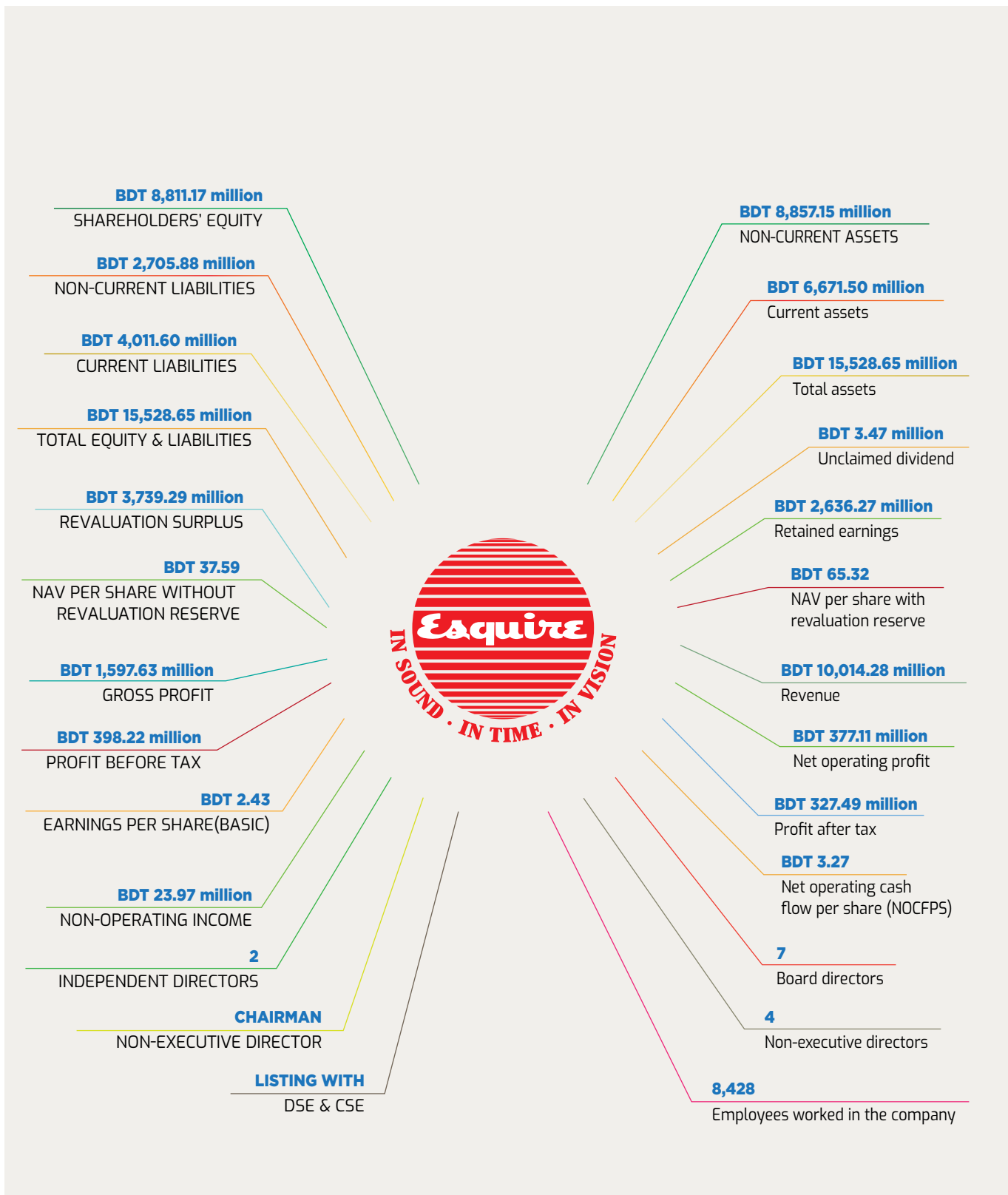
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2021-2022 highlights



Primary objective

Our primary objective is to deliver a satisfactory return to shareholders.

We believe it is only possible to achieve this over the long term by:

ANTICIPATING THE NEEDS OF OUR CUSTOMERS AND DELIVERING COMPETITIVE PRODUCTS AND SERVICES

FAIRLY ENGAGING WITH OUR SUPPLIERS, AND SOURCING ETHICALLY AND SUSTAINABLY

LOOKING AFTER OUR TEAM MEMBERS AND PROVIDING A SAFE, FULFILLING WORK ENVIRONMENT

SUPPORTING THE COMMUNITIES IN WHICH WE OPERATE

TAKING CARE OF THE ENVIRONMENT

ACTING WITH INTEGRITY AND HONESTY IN ALL OF OUR DEALINGS

About this Report

THIS IS ESQUIRE KNIT'S TWENTY-SECOND ANNUAL GENERAL MEETING

Over the last 22+ years, Esquire Knit has stayed true to the vision of the founders – to earn the respect of our stakeholders. It is no wonder then that a holistic appreciation of progress inclusive of the universe of stakeholders from clients to communities, employees, suppliers, investors, and the government has continued to inform our collective efforts and results, since inception.

This is Esquire Knit's Integrated Report, reflecting our performance and strategy aligned to the current business context. It encompasses both qualitative and quantitative disclosures regarding our financial performance, critical sustainability impact, and socially inclusive endeavors conducted during the year.

The sustainability impacts section of this Report sketches out our targets for 2030 in material areas, reinforcing our commitment to sustainability as an industry leader and global corporate citizen. Further, it reflects upon the responsible practices and initiatives undertaken during the year to reduce the environmental footprint and encourage social upliftment. The Report is aimed at transparently communicating to our stakeholders, our business progress as well as reflecting our ongoing efforts to assess our most significant environmental, social, and governance (ESG) impacts, risks, and opportunities.

Management responsibility statement

The management of Esquire Knit acknowledges its responsibility in ensuring the integrity, transparency and accuracy of information presented in the Integrated Report. The management also confirms that the report addresses all business-critical material issues pertaining to the organization and its stakeholders, and communicates the organization's ability to pursue prospects and mitigate risks.

Reporting frameworks	Reporting element Assurance status	
The financial statements and statutory disclosures including the Board’s Report, Management Discussion and Analysis (MDA), and Corporate Governance Report are presented in conformance to the requirements of the Companies Act, 1994 (and the rules made thereunder), Bangladesh Financial Reporting Standers (BFRS), International Financial Reporting Standards (IFRS), the BSEC (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Code-2018 and Secretarial Standards issued by the Institute of Chartered Secretaries of Bangladesh. The non-financial section is guided by the Standard Reporting framework.	Reporting Element	Assurance Status
	Financial Information	The financial statements presented in the report have been audited by M/s. Mahfel Huq & Co.
	All other non-financial performance information	Internally verified and assured by the Management and maintained International Reporting Standards.
	Compliance with the Corporate Governance	The compliance with the corporate governance code presented in the report has been audited by M/s. Chowdhury Bhattacharjee & Co.
Reporting boundary	Restatements	
The financial metrics and information presented in the financial year 2021-22 Integrated Report pertain to Esquire Knit Composite Limited, including its business operation and subsidiaries. The non-financial disclosures are limited to Company’s operation in Bangladesh unless otherwise specified in relevant sections	The reporting scope for some of the non-financial impact areas has been expanded based on the market drivers, value enablers, and social commitments during the year. These have been elaborated on in the respective sections of the report.	
Reporting Period	Read the full report online at www.esquireknit.com	
The report covers the financial and non-financial performance of the company and its subsidiary from 1 July 2021 to 30 June 2022.		
Queries / Feedback		
Any queries/feedback to be directed to cs@esquire.com.bd		

Corporate Overview

ABOUT ESQUIRE KNIT

Taka in 'million'

2021-2022	Cash	10%	71.54
2020-2021	Cash	15%	202.34
2019-2020	Cash	15%	202.34
2018-2019	Cash	15%	202.34
			678.56
Tk. 678.56 million			
Total dividend payout			
Note: In the financial year 2021-2022, the company declared 10% cash dividend excluding sponsors and directors.			

At Esquire Knit, we have always had an unwavering intent to deliver consistent value to stakeholders, aligned with our commitments. Today we are envisaging our next level of growth, powered by next-generation leadership, coupled with new processes and capabilities, we are making our way in the forward direction.

With socially-inclusive and profitable growth at the core and targeted sustainable value creation initiatives, we envisage an Esquire that will be driven by our 4Ds framework, which, acts as our pillars of progress, enabling double-digit growth.

Esquire Knit Composite Limited is one of Bangladesh's leading Knit Garments Manufacturers and exporters.

Registered & Corporate Office in Dhaka, the capital city of Bangladesh, we are present in over 25 countries across emerging markets of Asia and Africa.

We produce different types of Knit Garments to keep the human lifestyle comfortable and elegant with the passage of time.

Our ready-made garments are popular among buyers in the outlets of the world's famous and popular clothing brands. Notable among these are C&A, Best Seller, Mascot, Esprit, Tee Jays, Celio, next, etc.

Esquire Knit is a company that creates employment for the people of this country. The company presently employs a total of 6,993 workers and 1,435 staff & officers.

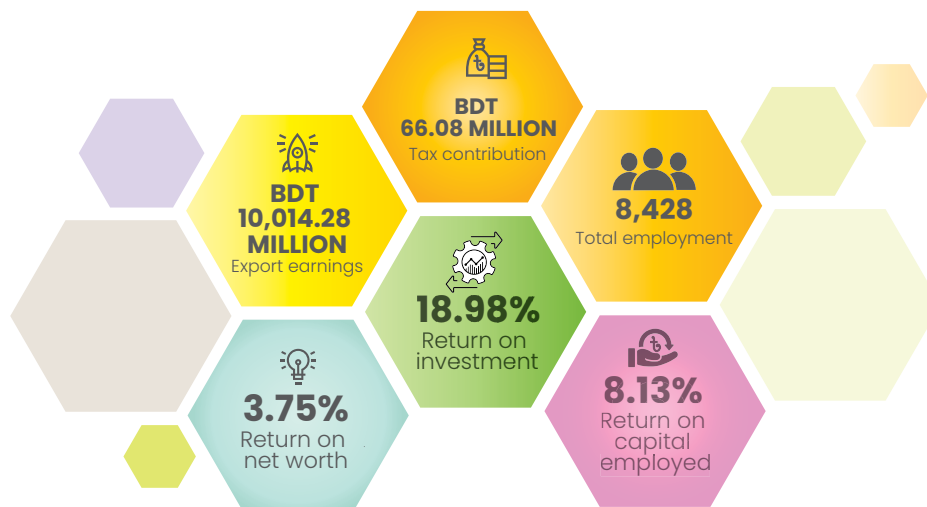
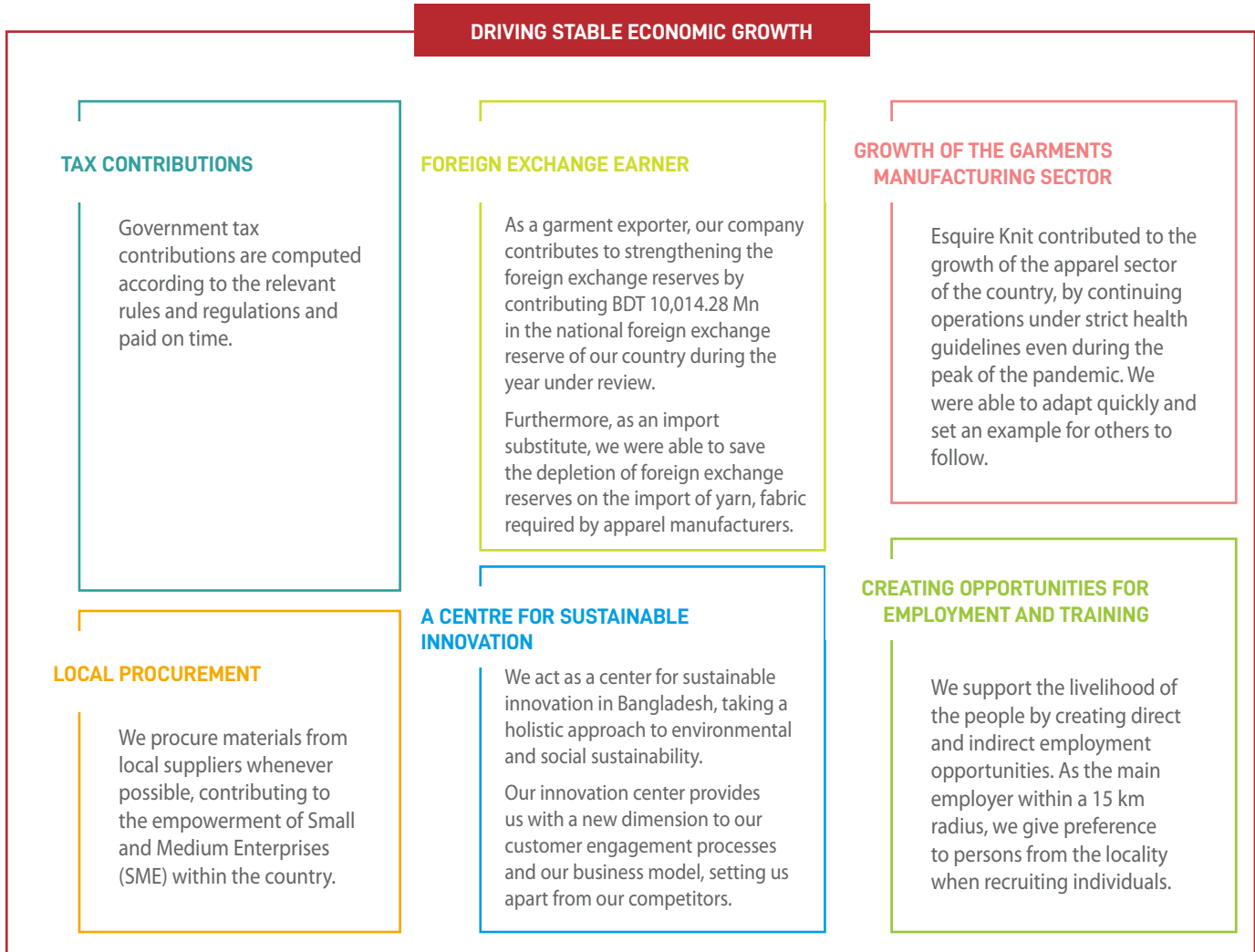
We operate two factories in Bangladesh, located at Kanchpur, Narayangonj and Valuka, Mymensingh.



About us

OUR SOCIO-ECONOMIC IMPACT

As one of the largest garment manufacturers in the country, we contribute directly and indirectly towards Bangladesh's socio-economic progress. A brief overview of our economic impact is illustrated below:



OUR BUSINESS SAMMARY



27+

Years of Experience
In Business



10k

Manpower



110M

USD of Turnover
in 2021-22



140+

Happy Clients



20+

Tons per Day of
Knitting Capability



35+

Tons per Day of
Dyeing Capability



50,000+

Pieces per Day of
Cutting Capability



4M

Pieces per Month of
Sewing Capability



8,000

Pieces per Day of
Printing Capability



20,000

Peices per Day of
Embroidery Capability



30,000

Peices per Day of
Washing Capability



2M+

Piece per month of
Finished Garments

About us

CUSTOMER DEMOGRAPHY



Different

WHAT MAKES US



State of the Art Machineries

Esquire Knit Composite Factory is equipped with state of the art machineries that are powerful, efficient and durable. We use nothing but the best equipments for our craft.



Skilled Workforce

Machines are mere tools to yield the best out of human potential. And we take great pride in employing some of the most skilled human resource found in the country. Our workers are our pride... our true driving force.



Time Management

We believe the most essential component to deliver a satisfactory client experience is quick and efficient completion of work. Thus we put an unprecedented amount of value on meeting deadlines and manage time in an effective and efficient manner.



Attention to Detail

We believe in flawless performance. It's our hallmark to always go above and beyond to make sure all our products are 100% perfect. Our increased emphasis on attention to details has made us one of the most reliable RMG factory of the world.



About us

CERTIFICATES





About us

OUR CONTRIBUTION ON GREEN INDUSTRY

We have already introduced the Revolutionary new Green Dyeing Technology "Nano-Dye™" in our Fabric Dyeing unit.

The Award-winning system Nano-Dye™ overcame all obstacles which prevented this specific cationic theory from a successful application to cotton exhaust dyeing for more than 20 years due to even dyeing and a side reaction that led to a bad smell. The patent-pending Nano-Dye™ turn-key system is designed with the strategic intent to use the textile dye plant's current exhaust dye equipment and dyestuff library.

Nano-Dye™'s break-through dyeing technology now allows cotton exhaust dye jets to use no salt and exhaust up to 99% of dyestuff (eliminating solid waste). Use 75% less water and 90% less energy while yielding greater lot to lot shade reproducibility and consistent quality fabric in all colors.

Additionally, the reduction of pollution in the effluent makes Zero Discharge Water Treatment plants economical to run and sets their position for future placement making textile dyeing a clean industry



NO SALT
CLOSING THE LOOP

UP TO **75% LESS WATER**
CONSUMPTION

UP TO **75% LESS ENERGY**
CLIMATE CHANGE

UP TO **97% EXHAUSTION**
PREVENTING TOIXC WATER POLLUTION



CHARGES REPEL

Raw cotton when submerged in water takes on a negative charge. Dye stuff has a negative charge when submerged in water. Both having negative charges repel each other, making bonding difficult.



CHARGES ATTRACT

We change the negative charge of raw cotton when submerged in water to a positive charge. Now the positive cotton charge and negative dye stuff charge attract each other, making bonding stronger and easier.

OUR VALUES

CUSTOMER SATISFACTION

Creating solutions in shipment and creating an honest relationship with the customer

LOOKING FOR OPPORTUNITIES

Identifying early opportunity signals in the environment to generate growth options for

BIAS FOR ACTION

Preference for quick thoughtful action as opposed to delayed action through analysis

OPPORTUNITY SEEKING

Identifying early opportunity signals in the environment to generate growth options

TRANSPARENCY AND OPENNESS

Listening, criticizing, and accepting without bias allowing diversity of opinions through mutual respect and trust each other

LIFESTYLE CHANGES

Focusing on lifestyle changes with the quality of the people and keep ourselves prepared accordingly

GLOBAL OUTLOOK

Sensitivity and adaptability to cultural diversity and learning from different cultures

EXCELLENCE

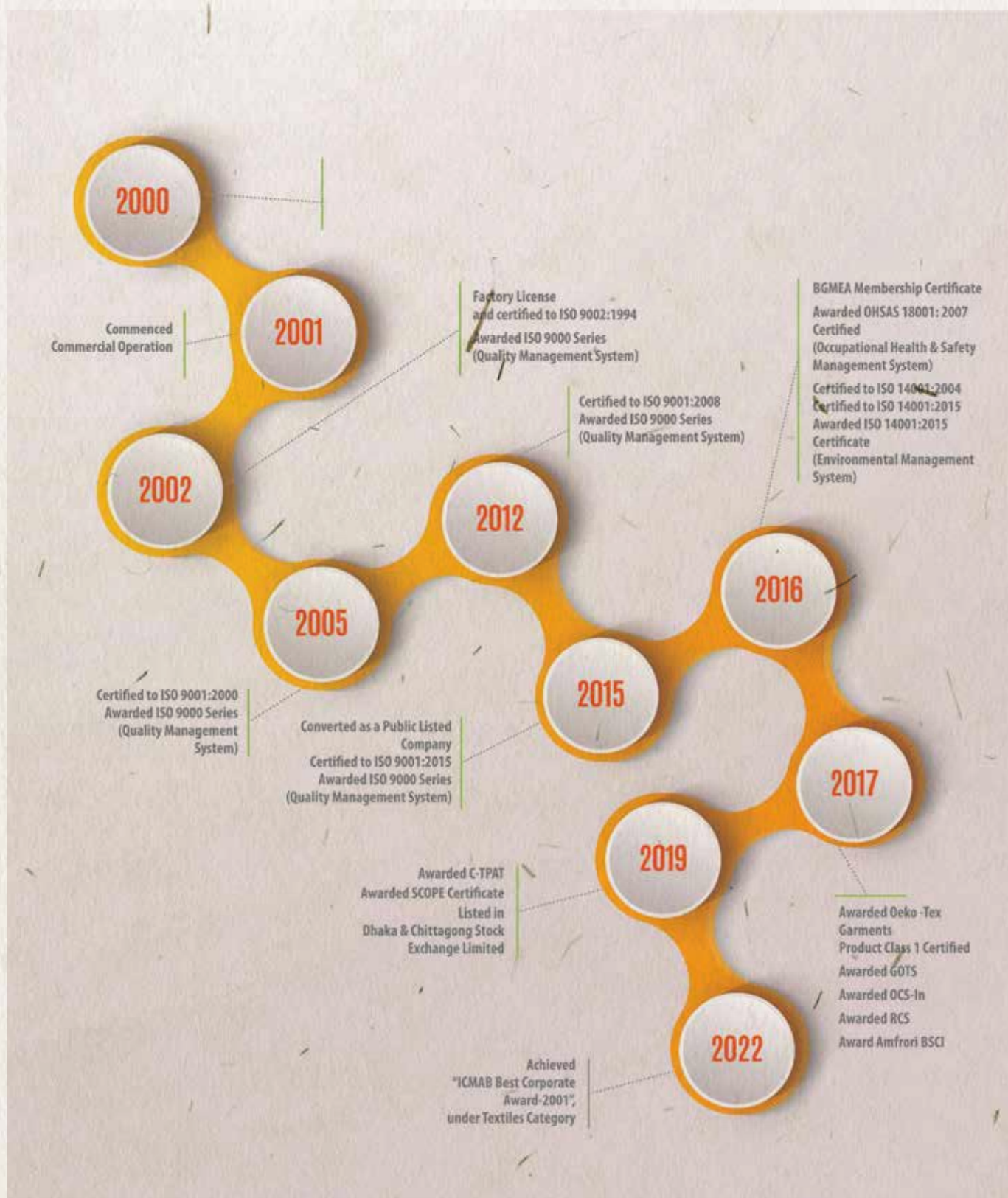
Continuous improvement of performance standards and capability building, for sustained long-term success

OUR ACHIEVEMENTS

Turnover	Net Profit after Tax	Dividend to the shareholder
BDT 10,014.28 million 2021-2022	BDT 327.49 million 2021-2022	BDT 71.54 million (Excluding sponsors and directors) 2021-2022
BDT 7,905.84 million 2020-2021	BDT 301.86 million 2020-2021	BDT 202.34 million 2020-2021
BDT 5,000.52 million 2019-2020	BDT 266.00 million 2019-2020	BDT 202.34 million 2019-2020
BDT 5,919.58 million 2018-2019	BDT 283.61 million 2018-2019	BDT 202.34 million 2018-2019
Listing with Dhaka Stock Exchange Limited Chittagong Stock Exchange Limited	Corporate Award ICMAB Best Corporate Award-2021	

About us

OUR MILESTONES



Letter of Transmittal

To

The Members
Bangladesh Securities and Exchange Commission
Register of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Annual Report for the year ended 30 June 2022

Dear Sir(s)

We are pleased to enclose herewith a copy of the Annual Report containing the Directors' Report, and Auditors' Report along with the Audited Financial Statements comprising Statement of Financial Position as of 30 June 2022, Statement of Profit or Loss and other Comprehensive income, Changes in Equity and Cash Flows for the year ended 30 June 2022 along with notes thereon, all other Consolidated and Standalone Financial Statements, Corporate Governance Compliances and others for your kind information, records, and necessary measures.

Thanking You

Yours sincerely

Md. Monir Hossain
Company Secretary

Dated: Dhaka, 30 October 2022

N. B: The Annual Report 2021-2022 is also available on the Company's website at: www.esquireknit.com

Notice of AGM

NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING (REVISED)

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of Esquire Knit Composite Limited will be held virtually by using a Digital Platform on Wednesday, 25 January 2023 at 11:00 a.m. (Dhaka time) to transact the following business:

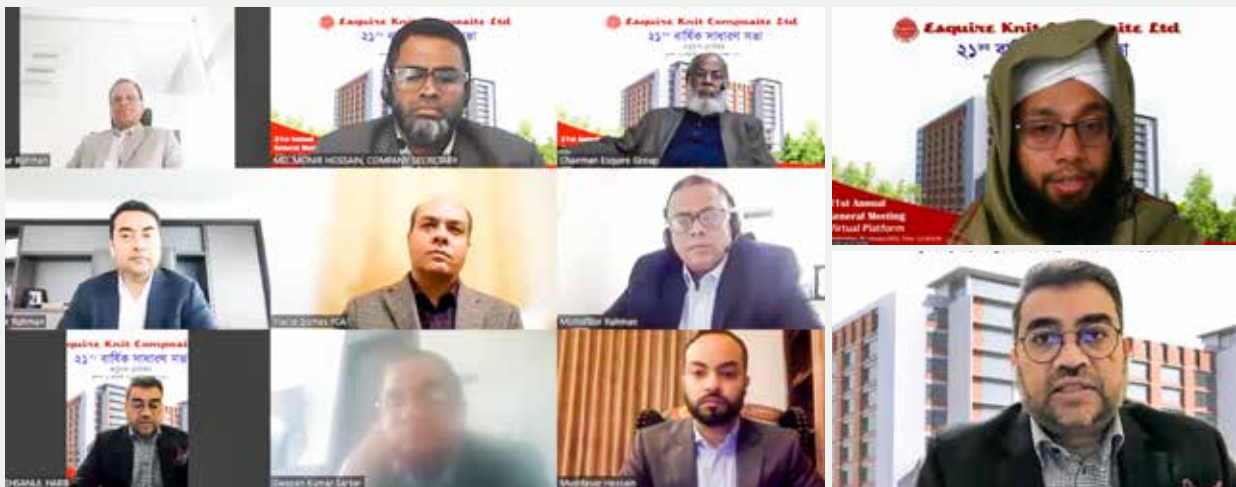
1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2022 together with reports of the Auditors and the Directors thereon.
2. To declare 10% cash dividend (excluding sponsors and directors).
3. To elect/re-elect Directors in terms of the relevant provision of the Articles of Association.
4. To approve the appointment of Independent Directors.
5. To appoint Auditors for the year 2022-2023 and fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year 2022-2023 and fix their remuneration.

Special Business

7. **To change the registered name of the Company to “Esquire Knit Composite PLC” from “Esquire Knit Composite Limited”.**

To adopt the change of registered name of the company to “Esquire Knit Composite PLC” from “Esquire Knit Composite Limited” in accordance with the Companies Act, 1994 (2nd amendment 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the company by adopting the following Special Resolution:

“RESOLVED THAT the proposal for changing the registered name of the company to ‘Esquire Knit Composite PLC’ from ‘Esquire Knit Composite Limited’ in accordance with the Companies Act, 1994 (2nd Amendment 2020) and to effect the change in the registered name of the Company as ‘Esquire Knit Composite PLC’, the amendment of the relevant clauses of the Memorandum and Articles of Associations of the Company be and are hereby approved, subject to the approval of the Shareholders and Regulatory Authorities.”



Some Pictorial view of 21st Annual General Meeting (virtually by using a Digital Platform)

8. To approve the issue and offer of 100,000,000 Preference Shares at a face value of Tk. 10.00 each for a total of BDT 1,000 million through private placement among potential investors.

“RESOLVED THAT, pursuant to the Securities and Exchange Commission (Issue of Capital) Rules, 2001 and such other provisions as may be applicable for the time being in force, and subject to the approval of the general members of the Company and consent of Bangladesh Securities and Exchange Commission “ and adherence to the conditions imposed by BSEC” be and hereby accorded to issue and offer 100,000,000 preference shares at a face value BDT 10.00 each for an amount of BDT 1,000.00 million, with the following features:

Particulars	Description
Issue Size	BDT 1,000.00 million
Tenor	8 (eight) years from the date of issuance of each of the preference shares
Purpose	To finance the project expansion and relevant procurement of machinery (up to BDT 650.00 million) as well as redeeming high-cost bank borrowing (up to BDT 350.00 million).
Nature of issuance	Fully redeemable, non-convertible, cumulative preference shares
Dividend payment	The dividend will be paid semi-annually
Principal redemption	Redemptions will be made semi-annually commencing after 18 (eighteen) months from the first date of issuance.

All Shareholders of the Company are requested to kindly attend the Meeting accordingly.

By order of the Board



Md. Monir Hossain
Company Secretary

Dated: 30 October 2022, Dhaka.

Notes:

1. The ‘Record Date’ of the Company shall be on Monday, 5 December 2022. The shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the ‘Record Date’ i.e., 5 December 2022, will be entitled to attend at 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 stead. The proxy form duly stamped valuing Tk. 20/- must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. Annual Report for the year 2021-2022 will be sent through the e-mail address of the Shareholders and will be available on the Website of Company at: www.esquireknit.com.
4. The Shareholders will join the Virtual Annual General Meeting through the link <https://esquireknit.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 1 (one) hour before the commencement of the AGM and also during the AGM. For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and another credential as proof by visiting the said link.
5. Members whose Name, TIN, Bank Account Number, e-mail address, and a mobile number have not been updated/changed in the meantime, are requested to update the same.
6. The concerned Brokerage House/DPs are requested to provide us the statement (both hard & soft copies) on or before 21 December 2022 with detail of their margin loan holders entitled to dividends for the year ended on 30 June 2022.
7. We encourage the members to log into the system prior to the meeting start time. Please allow ample time to log in and establish your connectivity. For any IT-related guidelines, Shareholders may contact vide Mobile Number +8801713-335876 or e-mail: cs@esquire.com.bd.
8. In compliance with circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 issued by BSEC, no benefit in cash or kind shall be offered to the members during the Annual General Meeting.



~~KEY PERFORMANCE INDICATORS~~

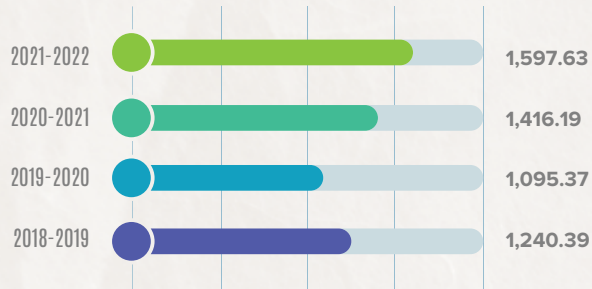
METRICS OF PROGRESS

PROFIT AND LOSS METRICS

A robust topline and margins similar to year-ago levels ensured that we continue to deliver on the business front, delivering enhanced net profit.

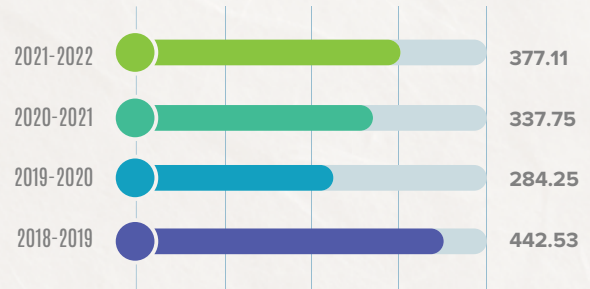


GROSS PROFIT



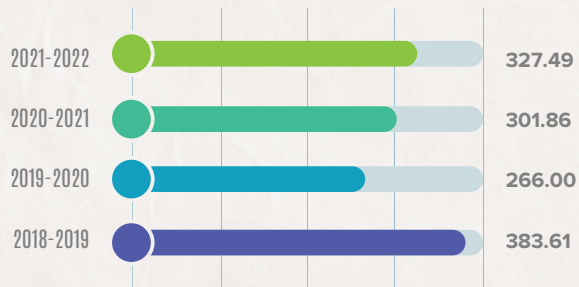
(Taka in 'million')

NET OPERATING PROFIT



(Taka in 'million')

PROFIT AFTER TAX



(Taka in 'million')

EARNINGS PER SHARE



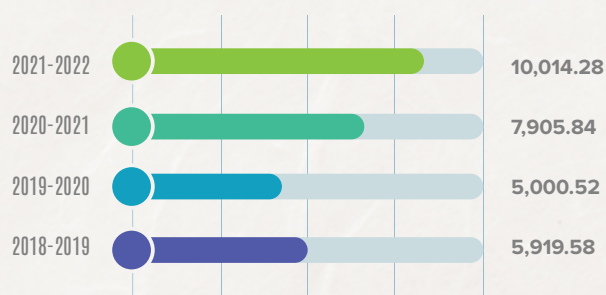
(Taka per share)

METRICS OF PROGRESS

OPERATIONAL METRICS

With new product innovations and a strong base of established brands, we were able to increase our sales volume and value during the year, while maintaining the share of international business in our portfolio.

REVENUE

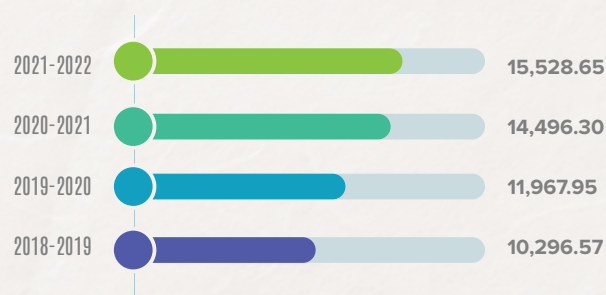


(Taka in 'million')

BALANCE SHEET METRICS

We operate our business with minimal debt on our books and fund our capital expenditure and operations through internal accruals and cash flows.

DEBT/ EQUITY



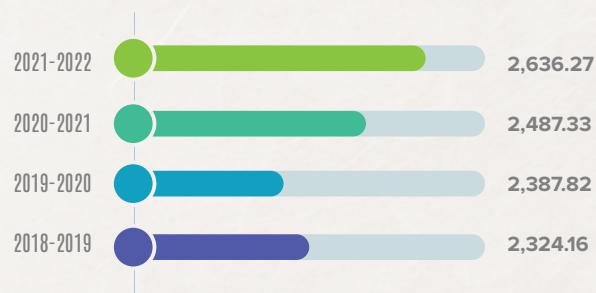
(Taka in 'million')

COST OF GOODS SOLD



(Taka in 'million')

RETAINED EARNINGS



(Taka in 'million')

RETURN ON INVESTMENT

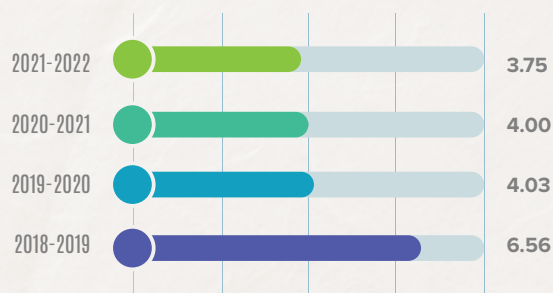


(Figure in %)

SHAREHOLDER'S METRICS

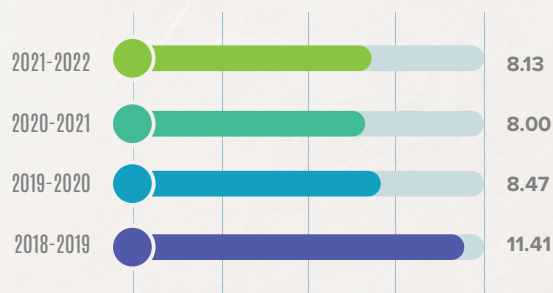
We continue to create increased shareholder value, led by wealth appreciation, dividend distribution, and enhanced returns.

Return on net worth



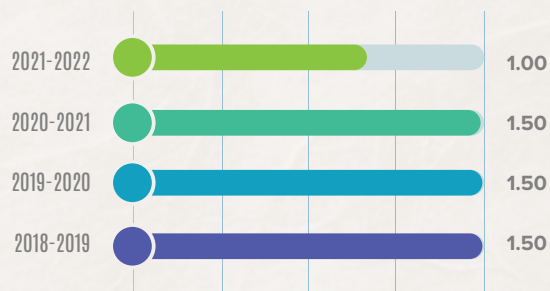
(Figure in %)

Return on capital employed



(Figure in %)

Dividend Declared



(Taka of face value)

NOTE

For the financial year 2021-2022, the dividend declared 10% cash (excluding sponsors and directors)

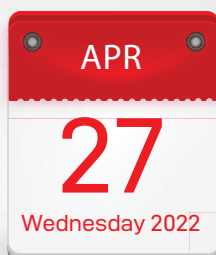


Financial calendar



First Quarter

Adoption of un-audited first quarter financial statements for the period ended 30 September 2021.



Third Quarter

Adoption of un-audited third quarter financial statements for the period ended 30 March 2022



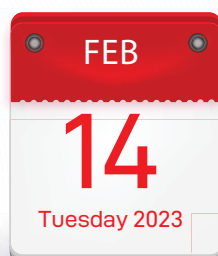
Record date

The record date in lieu of Book Closure



Annual Report

Issuance and Submission of Annual Report



Dividend

Payment of Dividend



Second Quarter

Adoption of un-audited second quarter financial statements for the period ended 31 December 2021



Audited Financial Statements

Adoption of audited financial statements for the year ended 30 June 2022



AGM Notice

Notice of twenty-second Annual General Meeting



AGM Day

Twenty-Second Annual General Meeting



Compliance Report

Dividend Compliance Report

Our Essence



MISSION

To become a leading manufacturer of Knit Garments Products in the international market & to explore a new era to achieve the highest level of success. At the same time, our mission is to ensure quality products and services to the customers within the shortest possible lead time based on the optimum utilization of the resources to achieve sustainable growth. We want to make sure that the overall purpose and scope of the business are meeting shareholders'/ stakeholders' expectations through maintaining business ethics and caring for the environment and exertion a green planet.

VISION

A premier quality company providing quality products and maintaining an excellent level of ethical and professional standards. At the same time, our vision is to work for continuous self-improvement to serve our customers with the best possible products and services and emerge as one of the most admired companies in the textiles and knit garment arena.

CORE VALUES

Our core values define who we are; they guide us to take decisions and help us realize our individual and corporate aspirations.

Commitment to Product Quality

We adopt industry best practices in all our operations to ensure the highest quality standards of our product.

Customer Satisfaction

We are committed to satisfying the needs of our customers, both internal and external.

Public Focus

We give high priority to building the capabilities of our employees and empowering them to realize their full potential.

Accountability

We encourage transparency in everything we do and strictly adhere to the highest ethical standards. We are accountable for our own actions and responsible for our corporate reputation.

Corporate Social Responsibilities

We actively take part in programs and initiatives that benefit our society and contribute to the welfare of our people. We take great care in managing our operations with high concern to protect the environment.

Business Ethics

Esquire Knit is one of the largest knit garment product manufacturers in Bangladesh. Esquire Knit believes that good ethics and good business go together naturally to produce the best long-term results for all stakeholders. Esquire's vision is to be one of the biggest and the best-knit garments products manufacturers company in the country. Its success is sustained by understanding and responding to the needs of consumers, customers, suppliers, colleagues, and citizens. Its values are based on performance, quality, respect, integrity and responsibility, honesty, openness, and courtesy. This means everyone in Esquire Knit acts in an ethical way to protect and promote the company and its reputation among the people and communities it does business with.

Reliability

Reliability means that every Esquire Knit team member needs to deliver consistently, as every employee leaves an impact on our quality standards. According to Esquire Knit, "Reliability is a way of being, and the basis of trust".

Innovation

Innovation motivates action: to take risks, encourage curiosity and new ideas, learn from mistakes, and constantly strive to exceed expectations. Through innovation, we generate solutions for our customers and raise the bar both within our workplace and throughout our industry.

Green Environment

Green Environment relates to the concerns for the environmental conservation of our surroundings. This includes supporting practices like informed consumption, conservation practices, and investment in renewable energy. By recognizing the balance between humans and various natural ecosystems we hope to lead by example through changes in our practices, public policy, and individual behavior to renew and revitalize our connection with nature.



Investor Relations

Investor Relations (IR) combines finance, communication, and marketing to effectively control the flow of information between a public company, its investors, and its stakeholders.

Investors play a major and vital role in the success and growth of a company. Because of that fact, it's of the utmost importance for companies to maintain strong, transparent relationships with investors.

Share Office & Corporate Office	Esquire Tower 21 Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208 IP Phone: +88 0961243322 Ext: 788
Contact Person	Mr. Md. Monir Hossain Company Secretary Mobile no. 01713333040
	Md. Mijanur Rahman Deputy Company Secretary Mobile no. 01713335876
Website	www.esquireknit.com
E-mail	cs@esquire.com.bd
Quarterly Earnings	
BDT 0.75 per share 1st Quarter, 13 November 2021	BDT 0.78 per share Second Quarter, 30 January 2022
BDT 0.68 per share Third Quarter, 27 April 2022	BDT 2.43 per share The financial year 2021-2022, 30 October 2022

KEY FINANCIAL HIGHLIGHTS - 2021-2022

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Shareholders' equity	8,811,173,323	8,662,233,922	6,827,436,987	6,763,777,435	4,927,141,548
Number of shares	134,895,833	134,895,833	134,895,833	134,895,833	100,000,000
Earnings per share	2.43	2.24	1.97	3.37	3.44
Break-up value per share	65.32	64.21	50.61	50.14	49.27
Face value per share on 30 June	10	10	10	10	10
Cash Dividend %	10%	15%	15%	15%	Nil
Bonus Shares %	Nil	Nil	Nil	Nil	Nil
Net Profit after tax	327,485,893	301,859,226	266,003,303	383,607,218	343,968,575
The dividend amount in Taka	71,539,863	202,343,749	202,343,749	202,343,749	N/A
% Of dividend against Net Profit	41.15%	67.02%	76.07%	44.51%	Nil
The highest price during the year	41.8	43.5	33.7	32.5	Not Listed
The lowest price during the year	31.8	20	21.9	27.7	Not Listed

Break-up value per share = Shareholders Equity/Number of Outstanding Shares

Financial Spread Sheet Analysis

For five years audited financial statements

Particulars	As on 30 June 2022		As at 30 June 2021		As at 30 June 2020		As at 30 June 2019		As at 30 June 2018	
	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets
Non-current Assets	8,857,148,816	57.04	8,176,938,032	56.41	5,538,701,226	46.28	5,326,047,982	51.73	4,214,057,754	55.69
Property, plant and equipment	6,432,000,664	41.42	6,315,582,148	43.57	4,675,599,621	39.07	4,487,335,605	43.58	4,083,466,301	53.97
Capital Work in Process	2,272,873,152	14.64	1,671,580,884	11.53	715,326,604	5.98	690,937,377	6.71	82,816,453	1.09
Investment in shares	152,275,000	0.98	147,775,000	1.02	147,775,000	1.23	147,775,000	1.44	47,775,000	0.63
Current Assets	6,671,497,178	42.96	6,319,365,280	43.59	6,429,251,222	53.72	4,970,526,758	48.27	3,352,777,143	44.31
Inventories	3,768,209,728	24.27	3,391,141,816	23.39	3,099,843,476	25.90	2,669,649,923	25.93	2,233,351,223	29.51
Accounts receivables	1,297,557,977	8.36	1,236,543,153	8.53	470,602,348	3.93	534,955,129	5.20	558,149,089	7.38
Other receivables	4,146,703	0.03	3,818,089	0.03	13,504,400	0.11	1,871,871	0.02	2,364,571	0.03
Advance deposit and payment	1,017,833,764	6.55	912,214,697	6.29	858,868,308	7.18	806,256,844	7.83	395,215,604	5.22
Investment	102,180,441	0.66	98,507,093	0.68	260,034,065	2.17	89,297,144	0.87	85,589,679	1.13
Cash and cash equivalents	511,568,565	3.29	677,140,433	4.67	1,726,398,625	14.43	868,495,847	8.43	78,006,978	1.03
Total Assets	15,528,645,994	100.00	14,496,303,312	100.00	11,967,952,449	100.00	10,296,574,740	100.00	7,566,834,897	100.00
Equity & Liabilities										
Shareholders' Equity	8,811,173,323	56.74	8,662,233,922	59.75	6,827,436,988	57.05	6,763,777,435	65.69	4,927,141,548	65.11
Share capital	1,348,958,330	8.69	1,348,958,330	9.31	1,348,958,330	11.27	1,348,958,330	13.10	1,000,000,000	13.22
Minority interest			359,823	0.00	-	-	-	-	-	0.00
Share premium account	1,086,653,150	7.00	1,086,653,150	7.50	1,104,070,338	9.23	1,104,070,338	10.72	-	0.00
Revaluation surplus	37,392,389,135	240.80	3,739,289,135	25.79	1,986,590,489	16.60	1,986,590,489	19.29	1,986,590,489	26.25
Retained earnings	2,636,272,708	16.98	2,487,333,307	17.16	2,387,817,832	19.95	2,324,158,278	22.57	1,940,551,060	25.65
Non-Current Liabilities	2,705,875,205	17.43	2,420,840,643	16.70	2,495,243,627	20.85	1,336,766,795	12.98	614,250,371	8.12
Deferred Tax liabilities	277,513,981	1.79	272,861,923	1.88	191,187,753	1.60	164,722,043	1.60	140,455,767	1.86
Long term loan net off current maturity	2,427,474,711	15.63	2,144,471,932	14.79	2,275,685,650	19.01	1,162,262,296	11.29	460,365,552	6.08
Finance lease obligation net off current maturity	886,513	0.01	3,506,788	0.02	28,370,223	0.24	9,782,456	0.10	13,429,053	0.18
Current Liabilities	4,011,597,466	25.83	3,413,228,747	23.55	2,645,271,834	22.10	2,196,030,510	21.33	2,025,442,977	26.77
Short term loan	2,173,862,378	14.00	1,479,436,051	10.21	984,070,652	8.22	898,998,063	8.73	768,567,488	10.16
Current portion of long term loan	291,839,388	1.88	638,302,027	4.40	465,013,712	3.89	184,459,567	1.79	241,015,420	3.19
Current portion of finance lease obligation	5,049,509	0.03	8,461,764	0.06	13,515,944	0.11	8,797,815	0.09	10,663,946	0.14
Unclaimed dividend	3,475,908	0.02	4,176,706	0.03	-	-	-	-	-	0.00
Accounts payable	11,854,001,836	76.34	998,950,865	6.89	866,491,799	7.24	916,507,610	8.90	793,829,096	10.49
Liabilities for expenses	351,969,447	2.27	283,901,333	1.96	316,178,727	2.64	187,267,456	1.82	211,367,028	2.79
Total Equity & Liabilities	15,528,645,994	100.00	14,496,303,312	100.00	11,967,952,449	100.00	10,296,574,470	100.00	7,566,834,897	100.00

Corporate Profile

REGISTERED OFFICE & CORPORATE OFFICE

Esquire Tower

21 Shaheed Tajuddin Ahmed Sarani
Tejgaon Industrial Area
Tejgaon, Dhaka-1208, Bangladesh
Ip Phone: +09612443322
E-mail: cs@esquire.com.bd

FACTORY

Kanchpur Plant

22/58, Kanchpur, Sonargaon,
Narayangonj, Bangladesh

Valuka Plant

Jamiredia, Valuka
Mymensingh, Bangladesh

STOCK EXCHANGE LISTING

Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

YEAR OF THE LISTING

2018-2019
9th April 2019 (Trading date)

Legal Advisor	Statutory Auditors	Compliance Auditor
Mr. Md. Sameer Sattar Barrister Unit-E3, House-/A, Road-35, Gulshan-2, Dhaka-1212, Bangladesh	M/s Pinaki & Company Chartered Accountants, AHSANDELL 2/A, Mymensingh Road (2nd floor), Shahbag, Dhaka-1000	Chowdhury Bhattacharjee & Co. Chartered Accountants 47/8, Indira Road (Fr. Floor) Dhaka-1215, Bangladesh

ADVISOR (TAX & VAT)

Mr. Mesbah Uddin, FCA

BANKERS

Al Arafah Islami Bank Limited
United Commercial Bank Limited
Eastern Bank Limited



MEMBERSHIP

Bangladesh Garments Manufacturers & Exporters Association (BGMEA)
Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)
Bangladesh German Chamber of Commerce & Industry (BGCCI)
Spain Bangladesh Chamber of Commerce and Industry
Bangladesh Association of Public Listed Company (BAPLC)

PUBLIC RELATIONS

Esquire Tower
21 Shaheed Tajuddin Ahmed Sarani
Tejgaon Industrial Area
Tejgaon, Dhaka-1208, Bangladesh
Ip Phone: +09612443322 Ext: 788
E-mail: cs@esquire.com.bd

INSURANCE

Pragati Insurance Limited

WEB & E-MAIL ADDRESS

WWW.esquireknit.com
cs@esquire.bd.com

Board of Directors

GUIDING US TOWARDS

Continuous Progress

Our Board of Directors is our beacons, torch bearers of all the new ways in which we reimagine ourselves, holding up a light to shine our paths with their extensive experience and unrelenting enthusiasm.



MR. MD. MOFAZZAL HOSSAIN
Chairman



MR. MD. EHSANUL HABIB
Managing Director



MR. ARIFUR RAHMAN
Director



MR. MD. MUDDASAR HOSSAIN
Director



MRS. PEARA BEGUM
Director



MR. A.K.M. SHAMSUL AREEFIN
Independent Director



MR. MD. MOZAMMEL HOSSAIN, FCA
Independent Director

Profile of Directors'

Md. Mofazzal Hossain *Chairman*

Mr. Md. Mofazzal Hossain is the Chairman of the Board of Directors of Esquire Knit Composite Limited. He is the Sponsor Director of Esquire Knit Composite Limited, Esquire Electronics Limited, Esquire Dyeing Industries Limited, Esquire Accessories Limited, and other companies under the Esquire Group.

Mr. Md. Mofazzal Hossain is the Chairman and founder of Esquire Group. He has been in business for more than thirty-one years. He started his business with electronics products at the beginning of his business life and for the first time in Bangladesh he launched and introduce the famous Japanese electronics brand called “the General Brand”. He has established himself in the electronics business as well as dyeing, readymade garments, knit garments, textiles, and trading for the last thirty-one years. In his business life, he created a lot of jobs in the country as well as played an unimaginable role in the country's economy. He is still involved in many social activities to improve the living standards of the people of this country. He has established himself as a successful entrepreneur at home and abroad. He is a man who stands in the present and sees the future in the light of past experiences.

He is also the Sponsor Director of Esquire Dyeing Industries Limited, Esquire Electronics Limited, L'Esquire Limited, Esquire Testing Services (BD) Limited, Esquire Accessories Limited, Esquire Plastic Limited, Esquire Customer Care Limited, Esquire Chemical Industries Limited, Shah Garments International Limited, Meghna Plastic Industries (Pvt) Limited, New Dhaka Ceramic Industries (Pvt) Limited, Synthia Multi-fiver Limited, MMH Textiles Limited, Sharp Media Limited, Trust Solution Private Limited, Thakral Information Systems (Pvt) Limited, Thakral One Private Limited and Esquire Travels Limited.

Mr. Hossain came from a novel Muslim family. The family legacy and his own inherent qualities gave him a great sense of value and direction and made him a successful personality in every sphere of life.

Md. Ehsanul Habib *Managing Director*

Mr. Md. Ehsanul Habib is a Sponsor Director as well as Managing Director of Esquire Knit Composite Limited since its inception in 2000. He is the eldest son of Mr. Md. Mofazzal Hossain, Founder, and Chairman of the Esquire Group. He studied in the USA and obtained his Bachelor's degree in Business Administration. After completing his education, he joined Esquire Group with his visionary leadership. He is one among new generation entrepreneurs who have nourished and successfully flourished the export-oriented RMG and Knit Garments industry of the country. By virtue of his own merit and dynamic decision-making capacity, he has been able to materialize a number of successful ventures. He has a keen interest in the latest developments in the textiles and knit garments sector and gathered advanced knowledge in management, marketing, and technical know-how. Mr. Habib is entrusted with the responsibility of overall management

He is also the Sponsor Director of Esquire Dyeing Industries Limited, Esquire Electronics Limited, L'Esquire Limited, Esquire Testing Services (BD) Limited, Esquire Accessories Limited, Esquire Plastic Limited Alpha Plastic & Packing Limited, Esquire Customer Care Limited, Esquire Chemical Industries Limited, Shah Garments International Limited, Meghna Plastic Industries (Pvt) Limited, New Dhaka Ceramic Industries (Pvt) Limited, Synthia Multi-fiver Limited, MMH Textiles Limited, Esquire Sourcing Limited, Sharp Media Limited, German University Bangladesh, Best Life Insurance Limited, Trust Solution Private Limited, Thakral One Private Limited, T.M Chemical Limited, Esquire Travels Limited and Secures (Pvt) Limited.

He keeps social attachments with renowned professional and socio-culture associations.

Arifur Rahman *Director*

Mr. Arifur Rahman is a Sponsor Director of Esquire Knit Composite Limited since its inception in 2000. Also, Mr. Arifur Rahman is a Sponsor Director as well as Managing Director of Esquire Electronics Limited. He is the second eldest son of Mr. Md. Mofazzal Hossain, Founder, and Chairman of the Esquire Group. He studied in the United Kingdom and obtained Bachelor's degree in Business Administration. After completing his education, he joined Esquire Group with a focus on implementing strategic business planning and corporate management practices in the organizations and has a rich experience of more than eighteen years in the dyeing, readymade garments, textiles, garments accessories, electronics, plastic household products & IT. He played a pivotal role in establishing a successful export-oriented industry in the country as he gathered a lot of experience in the textile and electronics field.

He is also the Sponsor Director of Esquire Dyeing Industries Limited, Esquire Electronics Limited, L'Esquire Limited, Esquire Testing Services (BD) Limited, Esquire Accessories Limited, Esquire Plastic Limited, Esquire Customer Care Limited, Esquire Chemical Industries Limited, Shah Garments International Limited, Meghna Plastic Industries (Pvt) Limited, New Dhaka Ceramic Industries (Pvt) Limited, Synthia Multi-fiver Limited, MMH Textiles Limited, Sharp Media Limited, Trust Solution Private Limited, and Esquire Travels Limited.



Profile of Directors'

Md. Muddasar Hossain *Director*

Mr. Md. Muddasar Hossain is a Sponsor Director of Esquire Knit Composite Limited since its inception in 2000. Also, Mr. Md. Muddasar Hossain is a Sponsor Director as well as Managing Director of Esquire Accessories Limited. He is the youngest son of Mr. Md. Mofazzal Hossain, Founder, and Chairman of the Esquire Group. He studied Law and obtained Bachelor's degree. After his graduation, he engaged himself in the electronics and garment business and quickly acquired the required knack to run the overall business.

He is also the Sponsor Director of Esquire Dyeing Industries Limited, Esquire Electronics Limited, L'Esquire Limited, Esquire Testing Services (BD) Limited, Esquire Accessories Limited, Esquire Plastic Limited, Esquire Chemical Industries Limited, Meghna Plastic Industries (Pvt) Limited, New Dhaka Ceramic Industries (Pvt) Limited, Synthia Multi-fiver Limited, MMH Textiles Limited, and Esquire Travels Limited.

Mrs. Peara Begum *Director*

Mrs. Peara Begum is a Director of Esquire Knit Composite Limited from the very beginning. She is the wife of Mr. Md. Mofazzal Hossain, Founder, and Chairman of the Esquire Group. Mrs. Peara Begum has long experience to run industrial units successfully. She has contributed to the Group through her leadership skill and managerial decision-making. She has a successful track record of managing the business. She has been contributing a lot to the development of the group. Her contribution and enthusiasm behind the Esquire Group coming to this stage today are worth remembering.

She is also the Director of Esquire Dyeing Industries Limited, Esquire Electronics Limited, and Esquire Accessories Limited

Mrs. Pera Begum is a Member of the Audit Committee and Nomination and Remuneration Committee (NRC) of the company.

A.K.M. Shamsul Areefin *Independent Director*

Mr. A.K.M. Shamsul Areefin was the Additional Secretary of the Government of the People's Republic of Bangladesh. He completed his M.A. in English from Dhaka University and his M.A. in Islamic Studies from People's University.

During his tenure as Additional Secretary in the Ministry of Industries, Mr. Areefin was involved as a director on the board of many non-listed companies including BRB Cables Limited.

Mr. Areefin is a Non-Executive Independent Director of Esquire Knit Composite Limited as well as the Chairperson of the Nomination and Remuneration Committee (NRC) and Corporate Governance Committee. He is also a Member of the Audit Committee, and Risk Management Committee and a representative director on the board of L, Esquire Limited on behalf of Esquire Knit Composite Limited, where L'Esquire is a subsidiary of Esquire Knit Composite Limited. Mr. Areefin joined the Board of Directors of Esquire Knit Composite Limited from the date of 1 July 2022.

Md. Mozammel Hossain, FCA *Director*

Mr. Md. Mozammel Hossain is a Fellow Member of the Institute of Chartered Accountants of Bangladesh, Member of the Dhaka Taxes Bar Association of Dhaka, Bangladesh. He has held responsible and senior leadership positions in various Bangladeshi Public Companies. Notable among these are NRB Commercial Bank Limited, Pragati Life Insurance Limited, Bangladesh Finance & Investment Limited, and City General Insurance Co. Limited. He worked as Company Secretary in the said publicly listed company for about twenty-one years. In his last role, he was the Company Secretary at NRB Commercial Bank Limited.

Mr. Mozammel holds a Master's in Commerce (Finance) from Dhaka University. He has attended "Career Building & Leadership" and "Code of Ethics for Professional Accountants" programs at The Institute of Chartered Accountants of Bangladesh.

Mr. Mozammel is a Non-Executive Independent Director of Esquire Knit Composite Limited as well as the Chairperson of the Audit Committee and Risk Management Committee. He is also a Member of the Nomination and Remuneration Committee (NRC) and Corporate Governance Committee. Mr. Mozammel joined the Board of Directors of Esquire Knit Composite Limited from the date of 1 July 2022.



Board and Management

The Board of Directors

Mr. Md. Mofazzal Hossain	<i>Chairman</i>
Mr. Md. Ehsanul Habib	<i>Managing Director</i>
Mr. Arifur Rahman	<i>Director</i>
Mr. Md. Muddasar Hossain	<i>Director</i>
Mrs. Peara Begum	<i>Director</i>
Mr. A.K.M. Shamsul Areefin	<i>Independent Director</i>
Mr. Md. Mozammel Hossain, FCA	<i>Independent Director</i>

Audit Committee

Mr. Md. Mozammel Hossain, FCA	<i>Chairperson</i>
Mr. A.K.M. Shamsul Areefin	<i>Member</i>
Mrs. Peara Begum	<i>Member</i>
Mr. Md. Monir Hossain	<i>Member Secretary</i>

Nomination and Remuneration Committee

Mr. A.K.M. Shamsul Areefin	<i>Chairperson</i>
Mr. Md. Mozammel Hossain, FCA	<i>Member</i>
Mrs. Peara Begum	<i>Member</i>
Mr. Md. Monir Hossain	<i>Member Secretary</i>

Management Committee

Mr. Md. Ehsanul Habib	<i>Chairman</i>
Managing Director	
Mr. Arifur Rahman	<i>Member</i>
Director	
Mr. Md. Muddasar Hossain	<i>Member</i>
Director	
Mr. Debasish Kumar Saha	<i>Member</i>
Chief Operating Officer	
Mr. Md. Mustafizur Rahman	<i>Member</i>
Chief Financial Officer	
Mr. Md. Monir Hossain	<i>Member</i>
Company Secretary	
Mr. Md. Rakibur Rahman	<i>Member</i>
Head of Internal Audit and Compliance	
Mr. Islamun Nabi (Tuhin)	<i>Member</i>
Senior GM, Factory Operation	
Mr. Md. Saidur Rahman	<i>Member</i>
Senior General Manager (Accounts)	
Mr. Musfuq-us-Salahin (Sujon)	<i>Member</i>
GM (Treasury)	

Chief Financial Officer

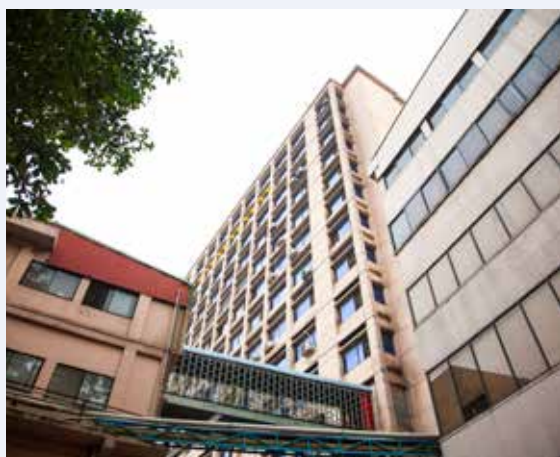
Mr. Md. Mustafizur Rahman

Company Secretary

Mr. Md. Monir Hossain

Head of Internal Audit and Compliance

Mr. Md. Rakibur Rahman



Management Team



Mr. Md. Ehsanul Habib
Managing Director



Mr. Arifur Rahman
Director



Mr. Md. Muddasar Hossain
Director

WITH A STRONG UNDERSTANDING OF OUR OPERATING LANDSCAPE AND A DYNAMIC APPROACH TOWARD EXECUTING THE COMPANY'S VISION, OUR MANAGEMENT TEAM CONTINUES TO LEAD THE WAY WITH IMPECCABLE PROFICIENCY.



Mr. Debasish Kumar Saha
Chief Operating Officer



Mr. Md. Mustafizur Rahman
Chief Financial Officer (CFO)



Mr. Md. Monir Hossain
Company Secretary



Mr. Md. Rakibur Rahman
Head of Internal Audit & Compliance



Mr. Islam-Un-Nabi (Tuhin)
Senior General Manager
(Factory Operation)



Mr. Md. Saidur Rahman
Senior General Manager
(Accounts)



Mr. Musfuq-U-Salahin (Suzon)
General Manager
(Treasury)



Moniruzzaman Khan Manik
General Manager
(Commercial Department)



Mr. Md. Monirul Islam
Head of HR, Admin and Compliance



Mr. Mohammad Musa
Head of IT

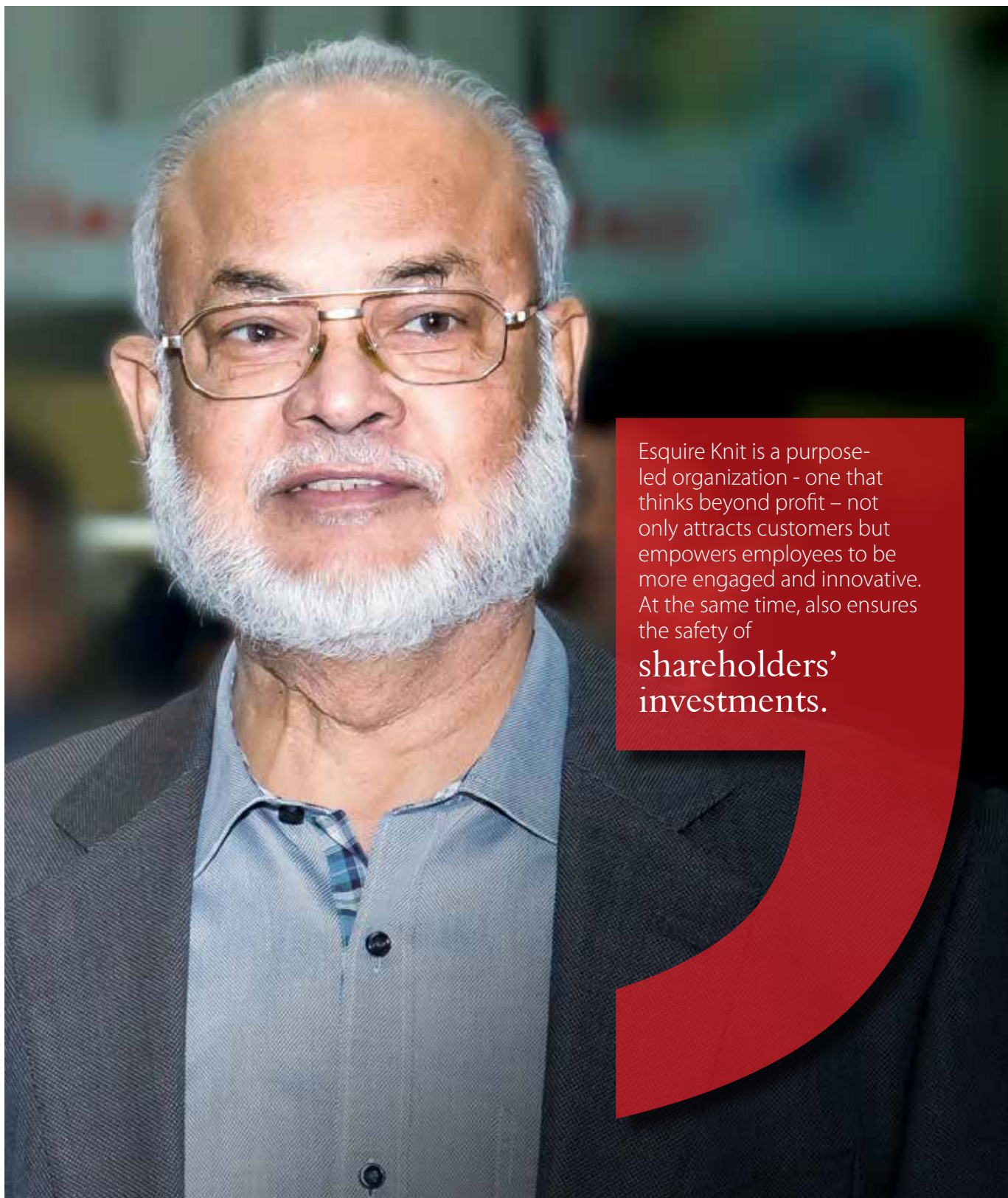


Mr. Zakir Hossain
Deputy General Manager
(Commercial-Export)



Mr. Md. Musleh U A Sikder
Deputy General Manager
(Commercial-Import)

Message from the Chairman



Esquire Knit is a purpose-led organization - one that thinks beyond profit – not only attracts customers but empowers employees to be more engaged and innovative. At the same time, also ensures the safety of **shareholders' investments.**

Bismillahir Rahmanir Rahim

In the name of ALLAH, the most Merciful, the most Graceful

Dear valued Shareholders,

আসসালামু আলাইকুম ওয়া রহমাতুল্লাহি ওয়া বারাকাতুহু

I am delighted to present to you our 22nd Annual Report for Financial Year 2021-22. This year has been a remarkable year for all of us. We emerged more resilient and reinvigorated, and our confidence in our capabilities is reflected not only in our numbers but also in the trust that our clients have placed in us. I am grateful to our clients, partners, team members, shareholders, and other stakeholders for their relentless collaboration to make this happen.

In the financial year 2021-2022, our company was able to achieve milestones in terms of revenue generation despite facing the pandemic covid 2019. At the end of the financial year on 30 June 2022, this revenue stood at BDT 10,000 million plus i.e., BDT 10,014.28 million. So, we can say we are proud members of a BDT 10,000 million revenue or BDT 10,000 million apparel company. This has been possible due to the tireless efforts of our frontline workers and employees at all levels of the company. At the same time, this achievement is the result of the trust and faith of our customers. On behalf of myself and the board of the company, I thank everyone for this achievement of the company.

During the financial year 2021-2022, we have indeed been able to achieve milestones in terms of the company's revenue but we have faced many unexpected challenges during this period. Notable among these are various issues including facing Covid 2019 in the first six months of the financial year 2021-2022, an increase in the price of our main raw material yarn due to the increase in the price of cotton in the international market, Russia-Ukraine war, increase in the price of all products including fuel & energy in the international market. As a result, the production cost of our company has increased to such an extent that the production cost of our manufactured goods has also increased manifold. Apart from addressing these issues, the biggest challenge we have faced is the inability of the buyer companies to increase the value of our finished goods accordingly. Though, we were able to reach the milestones in terms of revenue but did not succeed in achieving net profit as expected.

Even in such a financial year, our Board of Directors has duly discharged the responsibilities assigned to them, where such decisions have been taken as necessary. They have always given encouragement and the right direction to the management of the company.

You will be pleased to know that; our Board is always keenly aware of the sustainability of the company as well as the investment of shareholders. The Board is always keen to continue the trend of dividends against investors' investments, ensuring future security while maintaining the company's strong position. As a token of that sincerity, the Board has declared a 10 percent cash dividend (excluding sponsors and directors) for the shareholders of all its categories in the financial year 2021-2022.

The company's Board members strongly believe that a diversified board brings a broader perspective to meet future challenges and brings new skills and capabilities to the board. As per follow the corporate governance act 2018, issued by Bangladesh Securities and Exchange Commission, two new independent directors joined our company's board later in the financial year 2021-2022, whose career was illustrious and varied in experience. We welcome two new independent directors who will work with us from the financial year 2022-2023. They are Mr. A.K.M. Shamsul Areefin, ex-Additional Secretary, the People's Republic of Bangladesh, and Mr. Md. Mozammel Hossain FCA, ex-company secretary, NRB Commercial Bank

Message from the Chairman



Limited. At the same time, we also thank the recently departed Md. Swapan Kumar Sarker and Mr. Placid Gomes FCA, who served as independent directors on our board for the last 6(six) years. We will gratefully remember them for tirelessly supporting us with their talents and experience by attending our board meetings.

Now the company's board consists of seven directors comprising of four executives, and three non-executive directors including two independent and one female member with an appropriate mix of age, gender, and experience. In addition, the entire board is recognized under the Code's requirements for directors.

Finally, Esquire Knit is a purpose-led organization - one that thinks beyond profit – not only attracts customers but empowers employees to be more engaged and innovative. At the same time, also ensures the safety of shareholders' investments.

The leadership team of Esquire Knit played a key role in delivering the results set out in the report, inspiring and motivating staff to give their best whilst addressing their concerns. I would like to place on record the board's appreciation of their diligent service and the leadership provided by Mr. Ehsanul Habib, Managing Director of the company. We also thank the employees for their cooperation and count on their continued dedication to driving growth in this vital industry. We thank our customers and the global brands for their confidence in our ability to deliver through difficult times and look forward to a shared journey in the year ahead. We thank all our shareholders and stakeholders who have been part of our epic journey and look to their continued support in the future.

I pray for good health for everyone in the coming days. And hopefully, in the coming year, we will be able to achieve a better future through our relentless efforts and come out stronger than before.

May the Almighty Allah help us and be with us always here and hereafter, Ameen.

Warm regards



Md. Mofazzal Hossain
Chairman

Dated, 30 October 2022

Message from the Managing Director



WE BELIEVE
that sales and
profitability will continue
to gain momentum
and depict impact
quarter on quarter,
with the efforts of our
DEDICATED STAFF,
STRONG LEADERSHIP,
and the **UNFLINCHING**
SUPPORT of all our
STAKEHOLDERS.

Bismillahir Rahmanir Rahim

In the name of ALLAH, the most Merciful, the most Graceful

Dear Valued Shareholders,

আসসালামু আলাইকুম ওয়া রহমাতুল্লাহি ওয়া বারাকাতুহ

I am pleased to welcome you to the twenty-second Annual General Meeting of the Company and present herewith the Annual Report along with Audited Financial Statements and Regulatory Reports pertaining to the financial year 2021-2022.

I, the Managing Director of the company am proud to say that our company has achieved a revenue of BDT 1,000 crores plus in the financial year ended 30 June 2022, which is a milestone in the history of the company. At the same time, 7,212 people have played a key role in our company's working team and 11,523 investors have shown their trust and faith in us by investing in the company.

I think that during this time, the way of our buyers put their trust and faith in us and gave us the purchase order to supply the products, in the same way, our workforce has also worked tirelessly and valued the trust and faith of the buyers. This achievement belongs to all of us, this achievement of our frontline workforce, which you too can be proud of. I am also glad that I have reached a place of pride in your company.

KEEPING AGILE TO SEIZE OPPORTUNITIES AFTER THE CRISIS AND THE ONGOING CRISES

Following the large-scale rollout of vaccination programs and the easing of COVID-19 restrictions, the global economy is gradually rebounding from the 2020 Covid-19 recession. In line with this, we have seen a broad-based recovery in most of our market segments. During this time, we have indeed been able to achieve milestones in terms of the company's revenue but we have faced many unexpected challenges during this period. Notable these are various issues including facing Covid-19 in the first six months of the financial year 2021-22, a crease in the price of our main raw material yarn and fabrics due to the increase in the price of cotton in the international market, the war between Russia and Ukraine, increase in the price of all products including fuel & energy in the international market. As a result, the production cost of our company has increased to such an extent that the production cost of our manufactured goods has also increased manifold. Apart from addressing these issues, the biggest challenge we have faced is the inability of the buyer companies to increase the value of our finished goods accordingly. As a result, we were able to reach the milestones in terms of revenue but did not succeed in achieving net profit as expected.

Through our agility to address these issues, Esquire Knit was able to seize opportunities as the global economy recovered, and our business has elevated to a new level. Our net profit after tax achieved an 8.48% higher year-on-year to a record level of BDT 10,014.28 million in the

financial year 2021-22, higher than pre- COVID-19 levels.

DAWN OF A NEW GROWTH CYCLE

As the global economy is gradually recovering from the COVID-19 recession, we are optimistic that this signals the dawn of a new growth cycle for the economy, the garments industry, and Esquire Knit.

However, we are mindful of the ongoing macro volatilities, such as the possibility of further waves of infections from COVID-19 variants, tightening of monetary policies in several economies, and rising interest and inflation rates, that continue to create uncertainties. Barring any unforeseen circumstances, the company is well poised to capitalize on the growth cycle to elevate our business further.

We will strive to enhance our product offerings and provide value-added products to all our customers, to better manage the supply chain disruptions together. Besides our strong customer-centricity, we will leverage our diversified business model, track record of operational excellence, and good financial discipline to bring about the long-term value to our stakeholders.

OUR GROWTH TRACKS

For the financial year ended 30 June 2022, Esquire Knit recorded revenue of taka BDT 10,014.28 million, an increase of 26.67% as compared to the BDT 7,905.84 million recorded in the previous financial year ended 30 June 2021. This was largely due to the higher sales volume of our products, which is mainly a reflection of the trust of the buyer organization towards our company.

Total operating expenses (excluding finance cost) increased by 9.24% year-on-year, largely due to higher employee remuneration in line with better performance, higher transport charges in line with higher sales, net foreign exchange loss, higher professional fees in relation to recovery of trade receivables and trademark expenses as well as higher depreciation of right-of-use assets. The increase was partially offset by lower fair value loss from the forward exchange contract.

Profit before tax increased by BDT 365.36 million or 8.99% to BDT 398.22 million as a result of higher gross profit achieved on the back of higher sales. Correspondingly, net profit after tax increased by BDT 301.86 million or 8.49% to BDT 327.49 million.

Message from the Managing Director



Earnings per share for the financial year 2021-2022 increased by 8.48% to BDT 2.43 from BDT 2.24 in the financial year 2020-2021. Net asset value per share with revaluation reserve rose to BDT 65.32 and without revaluation reserve rose to BDT 37.59 as of 30 June 2022, from BDT 64.21 and BDT 36.48 as of 30 June 2021.

The balance sheet remained sound, with cash and bank balances of BDT 511.57 million as of 30 June 2022, as compared to BDT 677.14 million as of 30 June 2021, due to higher working capital requirements.

SUBSIDIARY

Consequent upon approval of the company's Board Meeting as well as approval of the Shareholders and Bangladesh Securities and Exchange Commission (BSEC), Esquire Knit has invested Taka 42.42 million as equity (99.01%) for the benefit of total RMG business of Esquire Knit Composite Limited in the capital of "L' Esquire Limited", a Private Limited Company which is constituted by Registrar of Joint Stock Companies and Firms (RJSC) under section Act XVIII of the Companies Act 1994. The company runs a manufacturing business unit of lingerie, activewear, Intimax, Sportswear, knitwear, and readymade garments including knitting, dyeing, sewing, printing, and embroidery.

The location of the company is in Jamirdia, Valuka, Mymensingh. This company has been associated with our company during the financial year 2018-2019 (date of Incorporation 20 June 2019) as a "Subsidiary Company" of Esquire Knit Composite Limited.

The Company is specially established for the production and 100% export of Lingerie products. Which is in huge demand in the global market. During the financial year 2020-2021, the company started its operation and export activities on a limited scale.

On a consolidated basis, the company reports revenue of BDT 10,150.62 million during the financial year ended 30 June 2022 and a consolidated Net Profit after tax BDT of 318.58 million for the said financial year.

The Annual Report along with the Audited Financial Statements (consolidated and separate) of the company and its subsidiary are also available on the website of company at www.esquireknit.com

SUSTAINABILITY

Esquire Knit has always regarded sustainability as one of our priorities in creating sustainable long-term value for our stakeholders. We will continue to put sustainability at the forefront of our business, balancing economic objectives and social responsibility to the best of our abilities.

Our commitment to responsible growth has always been the focal point of everything we do at Esquire Knit. It has been our long-standing belief that sustainable and purposeful businesses will stand the test of time and drive superior long-term performance that stands more validated now than ever before. The severe humanitarian crisis that we are facing today has further necessitated a stakeholder approach to growth, which relies on compassion, collaboration, and inclusivity.

REWARDING OUR SHAREHOLDERS

Since Esquire Knit's listing in 2019, we have been committed to consistently providing sustainable returns to our shareholders. For the financial year 2021-2022, the Board is pleased to recommend a final dividend of BDT 1.00 per share (excluding sponsors and directors), subject to the approval by shareholders at the Annual General Meeting to be convened. The company didn't declare any interim dividend for the financial year 2021-2022.

WE BELIEVE

We believe that sales and profitability will continue to gain momentum and depict impact quarter on quarter, with the efforts of our dedicated staff, strong leadership, and the unflinching support of all our stakeholders.

WORDS OF APPRECIATION

I would like to thank the management team, staff, bankers, customers, and business associates for their support and hard work that has enabled us to come this far. I would also like to extend my gratitude to my fellow directors for their contributions to the company and counsel. Last but not least, I would like to show appreciation to our shareholders and stakeholders for their constant support.

Warm regards



MD. EHSANUL HABIB

Managing Director

Dated: 30 October 2022

Financial Ratios Analysis

FIVE YEARS COMPARATIVE(SEPARATE)

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
LIQUIDITY RATIOS					
Current Ratio (Times)	1.66	1.85	2.42	2.66	1.66
Quick Ratio (Times)	0.73	0.86	1.25	1.05	0.55
Debt/Equity Ratio (Times)	0.59	0.52	0.58	0.36	0.36
OPERATING EFFICIENCY RATIOS					
Accounts Receivable Turnover Ratio (Times)	7.9	9.26	9.95	10.83	6.95
Inventory Turnover Ratio (Times)	2.36	2	1.35	1.91	1.8
Asset Turnover Ratio (Times)	0.67	0.6	0.45	0.66	0.65
PROFITABILITY RATIOS					
Gross Margin Ratio (%)	15.95%	17.91%	21.91%	20.95%	21.42%
Operating Profit Ratio (%)	7.09%	7.64%	11.18%	11.26%	11.74%
Net Profit Ratio (Before tax) (%)	3.98	4.62	6.46	7.49	8.48
Net Profit Ratio (After tax) (%)	3.27	3.82	5.32	6.48	7.11
Return on Assets (ROA) Ratio (%)	2.18%	2.28%	2.39%	4.29%	4.63%
Return on Equity (ROE) Ratio (%)	3.75%	4.00%	4.03%	6.56%	7.23%
Earnings Per Share (EPS)	2.43%	2.24%	1.97%	3.37%	3.44%
SOLVENCY RATIOS					
Debt to Total Assets Ratio (Times)	0.33	0.31	0.33	0.24	0.22
Debt to Equity Ratio (Times)	0.59	0.52	0.58	0.36	0.33
Time Interest Earned Ratio (Times)	2.21	2.37	2.18	2.98	3.89
CASH FLOW RATIOS					
Net Operating Cash Flow per Share (NOCFS)	3.27	-1.27	2.13	2.16	5.21
NOCFS to EPS Ratio (Times)	1.34	-0.56	1.06	0.64	1.51

GROWTH PHILOSOPHY

The company's strategic objective is to improve and consolidate its position in the Knit Garments industry with a continuous growth philosophy. The following diagram represents Esquire Knit's continuous growth philosophy being implemented on a day-to-day basis.



Esquire Knit's continuous growth philosophy is being driven by the strategic levers of operational excellence, strengthening existing services, customer satisfaction, ecosystem development, innovation, and marketing.

Growth Philosophy

Operational excellence

The company has continued to invest in operational excellence throughout the organization. It is addressing operational excellence through a continuous process of improvement, customer service, and technology development. Alignment of its people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

Geographical excellence

Esquire Knit cater to a large number of clients throughout the world and in different region. Esquire Knit exports are majorly concentrated in Europe, especially Germany, UK, and France. Esquire Knit intends to supply to other European countries such as Africa, South Africa, and East Asia and also intend to enter other emerging markets in the world over the course of time.

Through a combination of increased capacities, reduced costs, a wider range of products adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, the company intends to expand its global footprint and become a preferred supplier for large format international retail chains and institutions.

Focusing on value-added products

With well-balanced processing facilities, the company will be technically capable to focus on value-added products. Value-added products command premium pricing which would have a positive impact on its margins.

Distribution strategy

Esquire Knit's distribution responsibility is up to shipping the goods on board either in air cargo or vessels, A competent commercial department works for a long time so that proper commercial arrangements and documentation are done at the right time to ensure the timely shipment of goods.

Pricing strategy

During the course of the global economic recession and the epidemic of Corona Virus-2019, fierce competitive pressure is on RMG product prices, especially in countries like China, India, Sri Lanka, and Vietnam. Keeping this in mind, Esquire Knit's objective is to reduce production costs by optimum use of its production facilities. The Company also wishes to extract premium prices from the customers by offering superior product quality at a later stage.

Branding & promotion strategy

The company maintains a good relationship with its customers. It is continuously exploring new potential markets. The company has participated in trade fairs both local and international. It shall also take other branding and promotional strategy. Highly competent merchandisers' team are working effective bridge between the production team and customer so that customer's requirements are met thoroughly.

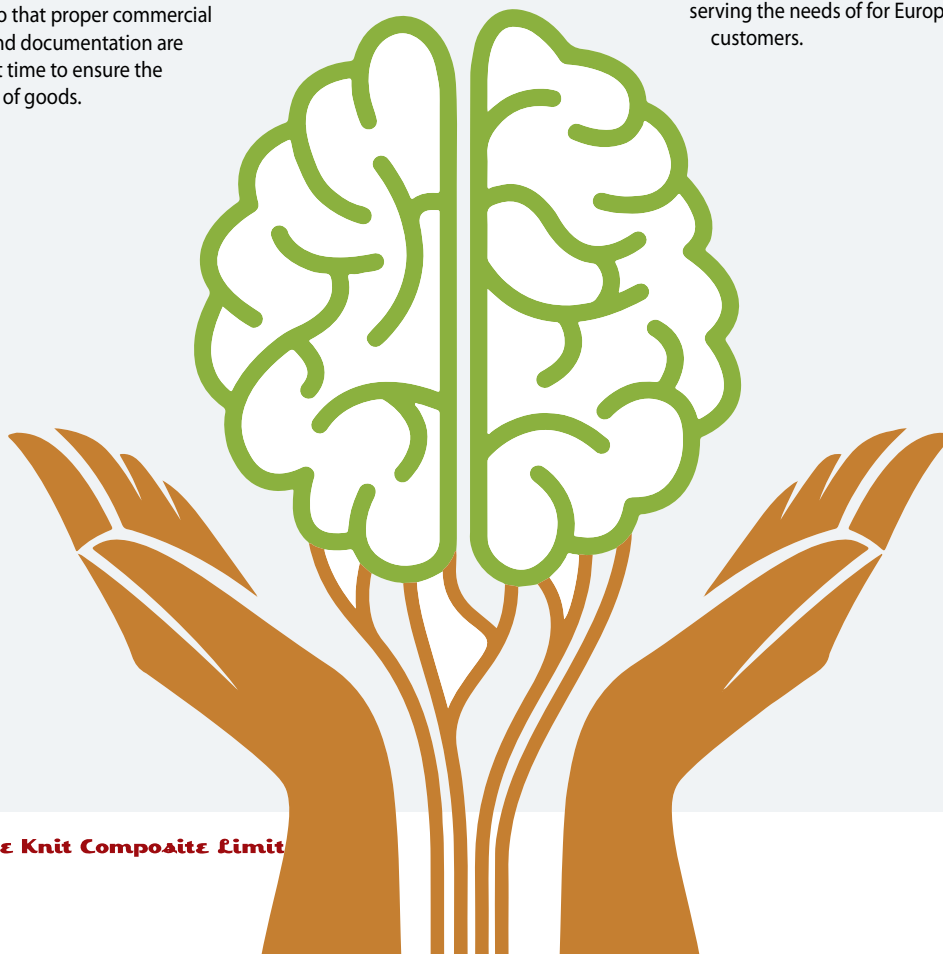
Strategy for business competitiveness

Esquire Knit has been driven by buyer needs and demand. The accreditation certificate achieved by the company was provided for its performance to meet up demand with the utmost satisfaction of the buyers.

Market strategy

Esquire Knit has been established for nearly twenty-three years. Having the industry knowledge from its sister concern company namely Esquire Dyeing Industry Limited. Esquire Knit has been focused on its business and successfully established the name as a world-class Garment Manufacturer under one roof having a composite facility of yarn dyeing, knitting, fabric dyeing, printing, washing, and finishing up to garment making. Making it the right choice for 1 stop solution for all kinds of knitted garments.

There are currently 7,212 employees working in the company, serving the needs of for European & American Chain store customers.



Market Strategy

Strategic Era

ENTREPRENEURIAL SETUP	ESQUIRE GROUP OF COMPANIES			BUSINESS EXPANSION
1980-90's	2000's	2006-2008's	2009-2016's	2017-2022's
Growth through Addition of business	Structuring and integration	Emphasis on professionalism And management	Further growth through capacity enhancement & New business	

The market strategy of Esquire Knit could be outlined as follows:

- Continuous Research & Development in Industrial Productivity Engineering / Product Development with cutting-edge solutions.
- Expand its business in emerging markets like China, Canada, Japan, USA, East Asia, Australia, Africa and North America.
- Evaluating the performance and restructuring the process.
- Revamping the cost drivers.
- Finding opportunities to create extra value.
- Embracing the expertise of the experts.

With the above key factors, Esquire Knit looks with confidence for the future ahead through sustainable growth.

Agility

The company believes in being fast and flexible to changes with time, the needs of stakeholders, the environment, and the people, so the group evolves to cope with modification; integrating the Vision, Mission, and values.

Human capital

The company considers its employees as key resources. Therefore, the company is continuously working on the development of its employee's skills to perform at their highest potential.

Diversification

The company is very much focused on diversification and at the same time, it values the core business of the company.



Boards' Report

Dear Members,

আসসালামু আলাইকুম ওয়া রহমাতুল্লাহি ওয়া বারাকাতুহ

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company" or "Esquire Knit Composite Limited"), along with the audited financial statements, for the financial year ended 30 June 2022. The consolidated performance of the company and its subsidiaries has been referred to wherever required.

1. Results of our operations and state of affairs

Amount in BDT (million)

Particulars	Standalone			Consolidated		
	For the year ended 30-Jun		growth	For the year ended 30 June		growth
	2022	2021	(%)	2022	2021	(%)
Total income	10,038.25	7,935.51	26.5	10,167.41	7,952.79	27.85
Revenue from operations	10,014.28	7,905.84	26.67	10,150.62	7,930.13	28
Other income, net	23.97	29.67	-19.21	16.79	22.66	-25.9
Total expenses	9,304.15	7,302.11	27.42	9,440.89	7,322.19	28.94
Cost of goods sold	8,416.65	6,489.64	29.69	8,549.48	6,505.66	31.42
Office and administration expenses	309	304.68	1.42	310.95	307.82	1.02
Selling and distribution expenses	578.5	507.79	13.93	580.46	508.71	14.1
Gross operating profit	710.12	603.72	17.62	376.73	607.94	-38.03
Financial Cost	333.01	265.98	25.2	333	268.06	24.23
Profit before tax	398.22	365.36	8.99	390.64	360.48	8.37
Profit before tax (% of revenue)	3.98	4.62	-13.85	3.85	4.55	-15.38
Tax expenses	70.73	63.5	11.39	71.98	63.59	13.19
Profit after tax	327.49	301.86	8.49	318.67	296.9	7.33
Profit after tax (% of revenue)	3.27	3.82	-14.4	3.14	3.74	-16.04
Total other comprehensive income/loss, net of tax	327.49	2,054.56	-84.06	318.67	2,049.60	-84.45
Profit attributable to owners of the company	-	-	-	318.58	296.84	7.33
Total comprehensive income for the year attributable to the owners of the company	-	-		318.58	2,049.54	-84.46
Non-controlling interests	-	-		-0.08	-0.06	-233.33
Earnings per share (EPS)						
Basic	2.43	2.24	8.48	2.36	2.2	7.27

FINANCIAL POSITION

Amount in BDT (million)

Particulars	Standalone			Consolidated		
	For the year ended 30 June		growth	For the year ended 30 June		growth
	2022	2021	(%)	2022	2021	(%)
Non-current assets	8,857.15	8,176.94	8.32	9,319.98	8,402.28	10.92
Property, plant and equipment	6,432.00	6,315.58	1.84	6,509.71	6,396.77	1.77
Capital Work-in-progress	2,272.87	1,671.58	35.97	2,699.99	1,857.73	45.34
Investment in shares	152.28	189.78	-19.76	110.28	147.78	-25.38
Current assets	6,671.50	6,319.37	5.57	6,368.15	6,126.97	3.94
Inventories	3,738.21	3,391.14	10.23	3,746.16	3,392.69	10.42
Accounts receivables	1,297.56	1,236.54	4.93	1,311.12	1,243.15	5.47
Other receivables	4.15	3.82	8.64	4.15	3.82	8.64
Advance, deposit and prepayments	1,017.83	912.21	11.58	640.81	646.6	-0.9
Investment	102.18	98.51	3.73	102.18	98.51	3.73
Cash and cash equivalents	511.57	677.14	-24.45	563.73	742.2	-24.05
Total assets	15,528.65	14,496.30	7.12	15,688.13	14,529.24	7.98
Shareholders' equity	8,811.17	8,662.23	1.72	8,796.76	8,656.64	1.62
Share capital	1,348.96	1,348.96	-	1,348.96	1,348.96	-
Non-controlling interest	-	-	-	0.27	0.36	-25
Share premium account	1,086.65	1,086.65	-	1,086.65	1,086.65	-
Revaluation surplus	3,739.29	3,739.29	-	3,739.29	3,739.29	-
Retained earnings	2,636.27	2,487.33	5.99	2,621.58	2,481.38	5.65
Opening balance	2,487.33	2,387.82	4.17	2,481.38	2,387.82	3.92
Add: Net profit after tax for the year	327.49	301.86	8.49	318.76	295.9	7.73
Less: Cash dividend	178.55	202.34	-11.76	178.55	202.34	-11.76
Non-current liabilities	2,705.88	2,420.84	11.77	2,708.13	2,418.76	11.96
Non-current lease liabilities	-	-	-	-	-	-
Other non-current liabilities	2,705.88	2,420.84	11.77	2,708.13	2,418.76	11.96
Current liabilities	4,011.60	3,413.23	17.53	4,183.24	3,453.85	21.12
Short term loan	2,173.86	1,479.44	46.94	2,307.89	1,479.44	56
Current portion of long-term loan	291.84	638.3	-54.28	291.84	638.3	-54.28
Accounts payable	1,185.40	998.95	18.66	1,192.57	1,027.35	16.08
Other current liabilities	360.5	296.54	21.57	390.94	308.76	26.62
Total equity and liabilities	15,528.65	14,496.30	7.12	15,688.13	14,529.24	7.98
Net asset value per share						
with revaluation reserve	65.32	64.21	1.73	65.21	64.17	1.62
without revaluation reserve	37.59	36.48	3.04	37.48	36.44	2.85

LIQUIDITY

Our principal sources of liquidity are cash and cash equivalents, investments, and the cash flow that we generate from our operations. We continue to be debt-free and maintain sufficient cash to meet our strategic and operational requirements. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements. Liquidity enables us to be agile and ready for meeting unforeseen strategic and business needs.

As of 30 June 2022, we had BDT 2,666 million in working capital on a standalone basis, and BDT 2,185 million on a consolidated basis.

Consolidated cash and investments stand at BDT 1,569 million on a standalone basis and BDT 1,868 million on a consolidated basis as on 30 June 2022, as against BDT 1,835 million on a standalone basis, and BDT 1,869 million on a consolidated basis as on 30 June 2021.

Consolidated cash and investments, on both standalone and consolidated basis, include deposits with banks and financial institutions with high

Boards' Report

credit ratings by domestic credit rating agencies. As a result, the liquidity risk of cash and cash equivalents is limited. Ratings are monitored periodically. Liquid assets also include investments in liquid ICL Unit Fund, Subsidiary company, associated company, and fixed deposits with scheduled Banks in Bangladesh.

The details of these investments are disclosed under the 'non-current and current investments' section in the Standalone and Consolidated financial statements in this Annual Report.

DIVIDEND

The Company recommended/declared dividends under

	2021 - 2022		2020 - 2021	
	Dividend per share (in Tk.)	Dividend payout (in Tk. million)	Dividend per share (in Tk.)	Dividend payout (in Tk. million)
Interim dividend	0.00	0.00	0.00	0.00
Final dividend	1.00	715.54	1.50	202.34
Total dividend	1.00	715.54	1.50	202.34
Payout ratio (Interim and final dividend)	41.15%		66.96%	



NOTE

The Company declares and pays dividends in Bangladeshi Taka. Companies are required to pay/distribute dividends after deducting applicable withholding income taxes. The remittance of dividends outside Bangladesh is governed by Bangladesh law on foreign exchange and is also subject to withholding tax at applicable rates.

1. Recommended 10% cash dividend (excluding sponsors and directors) by the Board of Directors, at its meeting held on 30 October 2022. The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on 25 January 2023. The record date for the purposes of the final dividend will be 5 December 2022 and will be paid on 14 February 2023.
2. Payout ratio is computed as a percentage of Free cash flow prepared under IFRS

FINANCIAL PERFORMANCE AND THE STATE OF THE COMPANY'S AFFAIRS

Standalone

During the financial year ended 30 June 2022, the company achieved a revenue of BDT 10,014.28 million as compared to the revenue of BDT 7,905.84 million recorded during the previous financial year ended 30 June 2021. The company reported growth in revenue of 26.67% during the financial year 2021-2022 from the previous financial year 2020-2021 because the company was able to increase its production by getting huge export orders. And through the relentless efforts of each and every employee, the company was able to ensure the supply of finished goods according to our customer demand. The company reports a Net Profit after tax of BDT 327.49 million for the financial year ended 30 June 2022 as against the Net Profit after tax of BDT 301.86 million for the financial year ended 30 June 2021. The Net Profit after tax for the financial year ended reflects a growth of 8.49% over the corresponding Profit for the financial year ended 30 June 2021.

Consolidated

During the financial year 2021-2022, our subsidiary company has continued its manufacturing activities on a limited scale (trial production basis) and has also exported its products. The audited financial statements of the subsidiary company have been added to the audited financial statements of our company since the previous year. An audited consolidated financial report is prepared and is accompanied by an annual report for your information and consideration.

On a consolidated basis, the company reports revenue of BDT 10,150.62 million during the financial year ended 30 June 2022 and a consolidated Net Profit after tax of BDT 318.67 million for the said financial year.

The Annual Reports along with the Audited Financial Statements (consolidated and separate) of the company and its subsidiary are also available on the website of company at www.esquireknit.com.



Boards' Report

The Financial Position & Earnings of the Company per Share

(Consolidated and separate)

The Earnings per Share (EPS), Net Asset Value (NAV) per Share, and Net Cash Flow per Share (NOCFPS) earned by our company during the year under review are as follows:

	2021-2022		2020-2021	
	Consolidated	Separate	Consolidated	Separate
Earnings per Share (EPS)	2.36	2.43	2.2	2.24
Net Operating Cash Flows per Share (NOCFPS)	3.11	3.27	-1.07	-1.3
Financial Position	As of June 2022		As of June 2021	
Net Asset Value (NAV) per Share with revaluation reserve	65.21	65.32	64.17	64.21
Net Asset Value (NAV) per Share without revaluation reserve	37.48	37.59	36.44	36.48

A SIGNIFICANT DEVIATION IN EPS, NAV AND NOCFPS

A significant deviation in EPS, NAV, and NOCFPS as follows: (consolidated)

- EPS** : EPS of Esquire Knit Composite Ltd was Tk. 2.20 in 2021 and Tk. 2.36 in 2022 which is an increased Tk. 0.16 per share due to incremental revenue and net operating profit. During the year profit after tax has been increased in respect of revenue growth of Tk. 222.00 crore than last year.
- NAV** : NAV with revaluation is Tk. 65.21 which is more than Tk. 1.04 per share than that last year of Tk. 64.17 due to Land revaluation and net profit, NAV without revaluation is Tk. 37.48 in 2022 which was Tk. 36.44 in 2021. NAV without revaluation has been increased due to fixed asset increase.
- NOCFPS** : In spite of revenue growth and incremental net profit, NOCFPS increased to Tk. 3.11 in 2022 which was Tk. (1.07) per share in 2021 due to incremental revenue realization.

CHANGE IN CAPITAL STRUCTURE OF THE COMPANY

The issued, subscribed, and paid-up share capital of the company is BDT 1,348.96 million divided into 134,895,833 ordinary shares of Taka 10.00 each. There were no changes in the Capital Structure of the company during the financial year 2021-2022.

RETAINED EARNINGS

The Company has transferred an amount of BDT 148.94 million to the Retained Earnings during the financial year ended 30 June 2022.

SHARE CAPITAL

The Authorized Share Capital of our company as on 30 June 2022 stood at BDT 2,000.00 million divided into 200,000,000 ordinary shares of BDT 10.00 each. The Issued Share Capital of our company is BDT 1,348.96 million divided into 134,895,833 ordinary shares of BDT 10.00 each and the subscribed and paid-up Share Capital is BDT 1,348.96 million into 134,895,833 ordinary shares of BDT 10.00 each, fully paid-up.

CREDIT RATING

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed the AA3 rating of our company, and the AA3 (Lr) rating of BDT 2,750.6 million long-term outstanding (LTO) availed by the company in the Long Term. CRAB has also assigned an ST-3 rating to BDT 2,399.6 million short-term funded limit and BDT 7,410.0 short-term non-funded limit availed by the company.

PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS

Details of the Loans are given and Investments made by our company have been disclosed in Notes No. 18, 19, 20, and 6 of the notes to financial statements for the financial year ended 30 June 2022, which forms part of this Annual Report. Our company has not given any guarantee or provided any security during the year under review.

SUBSIDIARY

Consequent upon approval of the company's Board Meeting as well as approval of the Shareholders and Bangladesh Securities and Exchange Commission (BSEC), Esquire Knit has invested BDT 42.42 million as equity (99.01%) in the capital of "L'Esquire Limited", a Private Limited Company which is constituted by Registrar of Joint Stock Companies and Firms (RJSC) under section Act XVIII of the Companies Act 1994. The company runs a manufacturing business unit of lingerie, activewear, Intimax, Sportswear, knitwear, and readymade garments including knitting, dyeing, sewing, printing, and embroidery.

L'Esquire Limited is a subsidiary company of Esquire Knit Composite Limited as Esquire Knit has controlling power over of the company. At present, Esquire Knit holds 99.01% shares of L'Esquire Limited.

The location of the company is in Jamirdia, Valuka, Mymensingh. This company has been associated with our company during the financial year 2018-2019 (date of Incorporation 20 June 2019) as a "Subsidiary Company" of Esquire Knit Composite Limited.

The company is specially established for the production and 100% export of Lingerie products. Which is in huge demand in the global market. During this financial year, the company has started its operation and export activities on a limited scale.



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The Annual Reports along with the Audited Financial Statements of the Subsidiary Company are also available on the website of company at www.eswireknit.com.

Investment in Subsidiaries

Esquire Knit Composite Limited has invested BDT 42.00 million as equity (99.01%) in the capital of L' Esquire Limited.

As per the provision of the Company, Act 1994 L' Esquire Limited is a subsidiary of Esquire Knit Composite Limited, and as such Directors' Report along with Auditors Report & Audited Financial Statement has been included as part of this Annual report.

Nature and Capital Structure of the Subsidiary Company

L' Esquire Limited is a Private Limited Company incorporated on 20 June 2019 under the Companies Act. 1994, the authorized and paid-up capital of the Company is BDT 1,000.00 million and BDT 42.42 million respectively.

Financial Results of L' Esquire Limited

In the financial year 2021-2022, L' Esquire Limited started its manufacturing activities on a limited scale (trial basis) and has also exported its products. An audited separate financial report is prepared and is accompanied by an Annual Report for your information and consideration.

L' Esquire Limited earned revenue BDT of 136.34 million during the year 2021-2022 by exporting its lingerie products. During the financial year, the company registered its Net Profit after Tax of BDT (8.82) Million which was BDT (4.96) Million during the corresponding year. The total Assets of the company stood at BDT 695.68 million as of 30 June 2022 from the Assets at BDT 457.93 million as on 30 June 2021.

Declaration of Dividend of L' Esquire Limited

The Board of L' Esquire Limited has not declared any dividend for the financial year 2021-2022. As the company is now unable to start its commercial production and export.



CONSOLIDATION OF ACCOUNTS

The Audited Consolidated Financial Statements of our company for the financial year ended 30 June 2022, prepared in compliance with applicable rules by the Institute of Chartered Accountants of Bangladesh (ICAB).

In terms of BSEC Regulations, the company has consolidated the financial statements following the codes of International Accounting Standard-28 & IFRS-10 referring to shareholders' gross benefits/value of investments.

The financial performance of L'Esquire Limited which has been merged with Esquire Knit Composite Limited was considered in the consolidation of the Financial Statements of Esquire Knit Composite Limited.

WITHDRAWAL OF INVESTMENT FROM TWO ASSOCIATE COMPANIES

The Board of Directors of Esquire Knit Composite Limited in its 124th Board Meeting dated 15th June 2022 has approved the withdrawal of investment decision of BDT 47,775,000/- (four crores seventy-seven lacs seventy-five thousand only) from its two associate companies., where Esquire Electronics Limited had BDT 37,500,000/-(three core seventy-five lacs only) and Esquire Accessories Limited had BDT 10,275,000/- (one crore two lacs seventy-five thousand only). This decision was made as they have not declared any dividend since Esquire Knit Composite Limited invested in the two associate companies.

At the same time, for the information of all shareholders and stakeholders, we hereby inform you that as per the said decision, the entire investment amount of the company in Esquire Electronics Limited i.e., BDT 37,500,000/- has been completely withdrawn within the financial year ended 2021-2022, which is presented in Note No. 6 of our Company's audited financial statements for the financial year ended 30 June 2022. In the current financial year 2022-2023, the withdrawal of the entire investment amount in the company Esquire Accessories Limited i.e., BDT 10,275,000/- will be completed.

Industry Outlook

The global readymade garments market size was valued at \$983.7 billion in 2019 and is projected to reach \$1,268.3 billion by 2027, registering a CAGR of 8.8% from 2021 to 2027. The outer clothing segment was the highest contributor to the market in 2019 and is estimated to grow at a CAGR of 8.8% during the forecast period. China and the U.S. were the prominent countries in the readymade garments market in 2019.

Bangladesh is going to be the global apparel market leader by the year 2023 by achieving a US\$ 50 billion export-earning benchmark. Moreover, most of the raw materials will be produced locally, so the earnings from the sector could be tapped almost 70 percent.

The main problem of the sector is high gas and power price and lower price valuation by foreign buyers. Most of the buyers press to reduce prices raising many issues like delays in shipment, and quality sub-standards, labour issues.

India is the main competitor of Bangladesh in the textile industry. The importance of the textile industry in the economy of the country is immense. However, the textile business in India has not been going very well for several years. From 2015 to 2019, the country's textile exports decreased by 3 percent. In 2020, the rate stood at 16.6 percent. The country is setting a record by exporting readymade garments as buyers flock to Pakistan by canceling purchases from Bangladesh and India. It is expected to reach a record \$ 21 billion, up 40 percent from a year ago.

At the same time, affordable countries like Bangladesh and Vietnam have done business unexpectedly. Domestic industry insiders say that although gas prices are up to 30 percent higher than in Bangladesh, the price of yarn, the main raw material for the textile industry in India, is about 20 percent lower. At the same time, the price of low-dye chemicals. As a result, even after adjusting the gas or electricity bill, their cost will be less than that of Bangladesh. However, even if the buyer (foreign buyer) returns to India or Pakistan, the quality of Bangladeshi products is good.

Buyers have a lot of confidence in the garment industry. By utilizing this power, the country will lead the garment industry in the world market in the future – this is the hope of the local industrialists.

Exports are expected to reach a record \$ 21 billion, up 40 percent from a year earlier. The country expects exports to grow to \$ 26 billion in the next fiscal year. Although the factories of India and Bangladesh were closed due to the coronavirus epidemic Corona and Hanes brand. It is believed that this industry will revive the weak economy of the country.

On the other hand, the Bangladesh Export Promotion Bureau (EPB) has released the export data for the July-January of 2021-22 fiscal year. According to the published report, the trend of turning the growth of garment exports in the country continues.

According to the latest data, exports increased by 30.30 percent in the same month of FY 2021-22 as compared to July-January of FY 2020-21. In December 2021, garment exports were valued at \$4.04 billion, and increased slightly to \$ 4.8 billion in January.

According to the product category, knitwear exports grew by 32.69 percent from July-January. On the other hand, the export of woven garments has increased by 26.23 percent. As a result, the positive trend in the export of all products has continued. However, garment industry entrepreneurs

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believe that the surge in exports is due to post-Covid market changes.

Mohiuddin Rubel, director of the Garment Owners and Exporters Association (BGMEA), told that despite the positive trend in the garment sector, there are many challenges. The market for various raw materials such as textiles, shipping costs, dyes, and chemicals is very high. But the price of garments is not rising in proportion to the increase in the cost of production of goods.

In addition, the transmission of new variants of Covid is spreading like a tsunami in the major markets of our garment exports. So, it is difficult to predict the future market. The pace of transmission in the future will depend on the nature of this trend. But to make the most of the opportunity, the most important thing now is to increase the capacity by keeping the supply chain in order. If this can be done, the finished product of garment industry of Bangladesh will lead the world market in the future.

The importers want to keep as many choices available alongside Bangladesh because of their business policy. They do not want to depend only on Bangladesh, although our exports have increased as we have tackled the Corona epidemic challenge well. There are also several challenges to further increasing this upward trend in exports. But of course, with service and quality, we believe we can keep the lion's share of orders in our country.



BANGLADESH'S APPAREL INDUSTRY GROWTH IS HERE TO STAY

By quickly wrapping up the work of the garment industrial park in the Mirsarai economic zone, and offering soft loans to encourage compliant and environment-friendly factories there, we will signal to the world that the country is ready to expand its apparel export.

Beating all odds, Bangladesh's readymade garment (RMG) export has had tremendous growth this year. The country exported \$38.52 billion worth of garments in the July-May 2021-2022 period, which was \$28.57 billion in July-May 2021-2020.

The growth of our apparel export in these eleven months from July to March was a staggering 34.87%.

Our apparel export witnessed growth both in traditional and non-traditional markets. In July-March of this fiscal year, the country's apparel export to its biggest destination, the European Union, witnessed a 31.51% increase.

Bangladesh's second leading apparel export destination, the USA market, registered 53% year-over-year growth in the first nine months of the current fiscal year. In the same period, our apparel exports to the non-traditional markets (all countries excluding the EU, USA, UK, and Canada) increased to \$ 4.78 billion from \$3.84 billion the previous year.

Throughout the current fiscal, Bangladesh's apparel export witnessed massive growth. Even though the growth in May 2022 was less compared to previous months, it was still 23.5% more compared to May 2021.

We should not be called over-optimistic if we opine that the positive growth trend of Bangladesh's apparel industry is here to stay. This is because, in the present world scenario, Bangladesh is the safest destination for apparel sourcing.

Ethiopia has proven to be a failed case for brands and retailers due to the violent outbreaks of interracial rivalries and riots. Buyers who turned to Myanmar in the last decade are losing sleep due to the country's political instability.

The apparel export items of Vietnam are totally different from Bangladesh. And the recent economic crisis in Sri Lanka is also pushing the South Asian country far behind Bangladesh in the competition.

The US-China tug-of-war is a major reason behind the increase in our apparel exports to the US in recent months. The declaration of a weekly three-day closure of manufacturing plants in a desperate bid to reduce carbon emissions is posing a major setback for the world's largest apparel-exporting country - China.

Moreover, China is also gradually shifting its focus from apparel to high-tech industries. China has steadily accounted for declining shares in the world's total apparel exports since 2015. Its market shares rebounded to 31.6% in 2020 from 30.7% in 2019.

Obviously, Bangladesh, which occupies only 6.3% global share, could claim a major portion of what China is leaving behind. The apparel buyers and retailers have little alternative to Bangladesh amidst the backdrop of the present global geo-political situation.

However, we have to do much here to retain the growth potential of our industry. Bangladesh needs to signal to the buyers right now that we are ready to double or triple our apparel export. The government needs to quickly wrap up the work of the garment industrial park in the Mirsarai economic zone.

The apparel entrepreneurs could be offered soft loans to build compliant and environment-friendly factories in the zone, and in other areas as well, to increase their capacity to accommodate the flow of orders in a sustainable manner. The world should be invited to come and see that we are ready and well-prepared to seize the opportunity.

OVERVIEW OF BANGLADESH ECONOMY

Bangladesh has an inspiring story of growth and development, aspiring to be an upper-middle-income country by 2031.

Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. A strong recovery from the COVID-19 pandemic continued in FY22, although a recent surge in commodity prices has presented new headwinds.

Bangladesh is also a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of \$1.90 a day (using the 2011 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

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CHALLENGES

Bangladesh, like many other countries, faces global economic challenges. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a widening Balance of Payments (BoP) deficit and accelerating inflation. Foreign exchange reserves declined, as a result, reaching US\$ 38.9 billion by the end of August 2022. Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity.

Over the medium term, the balance of payments is projected to return to surplus as import growth moderates.

To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs and employment opportunities through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

Development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions, including fiscal reforms to generate more domestic revenue for development. Addressing infrastructure gaps would accelerate growth. Addressing vulnerability to climate change and natural disasters will help Bangladesh to continue to build resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for the next generation.

GLOBAL ECONOMY OVERVIEW

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should be implemented to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

RISK & CONCERN

Lack of long-range planning, insufficient strategic investment policies, variable/uncertain fiscal & monetary policies, disorderly employment crises, buyers' dominance, international trade barriers, internal law, and poor structure especially in the transport sector, and lack of appropriate infrastructure, etc. offer the risk of business and investment.

FINANCIAL RESULTS

The Company's operating results, as compared to the previous year are summarized hereunder:

Amount in 'BDT'

Operational Results	Financial Year (Figure in 'million')			
	2021-2022		2020-2021	
	Consolidated	Separate	Consolidated	Separate
Revenue	10,150.62	10,014.28	7,930.13	7,905.84
Cost of Goods Sold	8,549.48	8,416.65	6,505.66	6,489.64
Gross Profit	1,601.14	1,597.63	1,424.47	1,416.19
Operating Expenses	891.41	887.51	816.52	812.47
Gross Operating Profit	709.73	710.12	607.94	603.72
Net Operating Profit	376.73	377.11	339.88	337.75
Financial Expenses	333.01	333.01	268.06	265.98
Non-Operating Income	16.79	23.97	22.66	29.67
Net Profit before WPPF & WP	393.51	401.09	362.54	367.42
Contribution WPPF & WP	2.87	2.87	2.06	2.06
Net Profit before Tax	390.64	398.22	360.48	365.36
Net Profit after Tax	318.67	327.49	296.9	301.86
Earnings Per Share (Tk.)	2.36	2.43	2.2	2.24

KEY PERFORMANCE RATIOS

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Gross Margin Ratio	15.59%	17.91%	21.91%	20.95%	21.42%
Operating Profit Ratio	7.09%	7.64%	11.18%	11.26%	11.74%
Return on Assets (ROA)	2.18%	2.28%	2.39%	4.29%	4.63%
Return on Equity (ROE)	3.75%	4.00%	4.03%	6.56%	7.23%
Earnings per Share	2.43	2.24	1.97	3.37	3.44
Net Assets Value Per Share with revaluation Reserve	65.32	64.21	50.61	50.14	49.27
Net Assets Value Per Share without revaluation Reserve	37.59	36.48	35.88	35.41	29.40

PROFIT AND ITS APPROPRIATION

Directors propose the appropriation of profit as follows:

Amount in 'BDT'

Particulars	Esquire Knit Composite Limited (stand-alone)	
	2021-2022	2020-2021
Net Profit After Tax	327,485,893	301,859,226
Adjustment for depreciation of Revalued Assets	-	-
Profit Brought Forward	2,487,333,307	2,387,817,831
Profit Available for Appropriation	2,814,819,200	2,689,677,057
Proposed Dividend:		
Cash Dividend	178,546,493	202,343,750
Profit Carried Forward	2,636,272,707	2,487,333,307



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CONTRIBUTION TO NATIONAL EXCHEQUER

Esquire Knit contributed an amount of BDT 66.08 million during the year of 2021-2022 to the national Exchequer as against BDT 54.85 million for the previous year of 2020-2021.

COMPANY'S OPERATION

Esquire Knit Composite Limited is a 100% export-oriented Company. It produces different types of Knit garments through its six units namely, knitting, fabric, printing, embroidery, industrial laundry, and garments units. Esquire Knit Composite Limited has over twenty-three years of experience and competency in the knit garments arena. The industry is one of the largest producers of knit garments in Bangladesh. Today it has one of the most sophisticated vertically integrated set-ups by which Esquire Knit is producing around 6,088,892 Kgs of Textiles and 34,690,032 Pcs of Apparel.

PRODUCTION CAPACITY & UTILIZATION

Details of production capacity & utilization

Particulars	Installed Capacity	Actual Production	Production Efficiency in %	Actual Production	Production Efficiency in %
Financial Year		2021-2022		2020-2021	
Unit	Kgs	Kgs		Kgs	
Textiles	8,030,000	6,088,892	75.83%	6,088,892	75.83%
Unit	Pcs	Pcs		Pcs	
Apparels	49,920,000	34,690,032	69.49%	34,690,032	69.49%

CAPITAL EXPENDITURES

Esquire Knit Composite Limited made an additional net capital expenditure of BDT 946.49 million in order to civil construction, import of machinery and other fixed assets under Kanchpur and Valuka Project during the financial year 2021-2022 as follows:

Figure in 'million'

	2021-2022	2020-2021
Valuka Project	447.38	1,003.70
Machineries in work in process	345.2	-
Building materials	153.91	2.54
Total Taka	946.49	1,006.24

The total amount was spent from the company's own source, IPO fund and borrowing from commercial banks.

FOREIGN EXCHANGE EARNED/SAVED

Esquire Knit Composite Limited has contributed a substantial amount to the Foreign Exchange Reserve of the Country. During the year BDT 10,014 million has earned/saved and contributed through its export marketing operation, which is depicted below:

Amount in Taka

	2021-2022	2020-2021
Total Export Earning	10,014,280,416	7,905,836,002
Less: Import Costs	4,597,895,043	3,386,772,746
Yarn	4,021,035,722	2,883,685,853
Dyes	165,142,421	136,158,338
Chemicals	307,637,091	267,970,550
Spare Parts	104,079,809	98,958,005
Misc. (with BMRE)	-	-
Net Export Earnings	5,416,385,373	4,519,063,256

CAPITAL MACHINERY

During the reporting year, the company spent BDT 345.20 million on purchasing capital machinery.

SEGMENT INFORMATION

Esquire Knit Composite Limited manufactures a single product 'Knit Garments' of varied specifications, compositions, colors, and qualities. Hence, the Company's 100% of its revenue is generated from its only product 'Knit Garments'. As per customers' requirements, Esquire Knit manufactures products and accordingly supplies the same customer destination.

The Company has also remarkable investments in its subsidiary companies that manufacture separate products and serve differently. Amongst the subsidiaries, newly acquired "L' Esquire Limited" manufactures "Lingerie" for its valued clients.

DISCLOSURE OF EXTRA-ORDINARY GAIN OR LOSS

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the company's ordinary day-to-day operations. There are no such gains or losses during the year under-reporting

CAPITAL INFUSION

During the year, there was no equity capital infusion in the Company. The existing Paid-up capital of the Company is BDT 1,348,958,330. The Company declared no stock/bonus dividend in the last financial year; as a result, the paid-up capital of the Company stood at BDT 1,348,958,330.

DISCLOSURE REGARDING UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES (IPO), RIGHTS ISSUES

The company has raised taka 150 crores from the market and as mentioned in the prospectus, it is committed to spending the funds expanding the business and equity collection cost. The IPO proceeds have been utilized in line with the condition of the commission's consent letter. As of 31 December 2021, the company has utilized the IPO proceeds as follows:



Boards' Report

Sl. No.	The purpose Mentioned in the prospectus	Status of Utilization As of 31 December 2021,		Status of Un-Utilization As of 31 December 2021,		Remarks
		Utilization amount in Taka	% Of Utilization	Un-utilization amount in Taka	% Of Un-Utilization	
1	Building and Civil Construction	1,004,215,500	100%	Nil	N/A	
2	Machineries	431,396,000	100%	Nil	N/A	
3	IPO Expenses	64,388,500	100%	Nil	N/A	
Total		1,500,000,000		Nil	N/A	

In this connection, we would like to inform all concerned that, we have always been and still are vigilant in implementing all the rules approved by the Commission on the utilization of IPO proceeds. We are informing everyone that 100% utilization of IPO proceeds of our company has been completed by 31 December 2021, which was approved and fixed by the Commission.

RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analyzing those, and taking precautionary steps to reduce/curb the risk. In the textiles industry, various risks encompassed it.

The risk may occur an adverse effect on the Company's sales and profit etc. Mostly, the risk arises from falling demand for the product, shortage of power, shortage of workers, workers unrest, and Raw material shortage along with other related risks such as Interest Rate Risk, Foreign Exchange Risk, Technology Risk, Market Risk, Political Risk, and other regulatory Risk, etc. The Company is aware of its risks concern and is well prepared to meet those through systematic control.

Details of the Risk Management of the Company are disclosed Separately by the Management of the Company in Annexure-XIII.



THE RISK MANAGEMENT PHILOSOPHY OF O EKCL'S ARE

Esquire Knit Composite Limited believes in the principle- "A Company is only as good as the people it keeps" and we have one of the best, most devoted, and most skilled teams of personnel in the country. These are the individuals with the best aptitudes, commitments, and expertise with a combination of experience and enthusiasm. They work hard closely with the clients and are entirely devoted to providing the best results, ensuring customer satisfaction encouraged by the Esquire Knit Composite Limited.

HUMAN RESOURCES

Esquire Knit considers its human resources as the most important asset. Always giving the maximum focus on the right placement of human resources, we strongly believe that efficient management & skilled workers are our greatest assets and as such recognize them as Building Blocks of the Company for their priceless efforts & performances.

We continue investing in our people for the enhancement and gradation of their skills through conducting research and development and on-the-job internal training programs.

We value the contributions each employee exerts in the organization and adopt policies that reward them accordingly through providing various financial & non-financial benefits.

The breakdown of your company's human resources is

The period ended on 30 June 2022

Worker	6,993
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Staff and officer	1,435
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Good Governance

I would like to restate that our Board maintains its effective role in policy formulation and discharging the best possible Corporate Governance. The Board has always remained focused on maximizing shareholders' value through formulating policies and guidelines towards ensuring sustainable profitability, minimizing risks, and establishing good governance in all spheres of the Company's operations. And the Management of the Company highly prioritizes Corporate Governance. In Compliance with Bangladesh Securities and Exchange Commission (BSEC) regulations and to further strengthen our Corporate Governance. A separate report on Corporate Governance is attached to this Annual Report.

RELATED PARTY TRANSACTIONS

During the financial year ended 30 June 2022, all transactions with the related Parties as defined under the Act read with Rules framed thereunder, were in the ordinary course of business and at arm's length basis. Our company does not have a 'Material Subsidiary' as defined under the Regulation of the BSEC.

During the year under review, our company did not enter into any Related Party Transaction which requires prior approval of the members of the company. All Related Party Transactions entered into by our company had prior approval of the audit Committee and the Board of Directors as required under the Listing Regulations. Subsequently, the Audit Committee and the Board have also reviewed the Related party Transactions on a quarterly basis. During the year under review, there have been no materially significant Related Party Transactions having potential conflict with the interest of the Company.

Since all Related Party Transactions entered into by our company were in the ordinary course of business and also on an arm's length basis, details required to be provided are not applicable to the company. Necessary disclosures required under the applicable rules have been made in Note No. 32 of the Notes to the financial statements for the financial year ended 30 June 2022.

Material Changes and Commitments affecting Financial Position between the end of the Financial Year and the date of this Report

Except for those disclosed in this Annual report, there are no material changes and commitments affecting the financial position of the company between the end of the financial year ended 30 June 2022 and the date of this Report.

MANAGEMENT

The Management of EKCL tries to improve the production process and human resources by conducting R&D and internal training programs. EKCL's management is led by its Managing Director who has achieved multi-dimensional experiences including business policy formulation and strategic management & been rewarded with several awards & recognitions for contributing tremendously in the different business arenas.

The Managing Director keeps track records in leading the team and the Company from the beginning till the present and is responsible to oversee the day-to-day operations of the business.

The Managing Director is the Head of the Factory & Head office, including day-to-day operations of the business; he also oversees Company's

Boards' Report

merchandising, procurement and production and directly reports to the Board.

The Company has different departments to perform different activities. All department heads have significant experience in related business areas and are liable to monitor the respective operations of EKCL. The Company is managed by a team of qualified and experienced professionals.

The Company formed various committees to oversee different internal issues. EKCL has around 6,993 workers in the factory and 1,435 officers and staff in the head office & factory total of 8,428 employees were working in Esquire Knit Composite Limited on 30 June 2022.

AUDIT AND AUDITORS

Appointment of Statutory Auditors

The tenure of the present Auditors M/s. Mahfel Huq & Co., Chartered Accountants, BGIC Tower (4th floor), 34, Topkhana Road, Dhaka-1000 of the Company will expire during the 22nd Annual General Meeting. The said Auditor performed their responsibilities 3 times at a stretch. As per the rules of BSEC, no Auditor can perform the designated responsibilities more than 3 times at a stretch.



According to the provisions of Bangladesh Securities and Exchange Commissions, the term of our present auditor M/s, Mahfel Huq & Co., will complete three consecutive years on the day of the 22nd Annual General Meeting, which will be held on 25 January 2023. Therefore, the company needs to appoint a new statutory auditor for the financial year 2022-2023, who will be able to conduct the audit work of the company till the financial year 2024-2025.

The Board of Directors of the company, based on the recommendation of the audit committee, at its meeting held on 30 October 2022, appointed M/s Pinaki & Company, Chartered Accountants, AHSANDELL, 2/A, Mymensingh Road (2nd floor), Shahbag, Dhaka-1000, as the Statutory Auditor of the company to hold office for a first term of three consecutive years from the conclusion of the 23rd AGM till the conclusion of the 25th AGM to be held in the year 2026 and will be placed for the approval in the meeting of shareholders, whereby the fee shall be fixed at Taka 750,000/- (Taka seven lac fifty thousand only) plus VAT. The Board requested the Shareholders to confirm the appointment at their 22nd Annual General Meeting.

Appointment of Compliance Auditors

The existing Compliance Auditors of the Company M/S. Chowdhury Bhattacharjee & Co., Chartered Accountants, retired at this 22nd Annual General Meeting on completion of their audit works for the year ended on 30 June 2022. They are, however, eligible for re-appointment as per BSEC notification. M/S. Chowdhury Bhattacharjee & Co., Chartered Accountants, expressed their interest to be re-appointed as Compliance Auditors of the Company for the Financial year 2022-2023 at a fee of Tk. 50,000/- (taka fifty thousand) plus VAT. The Board requested the Shareholders to confirm the appointment at their 22nd Annual General Meeting.

AUDIT COMMITTEE

The Board of Directors of our company has duly constituted in compliance with the provisions of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission. The recommendations made by the Audit Committee are accepted by our Company.

Name of the audit Committee Members, number of meetings held during the year under review, terms of reference and other requisite details have been provided in the Corporate Governance Report which forms part of this Annual Report.

APPOINTMENT OF INDEPENDENT DIRECTORS

According to the notification of Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission dated 3 June 2018, the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1(one) tenure only.

The term of the present two independent directors (Mr. Swapan Kumar Sarker and Mr. Placid Gomes, FCA) of our Company would expire on the day of 30 June 2022 in accordance with section 1(2)(e) of the notification issued by BSEC. In other words, these two independent directors will be relieved from the company on the day of 30 June 2022 as per the said BSEC notification.

The Board of Directors of the Company, based on the recommendation of the NRC has decided and approved that Mr. A.K.M. Shamsul Areefin, Additional Secretary (Retired), and Mr. Md. Mozammel Hossain, FCA, Ex-Company Secretary, NRB Commercial Bank Limited, were appointed at the board of the Company as new Independent Directors. This appointment will be effective on the board from the 1st July 2022. The Board requested the Shareholders to confirm the appointment at their 22nd Annual General Meeting.

SIGNIFICANT AND MATERIAL LITIGATIONS/ORDERS

During the year under review, there were no significant material orders passed by the Regulations/Courts and no litigation was outstanding as on 30 June 2022, which would impact the going concern status and future operations of our company.

BOARD OF DIRECTORS, BOARD AND SUB-COMMITTEE MEETINGS, RETIREMENT AND RE-ELECTION, DIRECTOR'S FEES AND REMUNERATION, BOARD MEETING AND ATTENDANCE AND KEY MANAGERIAL PERSONNEL.

Composition of the Board of Directors

Our company's Board is duly constituted and is in compliance with the requirements of the Companies Act 1994, the listing Regulations and Provisions of the Articles of Association of the Company. Our Board has been constituted with requisite diversity, wisdom, expertise and experience commensurate to the scale of operations of our company.

The Board comprised Seven Directors including Managing Director. Among the Directors, Mr. A.K.M Shamsul Areefin and Mr. Md. Mofazzal Hossain, FCA is the independent Directors of the Company as per BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 for three years term.

Boards' Report

Board and Sub-Committee Meetings

During the year under review, a total of eight meetings of the Board of Members, four meetings of the Audit Committee and two meetings of the NRC. Details are given below in comparison to the last three years.

Name of the Meeting	2021-2022	2020-2021	2019-2020
Board of Directors	8	5	4
Audit Committee	4	4	4
NRC Committee	2	2	1

Retirement and Re-election

Mr. Arifur Rahman and Mr. Md. Mofazzal Hossain, Directors of the Company, retire as per the Article of Association of the Company and being eligible offer themselves for re-election. A brief resume and other information of the above-mentioned Directors are depicted in the profiles of Directors page no 130.

Director's Fees and Remuneration

The Director who engaged in the Company's Day to day operations is receiving remuneration and other benefits from the Company as disclosed in the Financial Statement at note 35, page no. 239. Non-Executive Directors including Independent Directors are paid only an attendance fee of BDT 10,000/- (BDT ten thousand) for attending per Board Meeting.

Board Meetings and Attendance

During the year 8 (eight) Board Meetings were held. The attendance record of the Board Members is as follows:

Name of Directors	Position	Meeting Held	Attended the Meeting	Percentage
Mr. Md. Mofazzal Hossain	Chairman	8	8	100%
Mr. Md. Ehsanul Habib	Managing Director	8	8	100%
Mr. Arifur Rahman	Director	8	8	100%
Mr. Md. Muddasar Hossain	Director	8	8	100%
Mrs. Peara Begum	Director	8	8	100%
Mr. Swapan Kumar Sarker	Independent Director	8	8	100%
Md. Placid Gomes, FCA	Independent Director	8	8	100%

Others Members

Mr. Md. Mustafizur Rahman	Member Chief Financial Officer	8	8	100%
Mr. Monir Hossain	Member Company Secretary	8	8	100%
Mr. Md. Rakibur Rahman	Member Head of Internal Audit and Compliance	8	8	100%

Key Managerial Personnel

As of the date of this Report, Mr. Ehsanul Habib, Managing Director, Mr. Md. Arifur Rahman, Director, Mr. Md. Muddasar Hossain, Director, Mr. Md. Mustafizur Rahman, Chief Financial Officer, Mr. Monir Hossain, Company Secretary, and Mr. Md. Rakibur Rahman, Head of Internal Audit and Compliance are the Key Managerial Personnel (KMP) of our Company.

Committees of the Board

Pursuant to various requirements under the Act, the Listing Regulations, and the Notifications of Bangladesh Securities and Exchange Commission (no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Board of Directors has constituted various committees, such as the Audit Committee, Nomination, and Remuneration Committee, Internal Audit Committee, Corporate Governance compliance Committee, Risk management Committee and Management Committee. The details of composition, terms of reference, etc., pertaining to these committees are mentioned in the Corporate Governance Report.

RELEASEMENT OF EXISTING TWO INDEPENDENT DIRECTORS AND APPOINTMENT OF TWO NEW INDEPENDENT DIRECTORS

As per the Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission, the tenure of two existing independent directors, Mr. Swapan Kumar Sarkar and Mr. Placid Gomes, FCA of our Company has completed 6(six) consecutive years i.e., two tenures on 30 June 2022, hence they are not eligible for re-appointment as independent directors in the board of the Company as per the said BSEC's Notification. Thus, these two existing independent directors were released from the company on the day of 30 June 2022 as per the said BSEC's notification.

Then, based on the recommendation of the Nomination and Remuneration Committee, Mr. A.K.M. Shamsul Areefin and Mr. Md. Mozammel Hossain, FCA was appointed as an Independent Directors by the Board of Directors at its 125th Board Meeting held on 28 June 2022, w.e.f. 1 July 2022. A brief resume and other information of the above-mentioned directors is depicted in Page No 131. The Board will request the Shareholders to confirm the appointment of two new Independent Directors at their 22nd Annual General Meeting.

CODE OF CONDUCT

Esquire Knit has adopted Codes of Conduct for securing good business ethics and conduct in all aspects of the Company's activities. All the employees of the company are strictly required to abide by it.

MANAGEMENT COMMITTEE

The day-to-day Management of the Company is entrusted to the Managing Director and the Management Committee.

The members of the Management Committee are jointly accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategies.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of our company have submitted requisite declarations that they continue to meet the criteria of Independence as laid down in the applicable Corporate Governance Code issued by the BSEC and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity, and proficiency in terms of the applicable rules.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors and General meetings issued by the Institute of Chartered Secretaries of Bangladesh.

INFORMATION ON SHAREHOLDERS WHO HOLD ABOVE 10% OF SHARES

In compliance with condition No. 4 of the Commission's Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021.

Shareholding information of the Directors or Shareholders who have availed any loan or credit facility by lien or pledge of their shares to the lender(s) at the time of borrowing.

Company information:

As of 30 June 2022, the following directors or shareholders who hold 10% shares of our company have taken a loan or credit facility from the following financial and non-financial institution by keeping their share in lien or pledge or have pledged to other associate company to take loans:

Boards' Report

Name of the Shareholders	BOLD Number	Number of Shareholdings	Percentage of holding	Number of Share Pledge	Pledging status	Taking credit facility
Esquire Dyeing Industries Limited	1604420062000440	29,581,343	21.93%	29,581,343	Pledged entire holding	Bank Asia Limited
Mr. Md. Mofazzal Hossain	1604420062000610	28,791,667	21.34%	10,000,000	Pledged Part Holding	Community Bank Bangladesh Limited

SHAREHOLDING INFORMATION OF THE SAID DIRECTORS OR SHAREHOLDERS WHO HAVE AVAILED MARGIN LOAN FROM THE STOCKBROKER OR PORTFOLIO MANAGER.

Company information:

As of 30 June 2022, no Directors of our Company or any shareholders who hold 10% shares of our Company has not taken any margin loan from the stockbroker or portfolio manager against his/her share.

NOMINATION AND REMUNERATION POLICY

The Board of the company has adopted a Nomination and Remuneration Policy for the identification, selection, and appointment of Directors, Key Managerial Personnel, and Senior Management Personal of our company. The policy provides criteria for fixing the remuneration of the Directors, Key Managerial Personnel, Senior Management Personal as well as other employees of the company. The Policy enumerates the powers, roles, and responsibilities of the Nomination and Remuneration Committee.

Our Board, on the recommendations of the Nomination and Remuneration Committee, appoints Director(s) of the company based on his / her eligibility, experience, and qualifications and such appointment has approved the Members of the Board as well as the Members of the company at Annual General Meeting. The Policy also provides for Board Diversity criteria.

The Policy is annexed as Annexure X and is also uploaded on the website of company at www.esquireknit.com have been provided in the Corporate Governance Report which forms part of this Annual report.

CONFIRMATION OF COMPLIANCE ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Our company is committed to providing a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered an integral and important part of the organization

In terms of the Sexual harassment of Women at Workplace Act and Rules framed thereunder, our company has duly adopted a Policy and has also complied with the provisions relating to the constitution of the Internal Complaints Committee.

Our company has been conducting an awareness campaign across all its manufacturing units, warehouses, and office premises to encourage its employees to be more responsible and alert while discharging their duties.

GENDER EQUALITY IN THE WORKPLACE

Workplace gender equality will be achieved when people are able to access and enjoy equal rewards, resources, and opportunities regardless of gender. It will require the Removal of barriers to the full and equal participation of men and women in the workforce.

Our company complied with these issues in the workplace very sincerely, and therefore we can safely say that our employees are not victims of gender discrimination.

GOING CONCERNED

The Company has adequate resources to continue its business operation for the foreseeable future and hence, the financial statements have been prepared on a going-concern basis. As per the management's assessment, there are no significant doubts about the Company's ability to continue as a going concern.

Communication with Shareholders

- Accountable to:
- Shareholders
 - Board of Directors
 - Management

The Company encourages communication with shareholders throughout the year and welcomes their participation at shareholders' meetings. The Company is transparent with the stakeholders, including the owners of the Company. Four times each year, EKCL reports to its shareholders regarding its business, financial position, and earnings. These include:

- Quarterly and annual financial statements
- Annual General Meeting
- Price-sensitive disclosure and other disclosure to the BSEC and Stock Exchange.

In addition to the information, the Company is under a legal and regulatory requirement to publish via the newspaper. EKCL believes in transparency and accountability to society as a whole for the establishment of an efficient and effective Corporate Governance procedure.

DISCLOSURE REGARDING VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE & ANNUAL FINANCIAL STATEMENTS

Statements Quarterly Financial Statements are given separately. There were some variances in the financial results from quarter to quarter. But they are not of a very significant or material nature.

BOARD'S STATEMENT TO THE EFFECT THAT NO BONUS SHARES OR STOCK DIVIDEND HAS BEEN OR SHALL BE DECLARED AS AN INTERIM DIVIDEND

The Board of Directors of the Company declares that our Company has not declared any interim bonus shares or stock dividends for the financial year under review.

MINORITY INTERESTS

In Compliance with condition number 1 (5) (xvi) of the Corporate Governance code 2018 of BSEC, the Board hereby confirms that the interests of the Minority Shareholders have been duly protected in the Company.

UNPAID OR UNCLAIMED DIVIDEND

In this regard, the Bangladesh Securities and Exchange Commission issued a Directive on 14 January 2021 regarding the Unpaid or Unclaimed dividends of all listed companies. As per the directive issued, we have retained the list of recipients of unpaid or unclaimed dividend holders of our company and are in reserved condition. However, as directed, we did not transfer any funds to the Capital Market Stabilization Fund during the year under review, because we are not applicable to this law yet.

According to the financial year ended 30 June 2022, the total amount of unpaid or unclaimed dividends of our company stands at Taka 3,475,908.

DECLARATION BY MANAGING DIRECTOR AND CFO

Declaration by the Managing Director and Chief Financial Officer (CFO) on the Financial Statement of the Company is attached as Annexure-I.

Declaration by MD or CEO, CS, CFO, and HIAC of a listed Company shall not hold any executive position in any other company at the same time

The MD or CEO, CS, CFO, and HIAC of Esquire Knit Composite Limited did not hold any executive position in any other company at the same time.

THE PATTERN OF SHAREHOLDING

The Shareholding of Directors, Managing Director, Chief Financial Officer (CFO), Company Secretary, Key Executives, and their Spouses and Children are provided in Annexure-II.

The shareholding pattern is shown as on 30 June 2022 as per BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

KEY OPERATING AND FINANCIAL DATA

The summarized Key Operating and Financial Data for 2021-2022 and the immediately preceding five years is provided in Annexure-III.

MANAGEMENT DISCUSSION AND ANALYSIS

Detailed discussion on the Operating and Financial Performance of the Company along with other disclosures as required under the corporate governance Code issued by Bangladesh Securities and Exchange Commission through Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, has been Separately reported by the Managing Director as Annexure -IV.

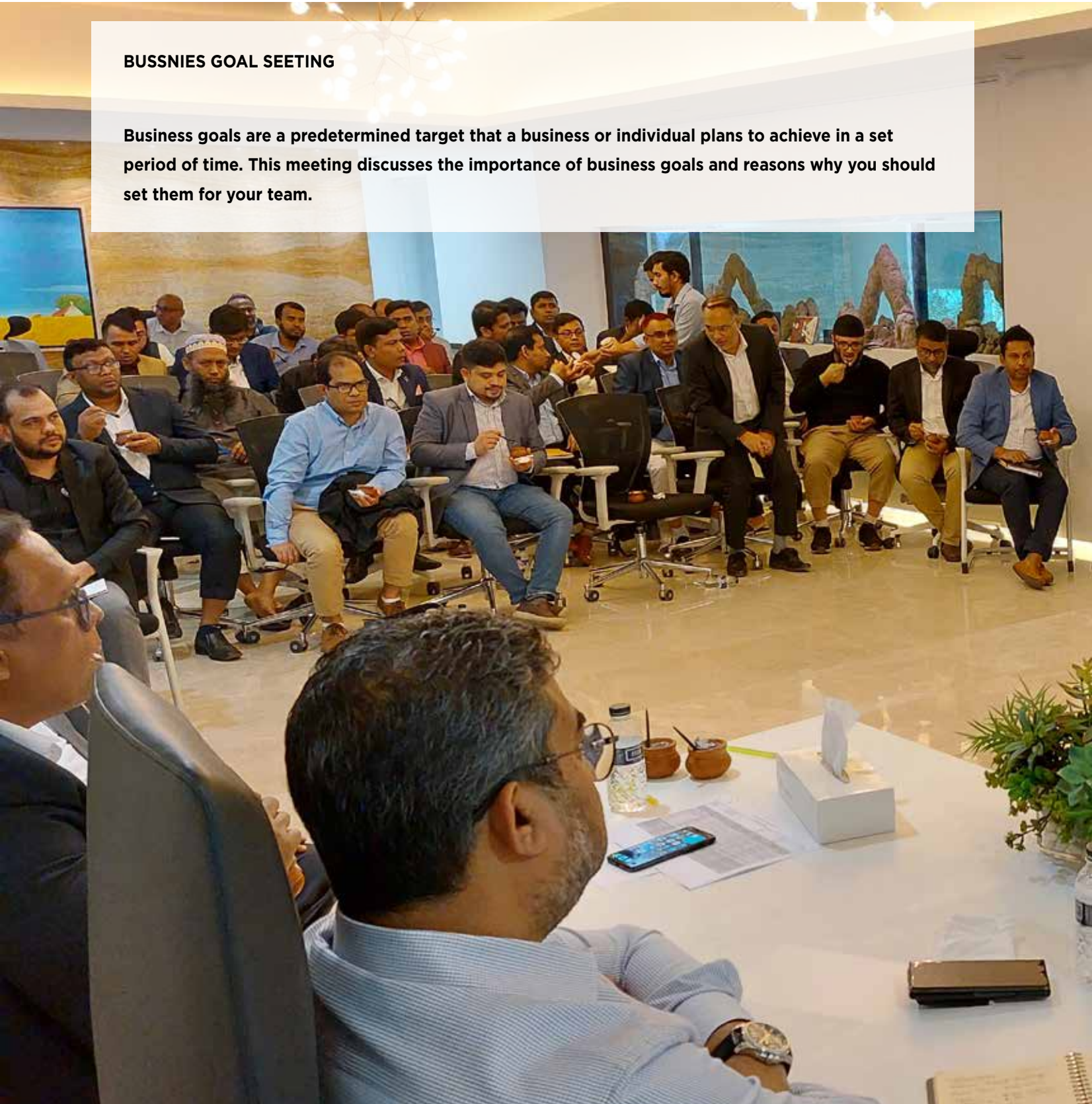
STATUS OF CORPORATE GOVERNANCE COMPLIANCE REPORT

In accordance with the requirement of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, report on "Corporate Governance Compliance" is provided in Annexure-V.

Boards' Report

BUSSNIES GOAL SEETING

Business goals are a predetermined target that a business or individual plans to achieve in a set period of time. This meeting discusses the importance of business goals and reasons why you should set them for your team.





Boards' Report

WEBSITE

The company maintains a website namely www.esquireknit.com. All Disclosures, Audited Financial Statements, and Annual Reports are available from our company here.

BUSINESS ETHICS

Esquire Knit now has become a reputed brand in Knit Garments Industry for delivering innovation, performance, and fashion craze to its clients. The key element of long-term success is integrity and sincerity through performing the business fairly -a factor that contributes greatly to keeping long-standing affiliations with our valued clients.

All of our employees are instructed to behave decently during delivering their words & performing deeds based on Esquire knits ethical principles.

We have designed our policy to hold our reputation as an excellent Company all the way through fantastic client servicing and ethical business dealings. This is how we manage our business and maintain high standards all the time.

Our motto is to grow with our esteemed clientele and stakeholders harmonizing a good acquaintance and also providing them nothing less than the best.

Our Board, Management, and employees strictly follow & support the regulatory guidelines, instructions, and all applicable laws, rules, and regulations of the concerned Authorities.

HEALTH & SAFETY

Esquire Knit provides the best Health & Safety Policy to its employees/workers based on EKCL's Corporate Business Principles and the Management and Leadership Principles which are maintained by the whole Esquire Group and also committed to continual improvement of the standards of the policy.

The Company ensures utmost safety in the entire business operations that meet or exceed the requirements where all activities are operated considering the highest security and safety from all types of possible accidents as well as the protection of the people at the workplace.

For ensuring maximum safety, while working in the factory it is mandatory for every staff to be dressed up properly having the necessary uniforms i.e., aprons, gloves, mask, helmet, boots, etc. We commit to identifying systematic hazards and managing them with appropriate risk assessments and subsequent actions to minimize the possible dangers. These approaches also reduce the threat to the business protecting our shareholders' interests and so on.

FUTURE GOAL

At Present our company is more focused on increasing its new markets by producing and exporting existing and new products. At the same time, one of the goals of the company is to control the costs and increase the Net Profit of the company and distribute it among the shareholders. Members of all levels of the company, including the members of the Board, are working tirelessly day to night to achieve this goal.

ANNEXURES FORMING PART OF THIS REPORT

The Annexures referred to in this Report and other information which is required to be disclosed are annexed herewith and form part of this Report:

Annexure	Particulars
VI	Directors Declaration
VII	Report to the Audit Committee
VIII	Activities of the Nomination and Remuneration Committee
IX	Involvement of the Director in Other Organizations
X	Nomination and Remuneration Policy
XI	Dividend Distribution Policy
XII	Risk Management
XIII	Corporate Social Responsibility (CSR)
XIV	Directors Profile

ACKNOWLEDGMENTS

The Board expresses its deep sense of gratitude towards the customers for their continuous patronage and remains committed to serving them by delivering more style and comfort at every step.

The Board is grateful to our business partners, suppliers, vendors, and associates as well as the regulatory authorities of the Governments in Bangladesh associated with our company in its progress and places on record its appreciation for their support and cooperation. The Board looks forward to their continued assistance in the future.

The Board is deeply grateful to our investors and shareholders for their unwavering confidence and faith in us.

The Board also acknowledges and appreciates the Independent Directors and the Non-Executive Directors of our company for their contribution by way of strategic guidance, sharing of knowledge, experience, and wisdom, which helps our company to take the appropriate decisions in achieving its business goals.

The Board places on record its deep appreciation to the employees, workmen, and staff including the Management headed by the departmental head for their hard work, dedication, and commitment, particularly during the pandemic and overall challenging business environment. The Board places on record their special gratitude towards the front-line staff working in our factories.

The ownership and responsiveness shown by all stakeholders during the pandemic are inimitable and are a testimony to the spirit of this great organization.

May Allah SWT (Subhanahu Wa Ta'ala) bless us all.



Md. Mofazzal Hossain
Chairman

Place : Dhaka

Date : 30 October 2022

Corporate Governance Report

[In terms of the BSEC Notification no. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018 issued by Securities and Exchange Commission]

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long-term value creation for all stakeholders. The Company carries out its business operations in a fair, transparent, and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely essential to abide by the applicable laws and regulations in letter and spirit and is committed to the highest standards of corporate governance and be considered a good corporate citizen of the Country.

DATE OF REPORT

The information provided in this Report on Corporate Governance for the purpose of unanimity is as on 30 June 2022. This Report is updated as of the date of the Report wherever applicable.

BOARD OF DIRECTORS

The Board of Directors of the Company (the "Board") has an optimum combination of Executive and Non-Executive Directors and is duly constituted under the Chairmanship of a Non-Executive Director. The Board Members possess adequate qualifications, knowledge, expertise, and experience to provide strategic guidance to the Company. The BSEC (BSEC notification No. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018) Regulations mandate that for a company with a Non-Executive Chairman, at least one-fifth of the Board should comprise Independent Directors.

As on 30 June 2022, the Board comprised 7 (seven) Directors, of which 4 (four) were Non-Executive Directors including the Chairman. Apart from this, there are 2 (two) Independent Directors among these four Non-Executive Directors. One women Director out of the total composition of the Board.

The composition of the Board as on 30 June 2022, the number of committees of which a director is a Member/Chairperson, and the attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Directors	Designations and category of the Directors	No. on membership on Board committees	No. on Chairpersonship on Board committees	No. of Board Meetings attended during the financial year 2021-22
Mr. Md. Mofazzal Hossain	Chairman and Non-Executive Director	N/A	N/A	8 out of 8
Mr. Md. Ehsanul Habib	Managing Director (Executive)	N/A	N/A	8 out of 8
Mr. Arifur Rahman	Director (Executive)	N/A	N/A	8 out of 8
Mr. Md. Muddasar Hossain	Director (Executive)	N/A	N/A	8 out of 8
Mrs. Peara Begum	Non-Executive Director	2	N/A	8 out of 8
Mr. Swapan Kumar Sarkar	Independent Non-Executive Director	2	1	8 out of 8
Mr. Placid Gomes, FCA	Independent Non-Executive Director	2	1	8 out of 8

The Committee positions are based on the latest disclosures received by the Company. The last AGM held on 26 January 2022 (21st AGM) through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") was attended by all the above-named directors.

BOARD MEETINGS AND ATTENDANCE

The Board met 8 (eight) times during the financial year that ended on 30 June 2022. At least one meeting of the Board was held in every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the financial year that ended on 30 June 2022. The details are as follows:

Meeting Number	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
118th of 2021-2022	30 October 2021	7	7	2
119th of 2021-2022	13 November 2021	7	7	2
220th of 2021-2022	30 January 2022	7	7	2
221st of 2021-2022	27 April 2022	7	7	2
222nd of 2021-2022	14 May 2022	7	7	2
223rd of 2021-2022	26 May 2022	7	7	2
224th of 2021-2022	15 June 2022	7	7	2
225th of 2021-2022	28 June 2022	7	7	2

The Directors have access to the complete agenda for meetings along with all relevant annexures and other information on their respective e-mail through the secretarial department and offline modes as well as functionality to make private notes and comments ahead of the meetings and many other advanced features.

BOARD COMMITTEES

The Board has promulgated various committees and has delegated specific responsibilities to them. The Committees review items in great detail before they are placed at the Board meetings for consideration. The Committees follow the defined guidelines and established the framework for their operations. The terms of reference of the committees are in compliance with the Act (BSEC guidelines) and the Listing Regulations. During the financial year ended 30 June 2022, the Board has constituted its committees and no terms of reference of the committees have been amended, as applicable, in compliance with the BSEC regulations dated 3 June 2018. The committees are-

1. Audit Committee
2. Nomination and Remuneration Committee

The above two committees are regulatory requirements and the terms of reference of these committees are limited by BSEC's regulation dated 3 June 2018.

3. Corporate Governance Compliance Committee
4. Risk Management Committee
5. Management Committee

The above three committees are constituted to ensure improvement, accountability and good governance in the Company and Management of the Company.

The Committees is provided, on a timely basis, with requisite information and detailed agenda papers, together with necessary supporting papers, as required.

ROLE & RESPONSIBILITIES OF THE BOARD

The Board is the supreme authority of the company to oversee its operations through appropriate delegation, monitoring, control and reporting. The Directors hold the activities of the Company in accordance with law and in the interest of its shareowners and other stakeholders, keeping in view the long-term interest and aspirations of the Company, while also discharging Company's legal obligations to its shareowners.

FUNCTIONING OF THE BOARD

The Directors meet together for the dispatch of the business and regulate the meetings and proceedings according to the needs of the Company.

Corporate Governance Report

Every Board Meeting is preceded by a service of notice well ahead of the scheduled time. Notice with agenda supported by working papers for every meeting of the Board is sent to all Directors well in advance so that they can come up with their considered views and can actively participate in the deliberations. During the meeting, the Board gets a thorough review of the performance of the Company by the Managing Director. All pertinent matters are discussed in detail and decisions are taken based on thorough considerations. Questions arising at any meeting are decided by a majority of votes. However, there is a procedure supported by the Articles of Associations of the Company which allows taking care of any urgent matter through Resolution by Circulation. Such circular resolution is adopted by the Directors present in Bangladesh, without having to call a formal Board Meeting. To make it transparent, such resolutions passed by circulation are subsequently tabled immediately following the board meeting and included in the minutes accordingly.

SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

The positions of Chairman and Managing Director are held by separate persons.

Mr. Md. Mofazzal Hossain - Chairman

The Chairman of the Company is responsible for the functions of the Board of the Company.

Mr. Md. Ehsanul Habib - Managing Director

The Managing Director of the company oversees everything in the company as per the direction of the Board and makes the decision and delivery.

INDEPENDENT DIRECTOR

In compliance with the Bangladesh Securities and Exchange Commission Regulations on Good Governance, the Board of Directors as empowered by the Regulations appointed Mr. Sawpan Kumar Sarker Ex. Additional Secretary of the Government of the People's Republic of Bangladesh. Mr. Sarker is a member of the University of Bradford Alumni Association. He is also a member of the Dhaka University Economics Department. Alumni Association (DUEDDA), Bangladesh Economic Association (BEA), JICA Alumni Association. He completed his M.S.S in Economics in the year of 1978 from Dhaka University of Dhaka. He completed a Diploma in Government Financial Management from the University of ULSTER of North Ireland in the year 2004. He joined in Board of Directors of Esquire Knit Composite Limited as an Independent Director as of 30 June 2016 and Mr. Placid Gomes, FCA, a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He obtained a Master's degree in Accounting from the University of Dhaka. Currently, he is working in the garments-sweater division of Sky Apparels Limited. He joined the Board of Directors of Esquire Knit Composite Limited as an Independent Director on 30 June 2016. Previously he served at Khulna Power Company Limited a renowned listed Company as a Head of Finance & Accounts. He has extensive experience in Finance & Accounts arena around 16 Years.



AUDIT COMMITTEE

The Board has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors, and the Board. The composition of the Audit Committee is in accordance with the provisions of the BSEC Notification no. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission. As on 30 June 2022, the Audit Committee has comprised of 3 (three) Non-Executive Directors, 2 (two) of whom are Independent Directors. All the members of the Audit Committee are financially literate with the majority having accounting or related financial management expertise. The Chairman of the Committee is an Independent (Non-Executive) Director, nominated by the Board. The Chief Financial Officer and the Head of the Internal Auditor are among the permanent invitees to the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, discussed, and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

COMPOSITION, MEETINGS, AND ATTENDANCE

At least one meeting of the Audit Committee was held in every quarter of the financial year that ended on 30 June 2022 and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days. During the financial year ended on 30 June 2022, 4 (four) Audit Committee meetings were held on 28 October 2021, 11 November 2021, 30 January 2022, and 27 April 2022. The composition and attendance of the members of the Audit Committee are-

Name of the Committee Members	Position of the Board	Position of the Committee	No. of meetings attended
Mr. Placid Gomes, FCA	Independent Non-Executive Director	Chairperson	4 out of 4
Mr. Swapan Kumar Sarkar	Independent Non-Executive Director	Member	4 out of 4
Mrs. Peara Begum	Non-Executive Director	Member	4 out of 4
Mr. Monir Hossain	Company Secretary	Member Secretary	4 out of 4

The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also coordinate with the Internal and External Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for the detection of errors fraud and other deficiencies. The other responsibilities include inter alia, not be limited to, the prevention of conflict of interest between the Company and its Director's officials, customers, suppliers, government, and any other interest groups and detecting or removing any scope of insider trading in the Company's compliance of requirements of BSEC and other agencies.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board has constituted a Nomination and Remuneration Committee in terms of the requirements of BSEC Notification no. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission

COMPOSITION, MEETINGS, AND ATTENDANCE

At least one meeting of the NRC was held every financial year. During the financial year ended on 30 June 2022, 2 (two) NRC meetings were held on 9 April 2022 and 28 June 2022. As on 30 June 2022, the Nomination and Remuneration Committee has comprised of 3 (three) Non-Executive Directors, 2 (two) of whom are Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The details of the composition, meetings, and attendance of the members of the Nomination and Remuneration Committee are as follows:

Name of the Committee Members	Position of the Board	Position of the Committee	No. of meetings attended
Mr. Swapan Kumar Sarkar	Independent Non-Executive Director	Chairperson	2 out of 2
Mr. Placid Gomes, FCA	Independent Non-Executive Director	Member	2 out of 2
Mrs. Peara Begum	Non-Executive Director	Member	2 out of 2
Mr. Monir Hossain	Company Secretary	Member Secretary	2 out of 2

Corporate Governance Report

CORPORATE GOVERNANCE COMPLIANCE COMMITTEE

The Board has constituted a Corporate Governance Compliance Committee to ensure improvement, accountability, and good governance in the Company and Management of the Company.

COMPOSITION, MEETINGS, AND ATTENDANCE

As on 30 June 2022, the Corporate Governance Compliance Committee has comprised 3 (three) Non-Executive Directors, 2 (two) of whom are Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The details of the composition, meetings and attendance of the members of the Nomination and Remuneration Committee are as follows:

Name of the Committee Members	Position of the Board	Position of the Committee	No. of meetings attended
Mr. Swapan Kumar Sarkar	Independent Non-Executive Director	Chairperson	This Committee will start its function in the next financial year 2022-2023.
Mr. Placid Gomes, FCA	Independent Non-Executive Director	Member	
Mrs. Peara Begum	Non-Executive Director	Member	
Mr. Monir Hossain	Company Secretary	Member Secretary	

RISK MANAGEMENT COMMITTEE

Risk Management is the process of identifying, assessing and controlling financial, legal, strategic and security risks to the Company's capital and earnings.

The Board has constituted a Risk Management Committee to ensure improvement, accountability and minimize risk in the Company and Management of the Company.



COMPOSITION, MEETINGS AND ATTENDANCE

As on 30 June 2022, the Corporate Governance Compliance Committee has comprised 3 (three) Non-Executive Directors, 2 (two) of whom are Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The details of the composition, meetings and attendance of the members of the Nomination and Remuneration Committee are as follows:

Name of the Committee Members	Position of the Board	Position of the Committee	No. of meetings attended
Mr. Placid Gomes, FCA	Independent Non-Executive Director	Chairperson	This Committee will start its function in the next financial year 2022-2023.
Mr. Swapan Kumar Sarkar	Independent Non-Executive Director	Member	
Mrs. Peara Begum	Non-Executive Director	Member	
Mr. Monir Hossain	Company Secretary	Member Secretary	

MANAGEMENT COMMITTEE

The Management Committee is led by the Managing Director, Mr. Md. Ehsanul Habib, who is appointed by the Board of Directors for a term of five years (renewable) with the approval of shareholders in the Annual General Meeting. The Management Committee comprises senior executive members of the Company. Within the limits of delegated authority and responsibility by the Board of Directors, Executive Management operates through further delegation of authority at every echelon of the line management.

The Management Committee operates within the framework, policy & planning strategies set by the Top management with periodic performance reporting for guidance.

The Management Committee is responsible for the preparation of segment plans/sub-segment plans for every profit center with budgetary targets for every item of goods & services and is held accountable for deficiencies, with an appreciation for outstanding and exceptional performance. These operations are continuously carried out by the Management Committee through a series of Committees, Sub-Committees, Adhoc Committees & Standing Committees assisting the line Management.

RELATIONSHIP

Relationship with shareholders & Public

The Shareholders as owners are required to be provided the material information on the company's operation every quarter and annually, the latter at the Annual General Meeting. They are also provided with routine services by the Company affairs division in matters of their various queries, share transfer, dematerialization, rematerialization of shares, payment of dividends, etc.

The Board is however responsible to the public for the publication of any price-sensitive information as per BSEC regulation. A qualified Secretary is in charge of all these responsibilities as a Company Secretary.

Relationship with Government

In its role of accountability to the government, the Board of Directors ensures payment of all dues to the government in the form of import duty, custom duty and port charges, VAT, corporate Taxes, and other levels as and when they became due on the basis of actual operations and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer at a progressive rate year after year.

Relationship with Financier/Bankers

The Board oversees the financial transactions to the lenders without default. This has resulted in securing lower interest rates from them.

Relationship with Suppliers

As the Company has to import plant, machinery and spare parts and almost all the raw materials from abroad, it maintains cordial and mutually beneficial interests with its international as well as local suppliers. This has enabled the Company to avoid any legal disputes in international/local courts and enhanced the Company's image as a good customer.

Corporate Social Responsibilities (CSR)

The Board of Directors is also aware of the Corporate Social Responsibilities (CSR), especially in the areas of gender equality, race-religion, regional

Corporate Governance Report

equality, non-employment of child labor, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and participation in charitable activities, etc.)

Chief Financial Officer, Company Secretary, and Head of Internal Audit and Compliance

The Company has appointed the following persons as Chief Financial Officer, Company Secretary and Internal Audit and Compliance of the Company as per the requirement of the Corporate Governance Code of Bangladesh Securities and Exchange Commission:

Mr. Md. Mustafizur Rahman	- Chief Financial Officer
Mr. Md. Monir Hossain	- Company Secretary
Mr. Md. Rakibur Rahman	- Head of Internal Audit and Compliance

ROLE OF CFO, CS AND HIAC

Role of Chief Financial officer

Esquire Knit Composite Limited has a Chief Financial Officer (CFO). He is a professional Accountant. He is responsible for the accounting and financial activities of the Company. The Board of Directors clearly defined the roles, responsibilities and duties of the CFO. In compliance with the corporate governance code of the BSEC, the CFO attends meetings of the Board of Directors.

Role of Company Secretary

As part of statutory requirements, the Board of Directors of Esquire Knit Composite Limited has appointed a Company Secretary. He is responsible for dealing with various corporate matters the Esquire Knit Composite Limited and acts as an officer of the Board, the bridge between the Board and other Stakeholders, custodian of the Shareholders and also conducts the statutory functions pursuant to the applicable laws and regulations. The Board of Directors clearly defined the rules, responsibilities and duties of the Company Secretary.



Role of Head of Internal Audit & Compliance

Esquire Knit Composite Limited has a Head of Internal Audit and Compliance. He has completed his Chartered Accountant (CC) under the Institute of Chartered Accountants of Bangladesh (ICAB). The Board of Directors clearly defined the respective roles, responsibilities and duties of the Head of Internal Audit & Compliance. In compliance with the corporate governance code of the BSEC, he attends meetings of the Board of Directors.

SUBSIDIARY COMPANY

Composition, Board Meetings and Attendance of the Board of Subsidiary Company

As on 30 June 2022, the Board is comprised of 6 (six) Directors, of which 2 (two) are representatives of Esquire Knit Composite Limited. During the financial year ended on 30 June 2022, 5 (five) Board Meetings were held on 28 October 2021, 13 November 2021, 30 January 2022, 26 April 2022 and 25 May 2022.

The details of the composition, meetings and attendance of the members of the board of the subsidiary company named L' Esquire Limited. are as follows:

Name of the Directors	Position of the Board	No. of meetings attendant
Mr. Md. Ehsanul Habib	Chairman	5 out of 5
Mr. Arifur Rahman	Managing Director	5 out of 5
Mr. Md. Mofazzal Hossain	Director	5 out of 5
Mr. Md. Muddasar Hossain	Director	5 out of 5
Mr. Ehsanul Habib (Representative of Esquire Knit Composite Limited)	Director	5 out of 5
Mr. Swapan Kumar Sarkar (Representative of Esquire Knit Composite Limited and Independent Director of EKCL)	Director	5 out of 5

Activities of Subsidiary Company during the Year

Esquire Knit Composite Limited has one subsidiary company and according to the corporate governance guidelines, activities are also followed in the subsidiary company relating to:-

- Composition of the Board of Directors of Esquire Knit Composite Limited should be composed including the requirement to appoint independent directors.
- Independent Director of Esquire Knit Composite Limited is also appointed in the Subsidiary Company.
- Minutes of Subsidiary Company is also placed in the Board Meeting of Esquire Knit Composite Limited for review.
- Reviewing the Financial Statements of the Subsidiary Company in the Audit Committee Meeting of Esquire Knit Composite Limited.

OTHER GOVERNANCE APPARATUS

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top-ranking professional service providers including Legal experts, bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive management in properly discharging their duties to all the shareholders, stakeholders, the Government and the Public as highlighted below:

LEGAL ADVISOR

In order to avail the best legal service for Good Corporate Governance, the Company has empaneled the following top-ranking legal professionals:

Mr. Md. Sameer Sattar, Bar-at-Law - Legal Advisor

He takes care of long-term basic/fundamental support for the good governance of the Company.

STATUTORY AUDITORS

The role of the Statutory Auditors in the certification of the financial statement is the most significant aspect of Corporate Governance and the protection of the interest of investors. As evident from the Annual Reports, the Company rigidly follows the code of International Accounting

Corporate Governance Report

Standards (IAS) and International Auditing (ISA) with legally required disclosures of Accounts and Financial Statements. This has been possible due to the high-level capability and integrity of M/S. Mahfel Huq & Co., Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of the interest of the investors.

INTERNAL AUDIT AND CONTROL

Esquire Knit Composite Limited considers that internal audit is one of the important regular functions of the Company. The Company has an independent internal audit department under the control of the Audit Committee of the Board. This department gives the effort to bring a methodical and disciplined approach to evaluate and improve the effectiveness of the organizations risk management process, the system of internal control and governance.

COMPLIANCE AUDITORS

The Compliance Auditors are responsible for the certificate of Compliance of Conditions of Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission as well as the provisions of relevant Bangladesh Secretarial Standards of the Institute of Chartered Secretaries of Bangladesh.

M/S. Chowdhury Bhattacharjee & Co., Chartered Accountants is the Compliance Auditors of Esquire Knit Composite Limited appointed by its Shareholders in the Annual General Meeting.

COMPLIANCES

EKCL has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

DIVIDEND DISTRIBUTION POLICY

In accordance with the requirement of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRD/2006-158/207/Admin/80, dated 3 June 2018, is provided in Annexure – XI.

SHAREHOLDERS' RELATIONSHIP

Corporate Governance issues include how major policy decisions are made in business corporations, how various stakeholders can influence the process, who is held accountable for performance and what performance standards are applied. In a nutshell power and influence are crucial in corporate governance. As shareholders, ownership structure has an impact on the balance of power among shareholders. Though sponsors usually hold majority shares required for ordinary regulations, public shareholders have a definite role and influence in the passing of special regulations required for changes in the business object, sale of business/productive assets, merger, and amalgamation winding up or dissolution and amendments to Memorandum and Articles of Association for protection of minority interest up to 25.88% shareholdings.

This position of shareholders as on 30 June 2022 indicates that the sponsors of the company do not hold the required shareholding for passing special resolutions. This allows the public shareholders (individuals & institutions) to play an effective role in protecting their legal corporate rights.

The company holds regularly as per law the Annual General Meeting with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. All reasonable and practicable suggestions are implemented with good grace.

A special resolution is passed in General Meeting with a due notice period. All inquiries are attended to by the Company Secretary. Where necessary, Internal Audit Committee investigates matters of significant merit for consideration by the Management Committee/Managing Director/Audit Committee of the Board/Board of Directors the case may be.

SEGMENT REPORT

The Company's operations are carried out on an aggregate basis and are managed as a single operating segment. Accordingly, the Company operates in one segment of developing, manufacturing and marketing of different types RMG for humans.

NATURE OF BUSINESS

Esquire Knit Composite Limited is a cent percent export-oriented Company. It produces different types of Knit Garments through its six units namely-Knitting units, fabric dyeing units, printing units, embroidery units, industrial laundry and garments units and sells the same to foreign buyers.

RISK PERCEPTION

The Company management perceives investment risk within the national and international economic perspectives in relation to legal and moral requirements involving inter alia, intellectual property rights, scientific invention, WTO Regulation, MFA, etc. and monetary and fiscal investment policies and has prepared its production & marketing strategies to meet the challenges from these risks.

SECRETARIAL STANDARD

Esquire Knit tries its best to maintain the Secretarial Standard in the meetings of the Board of Directors, Members (shareholders), Minutes and dividends issued by the Institute of Chartered Secretariates of Bangladesh.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM), Book Closure Period and Dividend Payment Date

The details of the AGM, Book Closure period and Dividend payment date have been disclosed in the Notice convening the 22nd AGM and forming part of the Annual Report.

Financial Year

The Financial Year of the Company is from 1st July to 30th June.

Financial Calendar for the Current Financial Year 2022-2023

Quarter Name	Period ended	Tentative Dates
1st Quarter	30 September 2022	By mid - November 2022
2nd Quarter	31 December 2022	By end - January 2023
3rd Quarter	31 March 2023	By end - April 2023
4th Quarter and Annual Audited Financial Performance	30 June 2023	By end - October 2023

Listing of Equity Shares on the Stock Exchanges with Scrip Code

The Equity Shares of the Company are listed on the following Stock Exchanges

Stock Exchange Name	Address	Trading Code	Scrip Code	Sector
Dhaka Stock Exchange Limited	Stock Exchange Building 9/F, Motijheel Commercial Area Dhaka-1000, Bangladesh.	ESQUIRENIT	17481	Textile
Chittagong Stock Exchange PLC.	Head Office CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong, Bangladesh. Dhaka Office 52-53, Dilkusha C/A, (level-15), Dhaka-1000, Bangladesh.	ESQUIRENIT	12069	Textiles and Clothing

Corporate Socialization

In order to play a model role for Good Governance characteristics in the corporate sector, the Company has become a member of the country's leading Bangladesh Garments Manufacturers & Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA), Bangladesh German Chamber of Commerce & Industry (BGCCI), Spain Bangladesh Chamber of Commerce and Industry, Bangladesh Association of Publicly Listed Companies (BAPLC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). These memberships have provided scope to the Company for improvement of Corporate Governance Practices for the benefit of the shareholders/Stakeholders.

Statement of Value Added

For the year ended 30 June 2022

	2021-2022	2020-2021
SOURCE OF FUND		
Net Revenue	10,014,280,416	7,905,836,002
Less: Bought in Materials & Service	6,331,434,377	4,693,730,540
Add: Other Income	23,973,365	29,670,793
Valued Added (Available for distribution to stakeholders)	3,706,819,404	3,241,776,255
APPLIED IN THE FOLLOWING WAYS:		
Employees		
Salaries, Wages, Gratuity, and other benefits	2,718,067,938	2,366,952,948
Contribution to workers' profit participation & welfare fund	2,870,688	2,060,747
Government	66,079,024	54,852,714
Provider of Capital		
Interest	535,349,152	468,320,859
Dividend	333,005,402	265,977,109
	202,343,750	202,343,750
Retained by the Company		
Depreciation	384,452,602	349,589,260
Retain Earnings	254,658,401	241,428,725
	129,794,202	108,160,536



Declaration by

Managing Director and Chief Financial Officer (CFO)

Annexure-I
to the directors' report

Date: 30 June 2022

The Board of Directors
Esquire Knit Composite Limited
Esquire Tower, 21 Shaheed Tajuddin Ahmed Sarani
Tejgaon, Dhaka-1208, Bangladesh.

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

Dear Sirs,

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

01. The Financial Statements of Esquire Knit Composite Limited for the year ended on 30 June 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;
02. 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;
03. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
04. To ensure the above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
05. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed: and
06. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- i. We have reviewed the financial statements for the year ended on 30 June 2022 and 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 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 my knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

For and on behalf of the Company



Md. Ehsanul Habib
Managing Director



Md. Mustafizur Rahman
Chief Financial Officer (CFO)

The Pattern of Shareholding

For the year ended 30 June 2022

Annexure-II
to the directors' report

The Shareholding Pattern of Esquire Knit Composite Limited Showing Parent/Subsidiary/Associated companies and other related parties as on 30 June 2022.

i. Shares held by Parent/Subsidiary/Associate Companies : NIL

Shares held by other related parties

Sl. No.	Name of the related parties	Number of Shares	% of Shares
1	Esquire Dying Industry Limited	29,581,343	21.93
2	Esquire Accessories Limited	1,214,677	0.9
3	Esquire Electronics Limited	5,848,010	4.34
Total Shares held		36,644,030	27.17

ii. Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children

a. Shares held by Directors of the Board

Sl. No.	Name of the Directors and their spouse and minor children	Position of the Board	Number of Shares	% Of Shares
1	Mr. Md. Mofazzal Hossain	Sponsor & Chairman	28,791,667	21.34
2	Mr. Md. Ehsanul Habib	Sponsor & Managing Director	15,032,960	11.14
3	Mr. Arifur Rahman	Sponsor & Director	7,925,000	5.87
4	Mr. Md. Muddasar Hossain	Sponsor & Director	7,925,000	5.87
5	Mrs. Peara Begum	Sponsor & Director	3,681,343	2.73
6	Mr. Swapan Kumar Sarker	Independent Director	NIL	0
7	Mr. Placid Gomes, FCA	Independent Director	NIL	0
Total shares held			63,355,970	46.95

b. Shares held by the Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children

Sl. No.	Name of the Member of the Board and their spouse and minor children	Position of the Company	Number of Shares
1	Mr. Md. Mustafizur Rahman	Chief Financial Officer	NIL
2	Mr. Md. Monir Hossain	Company Secretary	NIL
3	Mr. Md. Rakibur Rahman	Head of Internal Audit & Compliance	NIL

iii. Shares held by Executives of the Company: NIL

iv. Shareholders holding ten percent (10%) or more voting interest in the Company

Sl. No.	Name of the Shareholders	Number of Shares	% Of Shares
1	Mr. Md. Mofazzal Hossain	28,791,667	21.34
2	Mr. Md. Ehsanul Habib	15,032,960	11.14
3	Esquire Dying Industry Limited	29,581,343	21.93
Total Shares held		73,405,970	54.41

Key Operating and Financial Data (Standalone)

For the year ended 30 June 2022

Annexure-III
to the directors' report

Revenue and results from the operation

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Amount in Taka					
Total Revenue	10,014,280,416	7,905,836,002	5,000,518,624	5,919,576,583	4,841,134,840
Gross Profit	8,416,654,434	6,489,644,641	1,095,372,960	1,240,388,495	1,037,073,961
Gross Operating Profit	1,597,625,982	603,724,063	558,916,208	666,754,391	568,481,700
Net Operating Profit	377,114,298	337,746,954	284,254,319	442,530,063	426,381,080
Net Profit before tax	398,216,975	365,357,000	323,133,237	443,390,953	410,549,546
Net Profit after tax	327,485,893	301,859,226	266,003,303	383,607,218	343,968,575
Earnings per share (EPS)	2.43	2.24	1.97	3.37	3.44

Statement of financial position

	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Amount in Taka					
Total Assets	15,528,645,994	14,496,303,312	11,967,952,448	10,296,574,740	7,566,834,897
Total Non-Current assets	8,857,148,816	8,176,938,032	5,538,701,226	5,326,047,982	4,214,057,754
Total Current Assets	6,671,497,178	6,319,365,280	6,429,251,222	4,970,526,758	3,352,777,143
Shareholders' Equity	8,811,173,323	8,662,233,922	6,827,436,987	6,763,777,435	4,927,141,548
NAV per share with revaluation reserve	65.32	64.21	50.61	50.14	49.27
NAV per share without revaluation reserve	37.59	36.48	35.88	35.41	29.4

Changes in the financial position

	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Amount in Taka					
Share capital	1,348,958,330	1,348,958,330	1,348,958,330	1,000,000,000	1,000,000,000
Revaluation surplus	3,739,289,135	3,739,289,135	1,986,590,489	1,986,590,489	1,986,590,489
Retained earnings	2,636,272,708	2,487,333,307	2,387,817,831	2,324,158,278	1,940,551,060

Statements of cash flow

	2021-2022	2021-2020	2020-2019	2019-2018	2018-2017
Amount in Taka					
Net cash flow from operating activities	440,613,772	-173,066,389	290,429,710	230,817,660	520,577,824
Net cash flow from investing activities	-1,057,841,414	-1,158,149,856	-731,484,644	-1,710,587,509	-413,681,695
Net cash flow from financing activities	445,686,645	287,760,442	1,300,013,236	2,270,258,719	-95,106,977
Net Operating Cash Flow per share (NOCFPS)	3.27	-1.3	2.13	2.16	5.21

Statements of Shareholding

	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Total Number of Shares	134,895,833	134,895,833	134,895,833	134,895,833	1,000,000,000
Sponsors	63,355,970	63,355,970	63,355,970	63,355,970	63,355,970
Institutions	52,812,784	54,007,107	54,007,107	53,710,367	36,644,030
General Public	18,727,079	17,532,756	17,532,756	17,829,495	-

Statements of Employees

Number of Employees	8,428	8,418	8,272	8,281	7,980
Officers & Staff	1,435	1,435	1,490	1,522	1,466
Workers	6,993	6,983	6,782	6,759	6,514

Management Discussion & Analysis

Annexure-IV
to the directors' report

Pursuant to Condition No. 1 (5) (xxv) of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission, the Management Discussion & Analysis for the year ended 30 June 2022 of the Company are presented hereunder:

This discussion covers the financial results and other developments for the year ended 30 June 2022, with respect to our Consolidated business, comprising domestic and international business. The Consolidated entity has been referred to as 'Esquire Knit Composite Limited' or 'Company' in this discussion.

Some statements in this discussion describing projections, estimates, expectations, or outlooks may be forward-looking. Actual results may however differ materially from those stated, on account of various factors, such as changes in government regulations, tax regimes, economic developments, exchange rate and interest rate movements among other macro-economic factors, competitive environment, product demand and supply constraints within Bangladesh and the countries within which the company conducts its business.

ECONOMIC SCENARIO

GLOBAL

In early 2022, the global economy seemed to be on track for a strong, albeit uneven, recovery after leaving the worst of the COVID-19 pandemic behind (despite uncertainties associated with subsequent waves of infection and rising global inflationary pressures). However, spillovers from the Russian Federation's invasion of Ukraine have led to a sharp deceleration in global economic activity. In addition to the war, frequent and wider-ranging lockdowns in China due to the zero-COVID policy – including in key manufacturing hubs – have also slowed activity in the region and caused new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Global inflation has risen sharply from its lows in mid-2020. Markets expect inflation to peak in mid-2022 and then decline, but to remain elevated even after these shocks subside and monetary policies are tightened further. This has subdued global economic growth projections to only 2.9 percent in 2022 (significantly lower than the 4.1 percent that was anticipated in January) per World Bank's latest Global Economic Prospects report. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

In advanced economies, economic activity is being dampened by rising energy prices, less favorable financial conditions, and supply chain disruptions, all of which have been exacerbated by the war in Ukraine. As a result, growth in these economies is projected to decelerate from 5.1 percent in 2021 to 2.6 percent in 2022 – 1.2 percentage points below previous projections. Growth is expected to further moderate to 2.2 percent in 2023, largely reflecting the further unwinding of the fiscal and monetary policy support provided during the pandemic.

Growth in emerging market and developing economies (EMDEs)

this year has been downgraded to 3.4 percent, as negative spillovers from the Russia-Ukraine crisis more than offset any near-term boost to some commodity exporters from higher energy prices. The impact will be most severe for Europe and Central Asia, where output is forecasted to sharply contract this year. Output growth is projected to slow this year in all other regions except the Middle East and North Africa, where the benefits of higher energy prices for energy exporters are expected to outweigh those prices' negative impacts on other economies in the region.

Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecasted to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds – in particular, high commodity prices and continued monetary tightening – are expected to persist. A forceful and wide-ranging policy response is required by EMDE authorities and the global community to boost growth, bolster macroeconomic frameworks, reduce financial vulnerabilities, provide support to vulnerable population groups, and attenuate the long-term impacts of the global shocks of recent years.

BANGLADESH

Bangladesh has been among the fastest-growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, remittances and stable macroeconomic conditions. The country made a strong economic recovery from the COVID-19 pandemic.

GDP grew by 6.9% in the fiscal year 2021 (FY2021, ended 30 June 2021), up from 3.4% in FY2020 (FY2020, ended 30 June 2020). The rise in external trade and the swift implementation of supportive fiscal and monetary stimulus measures to tackle the impact of the COVID-19 pandemic helped to foster a solid expansion in FY2021. Private consumption was a major contributor to growth in FY2021 as a sharp increase in worker remittances boosted domestic income. The rise in private consumption was achieved despite restrictions imposed in the final quarter to contain a second COVID-19 wave. Inflation remained moderate and the current account deficit narrowed.

Growth is expected to remain strong in the current and following fiscal year, but below pre-pandemic levels, because growth in industrialized economies is expected to slow on disruptions from the Russian invasion of Ukraine. As per the Asian Development

Outlook (ADO) 2022 published by Asian Development Bank, GDP is projected to continue to grow at 6.9% in FY2022 and 7.1% in FY2023 based on growth in private consumption, stepped-up budget spending, a strong expansion in exports and improvement in agricultural output. With large available funding, public investment will increase to support the implementation of priority large infrastructure projects. Private investment will get stronger, reflecting solid growth in private sector credit and imports of industrial raw materials and capital goods.

HEALTH & WELLNESS WILL BE A GROWING DOMAIN

There is a growing awareness among people regarding their well-being. As people realize that good health needs proactive attention, they are rapidly growing closer to healthy eating habits. Since the outbreak of the COVID-19 pandemic, immunity-boosting foods and supplements have also gained traction. People are becoming more watchful of what they buy and what they consume, internally and topically. Organic, superfood-based, nutritious, natural products are gaining favor amongst the masses, no matter what category. There is a clear need for embracing healthy ingredients in the product DNA, for FMCG companies to stand out and make an impact. Digitization Since the outbreak of the COVID-19 pandemic, technology adoption has taken place at a breakneck pace across the entire value chain; this would have taken several years in a pre-pandemic world. Increasing smartphone and internet penetration is helping people in rural areas easily access online shopping. Digitization is increasingly becoming a priority for FMCG brands as customers interact with brands across multiple online and offline channels. Companies also get access to valuable data from these sources, including various social media platforms, web, and mobile applications. Besides, it also allows FMCG brands to engage better with their customers and convert one-time buyers into repeat customers.

ACCOUNTING POLICIES AND ESTIMATION FOR PREPARATION OF FINANCIAL STATEMENTS

Esquire Knit Composite Limited Follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) along with prevailing local rules and regulations applicable to the preparation of financial statements. Detail descriptions of accounting policies and estimations used for the Company are disclosed in Notes No. 2 and 3 to the Separate financial statements.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATION

Esquire Knit has been following consistent policies and estimation and there are no such changes in accounting policies or estimation which has a material impact on financial statements:

COMPARATIVE ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE

The Director's Report provides the analysis of financial performance and position during the year under review and also a detailed comparison of financial performance and position as well as cash flows are presented as part of the financial statements including notes.

However, major areas of financial performance, a financial position as well as cash flow in the immediately preceding three years (Since the Company came to Initial Public Offer in 2018-2019 including effects of inflation are depicted herein below:



Management Discussion & Analysis

Amount in Taka

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Financial Performance					
Revenue	10,014,280,416	7,905,836,002	5,000,518,624	5,919,576,583	4,841,134,840
Gross Profit	1,597,625,982	6,489,644,641	1,095,372,960	1,240,388,495	1,037,073,961
Net Profit before Tax	398,216,975	365,357,000	323,133,237	443,390,953	410,549,546
Net Profit after Tax	327,485,893	301,859,226	266,003,303	383,607,218	343,968,575
Financial Position					
Shares Outstanding	134,895,833	134,895,833	134,895,833	134,895,833	1,000,000,000
Shareholder's Equity	8,811,173,323	8,662,233,922	6,827,436,987	6,736,777,435	4,927,141,548
Total Assets	15,528,645,994	14,496,303,312	11,967,952,448	10,296,574,740	7,566,834,897
Total Liability	15,528,645,994	14,496,303,312	11,967,952,448	10,296,574,740	7,566,834,897
Current Assets	6,671,497,178	6,319,365,280	6,429,251,222	4,970,526,758	3,352,777,143
Current Liabilities	4,011,597,466	3,413,228,747	2,660,125,114	2,196,030,510	2,025,442,977
Net Cash Generated from Operating	440,613,772	(173,066,389)	290,429,710	230,817,660	520,577,824
Net Cash Used in Investing Activities	(1,057,841,414)	(1,158,149,856)	(731,484,644)	(1,710,587,509)	(413,689,695)
Net Cash Used in Financial Activities	445,686,645	287,760,442	1,300,013,236	2,270,258,719	(95,106,977)
Financial Ratio					
Current Ratio	1.66	1.85	2.42	2.66	1.66
Debt to Equity	0.59	0.52	0.58	0.36	0.33
Gross profit Margin (In %)	15.95	17.91	21.91	20.95	21.42
Return on Equity (In %)	3.75	4	4.03	6.56	7.23
Return on Assets (In %)	2.18	2.28	2.39	4.29	4.63
Ordinary Shares Information					
Shares Outstanding	134,895,833	134,895,833	134,895,833	134,895,833	1,000,000,000
Face Value per Share	10	10	10	10	10
Dividend-Cash (In %)	10%	15	15	15	0
Dividend-Stock (In %)	0	0	0	0	0
Dividend Payout (Cash + Stock)	71,539,863	202,343,750	202,343,750	202,343,750	0
Net Asset Value per Share with Revaluation Reserve	65.32	64.21	50.61	50.14	49.27
Net Asset Value per Share without Revaluation Reserve	37.59	36.48	35.88	35.41	29.4
Net Operating Cash Flow per Share	3.27	(1.3)	2.13	2.16	5.21
Earnings per Share (Standalone)	2.43	2.24	1.97	3.37	3.44
Earnings per Share (Consolidated)	2.36	2.2	0	0	0

RISK AND CONCERNS ISSUES RELATED TO THE FINANCIAL STATEMENTS

Esquire Knit has exposure to Counterpart Risk, Financial Risk, Credit Risk, Liquidity Risk and Market Risk arising from the financial statements. A detailed explanation of risk and concerns are explained in Note 37 to the consolidated financial statements. Esquire Knit has sufficient and effective measures/ controls to mitigate the risk and concerns.

FUTURE PLAN OR FORECAST

The Management of Esquire Knit is very sincere in the adoption of necessary feasible plans and strategies in respect of sustainability in its performances & financial position and continues to operate for the foreseeable future.

Corporate Governance Compliance Report

Annexure-V
to the directors' report

চৌধুরী ভট্টাচার্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

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Esquire Knit Composite Limited
Certificate of Compliance
Under Condition # 1(5) (xxvii) of CGC

Report to the Shareholders' of Esquire Knit Composite Limited On compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Esquire Knit Composite Limited** for the year ended on 30 June, 2022. This Code relates to the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated 3 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:

- 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;
- 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;
- 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
- The governance of the company is satisfactory.

Place: Dhaka
Dated: 12 December, 2022


Saptam Biswas, FCA
Enrollment No: 1615
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants



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Corporate Governance Compliance Report

Status of Compliance
(Under condition No. 1(5)(xxvii) of CGC)

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1.1	Board Size (minimum - 5 and maximum - 20)	√		Board of Directors comprises of 7 Directors including 02 Independent Directors
1.2	Independent Directors			
1.2 (a)	1/5th of total as Independent Director (ID)	√		
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	√		Does not hold any share of the Company.
1.2 (b) (ii)	Not a Sponsor of the Company	√		Independent Directors have declared their compliances.
1.2 (b) (iii)	Who has not been an executive of the company	√		
1.2 (b) (iv)	Does not have other relationship	√		
1.2 (b) (v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		
1.2 (b) (vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2 (b) (vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	√		
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	√		
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/ advance to a Bank or a Non-Bank Financial Institution.	√		
1.2 (b)(x)	Not convicted for a Criminal Offence	√		
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	√		
1.2 (d)	Post cannot remain vacant more than 90 days.	√		
1.2 (e)	Tenure of the Independent Director.	√		
1.3	Qualification of Independent Director			
1.3(a)	Independent Director shall be a knowledgeable individual.	√		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.			N/A
1.3(b)(ii)	Should be a Corporate Leader/Business Leader.			N/A
1.3(b)(iii)	Former official of government.	√		
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1.3(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.	√		
1 (3) (c)	The independent director shall have at least 10(ten) years of experiences.	√		
1 (3) (d)	Relaxation in special cases.			No such deviation occurred.
1.4	Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	√		Chairman announced as non-executive director from 01 Oct 2021 vide Board meeting at 30 October 2021.
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of Chairperson of the Board etc.	√		
1.5	The Directors' Report to Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry.	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factor.	√		
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.			No such event arose.
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.	√		
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			No such event arose.
1(5)(x)	Remuneration to Directors including Independent Director.	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Statement (IAS) or International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any	√		
	Departure there-from has been adequately disclosed.			
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.			No such event arose.
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the Year, the reasons there of shall be given.			Company has declared 10% Cash Dividend (except Sponsors & Directors Shareholder).
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.	√		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		

Corporate Governance Compliance Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	√		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)0)	Executives	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the board.	√		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv) (b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.			N/A
1(5)(xxv) (c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons.	√		
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 globe.	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed.	√		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior...	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.	√		
2(b)	Independent Director of holding company also in the subsidiary company.	√		
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3(1)(b)	The positions of the MD, CEO, CS, CFO & HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	√		
3.2 Requirement to attend Board of Directors' Meetings				
3 (2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	√		
3.3 Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)				
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance.	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		
3(3) (c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4 Board of Directors' Committee				
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
5 Audit Committee				
5.1 Responsibility to the Board of Directors				
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2 Constitution of the Audit committee				
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non- executive director.	√		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold	√		
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	√		
5.3 Chairperson of the Audit Committee				
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4 Meeting of the Audit Committee				
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	√		
5.5 Role of the Audit Committee				
5(5)(a)	Oversee the financial reporting process.	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		

Corporate Governance Compliance Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5(5)(d)	Performance of external auditors.	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	The review 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 Mgt.	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.			
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.	√		
5.6 Reporting of the Audit Committee				
5.6 (a) Reporting to the Board of Directors				
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.			No such incidence arose.
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			No such incidence arose.
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			No such incidence arose.
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such incidence arose.
5.6 (b) Reporting to the Authorities				
5.7 Reporting to the Shareholders and General Investors				
5(7)	Reporting to the Shareholders and General Investors	√		
6 Nomination and Remuneration Committee (NRC)				
6.1 Responsibility to the Board of Directors				
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	√		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
6.2 Constitution of the NRC				
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		
6(2)(b)	All members of the Committee shall be non-executive directors.	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		
6(2)(d)	Board have authority to remove and appoint any member of the committee.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	√		
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium from the company.	√		
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.			To be complied if necessary.
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
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.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:	√		
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance as required under condition No 9(1).	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		

Corporate Governance Compliance Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance and such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure- C attached, in the directors report whether the company has complied with these conditions or not.	√		



Directors Declaration

Annexure-VI
to the directors' report

The Directors also Report that:

Statement of Directors on Financial Reports

The Directors in accordance with BSEC Notification NO. BSEC/CMMCD/2006-158/207/Admin/80 dated 3 June 2018 confirms compliance with the financial reporting framework for the following:

1. The financial statements together with notes thereon have been drawn up in conformity with the Companies Act 1994, Financial Institution Act 1993 and the Bangladesh Securities and Exchange Commission Rules 1987, the rules and regulations issued by the Bangladesh Bank from time to time and other applicable laws and regulations.
These statements present fairly the Company's state of affairs, the result of its operation, cash flows and statement of changes in shareholders/ equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate Accounting Policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
4. The International Accounting Standards as applicable in Bangladesh have been followed in the preparation of the financial statements.
5. Internal Control System is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts about the ability of the Company to continue as a going concern.
7. There are no significant deviations in operating results compared to the last year.
8. The summarized key operating financial data of the last five preceding years on annexed as "Comparative Statistics" in the Annual Report.
9. The related party transaction has been disclosed in preparation for the financial statement.
10. The Pattern of Shareholding

Sd/- Md. Mofazzal Hossain Chairman	Sd/- Md. Ehsanul Habib Managing Director	Sd/- Arifur Rahman Director
Sd/- Md. Muddasar Hossain Director	Sd/- Mrs. Peara Begum Director	Sd/- Swapan Kumar Sarkar Independent Director
	Sd/- Placid Gomes, FCA Independent Director	

Audit Committee Report

Annexure-VII
to the directors' report

Report of the Audit Committee

For the years 2021-2022

The audit committee ("the Committee") comprises only two non-executive independent directors and one non-executive director. As on 30 June 2022, the Committee comprised:

- | | | |
|----|--------------------------------|---|
| 1. | Md. Placid Gomes, FCA | Chairperson
Non-Executive Independent Director |
| 2. | Mr. Swapan Kumar Sarkar | Member
Non-Executive Independent Director |
| 3. | Peara Begum | Member
Non-Executive Director |
| 4. | Md. Monir Hossain | Member Secretary
Company Secretary |



MR. MD. MOZAMMEL HOSSAIN, FCA
Chairperson (Present)

The Company Secretary acts as the secretary to the audit committee

Objectives of the Committee

The primary objective of the Committee is to assist the Board with oversight of:

1. The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures;
2. Compliance with legal and regulatory requirements;
3. The Company's independent auditors' professional qualifications and independence;
4. The performance of the Company's independent auditors and internal auditors; and
5. Acquisitions and investments made by the Company.

Responsibility of the audit committee

The Board of Directors of Esquire Knit Composite Limited is primarily responsible for ensuring that a proper and effective control system is in place to run the operations of the Company. It is meant to ensure the smooth functioning of the company along with compliance with all internal and external rules and regulations.

Effective internal control also ensures that measures are taken to minimize operational risk and detect errors in various operational areas to ensure timely rectification. Although a full-scale control system is not possible to establish, it helps the Management to keep effective control over operations and minimize deviations as possible.

The audit committee among others is also responsible for:

Assisting the Board in its oversight of

- i. the integrity and reporting of the Company quarterly and reporting of Company's quarterly, half-yearly and annual financial statements.
- ii. the qualifications, independence and performance of the Company's internal and external auditors.

Assisting the Board with respect to internal control, accounting policies, auditing and external reporting practices.

Overseeing the performance of the Company's internal audit function, independent audits and regulatory inspections.

Overseeing the Company's compliance with the rules of good corporate governance.

Internal control and compliance

The Company has a separate department for internal control and compliance. The department operates independently and has given responsibilities of the audit department is under:

- to ensure that the Company operates within the principle, policies, framework and procedures formulated by the Audit Committee.
- to ensure regulatory compliance in its day-to-day activities.
- to provide the Board and Management with detailed information regarding the business activities of the company.

Composition and attendance

100%	3	4	100%
Independence	Members	Meetings	Attendance

Attendance details of the audit committee

Audit committee meeting

Name of the directors	Committee meeting dates				Held during tenure	Present	% of attendance
	1	2	3	4			
	28.10.2021	11.11.2021	30.01.2022	27.04.2022			
Mr. Swapan Kumar Sarkar	Present	Present	Present	Present	4	4	100
Mr. Placid Gomes, FCA	Present	Present	Present	Present	4	4	100
Peara Begum	Present	Present	Present	Present	4	4	100
Attendance percentage	100%	100%	100%	100%			

The proceedings of the meeting were appropriately recorded. No member of the committee received any remuneration other than the board meeting attendance fees.

Functions and Activities

The main activities of the Audit Committee in the year under review were as follows:

Control Issue

- Reviewed Internal Control and Risk management system.
- Considered the effectiveness of the Company's Internal Controls over financial reporting.

Financial Results

- Reviewed reports from the Chief Financial Officer on the Quarterly, Half yearly and Annual Financial Statements, including other financial statements and disclosures prior to their publication.
- Reviewed the Annual Report, these reviews incorporated the accounting policies and key judgments and estimates underpinning the financial statements as disclosed in Notes to the Accounts.

Internal Audit Matters

- Received reports from the internal auditors.
- Monitored the performance of the internal audit function.
- Reviewed appropriate systems and controls in place for the effectiveness of the internal audit function.
- Monitored the Independence of Audit Work.

Governance and Compliance

- Reviewed compliance with existing laws and regulations.
- Reviewed financials of the subsidiary.

External Audit Matters

- Reviewed the effectiveness and independence of the statutory Auditors.
- Recommend appointment and remuneration of the Statutory Auditor.
- Reviewed the Annual Audit Activities and Audit Report.

Audit Committee Report

Recommendations of the Committee

Based on its discussion with the Management and the auditors, and a review of the representations of the Management and the report of the auditors, the Committee has recommended the following to the Board:

- The Company's quarterly financial statements, prepared in accordance with the Bangladesh Accounting Standards (BAS) as specified under the Companies Act, 1994, read with the relevant rules thereunder and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.
- The audited financial statements of Esquire Knit Composite Limited, prepared in accordance with BAS, for the year ended 30 June 2022 be accepted by the Board as a true and fair statement of the financial status of the Company.
- The audited consolidated financial statements of Esquire Knit Composite Limited and its subsidiaries, prepared in accordance with BAS, for the year ended 30 June 2022, be accepted by the Board as a true and fair statement of the financial status of the Group.
- The audited consolidated financial statements of Esquire Knit Composite Limited and its subsidiaries, prepared in Bangladeshi taka in accordance with IFRS, for the year ended 30 June 2022, be accepted by the Board as a true and fair statement of the financial status of the Group.
- Recommended, the appointment of Hoda Vasi Chowdhury & Co., Chartered Accountants as the statutory auditors of the Company under the Companies Act, 1994 subject to the approval of shareholders of the Company. Hoda Vasi Chowdhury & Co. will hold office for another term of 3 consecutive years commencing from the conclusion of the 23rd AGM and ending with the conclusion of the 25th AGM.

Relying on its review and the discussions with the Management and the independent auditors, the Committee believes that the Company's financial statements are fairly presented in conformity with BAS and IFRS and that there is no significant deficiency or material weakness in the Company's internal control over financial reporting. In conclusion, the Committee is sufficiently satisfied that it has complied with its responsibilities as outlined in the audit committee role. The Board accepted all recommendations made by the audit committee.

Acknowledgment

The members of the Audit Committee express their gratitude and thanks to the Board of Directors, Management and Internal Auditors and External Auditors for their cooperation while performing their duties and responsibilities.

On behalf of the Committee



Md. Mozammel Hossain, FCA
Chairperson



Md. Monir Hossain
Company Secretary

30 October 2022

Nomination and Remuneration committee Report

For the year ended 30 June 2022

Annexure-VIII
to the directors' report

The nomination and remuneration committee ("the Committee") comprises only two independent directors and one non-executive director. As on 30 June 2022, the Committee comprised:

1. **Mr. Swapan Kumar Sarkar** Chairperson
Non-Executive Independent Director
2. **Mr. Placid Gomes, FCA** Member
Non-Executive Independent Director
3. **Peara Begum** Member
Non-Executive Director
4. **Md. Monir Hossain** Member Secretary
Company Secretary



A.K.M. SHAMUSL AREEFIN
Chairperson (Present)

The Company Secretary acts as the secretary to the audit committee

Composition and attendance

100%	3	2	100%
Independence	Members	Meetings	Attendance

Attendance details of the audit committee

Nomination and remuneration committee meeting

Name of the directors	Committee meeting dates		Held during tenure	Present	% of attendance
	1	2			
	09.04.2022	28.06.2022			
A.K.M. Shamsul Areefin	Present	Present	2	2	100
Md. Mozammel Hossain, FCA	Present	Present	2	2	100
Peara Begum	Present	Present	2	2	100
Attendance percentage	100%	100%			

The proceedings of the meeting were appropriately recorded. No member of the committee received any remuneration other than the board meeting attendance fees.

Objectives of the Committee

The main objectives and responsibilities of the nomination and remuneration committee of the Board of Directors are to:

1. Assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives as well as a policy for the formal process of considering remuneration of directors, top-level executives;
2. Oversee the Company's remuneration policy for the Directors and top-level executives and make appropriate recommendations to the Board.
3. Assist the Board to select persons qualified to be a director or hold top-level executive positions fulfilling the pre-sett nomination criteria and recommending for their appointment.
4. Devise a policy on the Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background, etc.
5. Review the code of conduct of the Board on a periodic basis and recommend any amendments for the Board's consideration.
6. Assist the Board to devise the criteria for the evaluation of the performance of Independent Directors and other Board Members.

Nomination and Remuneration committee Report

7. Develop, recommend and review annually the Company's human resources and training policies.

Nomination and Remuneration Policy

The Company has a written policy on the nomination and appointment of Directors on the Board. The policy sets out the detail qualification and other eligibility norms for the members and the process of their nomination.; The policy is fair and non-discriminative.

All the Directors of the Board of Esquire Knit Composite Limited except the Director, Mrs. Peara Begum, Independent Director, Mr. Md. Mozammel Hossain, FCA, and Independent Director, Mr. A.K.M. Shamsul Areefin are executive directors. The company pays no remuneration to the non-executive Directors other than the fees for attending the Board.

The Company has a well-structured policy on the selection, recruitment and promotion of senior-level executives which is duly authorized by the Board.

Activities of the Committee during the year

The committee carried out the following activities in line with its terms of reference during the reporting period:

- a. Evaluated the code of conduct for the Chairman and other Board Members and made the appropriate recommendations.
- b. Reviewed the Company's existing policy on remuneration to Directors and top executives.
- c. Studied Company's human resource and training policies.
- d. Conducted an assessment of the qualification and other details of the Independent Director and made the appropriate recommendations to the Board.

On behalf of the Committee



A.K.M. Shamsul Areefin
Chairperson



Md. Monir Hossain
Company Secretary

Involvement of Board of Directors in other organizations

Annexure-IX
to the directors' report

Md. Mofazzal Hossain

Chairman

INVOLVEMENT IN OTHER ORGANIZATIONS

Esquire Dyeing Industries Limited
Esquire Testing Service (BD) Limited
Esquire Accessories Limited
Esquire Chemical Industries Limited
Meghna Plastic Industries (Pvt) Limited
Synthia Multi-Fiber Limited
Sharp Media Limited
Thakral Information System (Pvt) Limited
Thakral One Private Limited

Esquire Electronics Limited
Esquire Plastic Limited
Esquire Customer Care Limited
Shah Garments International Limited
New Dhaka Ceramic Industries (Pvt) Limited
L' Esquire Limited
MMH Textiles Limited
Trust Solution Private Limited
Esquire Travels Limited

Md. Ehsanul Habib

Managing Director

INVOLVEMENT IN OTHER ORGANIZATIONS

Esquire Dyeing Industries Limited
Esquire Testing Service (BD) Limited
Esquire Plastic Limited
L' Esquire Limited
Shah Garments International Limited
Meghna Plastic Industries (Pvt) Limited
Synthia Multi-Fiber Limited
L' Esquire Limited
Sharp Media Limited
Bangladesh German University
Thakral Information System (Pvt) Limited
T.M Chemical limited
Esquire Travels Limited
Esquire Heavy Industries Limited

Esquire Electronics Limited
Esquire Accessories Limited
Esquire Customer Care Limited
Esquire Chemical Industries Limited
Alpha Plastic & Packing Limited
New Dhaka Ceramic Industries (Pvt) Limited
MMH Textiles Limited
Esquire Sourcing Limited
Bangladesh German University
Best Life Insurance Company Limited
Trust Solution Private Limited
Olive Tree Foods Limited
Secures (Pvt) Limited

Mrs. Peara Begum

Director

INVOLVEMENT IN OTHER ORGANIZATIONS

Esquire Dyeing Industries Limited
Esquire Accessories Limited

Esquire Electronics Limited

Arifur Rahman

Director

INVOLVEMENT IN OTHER ORGANIZATIONS

Esquire Dyeing Industries Limited
Esquire Testing Service (BD) Limited
Esquire Plastic Limited
Esquire Customer Care Limited
Esquire Chemical Industries Limited
Meghna Plastic Industries (Pvt) Limited
Synthia Multi-Fiber Limited
Esquire Sourcing limited
Trust Solution Private Limited
Esquire Heavy Industries Limited

Esquire Electronics Limited
Esquire Accessories Limited
Alpha Plastic & Packaging Limited
L' Esquire Limited
Shah Garments International Limited
New Dhaka Ceramic Industries (Pvt) Limited
MMH Textiles Limited
Sharp Media Limited
Esquire Travels Limited

Involvement of Board of Directors in other organizations

Md. Muddasar Hossain
Director

INVOLVEMENT IN OTHER ORGANIZATIONS

Esquire Dyeing Industries Limited
Esquire Testing Service (BD) Limited
Esquire Plastic Limited
Meghna Plastic Industries (Pvt) Limited
L' Esquire Limited
MMH Textiles Limited
Esquire Travels Limited

Esquire Electronics Limited
Esquire Accessories Limited
Esquire Chemical Industries (Pvt) Limited
New Dhaka Ceramic Industries (Pvt) Limited
Syntha Multi-fiber Limited
Esquire Customer Care Limited

A.K.M. Shamsul Areefin
Independent Director

INVOLVEMENT IN OTHER ORGANIZATIONS

He is not involved with any other company

Md. Mozammel Hossain, FCA
Independent Director

INVOLVEMENT IN OTHER ORGANIZATIONS

He is not involved with any other company



Evaluation of Quarterly

Financial Statements of Esquire Knit Composite Limited

In compliance with the BSEC directives, Esquire Knit Composite Limited prepared consolidated quarterly financial statements as per applicable accounting methods and submitted the same to Dhaka Stock Exchange, Chittagong Stock Exchange, and BSEC regularly. Quarterly Consolidated Financial Statements are reviewed and approved by the Audit Committee and Board of Directors respectively. All price-sensitive information is published in at least two daily newspapers, one online news portal, and also available on our website.

UN-AUDITED FIRST QUARTER

During the period ended 30 September 2021, the total profit after tax of the company recorded Taka 92.76 million, which was Taka 70.49 million from the same period 30 September 2020.

UN-AUDITED SECOND QUARTER

During the period ended 31 December 2021, the total profit after tax of the company recorded Taka 85.04 million, which was Taka 80.53 million from the same period 30 September 2020.

UN-AUDITED THIRD QUARTER

During the period ended 31 March 2022, the total profit after tax of the company recorded Taka 101.15 million, which was Taka 93.06 million from the same period 30 September 2021.

COMPARATIVE QUARTERLY FINANCIAL PERFORMANCE IS STATED BELOW:

Un-audited financial position

Amount in million

Particulars	2021-2022			2020-2021		
	31-Mar-22	31-Dec-21	30-Sep-21	31-Mar-21	31-Dec-20	30-Sep-20
Non-Current Assets	8,993.31	8,943.67	8,453.37	5,874.90	5,532.84	5,553.12
Current Assets	5,987.20	5,711.74	6,585.16	5,936.68	5,987.58	6,629.87
Total assets	14,971.51	14,655.41	15,089.53	11,811.60	11,520.42	12,161.03
Shareholders' Equity	8,744.78	8,841.28	8,755.36	6,872.98	6,981.40	6,897.35
Non-Current Liabilities	2,077.77	2,376.44	2,625.95	2,386.11	2,260.75	2,270.95
Current Liabilities	4,148.96	3,437.69	3,657.22	2,552.49	2,278.27	2,992.60
NAV with Revolution Reserve	64.83	65.54	64.9	50.95	51.75	51.13
NAV without Revaluation Reserve	37.11	37.82	37.17	36.22	37.03	36.41

Un-audited income statement

Amount in million

Particulars	2021-2022			2020-2021		
	31-Mar-2022	31-Dec-2021	30-Sep-2021	31-Mar-2021	31-Dec-2020	30-Sep-2020
Revenue	2,350.88	2,359.42	2,661.94	1,858.19	2,018.27	1,713.39
Less: Cost of Goods Sold	1,930.54	1,962.96	2,160.19	1,537.58	1,688.18	1,395.15
Gross Profit	420.33	396.46	501.75	320.61	330.1	318.24
Less: Operating expenses	214.82	237.2	312.47	139.14	158.5	163.11
Gross operating Profit	205.51	159.26	189.28	181.47	171.6	155.14
Less: Financial Expenses	88.22	57.75	57.75	75.89	72.09	61.32
Net operating profit	117.29	101.52	131.54	105.59	99.51	93.81
Non-operating Income	3.1	3.04	3.15	3.97	1.31	1.31
Profit before WPPF	120.39	104.56	134.69	109.55	100.82	95.12
Provision for WPPF	0.77	0.77	0.62	0.83	0.5	0.5
Profit before Income Tax	119.61	103.79	134.07	108.73	100.32	90.36
Less: Income tax expenses	18.47	18.74	41.31	15.67	19.79	19.87
Current Tax	14.88	14.92	16.3	12.63	10.52	4.74
Deferred Tax	3.59	3.83	25.01	3.04	9.27	15.13
Net Profit after tax	101.15	85.04	92.76	93.06	80.53	70.49
Earnings Per Share	0.75	0.63	0.69	0.69	0.6	0.52

Market Value-Added Statement

For the year ended on 30 June 2022

Market Value Added (MAV) reveals the Company's external performance evaluated by the market through the share price of the Company.

Market value added (MVA) is a calculation that shows the difference between the market value of a company and the capital contributed by all investors/shareholders. In other words, it is the market value of debt and equity minus all capital claims held against the company.

It is calculated as:

$$MVA = V - K$$

Where,

MVA - is the market value added of the Company.

V - is the market value of the Company, including the value of the Company's equity and debt (its enterprise value).

K - is the total amount of capital invested in the Company.

Key Takeaways

1. MAVs are representations of value created by the actions and investments of a company's management.
2. A high MAV is evidence that the value of management's actions and investments is greater than the value of the capital contributed by shareholders, whereas a low MAV means just the opposite.
3. MAVs should not be considered a reliable indication of management performance during strong bull markets when stock prices raise in general.

The following statement illustrates how the Market Value Added (MAV) has been calculated for the year ended 30 June 2022 and 30 June 2021.

"Amount in Taka"

	30-Jun-22	30-Jun-21
Market Price per Share	35.3	40.7
Number of Shares	134,895,833	134,895,833
Market Value of the Company	4,046,874,990	5,490,260,403



Nomination and Remuneration Policy

Annexure-X
to the directors' report

The Board of Directors ('the Board') of Esquire Knit Composite Limited ("the Company") approved the renaming of its Nomination, Governance & Compensation Committee to "Nomination and Remuneration Committee" at the Board Meeting held on 30 November 2020 with immediate effect.

The Board, upon the recommendation of the Nomination and Remuneration Committee ("the Committee"), approved the Nomination and Remuneration Policy in terms of Section 6 of the Corporate Governance Code issued the Bangladesh Securities and Exchange Commission (BSEC) to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The Policy has been reviewed and revised by the Board at its Meeting held on 29 April 2021 based on the recommendation of the Committee.

1. Objective

The Nomination and Remuneration Committee shall act in accordance with Section 6 of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). The Key objective of the Committee shall be:

- 1.1 To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel, and Senior Management.
- 1.2 To evaluate the performance of the members of the Board and provide the necessary reports to the Board for further evaluation of the Board.
- 1.3 To recommend to the Board Remuneration payable to the Directors, Key Managerial Personnel Senior Management.
- 1.4 To provide Key Managerial Personnel and Senior Management rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- 1.5 To retain, motivate and promote talent and to ensure the long-term sustainability of talented managerial persons and create competitive advantage.
- 1.6 To devise a policy on Board diversity.
- 1.7 To develop a succession plan for the Board and for the Senior Management and to regularly review the plan;
- 1.8 To ensure the policy includes the following guiding principles:
 - 1.8.1 The level and composition of remuneration are reasonable and significant to attract, retain and motivate Directors of the quality required to run the Company successfully,
 - 1.8.2 Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
 - 1.8.3 Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

2. Review and interpretation

This Policy may be reviewed, amended, or substituted by the Board on the recommendation of the Committee as and when required and where there are any statutory changes necessitating any change in the Policy. Any subsequent notifications, circulars, guidelines, or amendments under the Act, the Listing Regulations and the BSEC's Notification as may be issued from time to time shall be applicable without any further modification or amendment in this Policy. Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neutral gender.

3. Role of the Committee

The Committee shall:

- 3.1 NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- 3.2 NRC shall oversee, among others, the following matters and make a report with recommendations to the Board:
 - 3.2.1 formulating the for determining qualifications, positive attributes and independence of a director and recommending a policy to the Board, relating to the remuneration of the Directors, Top Level Executive (Key Managerial Personnel and Senior Management) considering the following:
 - 3.2.1. (a) the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - 3.2.1. (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 3.2.1. (c) remuneration to directors and top-level executives (Key Managerial Personnel and Senior Management) 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;

Nomination and Remuneration Policy

- 3.2.2 devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- 3.2.3 identifying persons who are qualified to become directors and who may be appointed in top-level executive (Key Managerial Personnel and Senior Management) positions in accordance with the criteria laid down, and recommending their appointment and removal to the Board;
- 3.2.4 formulating the criteria for evaluation of the performance of independent directors and the Board;
- 3.2.5 identifying the company's needs for employees at different levels and determining their selection, transfer, or replacement and promotion criteria; and
- 3.2.6 developing, recommending and reviewing annually the company's human resources and training policies;
- 3.3 The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.
- 3.4 Policy for appointment and removal of a director, Key Managerial Personnel and Senior Management

3.4.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel, or Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess the adequate qualifications, expertise and experience for the position he/she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as a Whole-time Director who has attained the age of eighty-five years.
- d) A person shall be considered for appointment as an Independent Director on the Board of the Company, only if he/she discloses in writing his/her independence in terms of Section 1(2) and 1(3) of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission.

3.4.2 Term / Tenure

- a) Managing Director / Whole-time Director:
The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time.
- b) Independent Director: -
 - An Independent Director shall hold office for a period of 3 (three) years, which may be extended for 1 (one) tenure only;
 - Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e., six years].

3.4.3 Evaluation

The Committee shall advise the process to carry out the evaluation of the performance of every Director, KMP, Senior Management Personnel, and other employees at regular intervals (yearly). The evaluation process shall be conducted for the Board as a whole, Board Committees and also for the Directors individually.

Performance evaluation of the KMPs, Senior Management Personnel, and other employees shall be carried out by their respective reporting Executives and Functional Heads, based on the Key Results Area (KRA) set at the beginning of the financial year and reviewed at least once during the year to modify such KRAs if required. Performance evaluation of the Independent Directors shall be carried out by the entire Board, except the Independent Directors being evaluated.

3.4.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.4.5. Retirement

The Director, KMP, and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, and Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance with all applicable legislation.

3.5. Policy relating to the remuneration for the whole-time Director, KMP, and Senior Management Personnel

3.5.1. General:

- a) The remuneration/compensation/commission etc. to the Whole-time Director, KMP, and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/slabs /conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of a Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration. However, proportionate Insurance Premiums paid for Group Medclaim Policy or the Group Personal Accident Policy shall be considered as part of the overall remuneration for the individual director/employee of the Company.

3.5.2. Remuneration to whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- a) Fixed pay:
The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders.
- b) Minimum Remuneration:
If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the existing applicable rules.
- c) Provisions for excess remuneration:
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by special resolution within two years from the date the sum becomes refundable.

3.5.3 Remuneration to Non-Executive / Independent Director:

- a) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.
Provided that the amount of such fees shall not exceed the prescribed limits per meeting of the Board or Committee or such amount as may be decided by the Board of Directors from time to time.

3.5.4 Remuneration of other employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary, they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. The policy of motivation/reward/severance payments is applicable to this category of personnel as in the case of those in the management cadre.

Nomination and Remuneration Policy

3.5.5. Criteria for determining remuneration

While determining the remuneration of the directors, the Committee shall ensure that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate such directors of the quality required to run the Company successfully; the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

4. Constitution of the NRC

- 4.1 The Committee shall comprise at least three members including an independent director;
- 4.2 All members of the Committee shall be non-executive directors;
- 4.3 Members of the Committee shall be nominated and appointed by the Board;
- 4.4 The Board shall have the authority to remove and appoint any member of the committee;
- 4.5 In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;
- 4.6 The chairperson of the Committee may appoint or co-opt any external expert and/or member (s) of staff to the Committee as an advisor who shall be non-voting member if the Chairperson feels that advice or suggestion from such external expert and/or member (s) of staff shall be required or valuable for the Committee;
- 4.7 The company secretary shall act as the secretary of the Committee;
- 4.8 The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;

5. Chairperson

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. Frequency of meetings

The meeting of the Committee shall be held at such regular intervals as may be required but at least once in a year.

7. Committee members' interests

- 7.1 A member of the Committee is not entitled to be present when his or her own interest is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

9. Voting

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of the Members present and voting and any such decision shall for all purposes be deemed a decision of the committee.

10. Nomination duties

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from a business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matters, as may be requested by the Board.

11. Duties of the Committee

The duties of the Committee in relation to remuneration matters include

- 11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 To approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a fixed pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- 11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 To consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. Minutes of Committee meetings

Proceedings of all meetings must be minute and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting. The Company reserves the right to modify the aforesaid Policy as and when required to adopt the best practices in the industry and to comply with the requirements of the applicable regulations.

13. Explanation of top-level executive (Key Managerial Personnel and Senior Management)

Top-level executive (Key Managerial Personnel and Senior Management) includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

Dividend Distribution Policy

Annexure-XI
to the directors' report

Policy Introduction

Bangladesh Securities and Exchange Commission (BSEC) issued Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 for listed Companies to formulate their Dividend Distribution Policy and disclose the policy in the Company's annual report and official website. In compliance with this directive "Esquire Knit Composite Limited" (Esquire Knit Composite" or the "Company") publishes this statement as a guiding framework for the shareholders with regards to the Companies Dividend Policy.

This statement provides a brief outline of the legal and regulatory provisions relating to the dividend, key issues in dividend considerations, and procedure for the declaration, approval, and payment of the dividend.

The policy of Esquire Knit Composite Limited

The Dividend Distribution Policy of Esquire Knit Composite Limited recommends a set of principles/guidelines about the declaration and payment of dividends and matters incidental thereto or connected therewith. The said policy is formulated for ensuring proper distribution of declared dividends (final/interim) to the shareholders of the Company. The Board of Audit Committee reviewed the policy in its 23rd Committee Meeting dated 30th January 2022 which was finally approved by the Board of Directors in its 120th Board Meeting held on 30th January 2022

Major highlights of the Dividend Distribution Policy are as follows:

1. Procedure for declaration of dividends

The dividend would be recommended by the Board of Directors based on the Company's audited financial statements. Where necessary, all requisite approvals and clearances shall be obtained before the dividend declaration. Dividends shall be approved by the Shareholders at an Annual General Meeting (AGM) based on the recommendation of the Board of Directors but no dividend shall exceed the amount recommended by the Directors.

No dividend shall be paid other than out of profits of the year or any other undistributed profits of the Company. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned before the incorporation of the Company if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Interim dividend

The Company's Board of Directors shall make decisions about recommending interim dividends for the shareholders based on audited financial statements and declaring to the shareholders who shall be entitled to such dividends.

No stock or bonus entitlement shall be declared as an interim dividend. The Board of Directors may from time-to-time pay interim dividends to shareholders if it appears to the Board of Directors to be justified by the profits of the Company. The decision about recommending an interim dividend and entitlement for such dividends cannot be changed.

Final dividend

The Company's Board of Directors shall recommend a final dividend for the shareholders based on annual audited financial statements and declare the shareholders who shall be entitled to such dividend. The decision about recommending or not recommending the final dividend and entitlement for such dividend, if recommended, shall be taken after considering the interim dividend already distributed and cannot be changed before holding the AGM.

In case of declaration of stock dividend for the year, the Company shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report.

2. Entitlement to dividend

The Shareholders whose names would appear in the Register of Members of the Company and/or in the Depository on the 'Record Date' would be entitled to receive the Company's interim dividend. The Shareholders whose names would appear in the Register of Members of the Company and/or in the Depository on the 'Record Date' would be eligible to join the AGM and entitled to receive the annual/ final dividend of the Company.

3. Schedule for payment of dividends

Esquire Knit Composite Limited shall pay off the interim dividend to the entitled shareholders, within 30 (thirty) days of the record date. Esquire Knit Composite Limited shall pay off the Annual or final dividend to the entitled shareholders, within 30 (thirty) days from the date of approval by shareholders in the AGM

3.1 Cash dividend

Cash dividends shall be distributed in the following manner and procedures:

- 3.1.1. Within 10 (ten) days of the declaration of a cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of Esquire Knit Composite Limited;
- 3.1.2. The Company shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):
The Company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
- 3.1.3. Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has a debit balance or margin loan, or as per the intention of the client of a stock broker or merchant banker or portfolio manager, EKCL shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or the separate bank account of the merchant banker or portfolio manager through BEFTN:
The Company shall collect detailed information (e.g., BO account number, code Number, bank account number, intention, etc. of the client or customer including CCBA of stockbroker or separate bank account of merchant banker or portfolio manager) from the stockbroker or merchant banker or portfolio manager for such claim;
- 3.1.4. In case of non-availability of bank account information or if not possible to distribute cash dividends through BEFTN or an electronic payment system, EKCL shall issue a cash dividend warrant and shall send it by post to the shareholders;
- 3.1.5. The Company shall pay off cash dividends to non-resident sponsors, directors, shareholders, unit holders, or foreign portfolio investors (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- 3.1.6. The Company, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimation to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;
- 3.1.7. EKCL shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account';
The Company shall publish the year-wise summary of its unpaid or unclaimed dividends on the website.
Any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the issuer as maintained for this purpose, within 1 (one) year from the date of approval by shareholders in AGM;
- 3.1.8. If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of approval by shareholders in AGM, shall be transferred by the issuer to the Fund as directed or as prescribed by the Commission.
- 3.1.9. The Company shall provide detailed information to the manager of the Fund during the transfer of cash dividends as directed or prescribed by the Commission.

If any shareholder claims his/her cash dividend after the transfer of such dividend to the Fund, within 15 (fifteen) days of receiving the such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant by the provisions and procedures as directed or prescribed by the Commission.

Dividend Distribution Policy

3.2. Stock dividend

The stock dividend shall be distributed in the following manner and procedures:

- 3.2.1. EKCL shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholders, as applicable, within 30 (thirty) days from the date of approval by shareholders in AGM, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL).
- 3.2.2. EKCL shall follow the provisions of cÖweavb 46 of the wWcwRUwi (eˆenvwiK) cÖweavbgjv, 2003 for issuance of bonus shares. EKCL shall maintain a Suspense BO Account for undistributed or unclaimed stock dividends or bonus shares and shall also follow the under-mentioned procedures for ensuring the rightful ownership:
 - a) EKCL shall send at least 3 (three) reminders to the entitled shareholders.
 - b) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except to allot the bonus shares as and when the allottee approaches the issuer.
 - c) Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
 - d) EKCL shall, upon receiving an application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).
 - e) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders is established.
- 3.2.3. If any stock dividend or bonus shares remain unclaimed or unsettled including corporate benefit in terms of bonus share thereon for a period of 3 (three) years from the date of approval by shareholders in AGM, shall be transferred in dematerialized form to the BO Account of the Fund.
- 3.2.4. The Company shall provide detailed information to the manager of the Fund during the transfer of stock dividends or bonus shares as directed or prescribed by the Commission:

If any shareholder claims his/her stock dividend or bonus shares after the transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's Bo Account by the provisions and procedures as directed or prescribed by the Commission.

4. Payment of unclaimed or unpaid cash dividends and stock dividend

EKCL shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force. EKCL shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed or unpaid cash dividends and stock dividends to the entitled shareholders

5. Submission of dividend distribution compliance report

EKCL shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format issued by the regulator(s) within 7 (seven) working days of completion of dividend distribution to the entitled shareholders.

The Company shall publish the compliance report on its website.

6. Policy Review and Amendment

Apart from mandatory revision, modification, or amendment as necessitated by the legal and regulatory requirements, the Company shall review this policy periodically and make necessary revisions or amendments to keep the policy relevant and up to date. The Company's Board of Directors shall approve the revision and/or amendment as it deems fit.

7. Disclaimer

The above Policy Statements neither give an assurance of dividend to be declared by the Company nor does it constitute a commitment for any future dividend and thus be read as a general guideline on different dividend-related issues. The policy upholds the Board's absolute/complete liberty to recommend any dividend in deviation from the policy.

Risk Management and Management's Perceptions

BEING WATCHFUL

and action-driven RISK MANAGEMENT is at the core policy of Esquire Knit.

As the cascading effects of COVID-19 and the subsequent Russia Ukraine war continue to pose serious threats to the RMG (ready-made-garments) industry, it is imperative for companies to use risk management as a tool to protect company resources, and maintain operational efficiency, thereby, ensuring business continuity.

Taking a proactive approach, we have re-analyzed our exposure to risks across various categories, and strengthened the existing risk management framework, to draw up comprehensive mitigation plans for identified risks.

Risk management framework

Risk management is an integral part of our business strategy. In conducting our business and executing our strategy, we identify the risks, analyze their likelihood, quantify their consequential impact, and prepare our response plan for the same. While managing these risks, we also consider them as opportunities to emerge as a stronger and more agile organization.

Identify

Identify the top risk for each function/ business unit level

Quantify

Rate the risks on 'impact' and 'vulnerability' factors

Prioritize the top 10 risks at the Company level

Plan

Develop a mitigation plan for each risk with relevant efforts and result metrics

Recommend the plan to the Board for approval

Implement

Implement the risk mitigation plan

Monitor

Examine whether the mitigation plans are on track.

Periodically review the existing risks and related metrics

Continuous monitoring of the identified risks is a part of our practice, where we track the effectiveness of our efforts and update the Risk Management Committee on the progress.

Risk management refers to the practice of identifying potential risks in advance, analyzing those, and taking precautionary steps to reduce/curb the risk. In the textile industry, various risk is encompassed around it.

The risk may occur an adverse effect on the Company's sales and profit etc. Mostly, the risk arises from falling demand for the product, shortage of power, shortage of workers, workers unrest, and Raw material shortage along with other related risks such as Interest Rate Risk, Foreign Exchange Risk, Technology Risk, Market Risk, Political Risk and other regulatory Risk, etc. The Company is aware of its risks concern and is well prepared to meet those through systematic control.

Risk Management

Financial Risk Management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies have been established to identify and analyze the risk faced by the company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. 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 risks from its use of financial instruments.

- Credit Risk
- Interest Rate Risk
- Currency Risk
- Liquidity/Funding Risk
- Market Risk
- Business Risk
- Operation Risk
- Raw Material Supply Risk
- Exchange Rate Risk
- Power Generation Risk

Credit Risk

Credit risk is the risk of a financial loss of the company if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables.

As the company is involved in a hundred percent export-oriented businesses, all the sales are made against a Letter of Credit (L/C). A letter of Credit provides a guarantee against credit sales and minimizes the credit Risk to an acceptable level. Bill's receivable arises due to the time difference between the submission of bills to the bank for the collection of proceeds and the actual realization of the proceeds.

Interest Rate Risk

Esquire Knit enjoys Bank finance in the form of working capital as well as term loans. As a Bank fund borrower, the entity has to pay a significant amount of loan interest and charges. Bangladesh bank has moved to remove the interest rate ceiling on lending in the wake of a massive liquidity crisis in the financial market lettering the price to be determined by the functioning of demand-supply interaction. This measure may invite interest rate instability, which may create volatility in the profitability of business-like Esquire Knit.

Currency Risk

The company is exposed to currency risk on receiving sales proceeds and payments made for raw material purchases as well. A maximum of the company's foreign currency transactions is denominated in USD.

Liquidity/Funding 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 to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have significant 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 obligations through preparation of the cash flow forecast based on the timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Market Risk

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

In the past, on some occasion's large buyers of different RMG exporters have decided to withdraw business, or has become bankrupt, or were subject to a regulatory injunction from importing from Bangladesh, creating a strong impact on the exporter. For Esquire, single buyer concentration is not a major issue and they have a longstanding relationship with overseas buyers. All of them regard Esquire Knit as their global partner and the relationship can only be disrupted if Esquire Knit fails to perform its commitments. Also, because of its dominant position in the export market, it is always sought after by many buyers.

Business Risk

Managing Compliance- Currently RMG buyers especially large buyers are very demanding and constantly tightening the compliance criteria. Esquire Knit has been at the forefront of compliance among the RMG exporters in the county. They have compliant plants with effluent water treatment facilities, childcare facilities, adequate ventilation, spacious infrastructure layout, etc. Till now they were able to meet all the compliance challenges in their 30 years plus business experience and are likely to do, so in the coming years. Esquire Knit mitigates compliance risk since it is WRAP-certified and passed other audits from the Department of Environment (DOE) and overseas buyers.

Achievement of sales volume- Historically, Esquire Knit has been successful to achieve its sales target after expansion as most of its expansions are planned after receiving order indications from its buyers.

Operation Risk

Technology is a continuous process of development. Innovation of new and cost-effective technology may obsolete existing technology, which may cause a negative impact on the business. The project is equipped with good machinery and technology to cope with the modern textile world. The management both in head office and production premises seem to be competent and maintain the standard level of quality and run the operations effectively. However, in order to reduce operational risk, the company is yet to ensure an external control mechanism. The company has minimum exposure to operational risk.

Raw Material Supply Risk

The company receives yarn, dyes & chemicals both from local as well as foreign suppliers. Import-based supplies can be affected by any uncontrollable event or political barrier. Since its inception the company did not face any such uncontrollable events, so far because of maintaining a good supply chain relationship with the suppliers of raw materials, and in exceptional cases, it is confident to make alternative arrangements at shorter notice.

Exchange Rate Risk

Exchange rate risk arises from currency fluctuation in international trade. If the Bangladeshi taka is devalued and/or foreign currency revalued then the price of imported raw materials will go up which will decrease the overall profit margin. As the company is dependent upon the import of yarn, dyes, chemicals & accessories, and in the future, it will be the same, volatility of the exchange rate will have an impact on the profitability of the company. For the last couple of years, Bangladeshi Taka found to carry floated value and is expected to follow the same which exposed the company to significant exchange rate risk.

Power Generation Risk

The industrial bases of Bangladesh are mainly aided by natural gas-driven power generation which causes disruption occasionally and the weaving industry is not an exception. Smooth availability of gas will ensure the maximum functioning of the machinery. Esquire Knit uses natural gas to produce power from captive power plants. Currently a circular from the government has emerged to arrange alternatives to gas due to the recent acute gas crisis. The company is connected to a 15 PSI gas line and currently does not face any problems with gas pressure. So other things being constant, Esquire Knit does not foresee significant risk for power generation.

Corporate Social Responsibility

Annexure-XIII
to the directors' report

Corporate Social Responsibility (CSR) is a public-spirited cause that has been well introduced by the company's own policy. Through CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on other hand. CSR is traditionally driven by a moral obligation and humanitarian spirit. Esquire Knit has a heritage to be engaged in charities and humanitarian activities, along with a number of other social activities.

The Company completely endorses reliability. It is committed to conducting business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.

Esquire Knit is an organization that strives to fulfill its social responsibility. It provides its employees with safe working conditions, fair policies regarding appointment and remuneration and ethical workplace standards. There is no bias towards age, gender, color, or marital status in its employee policies.

The employees of Esquire Knit are specially trained in safety conditions at the workplace. It has specific health and safety standards, which are reviewed annually.

Esquire Knit undertakes strict quality control and research and development to provide products of the best quality to its customers.

It undertakes environmental reviews of its operations periodically and ensures that the environment is not adversely affected by its activities.

As our workforces are a vital part of our success, we strive to create a working environment that promotes team spirit, passion, engagement, and achievement ensuring proper safety and security as well.

Apart from delivering various financial and non-financial benefits for their encouragement and motivation, the Company also provides the following facilities for its people:

Transportation Facilities for Working Employees

Esquire Knit has provided its employees with Picking up and dropping off service by company's own vehicles.

Fair Price Shop

A one-stop grocery solution for all our employees, namely 'APON SHONGSHAR' was launched in 2019 that provides at least a 10% discount on all their products. Employees may also buy products in arrears and the due amount may be adjusted with their salary. Also, when they shop for taka 2,000/- to taka 2,500/- worth of products for consecutive three months from the shop, they are eligible for health insurance worth taka 15,000/-.

Healthcare Assistants

Esquire Knit has appointed three MBBS Doctors and five Medical Assistants to care for the employees at their factory. The medical team provides first aid to employees and advice to patients with complex illnesses. The team arranges regular medical check-ups and blood donations for the employees. Due to all these activities of our medical team, the physical condition of the employees working in our factory is good.

Esquire Knit, with the help of their medical team, has started a Vaccine Registration Camp for the employees of the company as the government has started vaccinating the nation against the epidemic of Corona Virus. As a result, almost all the employees of our company have come under-vaccinated.

Newborn Baby Gift Hamper

Esquire Knit believes that the workplace is the second home of its employees. That's why since 2019 Esquire Knit has launched a Newborn Baby Gift Hamper for its pregnant employees.

Celebration of Important Days

Esquire Knit believes in celebration. That's why, Esquire Knit celebrates all the important occasions with its employees, such as -Bengali New Year, Victory Day, Independence Day, International Mother Language Day, Women's Day, Mother's Day, etc. And on a personal note, the company has recently started celebrating its employees' birthdays to keep their morale strong.

Providing Sanitary Napkin Discount

Over 62% of our employees are women; thus, their health and hygiene are immensely vital for the smooth operation of our business. We provide high-quality sanitary napkins to all of our female employees, where the company provides 50% of the total cost, and the employee pays the rest. It encourages all its female employees to participate in this scheme, so that they may benefit from it the most.

Post-Eid Raffle Draw

Esquire Knit organizes a raffle draw among their employees after Eid. Not all employees get prizes but everyone enjoys it. This ensures their motivation in coming back to work right after the long vacations.

Plastic Household at Discount Price

As Esquire Plastic Limited, a sister concern of Esquire Knit, we offer all our employees a considerable amount of discount on all the plastic products that are produced by Esquire Plastics.

Electronics Items at Discounted Price

Esquire Knit has always been working to improve the quality of life of its employees. As a result, Esquire Knit has introduced a discount facility among its employees for the purchase of electronic products from its sister concern Esquire Electronics Limited. Under this facility, around the year, employees of Esquire Knit purchase various electronic products including refrigerators, and television at discounted prices, especially before Eid-ul-Azha.

Discounted Skincare Products of Unilever

Through collaboration with Unilever, employees of Esquire Knit can also obtain discounted skincare merchandise available in the premise's super-market.

Nano Dye Technology

The Nano Dye Technology is another initiative taken by Esquire Knit to ensure a less hazardous, water-efficient, and environment-friendly fabric dyeing process.

Bangladesh PaCT (Partnership for Cleaner Textiles)

IFC-led Advisory Partnership for Cleaner Textile (PaCT) is a holistic program that supports the entire textile value chain – spinning, weaving, wet processing, and garment factories in adopting Cleaner Production (CP) practices and engages with brands, technology suppliers, industrial associations, financial institutions, government to bring about systemic and positive environmental change for the Bangladesh textile sector and contribute to the sector's long-term competitiveness and environmental sustainability.

Esquire Knit is an IFC-PaCT advisory services client since 2016. The factory underwent a Cleaner Production assessment, had invested in low-cost and no-cost resource efficiency measures including condensate recovery, insulation, energy-efficient lighting, and trigger nozzles for water and compressed air lines. Esquire Knit has been a front-runner in the PaCT Program, displaying enthusiasm for utilizing cutting-edge technology, and taking part in panel discussions at various workshops and events.

In 2018, Esquire Knit signed up with IFC-PaCT to conduct a rooftop solar pre-feasibility study to diversify energy sources. We are playing a lead role with support from IFC-PaCT to promote cluster-based industrial solar solutions.

Society (Social Development)

Keeping in mind sustainable development for all, Esquire Knit is committed and concerned to making generous contributions to social development through its Corporate Social Responsibility (CSR) initiatives; especially Education, Healthcare, Environment, Arts and Culture, and Community Development.

Esquire Knit strongly believes that in participating in the development of society, it is only helping itself and making its own effort for a better future.

Directors Profile

Annexure-XIV
to the directors' report

RE-APPOINTMENT OF DIRECTORS



MR. ARIFUR RAHMAN
Director

Mr. Arifur Rahman is a Sponsor Director of Esquire Knit Composite Limited since its inception in 2000. Also, Mr. Arifur Rahman is a Sponsor Director as well as Managing Director of Esquire Electronics Limited. He is the second eldest son of Mr. Md. Mofazzal Hossain, Founder, and Chairman of the Esquire Group. He studied in the United Kingdom and obtained Bachelor's degree in Business Administration. After completing his education, he joined Esquire Group with a focus on implementing strategic business planning and corporate management practices in the organizations and has a rich experience of more than eighteen years in the dyeing, readymade garments, textiles, garments accessories, electronics, plastic household products & IT. He played a pivotal role in establishing a successful export-oriented industry in the country as he gathered a lot of experience in the textile and electronics field.

He is also the Sponsor Director of Esquire Dyeing Industries Limited, Esquire Electronics Limited, L' Esquire Limited, Esquire Testing Services (BD) Limited, Esquire Accessories Limited, Esquire Plastic Limited, Esquire Customer Care Limited, Esquire Chemical Industries Limited, Shah Garments International Limited, Meghna Plastic Industries (Pvt) Limited, New Dhaka Ceramic Industries (Pvt) Limited, Synthia Multi-fiber Limited, MMH Textiles Limited, Sharp Media Limited, Trust Solution Private Limited, and Esquire Travels Limited.



MR. MD. MOFAZZAL HOSSAIN
Director

Mr. Md. Mofazzal Hossain is the Chairman of the Board of Directors of Esquire Knit Composite Limited. He is the Sponsor Director of Esquire Knit Composite Limited, Esquire Electronics Limited, Esquire Dyeing Industries Limited, Esquire Accessories Limited, and other companies under the Esquire Group.

Mr. Md. Mofazzal Hossain is the Chairman and founder of Esquire Group. He has been in business for more than thirty-one years. He started his business with electronics products at the beginning of his business life and for the first time in Bangladesh he launched and introduced the famous Japanese electronics brand called "the General Brand". He has established himself in the electronics business as well as dyeing, readymade garments, knit garments, textiles, and trading for the last thirty-one years. In his business life, he created a lot of jobs in the country as well as played an unimaginable role in the country's economy. He is still involved in many social activities to improve the living standards of the people of this country. He has established himself as a successful entrepreneur at home and abroad. He is a man who stands in the present and sees the future in the light of past experiences.

He is also the Sponsor Director of Esquire Dyeing Industries Limited, Esquire Electronics Limited, L' Esquire Limited, Esquire Testing Services (BD) Limited, Esquire Accessories Limited, Esquire Plastic Limited, Esquire Customer Care Limited, Esquire Chemical Industries Limited, Shah Garments International Limited, Meghna Plastic Industries (Pvt) Limited, New Dhaka Ceramic Industries (Pvt) Limited, Synthia Multi-fiber Limited, MMH Textiles Limited, Sharp Media Limited, Trust Solution Private Limited, Thakral Information Systems (Pvt) Limited, Thakral One Private Limited and Esquire Travels Limited.

Mr. Hossain came from a novel Muslim family. The family legacy and his own inherent qualities gave him a great sense of value and direction and made him a successful personality in every sphere of life.

NEW APPOINTMENT OF INDEPENDENT DIRECTORS



MR. A.K.M. SHAMSUL AREEFIN
Independent Director

Mr. A.K.M. Shamsul Areefin was the Additional Secretary of the Government of the People's Republic of Bangladesh. He completed his M.A. in English from Dhaka University and his M.A. in Islamic Studies from People's University.

During his tenure as Additional Secretary in the Ministry of Industries, Mr. Areefin was involved as a director on the board of many non-listed companies including BRB Cables Limited.

Mr. Areefin is a Non-Executive Independent Director of Esquire Knit Composite Limited as well as the Chairperson of the Nomination and Remuneration Committee (NRC) and Corporate Governance Committee. He is also a Member of the Audit Committee, and Risk Management Committee and a representative director on the board of L, Esquire Limited on behalf of Esquire Knit Composite Limited, where L'Esquire is a subsidiary of Esquire Knit Composite Limited. Mr. Areefin joined the Board of Directors of Esquire Knit Composite Limited from the date of 1 July 2022.



MR. MD. MOZAMMEL HOSSAIN, FCA
Independent Director

Mr. Md. Mozammel Hossain, FCA is a Fellow Member of the Institute of Chartered Accountants of Bangladesh, Member of the Dhaka Taxes Bar Association of Dhaka, Bangladesh. He has held a responsible and senior leadership position in various Bangladeshi Public Companies. Notable among these are NRB Commercial Bank Limited, Pragati Life Insurance Limited, Bangladesh Finance & Investment Limited, and City General Insurance Co. Limited. He worked as Company Secretary in the said publicly listed company for about twenty-one years. In his last role, he was the Company Secretary at NRB Commercial Bank Limited.

Mr. Mozammel holds a Master's in Commerce (Finance) from Dhaka University. He has attended "Career Building & Leadership" and "Code of Ethics for Professional Accountants" programs at The Institute of Chartered Accountants of Bangladesh.

Mr. Mozammel is a Non-Executive Independent Director of Esquire Knit Composite Limited as well as the Chairperson of the Audit Committee and Risk Management Committee. He is also a Member of the Nomination and Remuneration Committee (NRC) and Corporate Governance Committee. Mr. Mozammel joined the Board of Directors of Esquire Knit Composite Limited from the date of 1 July 2022.

Financials



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF ESQUIRE KNIT COMPOSITE LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Esquire Knit Composite Limited and its Subsidiaries (the "Group"), as well as the separate financial statements of Esquire Knit Composite Limited ("the Company"), which comprise consolidated and separate Statement of Financial Position as at 30 June 2022 and consolidated and separate Statement of Profit or Loss and Other Comprehensive Income, consolidated and separate Statement of Changes in Equity and consolidated and separate Statement of Cash Flows for the year then ended, notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements is present fairly, in all material respects, the consolidated financial position of the Group and separate financial position of the Company as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

1. Revenue	
Risk	Our response to the risk
<p>The company reported total revenue of BDT 10,150,621,352 as at 30 June 2022.</p> <p>Revenue increased by BDT 2,220,493,931 which shows 28% higher revenue compared to last year. The company is 100% export oriented, which includes deemed export. In addition, revenue is measured including cash incentives upon receipt of Proceed Realization Certificate (PRC) from the bank. Revenue recognition therefore is a material and judgmental issue. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the company's profitability, which has a consequent impact on its share price performance.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of each revenue as per VAT Return and L/C documents on a sample basis; • segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded at the year-end date to determine whether revenue was recognized in the current period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
[See note 24.00 to the financial statements]	

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF ESQUIRE KNIT COMPOSITE LIMITED

2. Accounts Receivables

Risk	Our response to the risk
<p>The company has BDT 1,311,122,533 of accounts receivables as at 30 June 2022.</p> <p>The company had 100% foreign buyers; therefore, the accounts receivable balance confirmation is a material issue.</p>	<p>For accounts receivables our key audit procedures included the following:</p> <ul style="list-style-type: none"> • We sent accounts receivable balance confirmations to the customers on a sample basis; • We analyzed the aging of trade receivables; and • We obtained a list of total outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.
[See note 8.00 to the financial statements]	

3. Capital work in progress

Risk	Our response to the risk
<p>The Company's assets held under capital work in progress as on the closing date are amounted to BDT 2,699,987,342 equivalent to 29% of total non-Current assets. Due to the high volume of transactions, utilization of IPO proceeds, terms and valuation of these assets, it was considered significant to our audit.</p>	<p>Our audit procedures to address the risk of material misstatement relating to capital work in progress includes obtaining an understanding of the internal control over capital work in progress, assessing the risks of material misstatement. Our audit procedures to address the risk of material misstatement relating to Capital work in progress to the financial statements included:</p> <ul style="list-style-type: none"> • Obtaining and assessing the movement of the capital work in progress; • Obtaining audited IPO utilization certificate up December 2021. • Verifying the records to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work-in-progress; • Verifying the supporting documents with reference to the underlying contractor bills, work orders, certification of work performed by expert personnel, comparison of the progress and the costs incurred up-to-date with the budgets, policy and plan; • Reconciling the movement of capital work in progress from opening to closing, specifically verifying additions during the year and transferred to Property, Plant and Equipment during the year; • Verifying the dates on which the assets are moved from the capital work-in-progress account to the fixed assets so that the depreciation on fixed assets may be computed correctly, and; • Site visit and physical observations of the work on-going for capital work in progress.
[See note 5.00 to the financial statements]	

4. Existence and Valuation of Inventories

Risk	Our response to the risk
<p>The company had inventory of BDT 3,746,164,398 at 30th June 2022, held in Factory. The inventories include Yarn, Dyes, Chemical, Finishing Materials, Work-in-process, and Finished goods. Due to variety of inventory items and various range in value of those inventories. Inventories had been considered as key audit matter.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Management applies measurement such as absorption of several costs in determining the appropriate values for work in progress.</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. • 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 • Performing surprise stock counting and obtaining stock confirmations from factory to check the existence and reconciling the count results to the inventory listings to test the completeness of data;
[See note 7.00 to the financial statements]	

<p>1. Related party transaction</p> <p>The Company has related party transactions as described in notes to the financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Evaluated the transactions among the related parties and tested material accounts balances. <p>Evaluated the disclosures in the financial statements in compliance with IAS 24.</p>
<p>[See note 32.00 to the financial statements]</p>	

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF ESQUIRE KNIT COMPOSITE LIMITED

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditure incurred, except as noted above, were to the purpose of company business



Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No. 1522
For and behalf of
Mahfel Huq & Co., Chartered Accountants
Firm Registration No. P-46323

Place: Dhaka
Date: 30 October 2022

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

Particulars	Notes	Amount in Taka	
		30-Jun-2022	30-Jun-2021
Assets			
Non-Current Assets		9,319,977,108	8,402,276,382
Property, plant and equipment	4.00	6,509,714,766	6,396,771,432
Capital work-in-progress	5.00	2,699,987,342	1,857,729,950
Investment in shares	6.00	110,275,000	147,775,000
Current Assets		6,368,151,867	6,126,965,621
Inventories	7.00	3,746,164,398	3,392,689,573
Accounts receivables	8.00	1,311,122,533	1,243,153,717
Other receivables	9.00	4,146,703	3,818,089
Advance, deposit and prepayments	10.00	640,809,298	646,601,248
Investment	11.00	102,180,441	98,507,093
Cash and cash equivalents	12.00	563,728,494	742,195,902
TOTAL ASSETS		15,688,128,975	14,529,242,003
EQUITY & LIABILITIES			
Shareholders' Equity		8,796,757,255	8,656,636,257
Share capital	13.00	1,348,958,330	1,348,958,330
Non-controlling Interest	13.01	272,241	360,425
Share Premium Account	14.00	1,086,653,150	1,086,653,150
Revaluation surplus	15.00	3,739,289,135	3,739,289,135
Retained earnings	16.00	2,621,584,399	2,481,375,217
Non Current Liabilities		2,708,128,459	2,418,757,218
Deferred Tax liabilities	17.00	278,376,872	272,861,923
Long term loan net of current maturity	18.00	2,427,474,711	2,144,471,932
Finance lease obligation net of current maturity	19.00	2,276,877	1,423,363
Current Liabilities		4,183,243,261	3,453,848,528
Short term loan	20.00	2,307,892,211	1,479,436,051
Current portion of long term loan	18.00	291,839,388	638,302,027
Current portion of finance lease obligation	19.00	9,635,741	12,654,672
Unclaimed Dividend	21.00	3,475,908	4,176,706
Accounts payable	22.00	1,192,574,016	1,027,350,053
Liabilities for expenses	23.00	377,825,997	291,929,018
TOTAL EQUITY & LIABILITIES		15,688,128,975	14,529,242,003
Net Asset Value (NAV) per share with revaluation reserve		65.21	64.17
Net Asset Value (NAV) per share without revaluation reserve		37.48	36.44

The annexed notes form an integral part of these financial statements

Chairman


Managing Director

Director

Company Secretary

Chief Financial Officer

Signed as per our annexed report of even date



Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No. 1522

For and behalf of
Mahfel Huq & Co., Chartered Accountants
Firm Registration No. P-46323

Place: Dhaka
Date: 30 October 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30-Jun-2022	30-Jun-2021
Revenue	24	10,150,621,352	7,930,127,422
Less: Cost of Goods Sold	25	8,549,479,730	6,505,660,844
Gross profit		1,601,141,623	1,424,466,578
Less: Operating expenses	26	891,411,110	816,523,312
Gross operating profit		709,730,513	607,943,265
Less: Financial expenses	27	333,005,402	268,060,534
Net operating profit		376,725,111	339,882,731
Add: Non-Operating income	28	16,788,193	22,661,497
Profit before WPPF & WF		393,513,303	362,544,228
Less: Provision for contribution to WPPF & WF	23.01	2,870,688	2,060,747
Profit before tax		390,642,615	360,483,481
Less: Income tax expenses		71,975,125	63,586,178
Current Tax	23.02	66,460,176	54,941,118
Deferred Tax	17.02	5,514,949	8,645,060
Profit after tax		318,667,490	296,897,303
Other comprehensive income for the year, net of tax (Land Revaluation)		-	1,752,698,646
Total comprehensive income for the year, net of tax		318,667,490	2,049,595,950
Profit attributable to:			
Owners of the Company		318,667,490	296,897,304
Non-controlling Interest		(88,184)	(59,575)
		318,579,306	296,837,729
Total Comprehensive Income attributable to:			
Owners of the Company		318,667,490	2,049,595,950
Non-controlling Interest		(88,184)	(59,575)
		318,579,306	2,049,536,375
Earnings Per Share (EPS) - Basic	29.01	2.36	2.20

The annexed notes form an integral part of these financial statements

 Chairman
  Managing Director
  Director
  Company Secretary
  Chief Financial Officer

Signed as per our annexed report of even date



Md. Abdus Satter Sarkar, FCA
 ICAB Enrollment No. 1522
 For and behalf of
 Mahfel Huq & Co., Chartered Accountants
 Firm Registration No. P-46323

Place: Dhaka
 Date: 30 October 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Amount in Taka

Particulars	Share Capital	Share premium	Revaluation Surplus	Non-controlling interest	Retained Earnings	Total Equity
Balance at 01 July 2021	1,348,958,330	1,086,653,150	3,739,289,135	-	2,481,375,217	8,656,275,832
Land Revaluation	-	-	-	-	-	-
Net profit for the year	-	-	-	-	318,755,674	318,755,674
Non-controlling Interest	-	-	-	272,241	-	272,241
Dividend paid	-	-	-	-	(178,546,493)	(178,546,493)
Balance at 30 June 2022	1,348,958,330	1,086,653,150	3,739,289,135	272,241	2,621,584,399	8,796,757,255
Balance at 01 July 2020	1,348,958,330	1,086,653,150	1,986,590,489	-	2,387,817,831	6,810,019,799
Land Revaluation	-	-	1,752,698,646	-	-	1,752,698,646
Non-controlling Interest	-	-	-	360,425	-	360,425
Net profit for the year	-	-	-	-	295,901,136	295,901,136
Dividend paid	-	-	-	-	(202,343,750)	(202,343,750)
Balance at 30 June 2021	1,348,958,330	1,086,653,150	3,739,289,135	360,425	2,481,375,217	8,656,636,257

Chairman

Managing Director

Director

Company Secretary


Chief Financial Officer

Place: Dhaka

Date: 30 October 2022

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30-Jun-2022	30-Jun-2021
A. Cash flows from operating activities			
Cash receipts from customers		10,082,652,535	7,157,576,054
Cash receipt from other income		16,459,578	32,347,808
Payment to suppliers for import of Raw materials		(5,467,153,456)	(3,904,637,574)
Payment to others		(3,966,204,114)	(3,167,937,059)
Interest paid		(186,570,599)	(211,759,219)
Income tax paid		(60,060,668)	(47,450,430)
Net cash flow from operating activities		419,123,277	(141,860,421)
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(376,235,917)	(145,893,890)
Investment in capital work in progress		(842,257,392)	(1,142,403,346)
Advance paid to Valuka project		(119,298,882)	-
Investment in shares		37,500,000	-
Investment in FDR		(3,673,348)	161,526,973
Net cash used in investing activities		(1,303,965,538)	(1,126,770,264)
C. Cash flows from financing activities			
Proceeds from share issue		-	360,425
Share premium received		-	(17,417,188)
Dividend paid		(179,247,292)	(202,343,750)
Receipt of Long Term Loan		(65,625,278)	14,265,464
Receipt/(Repayment) of Short Term Loan		945,278,292	495,365,398
Net cash flow from/(used in) financing activities		700,405,723	290,230,351
D. Net cash surplus during the year (A+B+C)		(184,436,538)	(978,400,334)
E. Cash and bank balances at beginning of the year		742,195,902	1,726,398,625
Effect of movements in exchange rates on cash held		5,969,129	(5,802,389)
F. Cash and bank balances at the end of the year		563,728,494	742,195,902
Cash and bank balances			
Cash in hand		2,876,893	19,716,786
Cash at bank		560,851,601	722,479,116
Total		563,728,494	742,195,902
Net Operating Cash Flow Per Share (NOCFPS)	29	3.11	(1.07)



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Place: Dhaka

Date: 30 October 2022

1.00 Incorporation and Business Activities

Reporting entity

Esquire Knit Composite Limited (EKCL) (herein after referred to as EKCL or the Company) was incorporated [C-39663(1631)/2000] as a Private Limited Company on 16 February 2000 under the Companies Act 1994 and the company commenced commercial operation in 2001. The company has its registered office at 21 Shaheed Tajuddin Ahmed Sarani, (old: 30, Tejgaon I/A) Dhaka and its Factory is located at 22/58, Kanchpur, Sonargaon, Narayanganj.

The company was converted into a public limited company on 22 January 2015.

Nature of business

Esquire Knit Composite Limited is a 100% export oriented Company. It produces different types of Knit garments through its six units namely, knitting units, fabric dyeing unit, printing, embroidery, industrial laundry and garments units and sells the same to foreign buyers including C&A buying KG, Best seller, Mascot, Tchibo, Esprit, Tee Jays, Celio, Next, etc.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.02 Other regulatory compliance

In addition to the above, EKCL is also required to comply and has complied with the following laws and regulations:

- Financial Reporting Act, 2015;
- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- The Value Added Tax and Supplementary Duty Act 2012;
- The Value Added Tax Rules, 2016;
- The Bangladesh Labor (Amendment) Act 2013;
- Customs Act 1969;
- Sale of Goods Act 1930;
- Negotiable Instrument Act 1881; and
- The Securities and Exchange Ordinance, 1969;
- The Securities and Exchange Rules, 1987; and
- Other applicable rules and regulations.

2.03 Basis of measurement

These financial statements have been prepared under the historical cost convention applying accrual basis of accounting in accordance with International Financial Reporting Standards (IFRSs).

2.04 Components of financial statements

The financial statements of the Company consist of the following components:

- Consolidated Statement of Financial Position;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash Flows; and
- Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Informations.

2.05 Use of estimates and judgments

The preparation of the financial statements of the Company requires management to make and apply consistently the judgments, estimates and assumptions for records and balances that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.06 Functional and presentation currency

These financial statements are presented in Bangladeshi Taka (Tk/BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.07 Reporting period

These financial statements of the company cover a period of twelve months from 01 July 2021 to 30 June 2022.

3.00 Significant Accounting Policies

3.01 Property, plant and equipment (PPE)

3.1.1 Recognition and measurement

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with International Accounting Standard IAS-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any direct attributable cost of bringing the assets to its working condition for its intended use.

3.1.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

3.1.3 Depreciation

Depreciation is charged on property (except land), plant and equipment using 'straight line method' over the estimated useful life of each item of property, plant and equipment. Depreciation on addition to property, plant and equipment is charged from the date when the asset is put into use for commercial operation. Knit Composite Limited, considering the useful lives, decided to charge depreciation at 15% p.a. No depreciation is charged on the assets from the month in which such assets are disposed. The rates of depreciation varies from 5% to 13% p.a. based on useful lives and nature of the assets. Rates of depreciation are:

Particulars	Rate
Building	5.00% p.a.
Plant and Machinery	7.00% p.a.
Furniture and Fixtures	10.00% p.a.
Office Equipment	10.00% p.a.
Motor Vehicle	13.00% p.a.
Software & IT	10.00% p.a.

3.02 Inventories

3.2.1 Nature of inventories

Inventories consist of yarn, dyes, chemical, packing materials, accessories, sewing thread, printing & embroidery materials, stores and spare parts, etc.

3.2.2 Valuation of inventory

Inventories are valued in accordance with IAS- 2: Inventories i.e. at cost or estimated net realizable value whichever is lower. The cost of inventories includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion of the sale. When the inventories are used, the carrying amount of those inventories are recognized as expenses in the period in which the related revenue is recognized.

3.03 Advance, deposit and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Income.

3.04 Cash and cash equivalents

Cash and bank balances comprise cash in hand and cash at bank which are held and available for use by the company without any restriction.

3.05 Accounts receivable and other receivables

Accounts receivables are carried at original invoice amount. EKCL is a 100% export oriented company and all the sales/exports are done through L/C by banks. Receivables are considered as good and realizable. Other receivable represents accrued interest on FDR.

3.06 Accounts payable and other payables

These liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.07 Loans and borrowings

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

3.08 Income tax expense

Income tax expenses comprise current tax and deferred tax. Income taxes are recognized in statement of profit or loss and other comprehensive income except to the extent that relates to items recognized directly in equity or in other comprehensive income.

3.8.1 Current Tax

Taxation is provided in accordance with fiscal regulations applicable. The company taxation is under final settlement of tax liability under section 82C of the Income Tax Ordinance 1984 except other income. Income tax has been deducted at source under section 53BB of the Income Tax Ordinance 1984 on export from 1 July 2021 to June 30, 2022.

3.8.2 Deferred Tax

Deferred tax has been recognized in accordance with the provision of IAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets / liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income / expense is recognized in the statement of profit or loss and other comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.09 Revenue recognition

i. Export Revenue

In accordance with the provisions of the IFRS-15 “Revenue from Contracts with Customers”; revenue from contracts with customers represents the amount that reflects the considerations to which entity expects to be entitled in exchange for goods supplied and service provided to customers during the period. Revenue from contracts with customers is recognized in the statement of Profit or Loss and Other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue from export is recognized at ex-factory date.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

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

ii. Cash Incentive

Cash incentive income is recognized when Proceed Relialization Certificate (PRC) received from the bank against realization of cash incentive.

3.10 Financial expenses

Financial expenses comprise interest expense on long term loan, short term loan, finance lease and other borrowings, bank commission and charges etc. All such costs are recognized in the statement of profit or loss and other Comprehensive Income except those are capitalized in accordance with IAS 23.

3.11 Statement of Cash flows

Statement of cash flows is prepared principally in accordance with IAS-7: Cash Flows Statement and the cash flows from operating activities are presented under direct method.

3.12 Foreign currency transactions

The financial statements are presented in Bangladeshi taka (Tk./BDT), which is the company’s functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities in foreign currencies as on the reporting date are converted into Bangladeshi taka at the closing rate. Exchange gain or loss is recognised in Statement of Profit or Loss and Other Comprehensive Income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.13 Leases

Leases in terms of which the company assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. The interest rate implicit in the lease has been used to calculate the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.14 Earnings Per Share (EPS)

The company presents basic and diluted (when dilution is applicable) Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares

outstanding and for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for this financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.15 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. There are no material events that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures presented in the financial statements.

3.16 Provision

A provision is recognized on the date of financial position if, as a result of past events, the company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.17 Employee Benefit

Worker's Profit Participation Fund

As per company's existing policies of employment, maximum employees are on contractual basis for which their entitlement for Workers' Profit Participation and Welfare Fund does not apply and hence the company did not make provision for WPPWF during the year.

Others Benefit

i. Workers' profit participation fund and welfare fund/ Contribution to central Fund (RMG Sector):

This represent 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (Amendment) Act 2013 (Bangladesh Labour Law, 2006) and is payable to workers as defined in the said law complied in re-placed by the Act No. 30, Para 63 of the year 2013 as Central Fund at the rate applicable for RMG sector (0.03%) on realized revenue which is deducted at source by banks.

ii. Gratuity

Regular confirmed employee of the company who have completed minimum 5 (five) years of continuous service from the date of joining are eligible to gratuity payment at the time of separation of employment with the company

3.18 Interest Income

Interest income is accrued at the applicable interest rate on bank deposits in the period in which it is incurred.

3.19 Finance costs

Finance costs comprise interest expenses on bank loan and other borrowings and are recognised as expenses in the period in which they are incurred using applicable interest rate.

3.20 Revaluation surplus

This represents the difference between book value and revalued amount of land and land development. As per IAS 16: Property, Plant and Equipment, revaluation is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value of land was determined from market-based evidence by an appraisal as on July 20,2020 by Masih Muhith Haque & Co. which is a professionally qualified valuer.

3.21 Impairment

(a) Financial assets

Accounts receivable and other receivable are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effects on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

(b) Non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

3.22 Comparative information

Comparative information has been disclosed in respect of year 2018-19 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements. Last year figures have been rearranged where considered necessary to conform to current years presentation.

3.23 Compliance with Financial Reporting Standards as applicable in Bangladesh:

IASs	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
32	Financial Instruments: Presentation	Complied
33	Earnings per Share (EPS)	Complied
34	Interim Financial Reporting	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Complied
IFRS	Title	Remarks
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
12	Disclosure of Interests in Other Entities	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customer	Complied
16	Leases	Complied

3.24 General

- Figures have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
4.00	Property, plant and equipment		
	(A) Cost/ Revaluation		
	i) Freehold assets		
	Opening balance	8,718,926,424	6,837,515,173
	Add: Addition during the year	371,076,917	1,881,411,252
		9,090,003,341	8,718,926,424
	ii) Leasehold assets		
	Opening balance	99,420,368	99,420,368
	Add: Addition during the year	-	-
		99,420,368	99,420,368
	Total (A)	9,189,423,709	8,818,346,792
	Add: Property, Plant and Equipment of L'Esquire Ltd (Subsidiary)	95,379,395	90,220,395
		9,284,803,104	8,908,567,187
	(B) Accumulated depreciation		
	i) Freehold assets		
	Opening balance	2,443,042,346	2,214,040,447
	Add: Charged during the year	242,230,137	229,001,898
		2,685,272,482	2,443,042,346
	ii) Leasehold assets		
	Opening balance	59,723,018	47,295,472
	Add: Charged during the year	12,427,546	12,427,546
		72,150,564	59,723,018
	Total (B)	2,757,423,046	2,502,765,364
	Add: Property ,Plant and Esuipment of L'Esquire Ltd (Subsidiary)	17,665,292	9,030,391
		2,775,088,338	2,511,795,755
	(C) Written Down Value (A-B)	6,509,714,766	6,396,771,432
	A schedule of property, plant and equipment is given in Annexure-A .		
5.00	Capital work-in-progress		
	Opening balance	1,671,580,884	715,326,604
	Add: Addition during the year	946,495,332	1,006,238,634
		2,618,076,216	1,721,565,238
	Less: Transferred to Property, Plant & Equipment	345,203,064	49,984,354
		2,272,873,152	1,671,580,884
	Add: Capital work in progress of L'Esquire Ltd (Subsidiary)	427,114,189	186,149,066
		2,699,987,342	1,857,729,950
5.01	Addition during the year		
	Valuka Project	447,384,527	1,003,695,748
	Machineries in work in process	345,203,064	-
	Building materials	153,907,741	2,542,886
		946,495,332	1,006,238,634
	A schedule of capital work in progress addition during the year is given in Annexure-B .		

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka			
		30-Jun-2022	30-Jun-2021		
6.00	Investment in shares				
	Esquire Accessories Limited	10,275,000	10,275,000		
	L' Esquire Ltd	42,000,000	42,000,000		
	Esquire Electronics Limited	-	37,500,000		
	Investment in ICL Unit Fund	100,000,000	100,000,000		
		152,275,000	189,775,000		
	Less: Investment in L'Esquire Ltd (Subsidiary)	42,000,000	42,000,000		
		110,275,000	147,775,000		
7.00	Inventories				
		Quantity	30.06.2022	30.06.2021	
		30.06.2022	30.06.2021	Taka	Taka
	Yarn (kg)	2,329,864	2,304,588	659,657,698	837,871,652
	Dyes (kg)	229,866	215,529	226,045,504	242,337,642
	Chemical (kg)	1,267,368	1,316,954	132,240,273	130,155,983
	Finishing Materials 7.01	-	-	1,185,015,121	740,178,282
	Materials in transit 7.02	-	-	160,307,088	129,872,558
	Spare parts and consumable items 7.03	-	-	287,638,311	245,213,080
	Work in process 7.04	-	-	857,289,380	791,466,248
	Finished goods (pcs.) 7.05	1,728,752	1,267,708	230,016,352	274,046,371
				3,738,209,728	3,391,141,816
	A schedule of inventories is given in Annexure-C.				
	Add: Inventories of L'Esquire Ltd (Subsidiary)			7,954,670	1,547,757
				3,746,164,398	3,392,689,573
7.01	Finishing Materials				
	Packing materials			293,218,130	402,155,744
	Accessories			775,827,818	238,053,367
	Sewing Thread			107,243,479	97,243,478
	Printing & Embroidery materials			8,725,694	2,725,693
				1,185,015,121	740,178,282
	A schedule of finishing materials is given in Annexure-C.				
7.02	Materials in transit				
		Quantity	30.06.2022	30.06.2021	
		30.06.2022	30.06.2021	Taka	Taka
	Yarn (kg)	16,935	17,636	59,840,348	46,750,272
	Dyes (kg)	12,729	13,256	26,656,269	21,671,763
	Chemical (kg)	17,663	18,272	28,713,680	23,908,132
	Machine	-	-	16,471,590	13,714,896
	Finishing Materials	-	-	12,566,676	10,446,115
	Spare Parts	-	-	16,058,526	13,381,380
				160,307,088	129,872,558

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY
NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka																																					
		30-Jun-2022	30-Jun-2021																																				
7.03	Spare parts and consumable items																																						
	Spareparts & Consumable items	287,638,311	245,213,080																																				
		287,638,311	245,213,080																																				
	A schedule of spare parts and consumable items is given in Annexure-D.																																						
7.04	Work in Process																																						
	<table> <tr> <th colspan="2">Quantity</th><td></td><td></td></tr> <tr> <th>30.06.2022</th><th>30.06.2021</th><td></td><td></td></tr> <tr> <td>Knitting (kg)</td><td>79,496</td><td>89,549</td><td>30,999,932</td></tr> <tr> <td>Finished Fabric (kg)</td><td>1,069,146</td><td>1,101,933</td><td>424,631,528</td></tr> <tr> <td>Cutting (Pcs)</td><td>1,818,365</td><td>3,892,789</td><td>284,967,596</td></tr> <tr> <td>Embroidery (Pcs)</td><td>44,827</td><td>4,336</td><td>4,697,724</td></tr> <tr> <td>Printing (Pcs)</td><td>301,279</td><td>7,546</td><td>12,919,963</td></tr> <tr> <td>Sewing (Pcs)</td><td>551,251</td><td>1,096,381</td><td>99,072,636</td></tr> <tr> <td></td><td></td><td>857,289,380</td><td>791,466,248</td></tr> </table>	Quantity				30.06.2022	30.06.2021			Knitting (kg)	79,496	89,549	30,999,932	Finished Fabric (kg)	1,069,146	1,101,933	424,631,528	Cutting (Pcs)	1,818,365	3,892,789	284,967,596	Embroidery (Pcs)	44,827	4,336	4,697,724	Printing (Pcs)	301,279	7,546	12,919,963	Sewing (Pcs)	551,251	1,096,381	99,072,636			857,289,380	791,466,248		
Quantity																																							
30.06.2022	30.06.2021																																						
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Sewing (Pcs)	551,251	1,096,381	99,072,636																																				
		857,289,380	791,466,248																																				
	A schedule of work in process is given in Annexure-E.																																						
7.05	Finished Goods (pcs.)																																						
	<table> <tr> <th colspan="2">Quantity</th><td></td><td></td></tr> <tr> <th>30.06.2022</th><th>30.06.2021</th><td></td><td></td></tr> <tr> <td>Opening</td><td>1,267,708</td><td>1,021,663</td><td>274,046,370</td></tr> <tr> <td>Add: Production during the year</td><td>46,565,488</td><td>39,025,299</td><td>7,799,293,224</td></tr> <tr> <td></td><td>47,833,196</td><td>40,046,962</td><td>8,073,339,594</td></tr> <tr> <td>Less: Delivered during the year</td><td>46,104,444</td><td>38,779,254</td><td>7,843,323,242</td></tr> <tr> <td></td><td>1,728,752</td><td>1,267,708</td><td>230,016,352</td></tr> </table>	Quantity				30.06.2022	30.06.2021			Opening	1,267,708	1,021,663	274,046,370	Add: Production during the year	46,565,488	39,025,299	7,799,293,224		47,833,196	40,046,962	8,073,339,594	Less: Delivered during the year	46,104,444	38,779,254	7,843,323,242		1,728,752	1,267,708	230,016,352										
Quantity																																							
30.06.2022	30.06.2021																																						
Opening	1,267,708	1,021,663	274,046,370																																				
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Less: Delivered during the year	46,104,444	38,779,254	7,843,323,242																																				
	1,728,752	1,267,708	230,016,352																																				
		1,297,557,977	1,236,543,153																																				
8.00	Accounts receivables																																						
	A schedule of account receivable is given in Annexure-F.																																						
	Add: Inventories of L'Esquire Ltd (Subsidiary)	13,564,556	6,610,564																																				
		1,311,122,533	1,243,153,717																																				

Disclosure as per Schedule XI, Part I, Para (F) of the Companies Act 1994:
I. Debt considered good in respect of which the company is fully secured

The debtors occurred in the ordinary course of business are considered good and secured against confirmed L/C.

II. Debt considered good for which the company hold no security other than the debtors' personal security

There is no such debt in this respect as on 30 June 2022.

III. Debt considered doubtful or bad

The company does not make any provision for doubtful debts as on 30 June 2022, because of the fact that sales/ export are being made on 100% confirmed L/C basis with fixed maturity dates.

IV. Debt due by directors or other officers of the company

There is no such debt in this respect as on 30 June 2022.

V. Debt due by Common Management

There are no amount due from sister company under common management as on 30 June 2022.

VI. The maximum amount due by directors or other officers of the company

There is no such debt in this respect as on 30 June 2022.

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY
NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
	Aging of accounts receivable		
	The aging of gross trade receivables as at the statement of financial position date was:		
	Past due 0-90 days	1,297,557,977	1,236,543,153
	Past due 91-180 days	-	-
	Past due 181 -365 days	-	-
	Past due more than 365 days	-	-
		1,297,557,977	1,236,543,153
9.00	Other receivables		
	Cash incentive	3,089,000	3,372,700
	Accrued interest on FDR	1,057,703	445,389
		4,146,703	3,818,089
10.00	Advance, deposit and prepayments		
	Advance 10.01	391,442,265	570,881,578
	Deposit 10.02	229,033,513	66,441,233
	Prepayments 10.03	12,320,052	9,152,833
		632,795,830	646,475,644
	Add: Advance, deposit and Prepayments of L'Esquire Ltd	8,013,468	125,604
		640,809,298	646,601,248
10.01	Advance		
	Advance to creditors	272,596,564	476,304,571
	Advance against salaries	12,418,886	11,401,705
	Payment to L'esquire for Valuka project	385,037,935	265,739,053
	Advance Income Tax 10.1.1	106,426,815	83,175,302
		776,480,199	836,620,631
	A schedule of advance given to creditors is given in Annexure-G.		
	Less: Payment to L'Esquire Ltd (subsidiary)	385,037,935	265,739,053
		391,442,265	570,881,578
10.1.1	Advance Income Tax	30.06.2022	30.06.2021
	Opening balance	83,175,302	104,143,833
	Add: Addition during the year 10.1.1.1	60,060,668	47,324,826
		143,235,970	151,468,659
	Less: Adjustment for assessment year-2018-19	-	38,510,645
	Less: Adjustment for assessment year-2019-20	-	29,782,712
	Less: Adjustment for assessment year-2020-21	36,809,155	-
		106,426,815	83,175,302
10.1.1.1	Advance Income Tax addition		
	Advance Income Tax on Car	2,919,000	2,582,500
	Advance Income Tax on FDR Interest	388,683	3,939,214
	Tax on unit fund-ICL	1,695,000	-
	TDS on Cash Incentive	4,035,380	3,245,400
	TDS on Import Stage	3,007,336	2,964,804
	TDS on Export Proceeds	48,015,269	34,592,908
		60,060,668	47,324,826

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY
NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
10.02	Deposit		
	Guarantee margin & LC margin	2,892,017	2,892,017
	Security deposit 10.2.1	12,691,354	12,691,354
	FBPAR & margin account 10.2.2	213,450,141	50,857,861
		229,033,513	66,441,233
10.2.1	Security deposit		
	Rural Electrification Board (REB) for electricity	7,295,517	7,295,517
	Security Deposit-BSCIC	1,455,000	1,455,000
	PIL Bangladesh Ltd	400,000	400,000
	Mobile phone	60,000	60,000
	Lease rental	691,260	691,260
	Titas Gas Transmission & Distribution Company Limited for gas	2,789,577	2,789,577
		12,691,354	12,691,354
10.2.2	FBPAR & margin account		
	FBPAR A/C with DBBL -in Dollar (783)	10,773,990	11,102,459
	FBPAR A/C with DBBL -in Dollar (63)	3,524,284	7,429,461
	FBPAR A/C with DBBL -in EURO	139,974	144,633
	FBPAR A/C with EBL -in Dollar	183,332,220	32,104,705
	FBPAR A/C with EBL -in EURO	13,575,790	76,603
	Margin A/C with EBL -in Dollar	59,041	-
	Margin A/C with EBL -in EURO	2,044,843	-
		213,450,141	50,857,861
10.03	Prepayments		
	Insurance premium	12,320,052	9,152,833
10.04	Aging of advance, deposit & prepayment		
	The aging of advance, deposit & prepayment as at the statement of financial position date was as follows:		
	Past due 0-90 days	776,480,199	836,620,631
	Past due 91-180 days	48,015,269	47,324,826
	Past due 181 -365 days	(204,390,993)	(250,161,166)
	Past due more than 365 days	12,691,354	12,691,354
		632,795,830	646,475,644
10.05	The details breakup of advance, deposit and prepayment as per requirement of Schedule XI, part I, para (J) of the Companies Act, 1994 stated below:		
	Advance, deposit and prepayments exceeding 6 months	(191,699,639)	(237,469,812)
	Advance, deposit and prepayments not exceeding 6 months	48,015,269	36,767,770
	Other advance, deposit and prepayments less provision	229,033,513	54,682,360
	Advance, deposit and prepayments considered good and secured	535,027,800	736,796,521
	Advance, deposit and prepayments due by Other Officers (against Salary)	12,418,886	11,401,705
11.00	Investment		
	Investment in FDR 11.01	102,180,441	98,507,093
		102,180,441	98,507,093

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

11.01 Investment in FDR

Bank Name	A/C No	Principle	Term (Months)	Maturity Date		
Dutch Bangla Bank Limited	506.0001926	2,923,858	12	29.12.2022	3,635,780	3,471,740
	504.0017552	2,793,573	12	28.02.2023	3,408,201	3,310,822
	504.0019071	10,865,251	12	06.07.202	13,537,570	13,010,638
	504.0019148	21,730,503	12	14.07.2022	27,075,140	26,021,277
	504.0020915	21,228,452	12	10.03.2023	26,109,836	25,312,492
	504.0021052	10,592,585	12	19.03.2023	13,028,299	12,630,440
	504.0008214	10,332,957	12	28.06.2023	12,708,035	12,319,956
	504.0025965	2,051,913	12	15.06.2023	2,500,797	2,429,728
	527.000.0316	175,201	12	15.04.2023	176,782	
					102,180,441	98,507,093

These FDRs have been liened with Dutch Bangla Bank Limited for maintenance of margin for L/C liabilities and bank guarantees.

12.00 Cash and cash equivalents

Cash in hand	12.01	2,526,893	19,472,887
Cash at bank	12.02	509,041,672	657,667,546
		511,568,565	677,140,433
Add: Cash and cash Equivalents of L'Esquire Ltd		52,159,929	65,055,469
		563,728,494	742,195,902

12.01 Cash in hand

Head Office	800,000	13,405,000
Factory	1,726,893	6,067,887
		2,526,893
		19,472,887

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

12.02 Cash at bank

Bank Name	Branch	A/C Type	A/C No.		
Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.117.163	8,501,685	49,179,088
Dutch Bangla Bank Ltd.	Local office	FCAD(€)	101.119.20	530,147	5,581
Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.110.0006900	26,234	398,039,467
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.110.36941	12,825	85,467
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5645	267,856	521,803
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5692	29,750	423,146
Eastern Bank Ltd.	Principal	FCAD(\$)	101.305.3310	63,990	58,003
Eastern Bank Ltd.	Principal	EOQ(\$)	101.310.060.5881	31,989,757	-
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.120.484	108,484	407,987
BRAC Bank Ltd.		CD	1505203551787001	5	139,873,894
BRAC Bank Ltd.		FCAD(\$)	1505203551787002	-	-
Jamuna Bank Ltd.	Mohakhali	CD	102.100.15098	2,043	2,065
NCC Bank CD A/C	Baridhara	CD	107.021.000.1597	21,837	22,757
One Bank Ltd.	Agrabad, Ctg.	CD	003.105.0001366	20,386	267,284
AI -Arafa Islami Bank Ltd		CD	0141020047786	3,485	15,000
AI -Arafa Islami Bank Ltd		CD	541.020.010.677	12,981,794	-
AI -Arafa Islami Bank Ltd		FCAD(\$)	0549580000352	23,152	-
AI -Arafa Islami Bank Ltd		FCAD(\$)	0549880000366	19,579	-
AI -Arafa Islami Bank Ltd		FCAD(\$)	0549850000453	58,028,198	-
Bank Asia		CD	62733000256	6,079,129	206,556
Dutch Bangla Bank Ltd.		CD	107.110.0031497	1,880,972	1,886,117
Shahajalal Islamic Bank		CD	40331100000679	-	2,355
South Bangla Ariculture		CD	001.011.1005482	16,446	14,655
United Commercial Bank		CD	781.101.000002124	50,631,409	593,569
United Commercial Bank		FCAD (\$)	0781184000000267	321,459,164	56,349,212
UCBL -FACD in USD A/C		FCAD (\$)	0781181000000193	14,611,250	7,362,473
HSBC		CD	001-011576-011	91,657	41,415
Dutch Bangla Bank Ltd.		CD	101.120.0007676	840,314	2,290,589
One Bank Ltd.		CD	0031020009947	14,838	15,758
Dutch Bangla Bank Ltd.		CD	1011200007863	754,622	-
Dutch Bangla Bank Ltd.	Local office, Dilkusha	FC (USD)		-	-
City Bank		CD	1103309469001	28,048	-
One Bank Ltd.	Mirpur		110039901005	2,616	3,306

509,041,672 657,667,546

13.00 Share capital

Authorized capital

200,000,000 Ordinary shares of Tk.10 each

2,000,000,000

2,000,000,000

Issued, subscribed and paid-up capital

134,895,833 Ordinary shares of Tk.10 each fully paid

1,348,958,330

1,348,958,330

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Details of the shareholdings are as under:

Name of Shareholders	% held	No. of shares		30.06.2022 Taka	30.06.2021 Taka
		30.06.2022	30.06.2021		
Md. Mofazzal Hossain	21.34%	28,791,667	28,791,667	287,916,670	287,916,670
Md. Ehsanul Habib	11.14%	15,032,960	15,032,960	150,329,600	150,329,600
Arifur Rahman	5.87%	7,925,000	7,925,000	79,250,000	79,250,000
Md. Muddasar Hossain	5.87%	7,925,000	7,925,000	79,250,000	79,250,000
Mrs. Peara Begum	2.73%	3,681,343	3,681,343	36,813,430	36,813,430
Esquire Dyeing Industries Ltd.	21.93%	29,581,343	29,581,343	295,813,430	295,813,430
Esquire Accessories Ltd.	0.90%	1,214,677	1,214,677	12,146,770	12,146,770
Esquire Electronics Ltd.	4.34%	5,848,010	5,848,010	58,480,100	58,480,100
General Public and Institution	25.87%	34,895,833	34,895,833	348,958,330	348,958,330
	100%	134,895,833	134,895,833	1,348,958,330	1,348,958,330

The company increased its authorised capital from 1,500 million to 2,000 million by passing a special resolution in the company's Extra Ordinary General Meeting (EGM) held on 22 December 2016.

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
13.01	Non-controlling Interest		
	Share Capital (42000 Ordinary shares @ Tk.10 each)	420,000	420,000
	Retained Earnings		
	Opening balance	(59,575)	-
	Add: Net profit after tax for the year	(88,184)	(59,575)
		(147,759)	(59,575)
		272,241	360,425
14.00	Share premium		
	Share premium	1,086,653,150	1,151,041,650
	Less: IPO Expense	-	64,388,500
		1,086,653,150	1,086,653,150
In 2018-19, total amount of share share premium tk 1,151,041650 (20,833,332 shares @ Tk 35 premium for Eligible Investor & 14,962,501 shares @ Tk 30 premium for General Public) was received as share premium in respect of issued to share holder through IPO			
15.00	Revaluation surplus	3,739,289,135	3,739,289,135
16.00	Retained earnings		
	Opening balance	2,481,375,217	2,387,817,831
	Add: Net profit after tax for the year	318,755,674	295,901,136
	Less: Cash dividend	178,546,493	202,343,750
		2,621,584,399	2,481,375,217
	Add: Share Capital of L'Esquire Ltd	2,621,584,399	2,481,375,217

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY
NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
17.00	Deferred Tax liabilities		
	Deferred tax liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes.		
	Deferred tax liabilities related to Profit and Loss A/C	17.01	121,710,267
	Deferred tax Liabilities related to other comprehensive income	155,803,714	117,058,209
		277,513,981	272,861,923
	Add: Deferred tax of L'Esquire Ltd	862,890	-
		278,376,872	272,861,923
17.01	Deferred tax liabilities		
		Carrying amount	Tax base
		Taka	Taxable temporary difference
	As at 30 June 2022	Taka	Taka
	Deferred tax liabilities related to Profit and Loss A/C		
	Property, plant and equipment excluding land	2,413,454,663	1,399,202,434
	Applicable tax rate		12.00%
	Deferred tax liability		121,710,267
	Deferred tax Liabilities related to other comprehensive income		
	Revaluation reserve for land	3,895,092,849	Nil
	Applicable tax rate		4.00%
	Deferred tax liability		155,803,714
		Carrying amount	Tax base
		Taka	Taxable temporary difference
	As at 30 June 2021	Taka	Taka
	Deferred tax liabilities related to Profit and Loss A/C		
	Property, plant and equipment excluding land	2,297,036,147	1,321,551,071
	Applicable tax rate		12%
	Deferred tax liability		117,058,209
		Carrying amount	Tax base
		Taka	Taxable temporary difference
	Deferred tax Liabilities related to other comprehensive income		
	Revaluation reserve for land	3,895,092,849	Nil
	Applicable tax rate		4.00%
	Deferred tax liability		155,803,714
17.02	Deferred Tax Expenses		
	Deferred Liabilities at the end of the period	121,710,267	117,058,209
	Deferred Liabilities at the beginning of the period	117,058,209	108,413,149
	Deferred Tax expenses	4,652,058	8,645,060
	Add: Deferred tax expenses of L'Esquire Ltd	862,890	-
		5,514,949	8,645,060

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka		
		30-Jun-2022	30-Jun-2021	
18.00	Long term loan net of current maturity			
	International Finance Corporation	18.01	1,177,976,188	1,180,900,000
	Jamuna Bank Limited	18.02	24,661,058	26,598,619
	Dutch Bangla Bank Limited-Term Loan	18.03	-	1,532,164,948
	Al arafa Islamic Bank Ltd	18.04	1,489,314,847	-
	IDLC Finance Limited		27,362,006	43,110,391
			2,719,314,099	2,782,773,959
	Less: Current portion of long term loan		291,839,388	638,302,027
			-	-
	Al arafa Islamic Bank Ltd		256,271,616	602,734,255
	Jamuna Bank Limited		15,495,492	15,495,492
	IDLC Finance Limited		20,072,280	20,072,280
			2,427,474,711	2,144,471,932
	Add/less : Long term loan of L'Esquire Ltd		-	-
			2,427,474,711	2,144,471,932
18.01	International Finance Corporation		1,177,976,188	1,180,900,000

Particulars of the term loans are given below.

(Amount in USD)

Bank Name	Loan Account	Particulars	Outstanding as on 30.06.2022
International Finance Corporation	IFC	Long term loan for Expansion project	Limit: 14000000 Tenor: 8 period/years Interest Rate: 3.50(LIBOR+Margin)

Collateral: A first ranking registered Mortgage on all land and Buildings of the Company. A first raking hypothecation on all present and future movable assets(other than current assets and stocks) of the Company by executing a deed of the hypothecation. Personal joint and several first demand payment guarantee from the Sponsors.Joint and several first demand payment guarantee from the Companies.

18.02	Jamuna Bank Limited	24,661,058	26,598,619
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Details of the term loan with Jamuna Bank Limited are as under:

Bank Name	Facilities	Particulars
Jamuna Bank Limited	Term Loan	Limit: 30,000,000 Tenor: 60 months Pricing: 9.00% p.a.
Jamuna Bank Limited	Term Loan	Limit: 20,000,000 Tenor: 60 months Pricing: 9.00% p.a.

Collateral: Security cheque covering the Term Loan amount with letter of approach duly signed by the authorized person. Personal Guarantee of all the Directors of the company, supported by duly signed individual personal net worth statement. Corporate Guarantee of Shah Garments Limited, supported by MOA, AOA and Board resolution.

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Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
18.03	Dutch Bangla Bank Ltd	-	1,532,164,948
18.04	Al arafa Islamic Bank Ltd	1,489,314,847	-

Details of the banking facilities with Dutch Bangla Bank Limited are as under:

Bank Name	Facilities	Particulars
AIBL	Back to Back LC (Foreign/Local-Sight/Deferred/ UPAS/EDF) / Bills	Limit: 2,850,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 0.20% 1st Qtr. EDF LC Max. 100 Cr. And LC for Capital Machinery & SP & Equipment will be 15 Cr. EDF interest will be As per Bangladesh Bank Circular
	Bai-Salam & Bai-Istisna (Inner Limit of Bai-Muajjal)	Limit: (550,000,000) Tenor: Bai-Istisna-60 days & Bai-Salam-120 days Pricing: 7.00% p.a.
	Bai-Muajjal	Limit: 600,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 8.75% p.a.
	Letter of Credit - Machinery (Sight/Deferred/360 days UPAS)	Limit: Euro 1,310,000 Equivalent to TK 133,600,000, Tenor: Sight/Deferred/360 days UPAS Pricing: 0.20% 1st Qtr.
	HPSM - Machinery	Limit: 106,900,000, Tenor: 7 years Pricing: 0.20% 1st Qtr.
	Term Loan - HPSM (Industrial) Facility	Limit: 1,460,000,000, Tenor: 8 Years Pricing: 8.75% p.a.
	Term Loan - HPSM (Transport) Facility	Limit: 9,600,000, Tenor: 2.5 Years Pricing: 8.75% p.a.
	Term Loan - HPSM (RE) Facility	Limit: 2,72,400,000, Tenor: 6 Years Pricing: 8.75% p.a.
	Loan against trust receipt (LTR)	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 8.75% p.a.
	Letter of Guarantee - 1	Limit: 50,000,000 Pricing: 0.40% per quarter.
	Letter of Guarantee - 1 (One Off)	Limit: 350,000,000 Pricing: Nil
	Letter of Guarantee - 1 (Single Case)	Limit: 2,273,600,000 Pricing: Nil
	MDB/MDB-FC	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 8.75% p.a.
	FBP/FBC/Quard against cash assistance	As per Export Policy

Collateral: i) Registered mortgage (to be executed) of 851.85 decimal land and factory structures thereon (458145 sft) having forced sale value of Tk. 142.96 Cr. & market value of TK. 178.70 Cr. (As per branch valuation dated 22.09.2021 & 28.10.2021) schedule of the said property is depicted below: 223.00 decimals at kanchpur, Narayanganj (129 decimals

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in the name of Esquire Knit Composite Ltd; 60 decimals in the name of New Dhaka Ceramic Industries Limited and 34 decimals in the name of Md. Mofazzal Hossain & Ehsanul Habib. 381.60 decimals at Mouza- Zamaldi, P. S- Gajaria, Dist.- Munshiganj (203.10 decimals in the me of Esquire Knit Composite Ltd; 178.50 decimals in the name of (i) Md. Mofazzal Hossain, (ii) Md. Ehsanul Habib, (iii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 245.00 decimals at Mouza- Zamirdia, P. S- Vhaluka, Dist.- Mymensingh in the name of (i) Md. Mofazzal Hossain, (ii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 7130+7130 = 14,260 (Fourteen Thousand Two Hundred Sixty) square feet on the 9th & 10th floor and 10 car parking space no. 1,2,3,4,5,6,11,21 & 22 on the basement- 2 floor of the commercial building namely "Ideal Trade Center" at Mouza- Begunbari, Tejgaon, Dhaka in the name of Esquire Knit Composite Ltd. ii) First Charge shall be created with Registrar of Joint Stock Company on the fixed & floating assets & book debts of the company both present & future withing 21 days from the date of execution of documentation and certificate to be submitted from RJSC against limited company. iii) Personal Guarantee of all the directors of the company. iv) Personal Guarantee of owners mortgaged properties.

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
19.00	Finance lease obligation net of current maturity		
	IDLC Finance Limited	4,215,177	7,619,878
	IPDC Finance Limited	1,720,844	4,348,674
		5,936,022	11,968,552
	Less: Current portion of finance lease obligation-IDLC	3,328,665	5,468,220
	Less: Current portion of finance lease obligation-IPDC	1,720,844	2,993,544
		5,049,509	8,461,764
		886,513	3,506,788
	Net changes of finance lease of L'esquire Ltd	1,390,364	(2,083,425)
		2,276,877	1,423,363
19.01	Lease Liability (Current Portion)	5,049,509	8,461,764
	Add: Lease Liability of L'Esquire Ltd	4,586,232	4,192,908
		9,635,741	12,654,672

IDLC Finance Limited

Esquire Knit Composite Limited entered into lease agreement with IDLC Finance Limited from the year 2016 to 2022 for vehicles. Esquire Knit Composite Limited pays fixed monthly installments which comprise principal and interest in return.

IPDC Finance Limited

Particulars of the above lease finance(vehicle) are given below.

Name of the lender	Name of Facilities	Particulars
IPDC Finance Limited	Lease Finance	Limit: 8,700,000 Tenor: 60 months Pricing: 14.00% p.a.
IPDC Finance Limited	Lease Finance	Limit: 2,750,000 Tenor: 60 months Pricing: 14.00% p.a.

Collateral: The Security arrangements will include but are not limited to:

1. Registration & Comprehensive Insurance of the vehicles in favor of IPDC. 2. Personal Guarantee of all sponsor Directors of the Lessee(s). 3. Cross Corporate Guarantee of the Lessee(s) (Supported by Board Resolution and undertaking to amend MEMART by incorporating the clause empowering to provide corporate guarantee, if not Legally enforceable by

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MEMART). 4. Security cheque. 5. Post-Dated cheques (PDCs) for monthly rental payment. 6. Demand Promissory Note along with Letter of Continuation. 7. Other usual charge documents.

Details of Lease Agreement

(Amount in Taka)

Lease From	Purpose	Finance Amount	Lease Term	Monthly Rental	Rental Paid	Future Payment
IDLC	Vehicle	29,000,000	5 Years	565,310	27,744,935	1,255,065
IPDC	Vehicle	11,450,000	5 Years	249,462	9,729,156	1,720,844
		40,450,000		814,772	37,474,091	2,975,909

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

20.00 Short term loan

Dutch Bangla Bank Limited	20.01	217,891,244	929,802,980
Al arafa Islamic Bank Ltd	20.02	605,882,000	
Eastern Bank Limited	20.03	81,421,780	16,206,792
United commercial Bank Limited	20.04	228,656,365	64,060,332
Bank Asia limited		250,000,000	255,752,188
The City Bank limited		13,980,103	-
Lankan Alliance		300,025,000	-
South Bangla		250,000,000	-
IFIL		124,497,541	103,290,000
IPDC Finance Limited		101,508,345	110,323,760
		2,173,862,378	1,479,436,051
Add: Short term loan of L'Esquire Ltd		134,029,833	-
		2,307,892,211	1,479,436,051

20.01 Short Term Loan Dutch Bangla Bank Limited

HPSM (Transport) Short Term	-	72,334,052
LTR- MPI (Trust Receipt)	-	2,741,194
Estimulas fund	217,891,244	-
Overdraft	-	275,542,296
PAD-Foreign cash	-	23,132,011
Short term loan-EMI	-	164,515,902
Other loans	-	391,537,525
	217,891,244	929,802,980

20.01.1 Overdraft

Name of the Bank	Branch	Account #		
Dutch Bangla Bank Ltd.	Kawran Bazar	954.440.1000.000.37	-	193,100,555
Dutch Bangla Bank Ltd.	Kawran Bazar	954.417.000.0188	-	81,917,938
Dutch Bangla Bank Ltd.	Dilkusha	1014010000262	-	2,000
Dutch Bangla Bank Ltd.	Kawran Bazar	101.120.5645	-	521,803
			-	275,542,296

20.02 Al arafa Islamic Bank Ltd

HPSM (Transport) Short Term		9,600,000	-
LTR- MPI (Trust Receipt)		78,360,000	-
Overdraft	20.02.1	517,922,000	-
		605,882,000	-

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Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

20.02.1 Overdraft

Name of the Bank	Branch	Account #		
OD- Bai-Muazzal (Gen) MEF			517,922,000	-
			517,922,000	-

Particulars such as the terms & conditions of the above short term loans are same as stated under Note # 17.3.

20.03 Eastern Bank Limited

Overdraft	30,634,280	16,206,792
Time loan normal	50,787,500	-
Loan against EDF	-	-
	81,421,780	16,206,792

Particulars of the above banking facilities are given below:

Bank Name	Facilities	Particulars
Eastern Bank Limited	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,800,000,000 Tenor: 180 days Pricing: 0.15% PQ.
	Acceptance (Raw Materials) [Within Line # 1]	Limit: (1,800,000,000) Tenor: 180 days Pricing: 0.15% PQ.
	Sight Letter of Credit-I (Financed through EDF) [Within Line # 1]	Limit: (1,200,000,000) Tenor: 180 days Pricing: 0.15% PQ.
	EDF Loan [Within Line # 1]	Limit: (1,200,000,000), As per Bangladesh Bank Circular
	Sight Letter of Credit (Machineries)	Limit: 50,000,000 Tenor: 360 days Pricing: 0.15% PQ.
	Usance Letter of Credit (Machineries) [Within Line # 2]	Limit: (50,000,000) Tenor: 360 days Pricing: 0.15% PQ.
	Acceptance (Machineries) [Within Line # 2]	Limit: (50,000,000) Tenor: 360 days Pricing: 0.15% PQ.
	Time Loan (Machineries) [Within Line # 2]	Limit: (45,000,000) Tenor: 360 days Pricing: 8.50% p.a.
	Letter of Guarantee	Limit: 10,000,000 Tenor: Up to 5 years Pricing: 0.20% PQ/ Minimum tk. 2500
	Packing Credit	Limit: 125,000,000 Tenor: 120 days Pricing: 7.00% p.a.

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Bank Name	Facilities	Particulars
Eastern Bank Limited	Packing Credit	Limit: 125,000,000 Tenor: 120 days Pricing: 7.00% p.a.
	Overdraft (OD)	Limit: 30,000,000 Tenor: 360 days Pricing: 8.50% p.a.
	Time Loan [Within Line # 7]	Limit: (50,000,000) Tenor: 360 days Pricing: 8.50% p.a.
	FDBP	Limit: 150,000,000 Tenor: 45 days for Sight & 120 days for Deferred Pricing: As per schedule of the bank
	LDBP [Within Line # 7]	Limit: (50,000,000) Tenor: 45 days for Sight & 120 days for Deferred Pricing: 8.50% p.a. for BDT and 6MI+3.5% p.a. for USD

Collateral: 1) Registered Mortgage & Registered Power of Attorney on 5.97 bigha (197) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite Limited. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 430.00 Million, which will continue. 2) 1st Registered Mortgage & Registered Power of Attorney on 1.00 bigha (33.25) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite Limited. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 50.00 Million.

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

20.04 United Commercial Bank Ltd.

	Branch	A/C #		
Overdraft		0781749000000347	26,263,190	12,945,782
Time loan normal			192,072,437	41,382,491
EDF			10,320,738	9,732,060
			228,656,365	64,060,332

Particulars of the above banking facilities are given below:

Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,300,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Letter of Credit(Sight/Usance/UPAS)	Limit: 200,000,000 Tenor: 180 days Pricing: 9.00% PQ.
	Letter of Credit(Sight/Usance/UPAS)-Machinery (Inner of SLC/ULC/UPAS Limit of 20 Crore)	Limit: (50,000,000) Tenor: 360 days Pricing: 9.00% PQ.

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Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	Loan against trust receipt (LTR)	Limit: 50,000,000 Tenor: 120 days Pricing: 9.00% PQ.
	Time Loan (Inner of LTR Limit)	Limit: (40,000,000) Tenor: 120 days Pricing: 9.00% PQ.
	LBPD	Limit: 100,000,000 Tenor: 120 days Pricing: 9.00% PQ.
	Letter of Guarantee	Limit: 50,000,000 Pricing: 0.25% PQ.
	FBPD/OBU Discounting	Limit: 150,000,000 Tenor: 21 days Pricing: 9.00% p.a.
	Time Loan (Inner Limit of FBPD)	Limit: 80,000,000 Tenor: 90 days Pricing: 9.00% p.a.
	Time Loan	Limit: 150,000,000 Tenor: 150 days Pricing: 9.00% p.a.
	Packing Credit (Inner Limit With Time Loan)	Limit: (150,000,000) Tenor: 120 days Pricing: 7.00% p.a.
	Overdraft (OD)	Limit: 50,000,000 Tenor: 360 days Pricing: 9.00% p.a.

Collateral: Registered Mortgage of 91.35 decimal Land with 04 storied building (57,400 sft) at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite Limited. Pari-passu security sharing with other lenders: EBL, DBBL) over floating assets of the company. Personal Guarantee of all director of Esquire Knit Composite Ltd. & Esquire Dyeing Industries Limited except independent directors of Esquire Knit Composite Ltd. Corporate guarantee of Esquire Electronics Ltd., Esquire Dyeing Industries Ltd. & Esquire Accessories Ltd. with duly adopted board resolution. Post-dated MICR cheques (mode wise) signed by the authorized signatory of the company.

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
21.00	Unclaimed Dividend	3,475,908	4,176,706
22.00	Accounts payable		
	Import liability and other creditors	1,185,400,837	998,950,865
	A schedule of import liability and other creditors is given in Annexure-H .		
	Add: Accounts payable of L'Esquire Ltd (Subsidiary)	7173179	28,399,188
		1,192,574,016	1,027,350,053

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Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
23.00	Liabilities for expenses		
	Directors' remunerations	64,282,255	60,774,255
	Salary and wages	39,735,070	20,389,996
	Gas Bills	9,473,051	19,424,948
	Electricity	5,111,674	3,478,969
	Telephone bill	11,670	10,173
	Tax & VAT	-	5,832,545
	TDS on Director remuneration	6,492,000	
	TDS on Salary	3,705,782	
	WPPF payable 23.01	-	-
	Wasa bill	30,000	16,000
	Provision for Income Tax 23.02	146,434,804	116,695,379
	Provision for Head office Floors	1,837,169	1,837,169
	Financial Interest	47,621,772	48,874,919
	TDS on dividend	23,797,257	
	Dividend payable	-	2,660,481
	Audit fees	862,500	862,500
	Head office rent	3,044,000	3,044,000
		352,439,004	283,901,333
	Add: Liabilities for expenses of L'Esquire Ltd	25,386,993	8,027,685
		377,825,997	291,929,018
23.01	WPPF payable		
	Opening Balance	-	24,836,975
	Add: Addition during the year	2,870,688	2,060,747
		2,870,688	26,897,722
	Less: Payment during the year	2,870,688	26,897,722
		-	-
23.02	Provision for Income Tax		
	Opening balance	116,783,783	130,136,025
	Add: Provision made for the year	66,460,176	54,941,118
		183,243,959	185,077,143
	Less: Adjustment for assessment year-2018-19	-	38,510,648
	Less: Adjustment for assessment year-2019-20	-	29,782,712
	Less: Adjustment for assessment year-2020-21	36,809,155	-
		146,434,804	116,783,783
	Income Tax provision		
	Export	60,085,682	47,580,765
	Non operating income	5,993,341	5,665,374
		66,079,024	54,852,714
	Add: Current Tax of L'Esquire Ltd	381,152	88,404
		66,460,176	54,941,118

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AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
24.00	Sales		
	Export sales	10,014,280,416	7,905,836,002
	Add. Sales of L'Esquire Ltd	136,340,936	24,291,420
		10,150,621,352	7,930,127,422
	Disclosure as per Schedule XI, Part II, Para 8 (e) of the Companies Act 1994:		
	i. The quantity of the company's export of knit garments in pieces:	46,104,444	54,260,425
	ii. Foreign currency earned against export on FOB Basis:		
	In USD	115,261,110	93,667,010
	In BDT	10,014,280,416	7,905,836,002
	iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.		
	iv. The value of export for the year ended on 30 June 2022.		
25.00	Cost of Goods Sold		
	Cost of materials consumed	25.01 5,301,133,492	3,958,097,088
	Cost of direct labor	25.02 2,539,092,908	2,173,893,719
	Prime cost	7,840,226,400	6,131,990,806
	Factory overheads	25.03 737,453,357	564,020,463
	Cost of Goods put into Process	8,577,679,756	6,696,011,269
	Opening Work -in- process	791,466,248	679,717,479
	Closing Work- in- process	25.04 (857,289,381)	(791,466,248)
	Cost of Goods Manufactured	8,511,856,624	6,584,262,501
	Opening Finished Goods	275,594,128	196,992,470
	Cost of Goods Available for Sale	8,787,450,752	6,781,254,971
	Closing Finished Goods	25.05 (237,971,022)	(275,594,128)
		8,549,479,730	6,505,660,844
25.01	Raw Materials Consumption		
	Yarn	25.1.1 4,021,035,722	2,883,685,852
	Dyes	25.1.2 165,142,421	136,158,338
	Chemical	25.1.3 307,637,091	267,970,550
	Finishing Materials	25.1.4 735,057,562	667,835,271
		5,228,872,796	3,955,650,011
	Add: Raw Materials Consumption of L'Esquire Ltd	72,260,696	2,447,077
		5,301,133,492	3,958,097,088
25.1.1	Yarn Consumption		
		Quantity in kg	
		2021-22	2020-21
	Opening	2,340,588	2,649,002
	Add: Purchase during the year	9,838,480	9,432,790
		12,179,068	12,081,792
	Less: Closing stock	2,329,864	2,340,588
		9,849,204	9,741,204
		4,021,035,722	2,883,685,852

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Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
25.1.2	Dyes Consumption		
	Quantity in kg		
	2021-22	2020-21	
	Opening	215,529	210,191
	Add: Purchase during the year	265,573	210,191
		481,102	420,382
	Less: Closing stock	229,866	215,529
		251,236	204,853
		242,337,642	246,474,278
		148,850,283	132,021,702
		391,187,925	378,495,980
		226,045,504	242,337,642
		165,142,421	136,158,338
25.1.3	Chemical Consumption		
	Quantity in kg		
	2021-22	2020-21	
	Opening	1,316,954	1,418,353
	Add: Purchase during the year	1,969,348	1,957,537
		3,286,302	3,375,890
	Less: Closing stock	1,267,368	1,316,954
		2,018,934	2,058,936
		130,155,983	152,827,600
		309,721,381	245,298,932
		439,877,364	398,126,532
		132,240,273	130,155,983
		307,637,091	267,970,550
25.1.4	Finishing materials Consumption		
	Opening	740,178,282	719,805,656
	Add: Purchase during the year	1,179,894,401	688,207,897
		1,920,072,683	1,408,013,553
	Less: Closing stock	1,185,015,121	740,178,282
		735,057,562	667,835,271
	Disclosure as per requirement of Schedule XI, Part II, Para 8		
	Raw Materials, Spare Parts, Packing Materials and Capital Machinery		
	Items	Purchase	
		Import	Local (BBLC)
	Yarn	2,318,758,655	1,524,063,113
	Dyes & Chemical	275,142,998	183,428,666
	Packing Materials	34,075,951	27,880,324
	Accessories	611,222,902	506,715,224
	Store & Spare-Parts	120,134,133	26,370,907
		3,359,334,640	2,268,458,234
25.02	Cost of direct labor		
	Workers wages	1,764,527,051	1,384,385,960
	Workers overtime	267,226,857	294,591,099
	Daily labor	17,138,313	7,646,941
	Salary	444,952,674	474,599,625
	Festival bonus and Provident Fund	7,033,603	6,066,934
		2,500,878,498	2,167,290,560
	Add: Cost of direct labor of L'Esquire Ltd	38,214,410	6,603,159
		2,539,092,908	2,173,893,719

**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

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ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY
NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
26.01	Office & administrative expenses		
	Director remuneration	30,000,000	30,070,000
	Salary & allowances	184,771,013	168,539,953
	Contribution to employees provident fund	3,355,687	2,082,883
	Vehicle maintenance	917,872	1,325,226
	Vehicle running expenses	8,527,727	8,525,752
	Entertainment	2,371,467	2,143,290
	Insurance premium	868,770	868,770
	Printing expenses	471,775	261,504
	Stationery expenses	1,426,457	3,808,118
	Telephone, mobile & internet	2,563,823	3,656,950
	Floor rent	3,044,000	3,044,000
	Travelling & conveyance	1,969,877	941,008
	Bank charges	14,932,756	20,228,978
	License, renewal & registration	5,826,498	6,013,210
	Utility expenses	2,431,174	1,923,950
	Audit fees	931,500	897,000
	Scrutinizer fees	30,000	-
	Exchange loss/(gain)	5,969,129	11,717,479
	Depreciation	40,054,443	40,787,319
	Miscellaneous expenses(AGM expenses)	485,860	982,908
		310,949,828	307,818,298
26.02	Selling & distribution expenses		
	Inspection & certificate issue expenses	3,785,002	103,623,717
	Export permission	21,769,983	26,593,612
	Foreign Travel for marketing	5,713,560	506,759
	Sample and courier expenses	186,082,451	146,212,581
	Bank charges on export proceeds	242,016,711	157,100,740
	Freight charges on export	58,764,451	40,797,376
	C&F expenses on export	23,589,769	17,443,830
	Carriage outward on export(Transportation)	38,739,355	16,426,400
		580,461,282	508,705,014
27.00	Financial expenses		
	Interest on Short term loan	170,140,200	97,628,748
	Interest on Long term loan	162,345,438	159,097,677
	Interest on Finance lease	519,764	11,334,110
		333,005,402	268,060,534
28.00	Non operating income	16,788,193	22,661,497
	FDR Interest	6,050,460	5,824,063
	Dividend on unit fund-ICL	8,500,000	-
	Bank Interest	2,237,733	16,837,434
	Rental income	-	-

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
29.00	Net Asset Value (NAV) Per Share		
	Total assets	15,688,128,975	14,529,242,003
	Total Liabilities	(6,891,371,720)	(5,872,605,746)
	Net Asset Value (NAV) (A)	8,796,757,255	8,656,636,257
	Revaluation reserve	(3,739,289,135)	(3,739,289,135)
	Net Asset Value (NAV) without revaluation reserve (B)	5,057,468,120	4,917,347,122
	Weighted Average Number of shares (C)	134,895,833	134,895,833
	Net Asset Value (NAV) per share with revaluation reserve (A÷C)	65.21	64.17
	Net Asset Value (NAV) per share without revaluation reserve (B÷C)	37.48	36.44

29.01	Earnings Per Share (EPS)		
	Earning attributable to ordinary shareholders (Taka)	318,667,490	296,837,729
	Weighted Average Number of shares	134,895,833	134,895,833
	Earnings Per Share (Taka)	2.36	2.20

30.00	Net Operating Cash Flow Per Share (NOCFPS)		
	Net operating cash flows	419,123,277	(141,860,421)
	Weighted Average Number of shares	134,895,833	134,895,833
	Net operating cash flows per shares	3.11	(1.07)

Caculation of Weighted Average Number of shares

Particulars	Formula	No of shares	No of shares
Allotment of Existing shares	100000000/365*365	100,000,000	100,000,000
Allotment of new shares	34895833/365*365	34,895,833	34,895,833
Allotment date: Februray 07,2019			
Weighted Average Number of shares		134,895,833	134,895,833

31.00 Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018:

Reconciliation of net profit with cash flow from operating activities

Net profit after tax for the year	318,667,490	295,901,136
Adjustment for non-cash items:		
Depreciation	254,658,401	250,449,836
Deferred Tax Adjustment	5,514,949	8,645,060
Changes in Working Capital:		
(Increase)/decrease in Inventory	(353,474,825)	(292,846,097)
Decrease in Accounts receivable	(68,297,431)	(762,865,057)
(Increase)/decrease in Advance deposit and Payments	11,761,079	218,069,451
Increase in Accounts payable	165,223,963	160,858,254
Decrease in Accrued Expenses	85,069,652	(20,073,003)
Net cash flow from operating activities	419,123,278	(141,860,421)

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

32.00 Related party disclosures

i) Related party transactions

(Amount in Taka)

Name	Nature of relationship	Nature of Transaction	Opening Balance	Purchase	Payment	Outstanding as on 30.06.2022 (Receivable)/ Payable
Esquire Accessories Limited	Common Management	Purchase	35,304,323	165,072,105	125,894,489	74,481,939
Esquire Electronics Limited	Common Management	Purchase	135,195	1,881,500	2,016,695	-
Esquire Dyeing Industries Limited	Common Management	Dyeing	46,552,633	235,381,087	183,547,870	98,385,850
Esquire Testing Services (BD) Limited	Common Management	Fabric testing fees	4,506,704	157,584,276	162,090,980	(0)
Pinnacle Construction Management Ltd.		Contractor	(203,708,007)	203,708,007	-	-
Esquire Plastics Ltd	Common Management	Purchase	-	1,071,256	1,071,256	-

172,867,788

ii) Particulars of Directors of Esquire Knit Composite Limited as at 30 June 2022

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Plastic & Packaging Limited
		Esquire Customer Care Limited
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Sourcing Limited
		Sharp Media Limited
		Bangladesh German University
		Best Life Insurance Company Limited
		Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
		Thakral One Private Ltd
		T.M Chemical Limited

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Olive Tree Foods Limited
		Esquire Travels Ltd.
		Securex (Pvt) Ltd.
		L'Esquire Ltd
		Esquire Heavy Industries Ltd.
Md. Mofazzal Hossain	Chairman	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Esquire Customer Care Limited
		L'Esquire Ltd
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Sharp Media Limited
		Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
Mrs. Peara Begum	Director	Thakral One Private Ltd
		Esquire Travels Ltd.
		Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
Arifur Rahman	Director	Esquire Electronics Limited
		Esquire Accessories Limited
		Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Packaging Limited
		Esquire Customer Care Limited
		L'Esquire Ltd
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Sourcing Limited
		Sharp Media Limited
		Trust Solution Private Limited
		Esquire Travels Ltd.

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Muddasar Hossain	Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		L'Esquire Ltd
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastic Limited
		Esquire Chemical Industries Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Customer Care Limited
		Esquire Travels Ltd.

33.00 Capital expenditure commitment

Details of capital expenditure commitment as of 30 June 2022 are as under:

Particulars	Total Cost value estimated	Paid till 30.06.22	to be paid
Valuka Project	1,500,000,000	1,451,080,275	48,919,725

34.00 Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994

Number of employee	No. of Employee	No. of Employee
Factory:		
Textile and Apparels:		
Number of full-time employee (Officers & Staff)	1,216	1,260
Number of full-time employee (Workers)	6,983	6,782
Head Office:		
Number of full-time employee (Officers & Staff)	219	230
Number of full-time employee (Workers)	-	-

All the aforesaid employees engaged by the Company for the whole year or part thereof individually received a total salary of Tk. 70,055 or above.

35.00 Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
	Directors are also executives of the company. Their executive compensation for the year ended on 30 June 2022 is given below:		
	Managing Director's remuneration and benefit 35.01	6,000,000	6,000,000
	Other Directors' salary and benefit 35.02	24,000,000	24,000,000
	Other key management personnels' salary and benefit 35.03	25,995,319	25,995,319
		55,995,319	55,995,319

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
35.01	Managing Director's remuneration and benefit		
	Salary paid through cash and bank	6,000,000	6,000,000
35.02	Other Directors' salary and benefit		
	Salary paid through cash and bank	24,000,000	24,000,000
35.03	Other key management personnels' salary and benefit		
	Salary	19,951,685	19,951,685
	Allowance	590,274	590,274
	Bonus	3,530,615	3,530,615
	Providend fund	1,922,745	1,922,745
		25,995,319	25,995,319

Board Meeting attendance fees have been provided to the directors of the company for the year.

The Directors of the company did not take any benefit from the company other than the remuneration and -

a. Expense reimbursed to the managing agent –	Nil
b. Commission or other remuneration payable separately to a managing agent or his associate –	Nil
c. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company -	Nil
d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year -	Nil
e. Any other perquisites or benefit in cash or in kind stating –	Nil
f. Other allowances and commission including guarantee commission -	Nil
1) Pensions	
2) Gratuities	
3) Payment from Provident Fund	
4) Compensation for loss of office	
5) Consideration in connection with retirement from office	

36.00 Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994

Particulars

Textiles:

Installed Capacity (Kg)

Actual Production (Kg)

Utilization

8,030,000

6,089,992

75.84%

8,030,000

6,088,892

75.83%

Apparels:

Installed Capacity (Pcs)

Actual Production (Pcs)

Utilization

49,920,000

34,691,032

69.49%

49,920,000

34,690,032

69.49%

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
37.00	Transaction in foreign currency		
	C & F value of import		
	Finishing Materials	7,865,785	7,689,252
	Yarn	41,121,688	16,155,253
	Dyes & Chemicals	4,907,134	4,546,032
	Capital Machinery	3,693,987	671,136
		57,588,592	29,061,673
	FOB Value of Export (USD)	115,261,110	93,667,010

38.00 Financial risk management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. 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 risks from its use of financial instruments.

- *Credit Risk
- *Interest Rate Risk
- *Currency Risk
- *Liquidity/funding risk
- *Market risk

38.01 Credit risk

Credit risk is the risk of a financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

As the company is involved in 100% export oriented business, all the sales are made against Letter of Credit (L/C). L/Cs provide guarantee against credit sales and minimise the credit risk to an acceptable level. Bills receivable arises due to the time difference between submission of bills to the bank for collection of proceeds and actual realisation of the proceeds.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Accounts receivables	8.00	1,311,122,533	1,243,153,717
Advance, deposit and prepayments	10.00	640,809,298	646,601,248
Cash & Bank Balances	12.00	563,728,494	742,195,902
		2,515,660,325	2,631,950,867

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

Domestic	1,896,879,651	2,336,049,731
Foreign	618,780,674	295,901,136
	2,515,660,325	2,631,950,867

38.02 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falls due. The company's approach to 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

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The following are the contractual maturities of financial liabilities of the company:

As on 30 June 2022

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,719,314,099	-	2,719,314,099
Finance Lease obligation	11,912,617	-	11,912,617
Short term loan	2,307,892,211	1,384,735,327	923,156,884
Provision for income tax	146,434,804	146,434,804	-
Liabilities for expenses	206,004,200	206,004,200	-
Accounts payable	1,192,574,016	1,192,574,016	-
	6,584,131,947	2,929,748,346	3,654,383,601

As on 30 June 2021

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,782,773,959	-	2,782,773,959
Finance Lease obligation	14,078,035	-	14,078,035
Short term loan	2,307,892,211	1,384,735,327	923,156,884
Provision for income tax	116,695,379	116,695,379	-
Liabilities for expenses	167,205,955	167,205,955	-
Accounts payable	1,027,350,053	1,027,350,053	-
	6,415,995,592	2,695,986,713	3,720,008,879

38.03 Market risk

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

In the past, in some occasion large buyers of different RMG exporters has decided to withdraw business, or has become bankrupt or were subject to regulatory injunction from importing from Bangladesh, creating a strong impact on the exporter. For EKCL single buyer concentration is not a major issue and they have longstanding relationship with overseas buyers. All of them regard EKCL as their global partners and the relationship can only be disrupted if EKCL fails to perform its commitments. Also, because of its dominant position in the export market it is always sought after by many buyers.

38.04 Currency risk

The company is exposed to currency risk on receiving of sales proceeds and payments made for raw materials purchase as well. Maximum of the company's foreign currency transactions are denominated in USD.

i) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

	30.06.2022 USD	30.06.2021 USD
Foreign currency denominated assets		
Accounts Receivable	13,885,051	14,650,354
FBPAR A/C with DBBL-in USD(78)3	115,291	14,650,354
FBPAR A/C with Dutch Bangla Bank Limited (USD)	37,713	87,612
FBPAR A/C with Dutch Bangla Bank Limited (Euro)	1,631	1,630
Margin A/C with Eastern Bank Limited (USD)	632	378,593
Margin A/C with Eastern Bank Limited (Euro)	23,828	863
Dutch Bangla Bank Limited FCAD (USD account)	90,976	579,942
Dutch Bangla Bank Limited FCAD (Euro account)	6,178	63
DBBL FCAD-in Dollar	281	4,693,862
Eastern Bank Limited (USD account)	685	684
	14,162,264	35,043,958
Foreign currency denominated liabilities		
DBBL-EDF	-	(2,193,651)
EBL-EDF	-	(532,888)
IFC Loan	(10,856,035)	(14,000,000)
Accounts Payable	(16,088,953)	(11,777,303)
	(26,944,988)	(28,503,842)
Net exposure	(12,782,724)	6,540,116
	30.06.2022 Taka	30.06.2021 Taka
The following rate has been applied:		
Taka/USD	93.45	84.80
Taka/EURO	97.55	100.86

38.05 Business Risk

Managing Compliance – Currently RMG buyers specially the large buyers are very demanding and constantly tightening the compliance criteria. EKCL has been in the forefront of compliance among the RMG exporters in the county. They have compliant plants with effluent water treatment facility, childcare facility, adequate ventilation, spacious infrastructure lay out, etc. Till now they were able to meet all the compliance challenge in their 30 year plus business experience and is likely to do so in the coming years. EKCL mitigates compliance risk since it is WRAP certified and passed other audits from Department of Environment (DOE) and overseas buyers.

Achievement of sales volume – Historically, EKCL has been successful to achieve its sales target after expansion as most of its expansions are planned after receiving order indications from its buyers.

38.06 Interest Rate Risk

EKCL is enjoying banks finance in the form of working capital as well as term loan. As a bank fund borrower, the entity has to pay a significant amount of loan interests and charges. Bangladesh Bank has moved to remove the interest rate ceiling on lending in the wake of a massive liquidity crisis in the financial market letting the price to be determined by functioning of demand-supply interaction. This measure may invite interest rate instability, which may create volatility in the profitability of business like EKCL. It is the company risk of gain or losses on assets and liabilities due to changes in interest rates.

ESQUIRE KNIT COMPOSITE LIMITED AND ITS SUBSIDIARY

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
	Exposure of Interest Rate Risk		
	Fixed Rate Bearing		
	Term Loan	2,731,226,716	2,794,742,511
	Short Term Loan	2,307,892,211	1,479,436,051

38.07 Operation Risk

Technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology, which may cause negative impact on the business. The project is equipped with good machineries and technology to cope with the modern textile world. The management both in head office and production premises seem to be competent and maintain the standard level of quality and to run the operations effectively. However, in order to reduce the operational risk, the company is yet to ensure an external control mechanism. The company has minimum exposure to operational risk.

38.08 Raw Material Supply Risk

The company receives yarn, dyes & chemicals both from local as well as foreign suppliers. Import based supplies are likely to be affected by any uncontrollable event or country risk to transaction or political barrier. Since inception the company did not face any such uncontrollable events so far because of maintaining good supply chain relationship with the suppliers of raw materials and in exceptional cases, it is confident to make alternative arrangement at shorter notice.

38.09 Exchange Rate Risk


Exchange rate risk arises from currency fluctuation in international trade. If Bangladeshi Taka is devalued and/or foreign currency revalued than the price of imported raw materials will go up which will decrease the overall profit margin. As the company is dependent upon the import for yarn, dyes, chemicals & accessories and in future it will be the same, volatility of exchange rate will have an impact on profitability of the company. For last couple of years, Bangladeshi Taka found carrying floated value and expected to follow the same which expose the company to significant exchange rate risk.

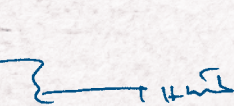
38.10 Power Generation Risk

The industrial bases of Bangladesh are mainly aided by natural gas-driven power generation which causes disruption occasionally and the weaving industry is not an exception. Smooth availability of gas will ensure the maximum functioning of the machineries. EKCL uses natural gas to produce power from captive power plant. Currently a circular from government has emerged to arrange alternate of gas due to recent acute gas crisis. The company is connected with 15 PSI gas line and currently does not any problem of gas pressure. So other things being constant, EKCL does not foresee significant risk for power generation.

39.00 Date of Authorisation

The Board of directors has authorised these financial statements for issue on 30 October 2022.


Chairman


Managing Director


Director


Company Secretary


Chief Financial Office

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2022

Annexure - A

Name of the assets	Cost			Rate (%)	Depreciation			Written Down Value as on 30.06.2022	Written Down Value as on 30.06.2021
	Balance as on 01.07.2021	Addition During the period	Balance as on 30.06.2022		Balance as on 01.07.2021	Charges for the period	Balance as on 30.06.2022		
a. Freehold assets									
Land & Land development	123,453,152		123,453,152	-	-	-	-	123,453,152	123,453,152
Building	1,221,060,029	1,760,000	1,222,820,029	5%	538,292,630	61,097,001	599,389,632	623,430,397	682,767,398
Plant & Machinery	3,178,120,901	345,203,064	3,523,323,965	7%	1,687,832,575	153,506,956	1,841,339,531	1,681,984,434	1,557,018,845
Furniture and Office Equipment	239,864,291	24,113,853	263,978,144	10%	177,289,952	24,382,821	201,672,773	62,305,371	77,023,824
Motor Vehicle	28,894,445	-	28,894,445	13%	28,894,445	-	28,894,445	-	-
Software & IT	32,440,757	-	32,440,757	10%	10,732,024	3,244,075.70	13,976,100	18,464,657	21,708,733
Sub-Total	4,823,833,574	371,076,917	5,194,910,491		2,443,041,626	242,230,855	2,685,272,481	2,509,638,010	2,461,971,952
b. Revalued assets									
Land & Land Development	3,895,092,849		3,895,092,849	-	-	-	-	3,895,092,849	3,895,092,849
Sub-Total	3,895,092,849	-	3,895,092,849		-	-	-	3,895,092,849	3,895,092,849
c. Leasehold assets									
Motor Vehicle	99,420,368		99,420,368	13%	59,723,018	12,427,546	72,150,564	27,269,804	39,697,350
Sub-Total	99,420,368	-	99,420,368		59,723,018	12,427,546	72,150,564	27,269,804	39,697,350
Grand total as on 30 June 2022	8,818,346,791	371,076,917	9,189,423,708		2,502,764,644	254,658,401	2,757,423,045	6,432,000,664	6,396,762,151
Grand total as on 30 June 2021	6,936,935,539	1,881,411,252	8,818,346,791		2,261,335,919	241,428,725	2,502,764,644	6,315,582,147	4,675,599,621

Break-up of Land and Land Development:

Land acquisition cost	83,297,266	Allocation of depreciation:	
Land development cost	40,155,886	Factory overhead	214,603,958
	123,453,152	Office & Administrative Expenses	40,054,443
			254,658,401

Note: Land and land development has been revalued on 20 July 2020 by an independent valuer

i) Name of Valuer : Masih Muhith Haque & Co. Chartered Accountants

ii) Valuation method : Estimated Net Realizable Value Method (the market approach).

iii) Date of Capitalization: Revaluation surplus capitalized on 20 July 2020

ADDITION OF CAPITAL WORK IN PROGRESS

AS AT 30 JUNE 2022

Annexure - B

Particulars	Total Cost	Cost incurred
Valuka Building construction	2,900,000,000	2,272,873,152
Total	2,900,000,000	2,272,873,152

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Annexure - C

SI #	Particulars	Opening		Purchase		Issue/Consumption		Closing Balance	
		Qty	BDT	Qty	BDT	Qty	BDT	Qty	BDT
Raw material									
1	Yarn	2,304,588	837,871,652	9,838,480	3,842,821,769	9,813,204	4,021,035,722	2,329,864	659,657,698
2	Dyes	215,529	242,337,642	265,573	148,850,283	251,236	165,142,421	229,866	226,045,504
3	Chemical	1,316,954	130,155,983	1,969,348	309,721,381	2,018,933	307,637,091	1,267,368	132,240,273
Finishing Materials									
4	Packing materials	-	402,155,744	-	61,956,275	-	170,893,889	-	293,218,130
5	Accessories	-	228,053,366	-	1,078,117,498	-	530,343,046	-	775,827,818
6	Sewing Thread	-	107,243,479	-		-		-	107,243,479
7	Printing & Embroidery materials	-	2,725,693	-	39,820,628	-	33,820,627	-	8,725,694
WIP and Finished Goods									
8	Work in Process	-	791,466,248	-	-	-	-	-	857,289,381
9	Finished goods	-	274,046,371	-	-	-	-	979,950	230,016,352
10	Materials in transit	-	129,872,558		-	-	-	-	160,307,088
Sub-Total		3,837,071	3,145,928,736	12,073,401	5,481,287,834	12,083,373	5,228,872,796	4,807,048	3,450,571,417
Factory overhead (Repair and Maintenance)									
1	Spare parts & consumable items	-	245,213,080	-	146,505,040	-	104,079,809	-	287,638,311
2								-	-
Sub-Total		-	245,213,080	-	146,505,040	-	104,079,809	-	287,638,311
Grand Total		3,837,071	3,391,141,815	12,073,401	5,627,792,874	12,083,373	5,332,952,605	4,807,048	3,738,209,728

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Annexure - D

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
1	Air Conditioner	BOTTLE	8	62,134	8	45,516
2	Air Conditioner	PCS	14	70,849	14	51,900
3	Air Conditioner	SET	7	523,237	7	383,296
4	Ball Bearing	PCS	2,435	2,163,242	1,948	2,403,603
5	Timing Belt	MTR	71	12,379	57	13,754
6	Timing Belt	PCS	831	859,852	664	955,391
7	Toothed Belt	PCS	450	955,114	360	1,061,238
8	V-Belt	PCS	2,852	979,264	2,281	1,088,071
9	Common (All)	KG	7	1,783	6	1,981
10	Common (All)	LBS	748	1,341,253	598	1,490,281
11	Common (All)	PCS	4,462	367,474	3,570	408,305
12	Common (All)	SET	19	14,354	15	15,949
13	Band Knife M/C	SET	18	6,012	14	6,681
14	Common M/C (Cutting)	PCS	5,149	745,777	4,119	828,641
15	FK Spreading Machine 590	PCS	21	3,081	17	3,423
16	FK Top Cut 9 M/C	PCS	169	545,356	135	605,951
17	Manual M/C	PCS	4,630	11,612,379	3,704	12,902,643
18	Spreader M/C (Brio 100)	PCS	381	1,201,996	305	1,335,551
19	VT-7000 M/C	BOX	1,382	634,495	1,106	704,994
20	VT-7000 M/C	PCS	1,407	1,500,065	1,126	1,666,739
21	VT-MX M/C	PCS	1,064	2,710,374	851	3,011,527
22	VT-MX M/C	PAIR	8	32,131	7	35,701
23	Automatic Tubular Emb M/C	PCS	1,183	471,503	946	523,892
24	Laser Cutter M/C	PCS	50	292,869	40	325,410
25	MG M/C	MTR	18	13,030	14	14,478
26	MG M/C	PCS	5,219	688,719	4,175	765,243
27	MG M/C	SET	10	2,942	8	3,269
28	Sunstar M/C	PCS	1,143	143,110	914	159,011
29	Tajima M/C	PCS	3,578	331,837	2,862	368,708
30	Auto Brass M/C	PCS	36	4,222	29	4,691
31	Biancalani Dryer Machine	PCS	11	447,776	9	497,529
32	Corino Slitting Machine	PCS	569	357,975	455	397,750
33	Dozzatex M/C	PCS	8	64,858	7	72,064
34	Egalizing Dryer M/C	PCS	10	755,462	8	839,402
35	Ferraro Compacting M/C	FEET	117	34,024	94	37,804
36	Ferraro Compacting M/C	PCS	186	1,302,177	149	1,446,863
37	Ferraro Compacting M/C	ROLL	19	383,775	15	426,416
38	Ferraro Compacting M/C	SET	8	640	7	711
39	Fongs M/C (F/D)	PCS	77	76,452	62	84,947
40	Fongs M/C (F/D)	SET	72	69,303	57	77,004
41	Lafer Compacting M/C	PCS	22	778,722	18	865,246

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
42	Lafer Sueding M/C	MTR	646	235,382	517	261,535
43	Mario Crosta(Brassing) M/C	MTR	109	64,319	87	71,466
44	Mario Crosta(Brassing) M/C	PCS	10	12,792	8	14,214
45	NPL M/C	PCS	37	768	30	853
46	NPL M/C	SET	15	768	12	853
47	Q Sun M/C	PCS	32	47,332	25	52,591
48	Robolab M/C	PCS	1,276	719,032	1,021	798,925
49	Santex M/C	FEET	98	2,328	78	2,587
50	Santex M/C	PCS	142	188,336	113	209,262
51	Sclavos M/C	PCS	1,748	1,557,062	1,399	1,730,069
52	Sclavos M/C	SET	105	32,020	84	35,578
53	Slitting M/C	FEET	139	77,288	112	85,875
54	Slitting M/C	MTR	178	21,075,513	142	23,417,236
55	Slitting M/C	PCS	319	4,465,284	255	4,961,427
56	Slitting M/C	SET	99	240,058	79	266,731
57	Smartex M/C	FEET	113	6,402	90	7,113
58	Smartex M/C	PCS	155	81,513	124	90,570
59	Soft Flow Dyeing M/C	PCS	101	202,715	81	225,239
60	Soft Flow Dyeing M/C	SET	99	22,405	79	24,895
61	Stenter M/C	COIL	95	18,991	76	21,101
62	Stenter M/C	FEET	153	14,784	122	16,426
63	Stenter M/C	MTR	889	263,476	711	292,752
64	Stenter M/C	PCS	2,344	1,124,309	1,875	1,249,232
65	Tube Tex M/C	FEET	284	94,956	227	105,507
66	Tube Tex M/C	PCS	275	8,306,377	220	9,229,307
67	Tube Tex M/C	SET	101	153,637	81	170,708
68	Ultra Soft M/C	PCS	114	54,952	92	61,058
69	Washing M/C	PCS	97	82,036	78	91,151
70	Bartack M/C	PCS	93	459	75	510
71	Bartack M/C	SET	93	4,090	75	4,544
72	Button Hole & Stitch M/C	PCS	2,030	507,605	1,624	564,005
73	Button Hole & Stitch M/C	SET	103	31,987	82	35,542
74	Common (Garments)	PCS	993	271,147	795	301,274
75	Common (Garments)	POT	95	3,841	76	4,268
76	Feet of the Arm M/C	PCS	91	1,137	73	1,263
77	Feet of the Arm M/C	SET	97	12,803	78	14,226
78	Finishing Section	PCS	758	372,411	607	413,790
79	Finishing Section	SET	99	123	79	137
80	Flat Lock M/C	PCS	3,659	825,348	2,928	917,053
81	Flat Lock M/C	SET	151	80,735	121	89,706
82	Flat Seamer M/C	PCS	128	12,376	102	13,751

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
83	Fusing M/C	PCS	91	41,720	73	46,355
84	Kancai M/C	PCS	103	7,230	82	8,034
85	Kancai M/C	SET	116	67,813	93	75,347
86	Needle (Garments)	PCS	118	339	95	376
87	Needle (Garments)	PKT	9,640	1,543,484	7,712	1,234,787
88	Over Lock M/C	PCS	4,307	1,118,140	3,445	894,512
89	Over Lock M/C	SET	122	51,323	98	41,059
90	Pattern Cutting M/C	PCS	93	7,113	75	5,690
91	Plain M/C	PCS	6,444	367,195	5,155	293,756
92	Plain M/C	SET	174	76,496	139	61,197
93	Rib Cutter M/C	PCS	4,089	724,862	3,271	579,890
94	Rib Cutter M/C	SET	367	187,105	294	149,684
95	Snap Button M/C	PCS	93	34,379	75	27,503
96	Snap Button M/C	SET	89	-	72	-
97	8 Needles Cord Knitting Machin	PCS	89	-	72	-
98	Fukuhara M/C	PCS	1,068	1,568,656	855	1,254,925
99	Jack	PCS	6,739	850,875	5,391	680,700
100	Mayer & Cie M/C	BOX	95	133	76	107
101	Mayer & Cie M/C	PCS	5,234	2,108,662	4,187	1,686,930
102	Mayer & Cie M/C	PKT	97	6,520	78	5,216
103	Mayer & Cie M/C	SET	141	26,969	113	21,576
104	Needle (Knitting)	PCS	268,085	1,249,126	214,468	999,301
105	Orizo M/C	FEET	-	-	-	-
106	Orizo M/C	PCS	48	2,185,923	39	1,748,738
107	Orizo M/C	SET	2,706	163,062	2,165	130,449
108	Pailung M/C	PCS	87	1,601,855	70	1,281,484
109	Re-winder M/C	PCS	1,868	412,905	1,494	330,324
110	Santoni Machine	PCS	257	106,411	205	85,129
111	Shima Shiki M/C	LTR	102	33,875	82	27,100
112	Shima Shiki M/C	PCS	328	1,449,588	263	1,159,670
113	Shima Shiki M/C	SET	1,678	51,332	1,343	41,065
114	Sinker	PCS	87	998,917	70	799,134
115	Stoll M/C	KG	35,510	99,225	28,408	79,380
116	Stoll M/C	LTR	87	157,015	70	125,612
117	Stoll M/C	SET	226	36,840	181	29,472
118	Photo Copier	PCS	79	109,054	63	87,243
119	Injection Moulding M/C SA-3	PCS	87	133,966	70	107,173
120	Label Cutting(Hy-2080) M/C	PCS	104	135,827	83	108,662
121	Label Printer(PT-6/2) M/C	PCS	111	283,532	89	226,826
122	Thermal Printer(SP4011-R) M/C	PCS	113	58,799	90	47,039
123	Alpha-8 26 Station 12Color M/C	PAIR	89	85,914	72	68,731

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
124	Alpha-8 26 Station 12Color M/C	PCS	77	666,738	61	533,391
125	Auto M/C	PCS	152	686,598	122	549,279
126	Caynne Quartz Flash "D" M/C	PCS	313	287,200	250	229,760
127	Caynne Quartz Flash "E" M/C	PCS	110	180,219	88	144,175
128	Challenger M/C	PCS	82	814,226	65	651,381
129	Chamelion M/C (Manual)	PCS	92	307,980	74	246,384
130	Diamond Back M/C	PCS	164	291,727	131	233,381
131	Exposer M/C (Manual)	PCS	105	244,400	84	195,520
132	Gas Dryer M/C	PCS	157	196,491	126	157,193
133	Hit Press M/C	PCS	92	276,508	74	221,206
134	Motif Setter Machine	SET	115	158,557	92	126,845
135	Performa-18 Colour Auto M/C	PCS	218	475,960	174	380,768
136	Takana Quartz Flash (CE03) M/C	PCS	490	296,367	392	237,094
137	Value Jet 1638 Printer (Sublim)	PCS	136	1,785,334	109	1,428,267
138	Rubber & Seal Items	COIL	150	9,937	120	7,950
139	Rubber & Seal Items	FEET	79	55,534	63	44,427
140	Rubber & Seal Items	LBS	966	30,014	773	24,011
141	Rubber & Seal Items	PCS	354	2,942,453	283	2,353,962
142	Rubber & Seal Items	SET	20,270	576,519	16,216	461,216
143	Tools	BOX	143	545,622	115	436,498
144	Tools	PAIR	191	447,337	153	357,870
145	Tools	PCS	287	2,180,255	230	1,744,204
146	Tools	PKT	1,281	44,000	1,025	35,200
147	Tools	SET	115	162,209	92	129,767
148	Boiler	KG	74	429,146	60	343,317
149	Boiler	LBS	560	416,347	448	333,078
150	Generator (Gas)	PCS	282	1,660,288	226	1,328,230
151	Valve	PCS	314	1,066,703	251	853,363
152	S.S.M. M/C	PCS	238	42,930	190	34,344
153	Tong Gang M/C	PCS	77	433,555	62	346,844
154	Automobile	LTR	58	331,043	46	264,835
155	Automobile	ML	956	10,664,102	765	8,531,282
156	Automobile	MTR	-	54,548	-	43,638
157	Automobile	PCS	248	552,732	198	442,186
158	Automobile	POT	8	8,152	7	6,521
159	Computer Accessories	COIL	25	691,389	20	553,111
160	Computer Accessories	PCS	677	2,358,740	541	1,886,992
161	Computer Accessories	PKT	171	248,528	136	198,822
162	Medical Equipment	SET	36	282,103	29	225,683
163	Medicine	BOTTLE	-	65,053	-	52,042
164	Medicine	BOX	-	15,576	-	12,461

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
165	Medicine	PCS	-	5,640,625	-	4,512,500
166	Medicine	TUBE	-	64,649	-	51,719
167	Auxiliary Contractor	PCS	622	539,696	497	431,757
168	Balast	PCS	168	186,088	134	148,871
169	Cable	COIL	579	2,646,234	463	2,116,987
170	Cable	FEET	928	90,424	743	72,339
171	Cable	KG	261	784,175	209	627,340
172	Cable	MTR	704	1,772,704	563	1,418,163
173	Cable Socket	PCS	59,414	863,441	47,531	690,753
174	Capacitor	PCS	5,391	627,480	4,313	501,984
175	Charger Battery	PCS	1,170	119,151	936	95,321
176	Circuit Breaker	PCS	51	1,741,130	41	1,392,904
177	Common (Electrical)	FEET	67	503	54	403
178	Common (Electrical)	KG	98	107,272	78	85,818
179	Common (Electrical)	MTR	1,953	156,767	1,562	125,414
180	Common (Electrical)	PCS	11,976	882,701	9,581	706,160
181	Common (Electrical)	PKT	469	259,936	375	207,949
182	Common (Electrical)	SET	122	48,657	98	38,926
183	Converter	PCS	98	1,403,989	78	1,123,191
184	Cooling Fan	PCS	546	653,722	437	522,978
185	Cut Out	PCS	677	47,574	541	38,059
186	DB Board	PCS	290	159,343	232	127,475
187	Electric Bulb	PCS	1,954	1,201,047	1,563	960,838
188	Electronic Card	PCS	26	1,222,368	21	977,894
189	Fuse	PCS	13,335	637,203	10,668	509,762
190	Holder	PCS	1,172	123,423	937	98,738
191	Holder	SET	534	236,381	427	189,105
192	Inverter	PCS	6	1,731,695	4	1,385,356
193	Magnetic Contractor	PCS	85	2,862,209	68	2,289,767
194	Meter	PCS	168	1,864,592	134	1,491,673
195	Motor	PCS	351	837,978	281	670,383
196	Overload Relay	PCS	362	2,135,838	289	1,708,670
197	Plug (Electrical)	PCS	547	401,214	438	320,971
198	Plug (Electrical)	PKT	208	18,463	166	14,770
199	Relay	PCS	954	492,375	763	393,900
200	Relay Base	PCS	55	20,631	44	16,505
201	Saddle Clamp	PCS	5,940	1,970,187	4,752	1,576,149
202	Saddle Clamp	PKT	-	24,748	-	19,799
203	Socket (Electrical)	PCS	261	298,486	209	238,789
204	Solenoid Valve	PCS	117	269,577	94	215,662
205	Starter	PCS	975	16,193	780	12,954

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
206	Switch	PCS	243	1,221,388	195	977,110
207	Tape (Electrical)	FEET	14,233	580,964	11,386	464,771
208	Tape (Electrical)	MTR	4,044	10,451	3,235	8,361
209	Tape (Electrical)	PCS	9,943	1,333,113	7,954	1,066,491
210	Tape (Electrical)	ROLL	133	14,801	107	11,841
211	Tape (Electrical)	SET	8	2,508	7	2,007
212	Timer	PCS	56	138,087	45	110,470
213	Transformer	PCS	44	174,409	35	139,527
214	Tube Light	PCS	1,235	1,187,584	988	950,067
215	Warning Light	PCS	116	130,147	92	104,117
216	Fire Fighting Equipment	COIL	-	9,842,280	-	7,873,824
217	Fire Fighting Equipment	PCS	869	8,592,277	695	6,873,822
218	Fire Fighting Equipment	SET	26	1,684,273	21	1,347,418
219	Band	PCS	451	602,517	361	482,014
220	Channel	PCS	483	69,267	386	55,414
221	Elbow	PCS	318	1,235,328	254	988,263
222	Flanges	PCS	304	1,092,053	243	873,643
223	Nipple	PCS	268	119,246	215	95,397
224	Nut	PCS	-	12,627	-	10,101
225	Nut Bolt	PCS	-	265,704	-	212,564
226	Pipe	FEET	7,975	1,005,378	6,380	804,302
227	Plug	PCS	429	9,764	343	7,811
228	Reducer	PCS	168	143,571	134	114,857
229	Socket	PCS	5,789	269,323	4,631	215,458
230	Tee Socket	PCS	441	256,852	353	205,482
231	Union Socket	PCS	172	87,547	138	70,038
232	Hardware	COIL	26	755,498	21	604,399
233	Hardware	LBS	4	1,893	3	1,721
234	Hardware	KG	443	11,526,381	354	7,788,095
235	Hardware	LTR	19	379,843	15	303,874
236	Hardware	PKT	-	8,717,278	-	6,973,822
237	Hardware	POT	171	523,270	136	418,616
238	Hardware	ROLL	25	210,755	20	168,604
239	Hardware	SET	73	29,158	58	23,327
240	Paint & Vernish	PCS	290	117,664	232	94,131
241	Paint & Vernish	PKT	345	13,241	276	10,592
242	Sanitary	GM	7,591	654,149	6,073	523,319
243	Sanitary	KG	131	23,840	105	19,072
244	Sanitary	LTR	125	219,066	100	175,253
245	Sanitary	PCS	2,120	843,695	1,696	674,956
246	Sanitary	PKT	26	2,903	21	2,323

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
247	Sanitary	SET	265	84,529	212	67,624
248	Laboratory Instrument	BOX	92	84,057	74	67,245
249	Laboratory Instrument	LTR	842	32,266	673	25,813
250	Laboratory Instrument	PAIR	88	23,829	70	19,063
251	Laboratory Instrument	PCS	1,414	2,550,717	1,131	1,889,420
252	Laboratory Instrument	PKT	36	64,147	29	47,516
253	Laboratory Instrument	ROLL	579	633,524	463	469,277
254	Oil & Lubricants	DRUM	39	5,625,779	31	4,167,244
255	Oil & Lubricants	PCS	2,599	1,648,098	2,079	1,220,813
256	Other Material	BOX	1,995	1,593,840	1,596	1,180,623
257	Other Material	MTR	-	1,846,874	-	1,368,055
258	Other Material	YDS	-	2,091,222	-	1,549,053
259	Pack & Package	MTR	1,253	1,752,645	1,002	1,298,256
260	Pack & Package	PCS	1,595,965	2,436,189	1,276,772	1,804,585
261	Pack & Package	ROLL	7,481	1,793,216	5,985	1,328,308
262	Supplies Items	BOOK	1,169	7,581,309	935	5,615,785
263	Supplies Items	PCS	42,900	3,973,709	34,320	2,943,489
264	Supplies Items	SHEET	14,334	12,867,597	11,468	9,531,554
265	Supplies Items	BOX	571	2,833,206	457	2,098,671
266	Supplies items	KG	3,575	575,406	2,860	426,227
267	Supplies items	PKT	2,793	444,650	2,234	329,371
268	Supplies items	POT	25	475,386	20	352,137
269	Supplies items	SET	-	835,790	-	619,104
270	Supplies Items	PCS	126,932	11,190,813	101,545	8,289,491
271	Supplies Items	REAM	120	3,365,453	96	2,492,928
272	Supplies Items	ROLL	484	7,016,902	387	3,312,888
Total				287,638,311		245,213,080

WORK- IN- PROCESS

AS AT 30 JUNE 2022

Annexure - E

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	23,709,465	1,783,046,251	1,775,755,784	30,999,932
Finished Fabric	565,861,073	1,596,010,345	1,737,239,890	424,631,528
Cutting	101,423,962	2,038,557,402	1,855,013,768	284,967,596
Embroidery	1,302,084	471,994,769	468,599,129	4,697,724
Printing	2,651,908	464,916,146	454,648,091	12,919,963
Sewing	96,517,755	6,351,018,866	6,348,463,984	99,072,636
Total	791,466,248			857,289,381

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	89,549	7,752,844	7,762,897	79,496
Finished Fabric (kg)	1,101,933	10,420,346	10,453,132	1,069,146
Cutting (Pcs)	3,395,163	41,751,450	43,328,248	1,818,365
Embroidery (Pcs)	4,336	2,584,837	2,544,346	44,827
Printing (Pcs)	7,546	5,906,264	5,612,531	301,279
Sewing (Pcs)	1,096,381	38,685,597	39,230,727	551,251

WORK- IN- PROCESS

AS AT 30 JUNE 2021

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	23,474,718	1,398,467,648	1,398,232,901	23,709,465
Finished Fabric	437,679,725	1,227,700,266	1,099,518,918	565,861,073
Cutting	119,322,308	1,235,489,335	1,253,387,681	101,423,962
Embroidery	1,531,864	368,745,913	368,975,692	1,302,084
Printing	3,083,613	360,400,113	360,831,818	2,651,908
Sewing	94,625,250	4,704,458,419	4,702,565,914	96,517,755
Total	679,717,479			791,466,248

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	686,024	6,460,703	7,057,179	89,549
Finished Fabric (kg)	1,382,420	8,015,651	8,296,137	1,101,933
Cutting (Pcs)	5,220,221	33,401,160	35,226,218	3,395,163
Embroidery (Pcs)	3,770	1,988,336	1,987,770	4,336
Printing (Pcs)	6,798	4,881,210	4,880,462	7,546
Sewing (Pcs)	1,038,240	30,948,477	30,890,336	1,096,381

ACCOUNTS RECEIVABLE AND AGING

AS AT 30 JUNE 2022

Annexure - F

Sl. No.	Parties	Total	0-3 Months	3-6 Months	More than 1 Year
1	Best Seller Fashion	42,519,187	42,519,187	-	-
2	C & A Buying KG	120,770,745	120,770,745	-	-
3	CARREFOUR IMPORTS SAS	31,624,305	31,624,305	-	-
4	Celio Sourcing Ltd.	105,403,867	105,403,867	-	-
5	Diseno Y Fantasia, S.L. (Gisela)	5,449,651	5,449,651	-	-
6	Esprit Macao Commercial Offshore Ltd.	10,599,709	10,599,709	-	-
7	GUESS Eur Sagl	19,435,261	19,435,261	-	-
8	Hoflers APS	191,158,717	191,158,717	-	-
9	Jyden Workwear A/S	1,752,295	1,752,295	-	-
10	LIDL [Top Grade Int. Enterprise Ltd.	334,168,946	334,168,946	-	-
11	MARCO GMBH	39,751,252	39,751,252	-	-
12	Mascot International	159,977,297	159,977,297	-	-
13	Michael Kors [USA]	12,610,194	12,610,194	-	-
14	Next Limited	95,139,550	95,139,550	-	-
15	Ostin Ltd.	2,656,073	2,656,073	-	-
16	P & C [Peek Und Cloppenburg	22,969,262	22,969,262	-	-
17	Pentex Limited	45,487,620	45,487,620	-	-
18	Q-STYLE LTD. T/A AURA	6,653,355	6,653,355	-	-
19	Scalpers Fashion S.L (Nitex)	3,541,722	3,541,722	-	-
20	S.Oliver Brend Freier GMBH	18,126,132	18,126,132	-	-
21	Texebo (Hudson Bay)	3,044,601	3,044,601	-	-
22	Vingino Global Management Service Ltd.	24,718,235	24,718,235	-	-
Total		1,297,557,977	1,297,557,977	-	-

SCHEDULE OF ADVANCE GIVEN TO CREDITORS

AS AT 30 JUNE 2022

Annexure - G

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
1	Alliance Properties Ltd.	Service	173,000,000	173,000,000	-	-
2	Arcon Consulting Architects	Electrtical Items	2,250,000	2,250,000	-	-
3	Bay Developments Ltd.	Service	49,480,352	49,480,352	-	-
4	Control Data System	Service	35,620	35,620	-	-
5	Grihayan Rit Consortium.	Accessories	275,000	275,000	-	-
6	Millennium Tax And Law Chamber	Service	884,614	442,307	442,307	-
7	M.M Safety and Security	Accessories	25,000	25,000	-	-
8	Multifreight Ltd.	Consulatncy	30,621	30,621	-	-
9	Tiles World -Ideal	Accessories	238,590	238,590	-	-
10	Ultimate Information Technology	Accessories	20,000	20,000	-	-
11	Aces Corporate Solutions	Accessories	1,261,160	1,261,160	-	-
12	Ahmed & Farooq Lp	Insurance	1,676,355	1,676,355	-	-
13	AL- Barr Engineering & Contracting Co.	Accessories	1,096,000	328,800	767,200	-
14	Alpha Soil & Foundation Engineers	Accessories	107,000	107,000	-	-
15	Ashraf Uddin & Associates	Service	609,116	609,116	-	-
16	ATECH ENGINEERING	Service	750,000	450,000	300,000	-
17	Automan Steel Building System Ltd	Service	765,190	306,076	459,114	-
18	Automation Engineering & Controls Ltd.	Service	1,706,375	1,706,375	-	-
19	BASIC POWER ENGINEERING LTD.	Chemicals	955,656	-	955,656	-
20	BD Technology Ltd.	Accessories	895,000	650,000	245,000	-
21	COMPUTER SOURCE	Accessories	138,600	55,440	41,580	41,580
22	G-Trade Entrepreneur	Accessories	129,400	51,760	38,820	38,820
23	HABIBI STEEL TRADING COMPANY	Consultancy	709,400	283,760	212,820	212,820
24	Halftime Digital	Chenicals	140,000	56,000	42,000	42,000
25	HAMKO Corporation Ltd.	Service	103,000	41,200	30,900	30,900
26	Health Aid	Service	521,803	208,721	156,541	156,541
27	HM Safety	Service	224,002	89,601	67,201	67,201
28	Innoel Technology Ltd.	Chemicals	950,600	380,240	285,180	285,180
29	Ipro Technologies Limited	Service	1,299,355	519,742	389,807	389,807
30	IT SOLUTION BD.	Service	172,785	69,114	51,836	51,836
31	MAK Consultants.	Accessories	1,549,786	619,914	464,936	464,936
32	MG CORPORATION INTERNATIONAL	Accessories	548,000	219,200	164,400	164,400
33	MG NICHE FLAIR LIMITED	Service	360,000	144,000	108,000	108,000
34	M.M.Corporation	Accessories	1,128,583	451,433	338,575	338,575

SCHEDULE OF ADVANCE GIVEN TO CREDITORS

AS AT 30 JUNE 2022

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
35	Multibrand WORKSHOP Ltd.	Accessories	110,055	44,022	33,017	33,017
36	M/S. Nazrul & Brothers	Accessories	377,300	150,920	113,190	113,190
37	Nano-Dye Bangladesh Ltd.	Accessories	436,240	174,496	130,872	130,872
38	Narayan Enterprise	Accessories	941,160	376,464	282,348	282,348
39	POPULAR ENGINEERING WORKS	Accessories	364,000	145,600	109,200	109,200
40	RAK Ceramics	Accessories	274,776	109,910	82,433	82,433
41	RASHID ENTERPRISE	Accessories	175,500	70,200	52,650	52,650
42	RED OFFICE SUPPLIES LIMITED	Accessories	600,000	240,000	180,000	180,000
43	REINCARNATION	Accessories	1,335,870	534,348	400,761	400,761
44	SAGORICA CORPORATION	Accessories	876,000	350,400	262,800	262,800
45	SAS Building Materials Ltd.	Service	3,014,829	1,205,932	904,449	904,449
46	SHOPNO S.S. AND THAI ALUMINIUM FABRICATORS	Accessories	353,064	141,225	105,919	105,919
47	Sirajgonj Economic Zone Limited	Accessories	18,548,010	7,419,204	5,564,403	5,564,403
48	S S TRADING	Accessories	113,500	45,400	34,050	34,050
49	SWF Sunstar Ltd.	Service	836,923	334,769	251,077	251,077
50	SYED GAS & CHEMICALS LTD.	Accessories	43,000	17,200	12,900	12,900
51	Systems Nine Thousands (Pvt.) Ltd.	Accessories	159,375	63,750	47,813	47,813
Total			272,596,564	247,506,338	14,129,751	10,960,474

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Annexure - H

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
1	A AND T FLAT KNIT INDUSTRY	ACCESSORIES	1,715,564	1,715,564	-	-
2	A&T FLAT KNIT INDUSTRY	ACCESSORIES	1,581,158	1,581,158	-	-
3	A.K TEX INTERNATIONAL	ACCESSORIES	7,834,129	7,834,129	-	-
4	A.K.H KHAN KNIT FASHION LTD.	ACCESSORIES	2,378,930	2,378,930	-	-
5	A.T&T SPINNING MILLS LTD.	YARN	3,051,376	3,051,376	-	-
6	AA SYNTHETIC FIBRES LTD.	YARN	1,541,925	1,541,925	-	-
7	AARTI INTERNATIONAL LIMITED	ACCESSORIES	41,984,663	41,984,663	-	-
8	ACME YARNS PRIVATE LIMITED	YARN	9,961,396	9,961,396	-	-
9	ADAMJEE KNIT FABRICS	ACCESSORIES	617,950	617,950	-	-
10	ADURY FASHION AND PRINT LTD	ACCESSORIES	3,752,988	3,752,988	-	-
11	ADZI TRIMS LTD	ACCESSORIES	1,570,037	1,570,037	-	-
12	AFFAN INTERLININGS LTD	ACCESSORIES	781,616	781,616	-	-
13	AKH KNITTING & DYEING LTD.	ACCESSORIES	3,429,443	3,429,443	-	-
14	AKIJ TEXTILE MILLS LTD.	YARN	3,148,097	3,148,097	-	-
15	ALBI ENTERPRISE	ACCESSORIES	1,900,456	1,900,456	-	-
16	ALPHA PLASTIC & PACKAGING LTD.	ACCESSORIES	79,048,966	79,048,966	-	-
17	ALPS AND EVE	ACCESSORIES	325,698	325,698	-	-
18	AMA ACCESSORIES	ACCESSORIES	4,857,379	4,857,379	-	-
19	AMERICAN AND EFIRD(BANGLADESH) LTD.	ACCESSORIES	711,184	711,184	-	-
20	ANHUI YIFENG MESH CO., LTD.	ACCESSORIES	1,536,552	1,536,552	-	-
21	ARAFAH KNIT COMPOSITE LTD.	ACCESSORIES	1,226,426	1,226,426	-	-
22	ARCHROMA SINGAPORE PTE, LTD	DYES CHEMICALS	4,816,413	4,816,413	-	-
23	ARTISAN	ACCESSORIES	2,198,511	2,198,511	-	-
24	ATPRINT BANGLADESH LTD	ACCESSORIES	2,566,538	2,566,538	-	-
25	BADSHA TEXTILES LTD.	YARN	16,019,666	16,019,666	-	-
26	BAIG TRIMMING LTD.	YARN	481,354	-	481,354	-
27	BALY TRADE LINK	YARN	322,403	322,403	-	-
28	BANGA PLASTIC INTERNATIONAL LTD	YARN	1,902,623	1,902,623	-	-
29	BENGAL PLASTICS LTD	YARN	3,513,790	3,513,790	-	-
30	BLUEPLANET SWEATER LTD.	YARN	1,212,202	1,212,202	-	-
31	BROADWAY PRINTING INDUSTRIES	YARN	245,850	245,850	-	-
32	BSB SPINNING MILLS LTD	YARN	6,036,870	6,036,870	-	-
33	BSH-BANGLADESH	ACCESSORIES	229,850	229,850	-	-
34	BTS	ACCESSORIES	2,165,106	2,165,106	-	-
35	CENTARY FAITH INDUSTRIAL LTD.	DYES CHEMICALS	3,130,575	3,130,575	-	-
36	CHARMING TRIM & PACKAGING (BD) LTD.	ACCESSORIES	113,182	-	113,182	-
37	CHECKPOINT SYSTEMS BANGLADESH LTD.	ACCESSORIES	530,945	530,945	-	-
38	CHISTIA SIZING MILLS	ACCESSORIES	585,031	585,031	-	-
39	CHORKA TEXTILE LTD.	ACCESSORIES	1,378,187	1,378,187	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
40	CHT GERMANY GMBH,	DYES CHEMICALS	2,176,637	2,176,637	-	-
41	CHT SWITZERLAND AG	DYES CHEMICALS	1,325,355	1,325,355	-	-
42	CHT TURKEY KIMYA SAN VE TIC A.S	DYES CHEMICALS	2,472,307	-	2,472,307	-
43	COLOURTEX INDUSTRIES PRIVATE LTD.	DYES CHEMICALS	2,713,554	2,713,554	-	-
44	CRAFT SOURCING	ACCESSORIES	456,503	456,503	-	-
45	DANISCO SINGAPORE PTE LTD.	DYES CHEMICALS	3,153,938	3,153,938	-	-
46	DEKKO ACCESSORIES LTD.	ACCESSORIES	4,194,920	-	4,194,920	-
47	DYSTAR SINGAPORE PTE LTD.	DYES CHEMICALS	8,620,669	8,620,669	-	-
48	EMINENCE SOURCING.	ACCESSORIES	232,279	232,279	-	-
49	ENAYETPUR SPINNING MILLS LTD.	YARN	7,001,274	7,001,274	-	-
50	EPYLLION LIMITED	ACCESSORIES	1,656,474	1,656,474	-	-
51	ERUM BANGLADESH LIMITED	ACCESSORIES	134,970	134,970	-	-
52	ESQUIRE ACCESSORIES LTD	ACCESSORIES	74,481,939	74,481,939	-	-
53	ESQUIRE DYEING INDUSTRIES LTD	ACCESSORIES	98,385,850	98,385,850	-	-
54	ETASIA (BD) LTD	ACCESSORIES	179,085	-	179,085	-
55	EVER TOP 71	ACCESSORIES	183,601	-	183,601	-
56	EXPORT PRINTING AND ACCESSORIES	ACCESSORIES	2,948,259	2,948,259	-	-
57	FABIAN MULTIPLEX INDUSTRIES LIMITED	ACCESSORIES	297,428	-	297,428	-
58	FABITEX INDUSTRIES LTD.	ACCESSORIES	998,538	998,538	-	-
59	FARIHA FASHION LIMITED	ACCESSORIES	2,879,032	2,879,032	-	-
60	FARIHA SPINNING MILLS LTD	YARN	13,979,139	13,979,139	-	-
61	FASHION TRIMS	ACCESSORIES	2,560,950	2,560,950	-	-
62	FAST TRIM INTERNATIONAL	ACCESSORIES	1,319,021	1,319,021	-	-
63	FORTUNE ZIPPER LTD.	ACCESSORIES	110,040	-	110,040	-
64	FR TRADERS	ACCESSORIES	2,570,605	2,570,605	-	-
65	GARG ACRYLICS LTD.	YARN	84,722,643	84,722,643	-	-
66	GROZ-BECKERT SINGAPORE PTE LTD	DYES CHEMICALS	1,168,774	-	1,168,774	-
67	GUMTI TEXTILES LIMITED	YARN	18,334,009	18,334,009	-	-
68	GUNZE UNITED LIMITED.	YARN	214,647	214,647	-	-
69	HANOCH HOOK AND EYE FASTENER	ACCESSORIES	1,287,010	1,287,010	-	-
70	HYOSUNG VIET NAM CO., LTD	YARN	2,165,603	2,165,603	-	-
71	IDT GLOBAL LABELS BANGLADESH LIMITED	ACCESSORIES	171,434	171,434	-	-
72	IMPRESS ACCESSORIES LTD.	ACCESSORIES	186,993	186,993	-	-
73	INTIMATE PRINTING AND PACKAGING LTD	ACCESSORIES	1,120,223	1,120,223	-	-
74	J.H. ACCESSORIES INTERNATIONAL	ACCESSORIES	3,409,674	-	3,409,674	-
75	JAKE TRIMS EXPORT LTD	ACCESSORIES	447,183	447,183	-	-
76	K.M. ACCESSORIES	ACCESSORIES	1,701,283	1,701,283	-	-
77	K.N. KNIT FASHION	ACCESSORIES	421,646	421,646	-	-
78	KAMAL YARN LIMITED	YARN	6,828,158	6,828,158	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
79	KAZI KNIT WEAR	ACCESSORIES	1,848,761	1,848,761	-	-
80	KC PRINT LTD	ACCESSORIES	1,361,247	1,361,247	-	-
81	KDS ACCESSORIES LTD.	ACCESSORIES	189,490	189,490	-	-
82	KYUNG-IN SYNTHETIC CORPORATION	DYES CHEMICALS	5,115,920	5,115,920	-	-
83	LAM MIM ACCESSORIES LTD.	ACCESSORIES	232,877	232,877	-	-
84	LINDA ELASTICS LIMITED	ACCESSORIES	755,741	-	755,741	-
85	M R TEX	ACCESSORIES	380,715	380,715	-	-
86	M&J GARMENTS SOLUTION	ACCESSORIES	430,500	430,500	-	-
87	M&U PACKAGING LTD.	ACCESSORIES	216,212	216,212	-	-
88	M.L THREAD & ACCESSORIES LIMITED	ACCESSORIES	4,346,556	4,346,556	-	-
89	M.M. CORPORATION	Spare Parts	1,460,648	1,460,648	-	-
90	M.N.S. GARMENTS PRINTING	ACCESSORIES	93,450	93,450	-	-
91	M.S. PRINTING AND PACKAGING	ACCESSORIES	2,260,927	2,260,927	-	-
92	M/S MAHIMA FIBRES PVT. LTD	YARN	22,678,435	22,678,435	-	-
93	M/S RAFIK ENTERPRISE	ACCESSORIES	234,369	234,369	-	-
94	M/S. BEST TRIMS CARE AND ACCESSORIES	ACCESSORIES	767,321	767,321	-	-
95	M/S. HAJI TEXTILE	ACCESSORIES	4,899,879	4,899,879	-	-
96	M/S. MUKUL TEXTILE	ACCESSORIES	1,006,861	1,006,861	-	-
97	M/S. NASIMA TEXTILE	ACCESSORIES	733,163	733,163	-	-
98	MAINETTI (BANGLADESH) PVT. LTD.	ACCESSORIES	2,527,012	2,527,012	-	-
99	MARIA KNITTING	ACCESSORIES	5,116,564	-	5,116,564	-
100	MARLATEKS TEKNOLOJI TEKSTIL MAKINE VE KIMYA SAN.	ACCESSORIES	841,050	841,050	-	-
101	MATAM FIBRE MILLS LTD	YARN	7,837,184	7,837,184	-	-
102	MATAM SPINNING MILLS LTD.	YARN	19,767,561	19,767,561	-	-
103	MAXIM LABEL AND PACKAGING (BD) PVT.	ACCESSORIES	669,814	669,814	-	-
104	MEHMUD INDUSTRIES (PVT) LTD.	YARN	14,610,993	14,610,993	-	-
105	METRO KNITTING AND DYEING MILLS LTD	ACCESSORIES	4,338,612	4,338,612	-	-
106	M/S. EVER GREEN KNITWEAR	ACCESSORIES	502,075	502,075	-	-
107	MODERN POLY INDUSTRIES LTD.	ACCESSORIES	4,291,878	4,291,878	-	-
108	MOHIUDDIN TEXTILE LIMITED	ACCESSORIES	3,559,320	3,559,320	-	-
109	MONDOL KNIT WEAR LTD.	ACCESSORIES	2,276,050	2,276,050	-	-
110	MONTRIMS LTD	ACCESSORIES	3,731,923	-	3,731,923	-
111	MOSHARAF COMPOSITE TEXTILE MILLS	YARN	4,007,136	4,007,136	-	-
112	MS ACCESSORIES	ACCESSORIES	1,299,686	1,299,686	-	-
113	MUKUL TEXTILE.	ACCESSORIES	811,814	811,814	-	-
114	MULTAZIM SPINNING MILLS LTD.	YARN	1,546,598	1,546,598	-	-
115	NAHAR SPINNING MILLS LIMITED	YARN	41,707,670	41,707,670	-	-
116	NASIR AND SONS BANGLADESH	ACCESSORIES	266,333	266,333	-	-
117	NASSA-TAIPEI TEXTILE MILLS LIMITED	ACCESSORIES	2,139,071	2,139,071	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
118	NEARCHIMICA S.P.A	DYES CHEMICALS	3,441,564	3,441,564	-	-
119	NEMRAC DESIGN LTD.	ACCESSORIES	552,166	552,166	-	-
120	NEO ZIPPER COMPANY LIMITED	ACCESSORIES	226,415	226,415	-	-
121	NICE DENIM MILLS LTD.	ACCESSORIES	194,890	194,890	-	-
122	NITU KNIT DYEING	DYEING CHARGE	1,179,197	1,179,197	-	-
123	NRG COMPOSITE YARN DYEING	DYEING CHARGE	279,979	279,979	-	-
124	NRG HOMETEX LTD.	YARN	2,121,969	2,121,969	-	-
125	NRG SPINNING MILLS LTD.	YARN	21,116,196	21,116,196	-	-
126	NZ TEXTILE LTD	YARN	4,140,302	4,140,302	-	-
127	OHYOUNG INC.	DYES CHEMICALS	31,754,520	31,754,520	-	-
128	OSMAN INTERLININGS LTD.	ACCESSORIES	3,575,520	3,575,520	-	-
129	PACKMAN BANGLADESH LTD.	ACCESSORIES	223,785	223,785	-	-
130	PAHARTALI TEXTILE & HOSIERY MILLS	YARN	56,179,994	56,179,994	-	-
131	PAKIZA APPARELS LTD	ACCESSORIES	38,821,254	38,821,254	-	-
132	PALLAVA TEXTILES (P) LIMITED	YARN	13,962,439	13,962,439	-	-
133	PANAMA COMPOSITE TEXTILE MILLS LTD.	YARN	4,800,994	4,800,994	-	-
134	PANNATEX INTERNATIONAL	ACCESSORIES	8,426,822	8,426,822	-	-
135	PAPYRUS FASTQ (BD) LTD	ACCESSORIES	158,284	158,284	-	-
136	PAXAR BANGLADESH LTD.	ACCESSORIES	1,388,335	1,388,335	-	-
137	PEGASUS SEWING MACHINE PTE. LTD.	MACHINE	2,059,638	2,059,638	-	-
138	PIONEER PRINTING PRESS	ACCESSORIES	709,157	709,157	-	-
139	POLY PLAST INDUSTRIES	ACCESSORIES	1,359,137	1,359,137	-	-
140	PRIME BUSINESS LINK	ACCESSORIES	369,104	369,104	-	-
141	PRIME COMPOSITE MILLS LIMITED	YARN	18,269,942	18,269,942	-	-
142	PRIME MELANGE YARN MILLS LIMITED	YARN	2,147,014	2,147,014	-	-
143	PRIME TEXTILE SPINING MILL LTD	YARN	17,811,570	17,811,570	-	-
144	QUENBY TRANSFERS (INDIA) PVT. LTD.	DYES CHEMICALS	2,496,623	2,496,623	-	-
145	R.A SPINNING MILLS LTD.	YARN	13,353,309	13,353,309	-	-
146	R.R INTERNATIONAL	ACCESSORIES	235,320.183	235,320	-	-
147	RAFIK ENTERPRISE	ACCESSORIES	199,820	199,820	-	-
148	RED ROSE ACCESSORIES	ACCESSORIES	103,248	103,248	-	-
149	RJK TRIMS WORLD	ACCESSORIES	1,660,670	1,660,670	-	-
150	RMT TEXTILE MILLS LTD.	YARN	17,035,468	17,035,468	-	-
151	ROOT SOURCE	ACCESSORIES	1,061,592	1,061,592	-	-
152	R-PAC BANGLADESH PACKAGING CO. LTD.	ACCESSORIES	1,457,214	1,457,214	-	-
153	RSPL LIMITED	DYES CHEMICALS	9,231,365	9,231,365	-	-
154	S AND BROTHERS FLAT KNIT INDUSTRY	ACCESSORIES	642,722	642,722	-	-
155	S&A TRIMS AND TAGS	ACCESSORIES	246,409	246,409	-	-
156	S.B KNIT COMPOSITE	ACCESSORIES	2,011,921	2,011,921	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
157	S.M.M TEXTILES LTD	YARN	13,998,109	13,998,109	-	-
158	SAIHAM TEXTILE MILLS LTD	YARN	1,238,213	1,238,213	-	-
159	SAMI PRINTING LIMITED	ACCESSORIES	426,540	426,540	-	-
160	SAMUDA CHEMICAL COMPLEX LIMITED	DYES CHEMICALS	947,863	947,863	-	-
161	SANS PACKAGING AND ACCESSORIES	ACCESSORIES	10,384,371	10,384,371	-	-
162	SCANDEX TEXTILE INDUSTRIES LTD	YARN	1,041,197	1,041,197	-	-
163	SHAIKAT KNITWEAR	ACCESSORIES	2,517,171	2,517,171	-	-
164	SHENZHEN YIMINGDA INDUSTRIAL AND TRADING DEVELOPMENT CO. LTD.	SPARE PARTS	1,161,817	1,161,817	-	-
165	SIAM COMPUTERIZED ELASTIC INDUSTRIES LTD	ACCESSORIES	7,545,648	7,545,648	-	-
166	SIF TEXTILE INDUSTRIES LTD	ACCESSORIES	4,034,290	4,034,290	-	-
167	SM TRIMS AND ACCESSORIES	ACCESSORIES	125,344	125,344	-	-
168	SMART NARROW FABRICS	ACCESSORIES	747,441	747,441	-	-
169	SML PACKAGING SOLUTIONS BANGLADESH LIMITED	ACCESSORIES	221,825	221,825	-	-
170	SOA KNIT FABRICS	ACCESSORIES	939,920	939,920	-	-
171	SUNTEX INTERNATIONAL	ACCESSORIES	201,891	201,891	-	-
172	T.R TRADE INTERNATIONA	ACCESSORIES	219,981	219,981	-	-
173	TAFRID COTTON MILLS LTD.	YARN	48,047,318	48,047,318	-	-
174	TEX TOWN LIMITED	ACCESSORIES	3,602,077	3,602,077	-	-
175	TEX ZIPPER (BD) LIMITED	ACCESSORIES	1,585,519	1,585,519	-	-
176	TEXTILE AUXILIARIES	DYES CHEMICALS	3,880,044	3,880,044	-	-
177	TM CHEMICALS LTD.	DYES CHEMICALS	8,232,646	8,232,646	-	-
178	TRADEASIA INTERNATIONAL PTE LTD.	DYES CHEMICALS	1,305,497	1,305,497	-	-
179	UNIGLORY PAPER AND PACKAGING LTD.	ACCESSORIES	2,277,695	2,277,695	-	-
180	UNION LABEL & ACCESSORIES LTD.	ACCESSORIES	155,362	155,362	-	-
181	WEIXING INDUSTRIAL (BANGLADESH) CO.	ACCESSORIES	524,364	524,364	-	-
182	WELL ACCESSORIES LTD.	ACCESSORIES	1,260,374	1,260,374	-	-
183	WESTERN PAPER INDUSTRIE (BD) (PVT) LTD.	ACCESSORIES	317,730	317,730	-	-
184	XIAMEN DECAI CHEMICAL TECHNOLOGY CO., LTD.,	DYES CHEMICALS	2,029,781	2,029,781	-	-
185	XORETTE SPECIALITIES COMPANY PTE. LTD.	DYES CHEMICALS	2,031,136	2,031,136	-	-
186	YESTER ACCESSORIES COMPANY (BD) LTD.	ACCESSORIES	1,241,511	1,241,511	-	-
187	YOKOHAMA LABELS & PRINTING (BD) CO., LTD.	ACCESSORIES	2,284,916	2,284,916	-	-
188	YORK COMPOSITE LTD.	ACCESSORIES	951,055	951,055	-	-
189	YOUNG LABELS LTD	ACCESSORIES	766,919	766,919	-	-
190	YUNUSCO T&A (BD) LTD	ACCESSORIES	803,528	803,528	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
191	ZSCHIMMER AND SCHWARZ MOHSDORF GMBH	DYES CHEMICALS	11,365,794	11,365,794	-	-
192	ZW ACCESSORIES	ACCESSORIES	3,625,790	3,625,790		
193	Advanced Electrical Engineering	ACCESSORIES	93,188	93,188		
194	Al-Barr Group of Companies	ACCESSORIES	360,000	360,000		
195	Anex Engineering & Electric Company	ACCESSORIES	588,000	588,000		
196	Bangla Courier Service	ACCESSORIES	34,340	34,340		
197	Brand Trade Corporation	ACCESSORIES	427,200	427,200		
198	BRB Cable Industries Ltd.	ACCESSORIES	1,664,316	1,664,316		
199	Central Depository Bangladesh Limited	ACCESSORIES	106,000	106,000		
200	CHITTAGONG STOCK EXCHANGE	ACCESSORIES	512,813	512,813		
201	Confidence International	ACCESSORIES	175,338	175,338		
202	Crystal Constructions Co.	ACCESSORIES	100,756	100,756		
203	Damador Enterprise	ACCESSORIES	948,114	948,114		
204	Delcot Limited	ACCESSORIES	109,129	109,129		
205	Dhaka Stock Exchange Ltd.	ACCESSORIES	512,813	512,813		
206	Genex Infosys Ltd.	ACCESSORIES	212,225	212,225		
207	IT Soul International	ACCESSORIES	187,660	187,660		
208	K.B International Agency	ACCESSORIES	1,096,245	1,096,245		
209	Mechanism Trade & Engineering Ltd.	ACCESSORIES	105,000	105,000		
210	Nababgonj Shafting Center	ACCESSORIES	67,036	67,036		
211	New Paradise Electric Co	ACCESSORIES	1,875,893	1,875,893		
212	Novelty Infrastructures Limited	ACCESSORIES	233,787	233,787		
213	Perfect Power System	ACCESSORIES	34,000	34,000		
214	Progressive Engineering Corp.	ACCESSORIES	122,656	122,656		
215	Sajan International Pvt. Ltd.	ACCESSORIES	91,500	91,500		
216	Sajan Metal Industries Ltd. - Cr.	ACCESSORIES	138,892	138,892		
217	Sajan Metal Industries Ltd.	ACCESSORIES	79,300	79,300		
Total			1,185,400,837	1,163,186,242	22,214,594	

SCHEDULE OF FINANCIAL ASSET AND LIABILITIES HELD IN FOREIGN CURRENCY
AS AT 30 JUNE 2022

Annexure - I

Sl. No.	Particulars	Amount (USD)	Amount (Euro)	Amount as per Bangladesh Bank rate (Taka)	As per Ledger (Taka)	(Gain)/Loss (Taka)
Monetary Assets						
1	Accounts Receivable	13,885,051	-	1,297,557,978	1,297,557,978	-
2	FBPAR A/C with DBBL-in USD(783)	115,291	-	10,773,990	14,907,983	4,133,993
3	FBPAR A/C with DBBL -in Euro		1,435	139,974	144,724	4,750
4	FBPAR A/C with DBBL-in USD(63)	37,713	-	3,524,284	3,620,452	96,168
5	FBPAR A/C with EBL-in USD(621)	1,961,822		183,332,220	183,332,220	-
6	FBPAR A/C with EBL -in Euro	-	139,168	13,575,790	13,714,957	139,168
7	Margin A/C with EBL-in USD	632	-	59,041	60,652	1,611
8	Margin A/C with EBL -in EURO	-	20,962	2,044,843	2,114,227	69,384
9	DBBL FCAD-in Dollar	90,976	-	8,501,685	8,733,673	231,988
10	DBBL FCAD-in Euro	-	5,435	530,147	548,136	17,989
11	DBBL FCAD-in Dollar (6900)	281		26,234	26,950	716
12	EBL FCAD in USD	685	-	63,990	65,736	1,746
13	EBL -EOQ/FCAD in USD	342,320		31,989,757	32,862,672	872,915
14	BRAC Bank FCAD in USD	-		-	-	
15	UCBL -FACD in USD A/C # 0193	156,354		14,611,250	15,009,951	398,702
16	UCBL -FACD in USD A/C # 0267	3,439,905		321,459,164	330,230,923	-
17	AIBL-USD (352)	248		23,152	23,784	-
18	AIBL-USD (366)	210		19,579	20,113	-
19	AIBL-USD (453)	620,955		58,028,198	59,611,632	-
		20,031,028	166,999	1,888,190,347	1,902,931,235	5,969,129
Monetary Liabilities						
20	DBBL-EDF		-	-		-
21	EBL-EDF	-	-	-		-
22	UCBL-EDF	-		-		-
23	IFC loan	10,856,035	-	1,014,496,506	1,014,496,506	-
24	Accounts Payable	16,088,953	-	1,503,512,660	1,503,512,660	0
		26,944,988	-	2,518,009,166	2,518,009,166	0
	Total	46,976,017	166,999	4,406,199,513	4,420,940,401	5,969,129

ESQUIRE KNIT COMPOSITE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF ESQUIRE KNIT COMPOSITE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Esquire Knit Composite Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2022 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements 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 Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

1. Revenue	
Risk	Our response to the risk
<p>The company reported total revenue of BDT 10,014,280,416 as at 30 June 2022.</p> <p>Revenue increased by BDT 2,108,444,414 which shows 21.05% higher revenue compared to last year. The company is 100% export oriented, which includes deemed export. In addition, revenue is measured including cash incentives upon receipt of Proceed Realization Certificate (PRC) from the bank. Revenue recognition therefore is a material and judgmental issue. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the company's profitability, which has a consequent impact on its share price performance.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of each revenue as per VAT Return and L/C documents on a sample basis; • segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded at the year-end date to determine whether revenue was recognized in the current period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
[See note 24.00 to the financial statements]	

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF ESQUIRE KNIT COMPOSITE LIMITED

2. Accounts Receivables

Risk	Our response to the risk
<p>The company has BDT 1,297,557,978 of accounts receivables as at 30 June 2022.</p> <p>The company had 100% foreign buyers; therefore, the accounts receivable balance confirmation is a material issue.</p>	<p>For accounts receivables our key audit procedures included the following:</p> <ul style="list-style-type: none"> • We sent accounts receivable balance confirmations to the customers on a sample basis; • We analyzed the aging of trade receivables; and • We obtained a list of total outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.
[See note 8.00 to the financial statements]	

3. Capital work in progress

Risk	Our response to the risk
<p>The Company's assets held under capital work in progress as on the closing date are amounted to BDT 2,272,873,152, equivalent to 26% of total non-Current assets. Due to the high volume of transactions, utilization of IPO proceeds, terms and valuation of these assets, it was considered significant to our audit.</p>	<p>Our audit procedures to address the risk of material misstatement relating to capital work in progress includes obtaining an understanding of the internal control over capital work in progress, assessing the risks of material misstatement. Our audit procedures to address the risk of material misstatement relating to Capital work in progress to the financial statements included:</p> <ul style="list-style-type: none"> • Obtaining and assessing the movement of the capital work in progress; • Obtaining audited IPO utilization certificate up December 2021. • Verifying the records to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work-in-progress; • Verifying the supporting documents with reference to the underlying contractor bills, work orders, certification of work performed by expert personnel, comparison of the progress and the costs incurred up-to-date with the budgets, policy and plan; • Reconciling the movement of capital work in progress from opening to closing, specifically verifying additions during the year and transferred to Property, Plant and Equipment during the year; • Verifying the dates on which the assets are moved from the capital work-in-progress account to the fixed assets so that the depreciation on fixed assets may be computed correctly, and; • Site visit and physical observations of the work on-going for capital work in progress.
[See note 5.00 to the financial statements]	

4. Existence and Valuation of Inventories

Risk	Our response to the risk
<p>The company had inventory of BDT 3,738,209,728 at 30th June 2022, held in Factory.</p> <p>The inventories include Yarn, Dyes, Chemical, Finishing Materials, Work-in-process, and Finished goods. Due to variety of inventory items and various range in value of those inventories. Inventories had been considered as key audit matter.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Management applies measurement such as absorption of several costs in determining the appropriate values for work in progress.</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. • 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 • Performing surprise stock counting and obtaining stock confirmations from factory to check the existence and reconciling the count results to the inventory listings to test the completeness of data;
[See note 7.00 to the financial statements]	

5. Related party transaction	
Risk	Our response to the risk
The Company has related party transactions as described in notes to the financial statements.	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Evaluated the transactions among the related parties and tested material accounts balances. • Evaluated the disclosures in the financial statements in compliance with IAS 24.
[See note 32.00 to the financial statements]	

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF ESQUIRE KNIT COMPOSITE LIMITED

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditure incurred, except as noted above, were to the purpose of company business



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2211131522AS418236


Place: Dhaka

Date : 30 October 2022

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30-June-22	30-June-21
Assets			
Non-Current Assets		8,857,148,816	8,176,938,032
Property, plant and equipment	4	6,432,000,664	6,315,582,148
Capital work-in-progress	5	2,272,873,152	1,671,580,884
Investment in shares	6	152,275,000	189,775,000
Current Assets		6,671,497,178	6,319,365,280
Inventories	7	3,738,209,728	3,391,141,816
Accounts receivables	8	1,297,557,977	1,236,543,153
Other receivables	9	4,146,703	3,818,089
Advance, deposit and prepayments	10	1,017,833,764	912,214,697
Investment	11	102,180,441	98,507,093
Cash and cash equivalents	12	511,568,565	677,140,433
TOTAL ASSETS		15,528,645,994	14,496,303,312
EQUITY & LIABILITIES			
Shareholders' Equity		8,811,173,323	8,662,233,922
Share capital	13	1,348,958,330	1,348,958,330
Share Premium Account	14	1,086,653,150	1,086,653,150
Revaluation surplus	15	3,739,289,135	3,739,289,135
Retained earnings	16	2,636,272,708	2,487,333,307
Non Current Liabilities		2,705,875,205	2,420,840,643
Deferred Tax liabilities	17	277,513,981	272,861,923
Long term loan net of current maturity	18	2,427,474,711	2,144,471,932
Finance lease obligation net of current maturity	19	886,513	3,506,788
Current Liabilities		4,011,597,466	3,413,228,747
Short term loan	20	2,173,862,378	1,479,436,051
Current portion of long term loan	18	291,839,388	638,302,027
Current portion of finance lease obligation	19	5,049,509	8,461,764
Unclaimed Dividend	21	3,475,908	4,176,706
Accounts payable	22	1,185,400,836	998,950,865
Liabilities for expenses	23	351,969,447	283,901,333
TOTAL LIABILITIES		6,717,472,671	5,834,069,390
TOTAL EQUITY & LIABILITIES		15,528,645,994	14,496,303,312
Net Asset Value (NAV) per share with revaluation reserve		65.32	64.21
Net Asset Value (NAV) per share without revaluation reserve		37.59	36.48

The annexed notes form an integral part of these financial statements


 Chairman


 Managing Director


 Director


 Company Secretary


 Chief Financial Officer

Signed as per our annexed report of even date



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2211131522AS418236

Place: Dhaka

Date : 30 October 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

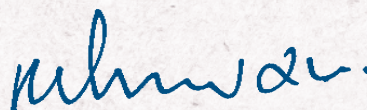
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30-June-22	30-June-21
Revenue	24	10,014,280,416	7,905,836,002
Less: Cost of Goods Sold	25	8,416,654,434	6,489,644,461
Gross profit		1,597,625,982	1,416,191,541
Less: Operating expenses	26	887,506,281	812,467,478
Gross operating profit		710,119,701	603,724,063
Less: Financial expenses	27	333,005,402	265,977,109
Net operating profit		377,114,298	337,746,954
Add: Non-Operating income	28	23,973,365	29,670,793
Profit before WPPF & WF		401,087,663	367,417,747
Less: Provision for contribution to WPPF & WF	23.01	2,870,688	2,060,747
Profit before tax		398,216,975	365,357,000
Less: Income tax expenses		70,731,082	63,497,774
Current Tax	23.02	66,079,024	54,852,714
Deferred Tax	17.02	4,652,058	8,645,060
Profit after tax		327,485,893	301,859,226
Earnings Per Share (EPS) - Basic	29.01	2.43	2.24
Other comprehensive income for the year, net of tax (Land Revaluation)		-	1,752,698,646
Total comprehensive income for the year, net of tax		327,485,893	2,054,557,872

The annexed notes form an integral part of these financial statements

 Chairman
  Managing Director
  Director
  Company Secretary
  Chief Financial Officer

Signed as per our annexed report of even date



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2211131522AS418236

Place: Dhaka

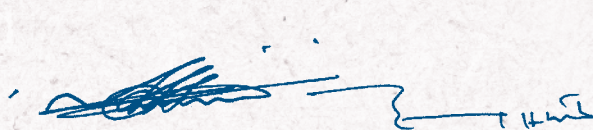
Date : 30 October 2022

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

Amount in Taka

Particulars	Share Capital	Share premium	Revaluation Surplus	Retained Earnings	Total Equity
Balance at 01 July 2021	1,348,958,330	1,086,653,150	3,739,289,135	2,487,333,307	8,662,233,922
Land Revaluation	-	-	-	-	-
Net profit for the year	-	-	-	327,485,893	327,485,893
Dividend paid	-	-	-	(178,546,493)	(178,546,493)
Balance at 30 June 2022	1,348,958,330	1,086,653,150	3,739,289,135	2,636,272,708	8,811,173,323
Balance at 01 July 2020	1,348,958,330	1,086,653,150	1,986,590,489	2,387,817,831	6,810,019,799
Land Revaluation	-	-	1,752,698,646	-	1,752,698,646
Net profit for the year	-	-	-	301,859,226	301,859,226
Dividend paid	-	-	-	(202,343,750)	(202,343,750)
Balance at 30 June 2021	1,348,958,330	1,086,653,150	3,739,289,135	2,487,333,307	8,662,233,922



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Place: Dhaka

Date : 30 October 2022

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30-June-22	30-June-21
A. Cash flows from operating activities			
Cash receipts from customers		9,953,265,591	7,139,895,198
Cash receipt from other income		23,644,751	39,357,104
Payment to suppliers for import of Raw materials		(5,373,666,751)	(3,919,884,226)
Payment to others		(3,915,528,996)	(3,175,433,845)
Interest paid		(187,040,155)	(209,675,794)
Income tax paid		(60,060,668)	(47,324,826)
Net cash flow from operating activities		440,613,773	(173,066,389)
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(371,076,917)	(55,683,495)
Investment in capital work in progress		(601,292,268)	(956,254,280)
Advance paid to Valuka project		(119,298,882)	(265,739,053)
Investment in shares		37,500,000	(42,000,000)
Investment in FDR		(3,673,348)	161,526,973
Net cash used in investing activities		(1,057,841,414)	(1,158,149,856)
C. Cash flows from financing activities			
Proceeds from share issue		-	-
Share premium received		-	(17,417,188)
Dividend paid		(179,247,291)	(202,343,750)
Receipt of Long Term Loan		(69,492,391)	12,155,981
Receipt/(Repayment) of Short Term Loan		694,426,326	495,365,398
Net cash flow from/(used in) financing activities		445,686,645	287,760,442
D. Net cash surplus during the year (A+B+C)		(171,540,997)	(1,043,455,803)
E. Cash and bank balances at beginning of the year		677,140,433	1,726,398,625
Effect of movements in exchange rates on cash held		5,969,129	-
F. Cash and bank balances at the end of the year		511,568,565	682,942,822
Cash and bank balances			
Cash in hand		2,526,893	19,472,887
Cash at bank		509,041,672	657,667,546
Total		511,568,565	677,140,433
Net Operating Cash Flow Per Share (NOCFPS)	29	3.27	(1.30)




Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Place: Dhaka

Date : 30 October 2022

1.00 Incorporation and Business Activities

Reporting entity

Esquire Knit Composite Limited (EKCL) (herein after referred to as EKCL or the Company) was incorporated [C-39663(1631)/2000] as a Private Limited Company on 16 February 2000 under the Companies Act, 1994 and the company commenced commercial operation in 2001. The company has its registered office at 21 Shaheed Tajuddin Ahmed Sarani, (old: 30, Tejgaon I/A) Dhaka and its Factory is located at 22/58, Kanchpur, Sonargaon, Narayanganj.

The company was converted into a public limited company on 22 January 2015.

Nature of business

Esquire Knit Composite Limited is a 100% export oriented Company. It produces different types of Knit garments through its six units namely, knitting units, fabric dyeing unit, printing, embroidery, industrial laundry and garments units and sells the same to foreign buyers including C&A buying KG, Best seller, Mascot, Tchibo, Esprit, Tee Jays, Celio, Next, etc.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.02 Other regulatory compliance

In addition to the above, EKCL is also required to comply and has complied with the following laws and regulations:

- Financial Reporting Act, 2015;
- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- The Value Added Tax and Supplementary Duty Act 2012;
- The Value Added Tax Rules, 2016;
- The Bangladesh Labor (Amendment) Act 2013;
- Customs Act 1969;
- Sale of Goods Act 1930;
- Negotiable Instrument Act 1881; and
- The Securities and Exchange Ordinance, 1969;
- The Securities and Exchange Rules, 1987; and
- Other applicable rules and regulations.

2.03 Basis of measurement

These financial statements have been prepared under the historical cost convention applying accrual basis of accounting in accordance with International Financial Reporting Standards (IFRSs).

2.04 Components of financial statements

The financial statements of the Company consist of the following components:

- Statement of Financial Position;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Informations.

2.05 Use of estimates and judgments

The preparation of the financial statements of the Company requires management to make and apply consistently the judgments, estimates and assumptions for records and balances that affect the

application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.06 Functional and presentation currency

These financial statements are presented in Bangladeshi Taka (Tk/BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.07 Reporting period

These financial statements of the company cover a period of twelve months from 01 July 2021 to 30 June 2022.

3.00 Significant Accounting Policies

3.01 Property, plant and equipment (PPE)

3.1.1 Recognition and measurement

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with International Accounting Standard IAS-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any direct attributable cost of bringing the assets to its working condition for its intended use.

3.1.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

3.1.3 Depreciation

Depreciation is charged on property (except land), plant and equipment using 'straight line method' over the estimated useful life of each item of property, plant and equipment. Depreciation on addition to property, plant and equipment is charged from the date when the asset is available for use. The rates of depreciation varies from 5% to 13% p.a. based on useful lives and nature of the assets. Rates of depreciation are:

Particulars	Rate
Building	5.00% p.a.
Plant and Machinery	7.00% p.a.
Furniture and Fixtures	10.00% p.a.
Office Equipment	10.00% p.a.
Motor Vehicle	13.00% p.a.
Software & IT	10.00% p.a.

3.02 Inventories

3.2.1 Nature of inventories

Inventories consist of yarn, dyes, chemical, packing materials, accessories, sewing thread, printing & embroidery materials, stores and spare parts, etc.

3.2.2 Valuation of inventory

Inventories are valued in accordance with IAS- 2: Inventories i.e. at cost or estimated net realizable value whichever is lower. The cost of inventories includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion of the sale. When the inventories are used, the carrying amount of those inventories are recognized as expenses in the period in which the related revenue is recognized.

3.03 Advance, deposit and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Income.

3.04 Cash and cash equivalents

Cash and bank balances comprise cash in hand and cash at bank which are held and available for use by the company without any restriction.

3.05 Accounts receivable and other receivables

Accounts receivables are carried at original invoice amount. EKCL is a 100% export oriented company and all the sales/exports are done through L/C by banks. Receivables are considered as good and realizable. Other receivable represents accrued interest on FDR.

3.06 Accounts payable and other payables

These liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.07 Loans and borrowings

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

3.08 Income tax expense

Income tax expenses comprise current tax and deferred tax. Income taxes are recognized in statement of profit or loss and other comprehensive income except to the extent that relates to items recognized directly in equity or in other comprehensive income.

3.8.1 Current Tax

Taxation is provided in accordance with fiscal regulations applicable. The company taxation is under final settlement of tax liability under section 82C of the Income Tax Ordinance 1984 except other income. Income tax has been deducted at source under section 53BB of the Income Tax Ordinance 1984 on export from 1 July 2021 to June 30, 2022.

3.8.2 Deferred Tax

Deferred tax has been recognized in accordance with the provision of IAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets / liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income / expense is recognized in the statement of profit or loss and other comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax

authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.09 Revenue recognition

i. *Export Revenue*

In accordance with the provisions of the IFRS-15 “Revenue from Contracts with Customers”; revenue from contracts with customers represents the amount that reflects the considerations to which entity expects to be entitled in exchange for goods supplied and service provided to customers during the period. Revenue from contracts with customers is recognized in the statement of Profit or Loss and Other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue from export is recognized at ex-factory date.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

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

ii. *Cash Incentive*

Cash incentive income is recognized when Proceed Relialization Certificate (PRC) received from the bank against realization of cash incentive.

3.10 Financial expenses

Financial expenses comprise interest expense on long term loan, short term loan, finance lease and other borrowings, bank commission and charges etc. All such costs are recognized in the statement of profit or loss and other Comprehensive Income except those are capitalized in accordance with IAS 23.

3.11 Statement of Cash flows

Statement of cash flows is prepared principally in accordance with IAS-7: Cash Flows Statement and the cash flows from operating activities are presented under direct method.

3.12 Foreign currency transactions

The financial statements are presented in Bangladeshi taka (Tk./BDT), which is the company’s functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities in foreign currencies as on the reporting date are converted into Bangladeshi taka at the closing rate. Exchange gain or loss is recognised in Statement of Profit or Loss and Other Comprehensive Income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.13 Leases

Leases in terms of which the company assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. The interest rate implicit in the lease has been used to calculate the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.14 Earnings Per Share (EPS)

The company presents basic and diluted (when dilution is applicable) Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding and for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for this financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.15 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. There are no material events that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures presented in the financial statements.

3.16 Provision

A provision is recognized on the date of financial position if, as a result of past events, the company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.17 Employee Benefit

i. Workers' profit participation fund and welfare fund/ Contribution to central Fund (RMG Sector):

This represent 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (Amendment) Act 2013 (Bangladesh Labour Law, 2006) and is payable to workers as defined in the said law complied in re-placed by the Act No. 30, Para 63 of the year 2013 as Central Fund at the rate applicable for RMG sector (0.03%) on realized revenue which is deducted at source by banks.

ii. Gratuity

Regular confirmed employee of the company who have completed minimum 5 (five) years of continuous service from the date of joining are eligible to gratuity payment at the time of separation of employment with the company.

3.18 Interest Income

Interest income is accrued at the applicable interest rate on bank deposits in the period in which it is incurred.

3.19 Finance costs

Finance costs comprise interest expenses on bank loan and other borrowings and are recognised as expenses in the period in which they are incurred using applicable interest rate.

3.20 Revaluation surplus

This represents the difference between book value and revalued amount of land and land development. As per IAS 16: Property, Plant and Equipment, revaluation is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value of land was determined from market-based evidence by an appraisal as on July 20, 2020 by Masih Muhith Haque & Co. which is a professionally qualified valuer.

3.21 Impairment

(a) *Financial assets*

Accounts receivable and other receivable are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effects on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

(b) *Non-financial assets*

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

3.22 Comparative information

Comparative information has been disclosed in respect of year 2020-21 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements. Last year figures have been rearranged where considered necessary to conform to current years presentation.

3.23 Compliance with Financial Reporting Standards as applicable in Bangladesh:

IASs	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
32	Financial Instruments: Presentation	Complied
33	Earnings per Share (EPS)	Complied
34	Interim Financial Reporting	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Complied
IFRS	Title	Remarks
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
12	Disclosure of Interests in Other Entities	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customer	Complied
16	Leases	Complied

3.24 General

- Figures have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
4.00	Property, plant and equipment		
	(A) Cost/ Revaluation		
	i) Freehold assets		
	Opening balance	8,718,926,424	6,837,515,173
	Add: Addition during the year	371,076,917	1,881,411,252
		9,090,003,341	8,718,926,424
	ii) Leasehold assets		
	Opening balance	99,420,368	99,420,368
	Add: Addition during the year	-	-
		99,420,368	99,420,368
	Total (A)	9,189,423,709	8,818,346,792
	(B) Accumulated depreciation		
	i) Freehold assets		
	Opening balance	2,443,041,626	2,214,040,447
	Add: Charged during the year	242,230,855	229,001,178
		2,685,272,480	2,443,041,626
	ii) Leasehold assets		
	Opening balance	59,723,018	47,295,472
	Add: Charged during the year	12,427,546	12,427,546
		72,150,564	59,723,018
	Total (B)	2,757,423,044	2,502,764,644
	(C) Written Down Value (A-B)	6,432,000,664	6,315,582,148
	A schedule of property, plant and equipment is given in Annexure-A .		
5.00	Capital work-in-progress		
	Opening balance	1,671,580,884	715,326,604
	Add: Addition during the year	946,495,332	1,006,238,634
		2,618,076,216	1,721,565,238
	Less: Transferred to Property, Plant & Equipment	345,203,064	49,984,354
		2,272,873,152	1,671,580,884
5.01	Addition during the year		
	Valuka Project	447,384,527	1,003,695,748
	Machineries in work in process	345,203,064	-
	Building materials	153,907,741	2,542,886
		946,495,332	1,006,238,634

A schedule of capital work in progress addition during the year is given in **Annexure-B**.

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
6.00	Investment in shares		
	Esquire Accessories Limited	10,275,000	10,275,000
	L' Esquire Ltd	42,000,000	42,000,000
	Esquire Electronics Limited	-	37,500,000
	Investment in ICL Unit Fund	100,000,000	100,000,000
		152,275,000	189,775,000

As on June 2022 Total number of shares 1,537,500 including 510,000 bonus share against investment of Tk. 10,275,000

7.00	Inventories	Quantity		30.06.2022 Taka	30.06.2021 Taka
		30.06.2022	30.06.2021		
	Yarn (kg)	2,329,864	2,304,588	659,657,698	837,871,652
	Dyes (kg)	229,866	215,529	226,045,504	242,337,642
	Chemical (kg)	1,267,368	1,316,954	132,240,273	130,155,983
	Finishing Materials	7.01 -	-	1,185,015,121	740,178,282
	Materials in transit	7.02 -	-	160,307,088	129,872,558
	Spare parts and consumable items	7.03 -	-	287,638,311	245,213,080
	Work in process	7.04 -	-	857,289,380	791,466,248
	Finished goods (pcs.)	7.05 1,728,752	1,267,708	230,016,352	274,046,371
				3,738,209,728	3,391,141,816

A schedule of inventories is given in Annexure-C.

7.01	Finishing Materials		
	Packing materials	293,218,130	402,155,744
	Accessories	785,827,819	238,053,367
	Sewing Thread	97,243,478	97,243,478
	Printing & Embroidery materials	8,725,694	2,725,693
		1,185,015,121	740,178,282

A schedule of finishing materials is given in Annexure-C.

7.02	Materials in transit	Quantity			
		30.06.2022	30.06.2021		
	Yarn (kg)	16,935	17,636	59,840,348	46,750,272
	Dyes (kg)	12,729	13,256	26,656,269	21,671,763
	Chemical (kg)	17,663	18,272	28,713,680	23,908,132
	Machine	-	-	16,471,590	13,714,896
	Finishing Materials	-	-	12,566,676	10,446,115
	Spare Parts	-	-	16,058,526	13,381,380
				160,307,088	129,872,558
7.03	Spare parts and consumable items				
	Spareparts & Consumable items			287,638,311	245,213,080
				287,638,311	245,213,080

A schedule of spare parts and consumable items is given in Annexure-D.

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
7.04	Work in Process		
	Quantity		
	30.06.2022	30.06.2021	
	Knitting (kg)	79,496	89,549
	Finished Fabric (kg)	1,069,146	1,101,933
	Cutting (Pcs)	1,818,365	3,892,789
	Embroidery (Pcs)	44,827	4,336
	Printing (Pcs)	301,279	7,546
	Sewing (Pcs)	551,251	1,096,381
		30,999,932	23,709,465
		424,631,528	565,861,073
		284,967,596	101,423,962
		4,697,724	1,302,084
		12,919,963	2,651,908
		99,072,636	96,517,755
		857,289,380	791,466,248
	A schedule of work in process is given in Annexure-E.		
7.05	Finished Goods (pcs.)		
	Quantity		
	30.06.2022	30.06.2021	
	Opening	1,267,708	1,021,663
	Add: Production during the year	46,565,488	39,025,299
		47,833,196	40,046,962
	Less: Delivered during the year	46,104,444	38,779,254
		1,728,752	1,267,708
		274,046,370	196,992,470
		7,799,293,224	6,536,380,483
		8,073,339,594	6,733,372,953
		7,843,323,242	6,459,326,582
		230,016,352	274,046,370
8.00	Accounts receivables	1,297,557,977	1,236,543,153
	A schedule of account receivable is given in Annexure-F.		
	Disclosure as per Schedule XI, Part I, Para (F) of the Companies Act 1994:		
	I. Debt considered good in respect of which the company is fully secured		
	The debtors occurred in the ordinary course of business are considered good and secured against confirmed L/C.		
	II. Debt considered good for which the company hold no security other than the debtors' personal security		
	There is no such debt in this respect as on 30 June 2022.		
	III. Debt considered doubtful or bad		
	The company does not make any provision for doubtful debts as on 30 June 2022, because of the fact that sales/export are being made on 100% confirmed L/C basis with fixed maturity dates.		
	IV. Debt due by directors or other officers of the company		
	There is no such debt in this respect as on 30 June 2022.		
	V. Debt due by Common Management		
	There are no amount due from sister company under common management as on 30 June 2022.		
	VI. The maximum amount due by directors or other officers of the company		
	There is no such debt in this respect as on 30 June 2022.		
	Aging of accounts receivable		
	The aging of gross trade receivables as at the statement of financial position date was:		
	Past due 0-90 days	1,297,557,977	1,236,543,153
	Past due 91-180 days	-	-
	Past due 181 -365 days	-	-
	Past due more than 365 days	-	-
		1,297,557,977	1,236,543,153

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
9.00	Other receivables		
	Cash incentive	3,089,000	3,372,700
	Accrued interest on FDR	1,057,703	445,389
		4,146,703	3,818,089
10.00	Advance, deposit and prepayments		
	Advance 10.01	776,480,199	836,620,631
	Deposit 10.02	229,033,513	66,441,233
	Prepayments 10.03	12,320,052	9,152,833
		1,017,833,764	912,214,697
10.01	Advance		
	Advance to creditors	272,596,564	476,304,571
	Advance against salaries	12,418,886	11,401,705
	Payment to L'esquire for Valuka project	385,037,935	265,739,053
	Advance Income Tax 10.1.1	106,426,815	83,175,302
		776,480,199	836,620,631
	A schedule of advance given to creditors is given in Annexure-G.		
10.1.1	Advance Income Tax		
	Opening balance	83,175,302	104,143,833
	Add: Addition during the year 10.1.1.1	60,060,668	47,324,826
		143,235,970	151,468,659
	Less: Adjustment for assessment year-2018-19	-	38,510,645
	Less: Adjustment for assessment year-2019-20	-	29,782,712
	Less: Adjustment for assessment year-2020-21	36,809,155	-
		106,426,815	83,175,302
10.1.1.1	Advance Income Tax addition		
	Advance Income Tax on Car	2,919,000	2,582,500
	Advance Income Tax on FDR Interest	388,683	3,939,214
	Tax on unit fund-ICL	1,695,000	-
	TDS on Cash Incentive	4,035,380	3,245,400
	TDS on Import Stage (AT & AIT)	3,007,336	2,964,804
	TDS on Export Proceeds	48,015,269	34,592,908
		60,060,668	47,324,826
10.02	Deposit		
	Guarantee margin & LC margin	2,892,017	2,892,017
	Security deposit 10.2.1	12,691,354	12,691,354
	FBPAR & margin account 10.2.2	213,450,141	50,857,861
		229,033,513	66,441,233

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
10.2.1	Security deposit		
	Rural Electrification Board (REB) for electricity	7,295,517	7,295,517
	Security Deposit-BSCIC	1,455,000	1,455,000
	PIL Bangladesh Ltd	400,000	400,000
	Mobile phone	60,000	60,000
	Lease rental	691,260	691,260
	Titas Gas Transmission & Distribution Company Limited for gas	2,789,577	2,789,577
		12,691,354	12,691,354
10.2.2	FBPAR & margin account		
	FBPAR A/C with DBBL -in Dollar (783)	10,773,990	11,102,459
	FBPAR A/C with DBBL -in Dollar (63)	3,524,284	7,429,461
	FBPAR A/C with DBBL -in EURO	139,974	144,633
	FBPAR A/C with EBL -in Dollar	183,332,220	-
	FBPAR A/C with EBL -in EURO	13,575,790	-
	Margin A/C with EBL -in Dollar	59,041	32,104,705
	Margin A/C with EBL -in EURO	2,044,843	76,603
		213,450,141	50,857,861
10.03	Prepayments		
	Insurance premium	12,320,052	9,152,833
10.04	Aging of advance, deposit & prepayment		
	The aging of advance, deposit & prepayment as at the statement of financial position date was as follows:		
	Past due 0-90 days	776,480,199	836,620,631
	Past due 91-180 days	48,015,269	47,324,826
	Past due 181 -365 days	180,646,942	15,577,887
	Past due more than 365 days	12,691,354	12,691,354
		1,017,833,764	912,214,697
10.05	The details breakup of advance, deposit and prepayment as per requirement of Schedule XI, part I, para (J) of the Companies Act, 1994 stated below:		
	Advance, deposit and prepayments exceeding 6 months	193,338,296	28,269,241
	Advance, deposit and prepayments not exceeding 6 months	48,015,269	36,767,770
	Other advance, deposit and prepayments less provision	229,033,513	54,682,360
	Advance, deposit and prepayments considered good and secured	535,027,800	736,796,521
	Advance, deposit and prepayments due by Other Officers (against Salary)	12,418,886	11,401,705
11.00	Investment		
	Investment in FDR	102,180,441	98,507,093
		102,180,441	98,507,093

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

11.01 Investment in FDR

Bank Name	A/C No	Principle	Term (Months)	Maturity Date		
Dutch Bangla Bank Limited	506.0001926	2,923,858	12	29.12.2022	3,635,780	3,471,740
	504.0017552	2,793,573	12	28.02.2023	3,408,201	3,310,822
	504.0019071	10,865,251	12	06.07.2022	13,537,570	13,010,638
	504.0019148	21,730,503	12	14.07.2022	27,075,140	26,021,277
	504.0020915	21,228,452	12	10.03.2023	26,109,836	25,312,492
	504.0021052	10,592,585	12	19.03.2023	13,028,299	12,630,440
	504.0008214	10,332,957	12	28.06.2023	12,708,035	12,319,956
	504.0025965	2,051,913	12	15.06.2023	2,500,797	2,429,728
	527.000.0316	175,201	12	15.04.2023	176,782	-
					102,180,441	98,507,093

These FDRs have been liened with Dutch Bangla Bank Limited for maintenance of margin for L/C liabilities and bank guarantees.

12.00 Cash and cash equivalents

Cash in hand	12.01	2,526,893	19,472,887
Cash at bank	12.02	509,041,672	657,667,546
		511,568,565	677,140,433

12.01 Cash in hand

Head Office	800,000	13,405,000
Factory	1,726,893	6,067,887
		2,526,893
		19,472,887

ESQUIRE KNIT COMPOSITE LIMITED
NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

12.02 Cash at bank

Bank Name	Branch	A/C Type	A/C No.		
Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.117.163	8,501,685	49,179,088
Dutch Bangla Bank Ltd.	Local office	FCAD(€)	101.119.20	530,147	5,581
Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.110.0006900	26,234	398,039,467
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.110.36941	12,825	85,467
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5645	267,856	521,803
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5692	29,750	423,146
Eastern Bank Ltd.	Principal	FCAD(\$)	101.305.3310	63,990	58,003
Eastern Bank Ltd.	Principal	EOQ(\$)	101.310.060.5881	31,989,757	-
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.120.484	108,484	407,987
BRAC Bank Ltd.		CD	1505203551787001	5	139,873,894
Jamuna Bank Ltd.	Mohakhali	CD	102.100.15098	2,043	2,065
NCC Bank CD A/C	Baridhara	CD	107.021.000.1597	21,837	22,757
One Bank Ltd.	Agrabad, Ctg.	CD	003.105.0001366	20,386	267,284
AI -Arafa Islami Bank Ltd		CD	0141020047786	3,485	15,000
AI -Arafa Islami Bank Ltd		CD	541.020.010.677	12,981,794	-
AI -Arafa Islami Bank Ltd		FCAD(\$)	0549580000352	23,152	-
AI -Arafa Islami Bank Ltd		FCAD(\$)	0549880000366	19,579	-
AI -Arafa Islami Bank Ltd		FCAD(\$)	0549850000453	58,028,198	-
Bank Asia		CD	62733000256	6,079,129	206,556
Dutch Bangla Bank Ltd.		CD	107.110.0031497	1,880,972	1,886,117
Shahajalal Islamic Bank		CD	40331100000679	-	2,355
South Bangla Ariculture		CD	001.011.1005482	16,446	14,655
United Commercial Bank		CD	781.101.000002124	50,631,409	593,569
United Commercial Bank		FCAD (\$)	0781184000000267	321,459,164	56,349,212
UCBL -FACD in USD A/C		FCAD (\$)	0781181000000193	14,611,250	7,362,473
HSBC		CD	001-011576-011	91,657	41,415
Dutch Bangla Bank Ltd.		CD	101.120.0007676	840,314	2,290,589
One Bank Ltd.		CD	0031020009947	14,838	15,758
Dutch Bangla Bank Ltd.		CD	1011200007863	754,622	-
Dutch Bangla Bank Ltd.	Local office	FC (USD)		-	-
City Bank		CD	1103309469001	28,048	-
One Bank Ltd.	Mirpur		110039901005	2,616	3,306
				509,041,672	657,667,546

13.00 Share capital
Authorized capital

200,000,000 Ordinary shares of Tk.10 each

2,000,000,000
2,000,000,000
Issued, subscribed and paid-up capital

134,895,833 Ordinary shares of Tk.10 each fully paid

1,348,958,330
1,348,958,330

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Details of the shareholdings are as under:

Name of Shareholders	% held	No. of shares		30.06.2022	30.06.2021
		30.06.2022	30.06.2021	Taka	Taka
Md. Mofazzal Hossain	21.34%	28,791,667	28,791,667	287,916,670	287,916,670
Md. Ehsanul Habib	11.14%	15,032,960	15,032,960	150,329,600	150,329,600
Arifur Rahman	5.87%	7,925,000	7,925,000	79,250,000	79,250,000
Md. Muddasar Hossain	5.87%	7,925,000	7,925,000	79,250,000	79,250,000
Mrs. Peara Begum	2.73%	3,681,343	3,681,343	36,813,430	36,813,430
Esquire Dyeing Industries Ltd.	21.93%	29,581,343	29,581,343	295,813,430	295,813,430
Esquire Accessories Ltd.	0.90%	1,214,677	1,214,677	12,146,770	12,146,770
Esquire Electronics Ltd.	4.34%	5,848,010	5,848,010	58,480,100	58,480,100
General Public and Institution	25.87%	34,895,833	34,895,833	348,958,330	348,958,330
	100%	134,895,833	134,895,833	1,348,958,330	1,348,958,330

The company increased its authorised capital from 1,500 million to 2,000 million by passing a special resolution in the company's Extra Ordinary General Meeting (EGM) held on 22 December 2016.

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
14.00	Share premium		
	Share premium	1,086,653,150	1,151,041,650
	Less: IPO Expense	-	64,388,500
		1,086,653,150	1,086,653,150
	In 2018-19, total amount of share share premium tk 1,151,041,650 (20,833,332 shares @ Tk 35 premium for Eligible Investor & 14,962,501 shares @ Tk 30 premium for General Public) was received as share premium in respect of issued to share holder through IPO.		
15.00	Revaluation surplus	3,739,289,135	3,739,289,135
16.00	Retained earnings		
	Opening balance	2,487,333,307	2,387,817,831
	Add: Net profit after tax for the year	327,485,893	301,859,226
	Less: Cash dividend	178,546,493	202,343,750
		2,636,272,708	2,487,333,307
17.00	Deferred Tax liabilities		
	Deferred tax liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes.		
	Deferred tax liabilities related to Profit and Loss A/C	121,710,267	117,058,209
	Deferred tax Liabilities related to other comprehensive income	155,803,714	155,803,714
		277,513,981	272,861,923

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**
17.01 Deferred tax liabilities
As at 30 June 2022

Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
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Deferred tax liabilities related to Profit and Loss A/C

Property, plant and equipment excluding land	2,413,454,663	1,399,202,434	1,014,252,229
Applicable tax rate			12.00%
Deferred tax liability			121,710,267

Deferred tax Liabilities related to other comprehensive income

Revaluation reserve for land	3,895,092,849	Nil	3,895,092,849
Applicable tax rate			4.00%
Deferred tax liability			155,803,714

As at 30 June 2021

Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
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Deferred tax liabilities related to Profit and Loss A/C

Property, plant and equipment excluding land	2,297,036,147	1,321,551,071	975,485,076
Applicable tax rate			12%
Deferred tax liability			117,058,209

Deferred tax Liabilities related to other comprehensive income

Revaluation reserve for land	3,895,092,849	Nil	3,895,092,849
Applicable tax rate			4.00%
Deferred tax liability			155,803,714

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

17.02 Deferred Tax Expenses

Deferred Liabilities at the end of the period	121,710,267	117,058,209
Deferred Liabilities at the beginning of the period	117,058,209	108,413,149
	4,652,058	8,645,060

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka		
		30-Jun-2022	30-Jun-2021	
18.00	Long term loan net of current maturity			
	International Finance Corporation	18.01	1,177,976,188	1,180,900,000
	Jamuna Bank Limited	18.02	24,661,058	26,598,619
	Dutch Bangla Bank Limited-Term Loan	18.03	-	1,532,164,948
	Al arafa Islamic Bank Ltd	18.04	1,489,314,847	-
	IDLC Finance Limited		27,362,006	43,110,391
			2,719,314,099	2,782,773,959
	Less: Current portion of long term loan		291,839,388	638,302,027
	Al arafa Islamic Bank Ltd		256,271,616	602,734,255
	Jamuna Bank Limited		15,495,492	15,495,492
	IDLC Finance Limited		20,072,280	20,072,280
			2,427,474,711	2,144,471,932
18.01	International Finance Corporation		1,177,976,188	1,180,900,000

Particulars of the term loans are given below.

(Amount in USD)

Bank Name	Loan Account	Particulars	Outstanding as on 30.06.2022
International Finance Corporation	IFC	Long term loan for Expansion project	Limit: 14000000 Tenor: 8 period/years Interest Rate: 3.50(LIBOR+Margin)

Collateral: A first ranking registered Mortgage on all land and Buildings of the Company. A first ranking hypothecation on all present and future movable assets(other than current assets and stocks) of the Company by executing a deed of the hypothecation. Personal joint and several first demand payment guarantee from the Sponsors.Joint and several first demand payment guarantee from the Companies.

18.02	Jamuna Bank Limited	24,661,058	26,598,619
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Details of the term loan with Jamuna Bank Limited are as under:

Bank Name	Facilities	Particulars
Jamuna Bank Limited	Term Loan	Limit: 30,000,000 Tenor: 60 months Pricing: 9.00% p.a.
Jamuna Bank Limited	Term Loan	Limit: 20,000,000 Tenor: 60 months Pricing: 9.00% p.a.

Collateral: Security cheque covering the Term Loan amount with letter of approach duly signed by the authorized person. Personal Guarantee of all the Directors of the company, supported by duly signed individual personal net worth statement. Corporate Guarantee of Shah Garments Limited, supported by MOA, AOA and Board resolution.

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**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
18.03	Dutch Bangla Bank Ltd	-	1,532,164,948
18.04	Al arafa Islamic Bank Ltd	1,489,314,847	-

Details of the banking facilities with Dutch Bangla Bank Limited are as under:

Bank Name	Facilities	Particulars
AIBL	Back to Back LC (Foreign/Local-Sight/Deferred/UPAS/EDF) / Bills	Limit: 2,850,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 0.20% 1st Qtr. EDF LC Max. 100 Cr. And LC for Capital Machinery & SP & Equipment will be 15 Cr. EDF interest will be As per Bangladesh Bank Circular
	Bai-Salam & Bai-Istisna (Inner Limit of Bai-Muajjal)	Limit: (550,000,000) Tenor: Bai-Istisna-60 days & Bai-Salam-120 days Pricing: 7.00% p.a.
	Bai-Muajjal	Limit: 600,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 8.75% p.a.
	Letter of Credit - Machinery (Sight/Deferred/360 days UPAS)	Limit: Euro 1,310,000 Equivalent to TK 133,600,000, Tenor: Sight/Deferred/360 days UPAS Pricing: 0.20% 1st Qtr.
	HPSM - Machinery	Limit: 106,900,000 Tenor: 7 years Pricing: 0.20% 1st Qtr.
	Term Loan - HPSM (Industrial) Facility	Limit: 1,460,000,000, Tenor: 8 Years Pricing: 8.75% p.a.
	Term Loan - HPSM (Transport) Facility	Limit: 9,600,000, Tenor: 2.5 Years Pricing: 8.75% p.a.
	Term Loan - HPSM (RE) Facility	Limit: 2,72,400,000, Tenor: 6 Years Pricing: 8.75% p.a.
	Loan against trust receipt (LTR)	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 8.75% p.a.
	Letter of Guarantee - 1	Limit: 50,000,000 Pricing: 0.40% per quarter.
	Letter of Guarantee - 1 (One Off)	Limit: 350,000,000 Pricing: Nil
	Letter of Guarantee - 1 (Single Case)	Limit: 2,273,600,000 Pricing: Nil
	MDB/MDB-FC	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 8.75% p.a.
	FBP/FBC/Quard against cash assistance	As per Export Policy

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Collateral: i) Registered mortgage (to be executed) of 851.85 decimal land and factory structures thereon (458145 sft) having forced sale value of Tk. 142.96 Cr. & market value of TK. 178.70 Cr. (As per branch valuation dated 22.09.2021 & 28.10.2021) schedule of the said property is depicted below: 223.00 decimals at kanchpur, Narayanganj (129 decimals in the name of Esquire Knit Composite Ltd; 60 decimals in the name of New Dhaka Ceramic Industries Limited and 34 decimals in the name of Md. Mofazzal Hossain & Ehsanul Habib. 381.60 decimals at Mouza- Zamaldi, P. S- Gajaria, Dist.- Munshiganj (203.10 decimals in the me of Esquire Knit Composite Ltd; 178.50 decimals in the name of (i) Md. Mofazzal Hossain, (ii) Md. Ehsanul Habib, (iii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 245.00 decimals at Mouza- Zamirdia, P. S- Vhaluka, Dist.- Mymensingh in the name of (i) Md. Mofazzal Hossain, (ii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 7130+7130 = 14,260 (Fourteen Thousand Two Hundred Sixty) square feet on the 9th & 10th floor and 10 car parking space no. 1,2,3,4,5,6,11,21 & 22 on the basement- 2 floor of the commercial building namely “Ideal Trade Center” at Mouza- Begunbari, Tejgaon, Dhaka in the name of Esquire Knit Composite Ltd. ii) First Charge shall be created with Registrar of Joint Stock Company on the fixed & floating assets & book debts of the company both present & future withing 21 days from the date of execution of documentation and certificate to be submitted from RJSC against limited company. iii) Personal Guarantee of all the directors of the company. iv) Personal Guarantee of owners mortgaged properties.

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
19.00	Finance lease obligation net of current maturity		
	IDLC Finance Limited	4,215,177	7,619,878
	IPDC Finance Limited	1,720,844	4,348,674
		5,936,022	11,968,552
	Less: Current portion of finance lease obligation-IDLC	3,328,665	5,468,220
	Less: Current portion of finance lease obligation-IPDC	1,720,844	2,993,544
		5,049,509	8,461,764
		886,513	3,506,788

IDLC Finance Limited

Esquire Knit Composite Limited entered into lease agreement with IDLC Finance Limited from the year 2016 to 2022 for vehicles. Esquire Knit Composite Limited pays fixed monthly installments which comprise principal and interest in return.

IPDC Finance Limited

Particulars of the above lease finance(vehicle) are given below.

Name of the lender	Name of Facilities	Particulars
IPDC Finance Limited	Lease Finance	Limit: 8,700,000 Tenor: 60 months Pricing: 14.00% p.a.
IPDC Finance Limited	Lease Finance	Limit: 2,750,000 Tenor: 60 months Pricing: 14.00% p.a.

Collateral: The Security arrangements will include but are not limited to:

1. Registration & Comprehensive Insurance of the vehicles in favor of IPDC. 2. Personal Guarantee of all sponsor Directors of the Lessee(s). 3. Cross Corporate Guarantee of the Lessee(s) (Supported by Board Resolution and undertaking to amend MEMART by incorporating the clause empowering to provide corporate guarantee, if not Legally enforceable by

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

MEMART). 4. Security cheque. 5. Post-Dated cheques (PDCs) for monthly rental payment. 6. Demand Promissory Note along with Letter of Continuation. 7. Other usual charge documents.

Details of Lease Agreement

(Amount in Taka)						
Lease From	Purpose	Finance Amount	Lease Term	Monthly Rental	Rental Paid	Future Payment
IDLC	Vehicle	29,000,000	5 Years	565,310	27,744,935	1,255,065
IPDC	Vehicle	11,450,000	5 Years	249,462	9,729,156	1,720,844
		40,450,000		814,772	37,474,091	2,975,909

Notes	Particulars	Amount in Taka		
		30-Jun-2022	30-Jun-2021	
20.00	Short term loan			
	Dutch Bangla Bank Limited	20.01	217,891,244	929,802,980
	Al arafa Islamic Bank Ltd	20.02	605,882,000	-
	Eastern Bank Limited	20.03	81,421,780	16,206,792
	United commercial Bank Limited	20.04	228,656,365	64,060,332
	The City Bank limited		13,980,103	-
	Bank Asia limited		250,000,000	255,752,188
	Lankan Alliance		300,025,000	-
	South Bangla		250,000,000	-
	IFIL		124,497,541	103,290,000
	IPDC Finance Limited		101,508,345	110,323,760
			2,173,862,378	1,479,436,051

20.01 Short Term Loan Dutch Bangla Bank Limited

Export cash credit		-	72,334,052
Loan Trust Receipts (LTR)		-	2,741,194
Stimulus fund		217,891,244	-
Overdraft	20.01.1	-	275,542,296
PAD-Foreign cash		-	23,132,011
Short term loan-EMI		-	164,515,902
Other loans		-	391,537,525
		217,891,244	929,802,980

20.01.1 Overdraft

Name of the Bank	Branch	Account #		
Dutch Bangla Bank Ltd.	Kawran Bazar	954.440.1000.000.37	-	193,100,555
Dutch Bangla Bank Ltd.	Kawran Bazar	954.417.000.0188	-	81,917,938
Dutch Bangla Bank Ltd.	Dilkusha	1014010000262	-	2,000
Dutch Bangla Bank Ltd.	Kawran Bazar	101.120.5645	-	521,803
			-	275,542,296

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Particulars of the above banking facilities are given below:

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ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Bank Name	Facilities	Particulars
Eastern Bank Limited	Letter of Guarantee	Limit: 10,000,000 Tenor: Up to 5 years Pricing: 0.20% PQ/ Minimum tk. 2500
	Packing Credit	Limit: 125,000,000 Tenor: 120 days Pricing: 7.00% p.a.
	Packing Credit	Limit: 125,000,000 Tenor: 120 days Pricing: 7.00% p.a.
	Overdraft (OD)	Limit: 30,000,000 Tenor: 360 days Pricing: 8.50% p.a.
	Time Loan [Within Line # 7]	Limit: (50,000,000) Tenor: 360 days Pricing: 8.50% p.a.
	FDBP	Limit: 150,000,000 Tenor: 45 days for Sight & 120 days for Deferred Pricing: As per schedule of the bank
	LDBP [Within Line # 7]	Limit: (50,000,000) Tenor: 45 days for Sight & 120 days for Deferred Pricing: 8.50% p.a. for BDT and 6MI+3.5% p.a. for USD

Collateral: 1) Registered Mortgage & Registered Power of Attorney on 5.97 bigha (197) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite Limited. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 430.00 Million, which will continue. 2) 1st Registered Mortgage & Registered Power of Attorney on 1.00 bigha (33.25) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite Limited. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 50.00 Million.

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

20.04 United Commercial Bank Ltd.

	Branch	A/C #		
Overdraft		0781749000000347	26,263,190	12,945,782
Time loan normal			192,072,437	41,382,491
EDF			10,320,738	9,732,060
			228,656,365	64,060,332

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Particulars of the above banking facilities are given below:

Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,300,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Letter of Credit(Sight/Usance/UPAS)	Limit: 200,000,000 Tenor: 180 days Pricing: 9.00% PQ.
	Letter of Credit(Sight/Usance/UPAS)-Machinery (Inner of SLC/ULC/UPAS Limit of 20 Crore)	Limit: (50,000,000) Tenor: 360 days Pricing: 9.00% PQ.
	Loan against trust receipt (LTR)	Limit: 50,000,000 Tenor: 120 days Pricing: 9.00% PQ.
	Time Loan (Inner of LTR Limit)	Limit: (40,000,000) Tenor: 120 days Pricing: 9.00% PQ.
	LBPD	Limit: 100,000,000 Tenor: 120 days Pricing: 9.00% PQ.
	Letter of Guarantee	Limit: 50,000,000 Pricing: 0.25% PQ.
	FBPD/OBU Discounting	Limit: 150,000,000 Tenor: 21 days Pricing: 9.00% p.a.
	Time Loan (Inner Limit of FBPD)	Limit: 80,000,000 Tenor: 90 days Pricing: 9.00% p.a.
	Time Loan	Limit: 150,000,000 Tenor: 150 days Pricing: 9.00% p.a.
	Packing Credit (Inner Limit With Time Loan)	Limit: (150,000,000) Tenor: 120 days Pricing: 7.00% p.a.
	Overdraft (OD)	Limit: 50,000,000 Tenor: 360 days Pricing: 9.00% p.a.

Collateral: Registered Mortgage of 91.35 decimal Land with 04 storied building (57,400 sft) at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite Limited. Pari-passu security sharing with other lenders: EBL, DBBL) over floating assets of the company. Personal Guarantee of all director of Esquire Knit Composite Ltd. & Esquire Dyeing Industries Limited except independent directors of Esquire Knit Composite Ltd. Corporate guarantee of Esquire Electronics Ltd., Esquire Dyeing Industries Ltd. & Esquire Accessories Ltd. with duly adopted board resolution. Post-dated MICR cheques (mode wise) signed by the authorized signatory of the company.

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
21.00	Unclaimed Dividend	3,475,908	4,176,706
22.00	Accounts payable		
	Import liability and other creditors	1,185,400,836	998,950,865
	A schedule of import liability and other creditors is given in Annexure-H.		
23.00	Liabilities for expenses		
	Directors' remunerations	64,282,255	60,774,255
	Salary and wages	39,735,070	20,389,996
	Gas Bills	9,473,051	19,424,948
	Electricity	5,111,674	3,478,969
	Telephone bill	11,670	10,173
	TDS on Director remuneration	6,492,000	-
	TDS on Salary	3,705,782	-
	Tax & VAT	-	5,832,545
	WPPF payable 23.01	-	-
	Wasa bill	30,000	16,000
	Provision for Income Tax 23.02	145,965,248	116,695,379
	Provision for Head office Floors	1,837,169	1,837,169
	Financial Interest	47,621,772	48,874,919
	TDS on Dividend	23,797,257	2,660,481
	Audit fees	862,500	862,500
	Head office rent	3,044,000	3,044,000
		351,969,447	283,901,333
23.01	WPPF payable		
	Opening Balance	-	24,836,974
	Add: Addition during the year	2,870,688	2,060,747
		2,870,688	26,897,722
	Less: Payment during the year	2,870,688	26,897,722
		-	-
23.02	Provision for Income Tax		
	Opening balance	116,695,379	130,136,025
	Add: Provision made for the year	66,079,024	54,852,714
		182,774,402	184,988,739
	Less: Adjustment for assessment year-2018-19	-	38,510,648
	Less: Adjustment for assessment year-2019-20	-	29,782,712
	Less: Adjustment for assessment year-2020-21	36,809,155	-
		145,965,248	116,695,379
	Income Tax provision		
	Export	60,085,682	47,435,016
	Non operating income	5,993,341	7,417,698
		66,079,024	54,852,714

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
24.00	Sales		
	Export sales	10,014,280,416	7,905,836,002
	Disclosure as per Schedule XI, Part II, Para 8 (e) of the Companies Act 1994:		
	i. The quantity of the company's export of knit garments in pieces:	46,104,444	54,260,425
	ii. Foreign currency earned against export on FOB Basis:		
	In USD	115,261,110	93,667,010
	In BDT	10,014,280,416	7,905,836,002
	iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees andconsultancy fees.		
	iv. The value of export for the year ended on 30 June 2022.		
25.00	Cost of Goods Sold		
	Cost of materials consumed 25.01	5,228,872,796	3,955,650,011
	Cost of direct labor 25.02	2,500,878,498	2,167,290,560
	Prime cost	7,729,751,294	6,122,940,570
	Factory overheads 25.03	708,696,255	555,506,559
	Cost of Goods put into Process	8,438,447,548	6,678,447,130
	Opening Work -in- process	791,466,248	679,717,479
	Closing Work- in- process 25.04	(857,289,381)	(791,466,248)
	Cost of Goods Manufactured	8,372,624,415	6,566,698,361
	Opening Finished Goods	274,046,371	196,992,470
	Cost of Goods Available for Sale	8,646,670,786	6,763,690,832
	Closing Finished Goods 25.05	(230,016,352)	(274,046,371)
		8,416,654,434	6,489,644,461
25.01	Raw Materials Consumption		
	Yarn 25.1.1	4,021,035,722	2,883,685,852
	Dyes 25.1.2	165,142,421	136,158,338
	Chemical 25.1.3	307,637,091	267,970,550
	Finishing Materials 25.1.4	735,057,562	667,835,271
		5,228,872,796	3,955,650,011
25.1.1	Yarn Consumption		
		Quantity in kg	
		2021-22	2020-21
	Opening	2,340,588	2,649,002
	Add: Purchase during the year	9,838,480	9,432,790
		12,179,068	12,081,792
	Less: Closing stock	2,329,864	2,340,588
		9,849,204	9,741,204
		4,021,035,722	2,883,685,853

**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

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NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

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ESQUIRE KNIT COMPOSITE LIMITED
NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021
26.01	Office & administrative expenses		
	Director remuneration	30,000,000	30,070,000
	Salary & allowances	183,833,753	167,509,232
	Contribution to employees provident fund	3,355,687	2,082,883
	Vehicle maintenance	917,872	1,325,226
	Vehicle running expenses	8,260,844	8,438,949
	Entertainment	2,367,517	2,079,324
	Insurance premium	868,770	868,770
	Printing expenses	471,775	261,504
	Stationery expenses	1,426,457	3,808,118
	Telephone, mobile & internet	2,558,950	3,652,077
	Floor rent	3,044,000	3,044,000
	Travelling & conveyance	1,907,520	901,420
	Bank charges	14,715,530	20,171,262
	License, renewal & registration	5,661,976	6,013,210
	Utility expenses	2,349,478	1,842,254
	Audit fees	862,500	862,500
	Scrutinizer fees	30,000	-
	Exchange loss/(gain)	5,969,129	11,717,479
	Depreciation	40,054,443	39,181,821
	Miscellaneous expenses(AGM expenses)	353,359	848,808
		309,009,560	304,678,837
26.02	Selling & distribution expenses		
	Inspection & certificate issue expenses	3,525,993	103,325,305
	Export permission	21,769,983	26,593,612
	Foreign Travel for marketing	5,688,246	462,822
	Sample and courier expenses	186,003,871	146,211,931
	Bank charges on export proceeds	240,818,516	156,834,895
	Freight charges on export	58,444,310	40,573,168
	C&F expenses on export	23,506,448	17,360,509
	Carriage outward on export(Transportation)	38,739,355	16,426,400
		578,496,721	507,788,641
27.00	Financial expenses		
	Interest on Short term loan	170,140,200	97,628,748
	Interest on Long term loan	162,345,438	159,097,677
	Interest on Finance lease	519,764	9,250,685
		333,005,402	265,977,109
28.00	Non operating income	23,973,365	29,670,793
	FDR Interest	5,854,336	5,452,063
	Dividend on unit fund-ICL	8,500,000	-
	Bank Interest	2,237,733	16,837,434
	Rental income	7,381,296	7,381,296
		23,973,365	29,670,793

ESQUIRE KNIT COMPOSITE LIMITED
**NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Particulars	Amount in Taka																									
		30-Jun-2022	30-Jun-2021																								
29.00	Net Asset Value (NAV) Per Share																										
	Total assets	15,528,645,994	14,496,303,311																								
	Total Liabilities	(6,717,472,671)	(5,834,069,390)																								
	Net Asset Value (NAV) (A)	8,811,173,323	8,662,233,920																								
	Revaluation reserve	(3,739,289,135)	(3,739,289,135)																								
	Net Asset Value (NAV) without revaluation reserve (B)	5,071,884,188	4,922,944,785																								
	Weighted Average Number of shares (C)	134,895,833	134,895,833																								
	Net Asset Value (NAV) per share with revaluation reserve (A÷C)	65.32	64.21																								
	Net Asset Value (NAV) per share without revaluation reserve (B÷C)	37.59	36.48																								
29.01	Earnings Per Share (EPS)																										
	Earning attributable to ordinary shareholders (Taka)	327,485,893	301,859,226																								
	Weighted Average Number of shares	134,895,833	134,895,833																								
	Earnings Per Share (Taka)	2.43	2.24																								
30.00	Net Operating Cash Flow Per Share (NOCFPS)																										
	Net operating cash flows	440,613,773	(173,066,389)																								
	Weighted Average Number of shares	134,895,833	134,895,833																								
	Net operating cash flows per shares	3.27	(1.30)																								
	Calculation of Weighted Average Number of shares																										
	<table> <tr> <th>Particulars</th><th>Formula</th><th>No of shares</th><th>No of shares</th></tr> <tr> <td>Allotment of Existing shares</td><td>100000000/365*365</td><td>100,000,000</td><td>100,000,000</td></tr> <tr> <td>Allotment of new shares</td><td>34895833/365*365</td><td>34,895,833</td><td>34,895,833</td></tr> <tr> <td>Allotment date:</td><td></td><td></td><td></td></tr> <tr> <td>Februray 07,2019</td><td></td><td></td><td></td></tr> <tr> <td>Weighted Average Number of shares</td><td></td><td>134,895,833</td><td>134,895,833</td></tr> </table>	Particulars	Formula	No of shares	No of shares	Allotment of Existing shares	100000000/365*365	100,000,000	100,000,000	Allotment of new shares	34895833/365*365	34,895,833	34,895,833	Allotment date:				Februray 07,2019				Weighted Average Number of shares		134,895,833	134,895,833		
Particulars	Formula	No of shares	No of shares																								
Allotment of Existing shares	100000000/365*365	100,000,000	100,000,000																								
Allotment of new shares	34895833/365*365	34,895,833	34,895,833																								
Allotment date:																											
Februray 07,2019																											
Weighted Average Number of shares		134,895,833	134,895,833																								
31.00	Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018:																										
	Reconciliation of net profit with cash flow from operating activities																										
	Net profit after tax for the year	327,485,893	301,859,226																								
	Adjustment for non-cash items:																										
	Depreciation	254,658,401	241,428,725																								
	Deferred Tax Adjustment	4,652,058	8,645,060																								
	Changes in Working Capital:																										
	(Increase)/decrease in Inventory	(347,067,911)	(291,298,341)																								
	Decrease in Accounts receivable	(61,343,439)	(756,254,491)																								
	(Increase)/decrease in Advance deposit and Payments	7,710,685	218,195,056																								
	Increase in Accounts payable	186,449,972	132,459,066																								
	Decrease in Accrued Expenses	68,068,114	(28,100,688)																								
	Net cash flow from operating activities	440,613,773	(173,066,389)																								

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

32.00 Related party disclosures

i) Related party transactions

(Amount in Taka)

Name	Nature of relationship	Nature of Transaction	Opening Balance	Purchase	Payment	Outstanding as on 30.06.2022 (Receivable)/ Payable
Esquire Accessories Limited	Common Management	Purchase	35,304,323	165,072,105	125,894,489	74,481,939
Esquire Electronics Limited	Common Management	Purchase	135,195	1,881,500	2,016,695	-
Esquire Dyeing Industries Limited	Common Management	Dyeing	46,552,633	235,381,087	183,547,870	98,385,850
Esquire Testing Services (BD) Limited	Common Management	Fabric testing fees	4,506,704	157,584,276	162,090,980	(0.00)
Pinnacle Construction Management Ltd.		Contractor	(203,708,007)	203,708,007	-	-
L'Esquire Ltd		-	(265,739,053)		119,298,882	(385,037,935)
Esquire Plastics Ltd	Common Management	Purchase	-	1,071,256	1,071,256	-
						(212,170,147)

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

ii) Particulars of Directors of Esquire Knit Composite Limited as at 30 June 2022

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Plastic & Packaging Limited
		Esquire Customer Care Limited
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceranic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Sourcing Limited
		Sharp Media Limited
		Bangladesh German University
		Best Life Insurance Company Limited
		Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
		Thakral One Private Ltd
		T.M Chemical Limited
		Olive Tree Foods Limited
		Esquire Travels Ltd.
		Securex (Pvt) Ltd.
		L'Esquire Ltd
		Esquire Heavy Industries Ltd.
Md. Mofazzal Hossain	Chairman	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Esquire Customer Care Limited
		L'Esquire Ltd
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Sharp Media Limited

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Mofazzal Hossain	Chairman	Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
		Thakral One Private Ltd
		Esquire Travels Ltd.
Mrs. Peara Begum	Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Accessories Limited
Arifur Rahman	Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Packaging Limited
		Esquire Customer Care Limited
		L'Esquire Ltd
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
Arifur Rahman	Director	MMH Textiles Limited
		Esquire Sourcing Limited
		Sharp Media Limited
		Trust Solution Private Limited
Md. Muddasar Hossain	Director	Esquire Travels Ltd.
		Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		L'Esquire Ltd
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastic Limited
		Esquire Chemical Industries Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Customer Care Limited
		Esquire Travels Ltd.

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

33.00 Capital expenditure commitment

Details of capital expenditure commitment as of 30 June 2022 are as under:

Particulars	Total Cost value estimated	Paid till 30.06.22	to be paid
Valuka Project	1,500,000,000	1,451,080,275	48,919,725

34.00 Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994

Number of employee

Factory:

Textile and Apparels:

Number of full-time employee (Officers & Staff)

Number of full-time employee (Workers)

No. of
Employee

No. of
Employee

1,216

6,993

1,216

6,983

Head Office:

Number of full-time employee (Officers & Staff)

Number of full-time employee (Workers)

219

219

-

All the aforesaid employees engaged by the Company for the whole year or part thereof individually received a total salary of Tk. 70,055 or above.

35.00 Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994

Directors are also executives of the company. Their executive compensation for the year ended on 30 June 2022 is given below:

Managing Director's remuneration and benefit	35.01	6,000,000	6,000,000
Other Directors' salary and benefit	35.02	24,000,000	24,000,000
Other key management personnels' salary and benefit	35.03	25,995,319	25,995,319
		55,995,319	55,995,319

35.01 Managing Director's remuneration and benefit

Salary paid through cash and bank

6,000,000

6,000,000

35.02 Other Directors' salary and benefit

Salary paid through cash and bank

24,000,000

24,000,000

35.03 Other key management personnels' salary and benefit

Salary

Allowance

Bonus

Providend fund

19,951,685

590,274

3,530,615

1,922,745

25,995,319

19,951,685

590,274

3,530,615

1,922,745

25,995,319

Board Meeting attendance fees have been provided to the directors of the company for the year.

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

The Directors of the company did not take any benefit from the company other than the remuneration and -

a.	Expense reimbursed to the managing agent –	Nil
b.	Commission or other remuneration payable separately to a managing agent or his associate –	Nil
c.	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company -	Nil
d.	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year -	Nil
e.	Any other perquisites or benefit in cash or in kind stating –	Nil
f.	Other allowances and commission including guarantee commission -	Nil

- 1) Pensions
- 2) Gratuities
- 3) Payment from Provident Fund
- 4) Compensation for loss of office
- 5) Consideration in connection with retirement from office

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

36.00 Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994

Particulars

Textiles:

Installed Capacity (Kg)

8,030,000

8,030,000

Actual Production (Kg)

6,088,892

6,088,892

Utilization

75.83%

75.83%

Apparels:

Installed Capacity (Pcs)

49,920,000

49,920,000

Actual Production (Pcs)

34,690,032

34,690,032

Utilization

69.49%

69.49%

37.00 Transaction in foreign currency

C & F value of import

Finishing Materials

7,689,252

7,689,252

Yarn

16,155,253

16,155,253

Dyes & Chemicals

5,524,960

4,546,032

Capital Machinery

671,136

671,136

30,040,600

29,061,673

FOB Value of Export (USD)

115,261,110

93,667,010

38.00 Financial risk management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. 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 risks from its use of financial instruments.

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

- *Credit Risk
- *Interest Rate Risk
- *Currency Risk
- *Liquidity/funding risk
- *Market risk

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

38.01 Credit risk

Credit risk is the risk of a financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

As the company is involved in 100% export oriented business, all the sales are made against Letter of Credit (L/C). L/Cs provide guarantee against credit sales and minimise the credit risk to an acceptable level. Bills receivable arises due to the time difference between submission of bills to the bank for collection of proceeds and actual realisation of the proceeds.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Accounts receivables	8.00	1,297,557,977	1,236,543,153
Advance, deposit and prepayments	10.00	1,017,833,764	912,214,697
Cash & Bank Balances	12.00	511,568,565	677,140,433
		2,826,960,307	2,825,898,283

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

Domestic	2,199,449,414	2,524,039,057
Foreign	627,510,893	301,859,226
	2,826,960,307	2,825,898,283

38.02 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falls due. The company's approach to 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 obligations through preparation of the cash flow forecast based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Notes	Particulars	Amount in Taka	
		30-Jun-2022	30-Jun-2021

The following are the contractual maturities of financial liabilities of the company:

As on 30 June 2022

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,719,314,099	-	2,719,314,099
Finance Lease obligation	5,936,022	-	5,936,022
Short term loan	2,173,862,378	1,304,317,427	869,544,951
Provision for income tax	145,965,248	145,965,248	-
Liabilities for expenses	213,655,841	213,655,841	-
Accounts payable	1,185,400,837	1,185,400,837	-
	6,444,134,424	2,849,339,352	3,594,795,072

As on 30 June 2021

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	641,808,815	-	641,808,815
Finance Lease obligation	11,968,552	-	11,968,552
Short term loan	1,479,436,051	887,661,630	591,774,421
Provision for income tax	184,988,739	184,988,739	-
Liabilities for expenses	174,632,350	174,632,350	-
Accounts payable	998,950,865	998,950,865	-
	3,491,785,372	2,246,233,584	1,245,551,788

38.03 Market risk

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

In the past, in some occasion large buyers of different RMG exporters has decided to withdraw business, or has become bankrupt or were subject to regulatory injunction from importing from Bangladesh, creating a strong impact on the exporter. For EKCL single buyer concentration is not a major issue and they have longstanding relationship with overseas buyers. All of them regard EKCL as their global partners and the relationship can only be disrupted if EKCL fails to perform its commitments. Also, because of its dominant position in the export market it is always sought after by many buyers.

38.04 Currency risk

The company is exposed to currency risk on receiving of sales proceeds and payments made for raw materials purchase as well. Maximum of the company's foreign currency transactions are denominated in USD.

i) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

	30.06.2022 USD	30.06.2021 USD
Foreign currency denominated assets		
Accounts Receivable	13,885,051	14,650,354
FBPAR A/C with DBBL-in USD(78)	13,885,051	14,650,354
FBPAR A/C with Dutch Bangla Bank Limited (USD)	37,713	87,612
FBPAR A/C with Dutch Bangla Bank Limited (Euro)	1,631	1,630
Margin A/C with Eastern Bank Limited (USD)	632	378,593
Margin A/C with Eastern Bank Limited (Euro)	23,828	863
Dutch Bangla Bank Limited FCAD (USD account)	90,976	579,942
Dutch Bangla Bank Limited FCAD (Euro account)	6,178	63
DBBL FCAD-in Dollar	281	4,693,862
Eastern Bank Limited (USD account)	685	684
	27,932,023	35,043,958
Foreign currency denominated liabilities		
DBBL-EDF	-	(2,193,651)
EBL-EDF	-	(532,888)
DEG Loan-II	(10,856,035)	(14,000,000)
Accounts Payable	(16,088,953)	(11,777,303)
	(26,944,988)	(28,503,842)
Net exposure	987,035	6,540,116
	30.06.2022 Taka	30.06.2021 Taka
The following rate has been applied:		
Taka/USD	93.45	84.80
Taka/EURO	97.55	100.86

38.05 Business Risk

Managing Compliance – Currently RMG buyers specially the large buyers are very demanding and constantly tightening the compliance criteria. EKCL has been in the forefront of compliance among the RMG exporters in the county. They have compliant plants with effluent water treatment facility, childcare facility, adequate ventilation, spacious infrastructure lay out, etc. Till now they were able to meet all the compliance challenge in their 30 year plus business experience and is likely to do so in the coming years. EKCL mitigates compliance risk since it is WRAP certified and passed other audits from Department of Environment (DOE) and overseas buyers.

Achievement of sales volume – Historically, EKCL has been successful to achieve its sales target after expansion as most of its expansions are planned after receiving order indications from its buyers.

38.06 Interest Rate Risk

EKCL is enjoying banks finance in the form of working capital as well as term loan. As a bank fund borrower, the entity has to pay a significant amount of loan interests and charges. Bangladesh Bank has moved to remove the interest rate ceiling on lending in the wake of a massive liquidity crisis in the financial market letting the price to be determined by functioning of demand-supply interaction. This measure may invite interest rate instability, which may create volatility in the profitability of business like EKCL. It is the company risk of gain or losses on assets and liabilities due to changes in interest rates.

ESQUIRE KNIT COMPOSITE LIMITED

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

	30.06.2022 Taka	30.06.2021 Taka
Exposure of Interest Rate Risk		
Fixed Rate Bearing		
Term Loan	2,725,250,121	2,794,742,511
Short Term Loan	2,173,862,378	1,479,436,051

38.07 Operation Risk

Technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology, which may cause negative impact on the business. The project is equipped with good machineries and technology to cope with the modern textile world. The management both in head office and production premises seem to be competent and maintain the standard level of quality and to run the operations effectively. However, in order to reduce the operational risk, the company is yet to ensure an external control mechanism. The company has minimum exposure to operational risk.

38.08 Raw Material Supply Risk

The company receives yarn, dyes & chemicals both from local as well as foreign suppliers. Import based supplies are likely to be affected by any uncontrollable event or country risk to transaction or political barrier. Since inception the company did not face any such uncontrollable events so far because of maintaining good supply chain relationship with the suppliers of raw materials and in exceptional cases, it is confident to make alternative arrangement at shorter notice.

38.09 Exchange Rate Risk

Exchange rate risk arises from currency fluctuation in international trade. If Bangladeshi Taka is devalued and/or foreign currency revalued than the price of imported raw materials will go up which will decrease the overall profit margin. As the company is dependent upon the import for yarn, dyes, chemicals & accessories and in future it will be the same, volatility of exchange rate will have an impact on profitability of the company. For last couple of years, Bangladeshi Taka found carrying floated value and expected to follow the same which expose the company to significant exchange rate risk.

38.10 Power Generation Risk

The industrial bases of Bangladesh are mainly aided by natural gas-driven power generation which causes disruption occasionally and the weaving industry is not an exception. Smooth availability of gas will ensure the maximum functioning of the machineries. EKCL uses natural gas to produce power from captive power plant. Currently a circular from government has emerged to arrange alternate of gas due to recent acute gas crisis. The company is connected with 15 PSI gas line and currently does not any problem of gas pressure. So other things being constant, EKCL does not foresee significant risk for power generation.

39.00 Date of Authorisation

The Board of directors has authorised these financial statements for issue on 30 October 2022.



Chairman



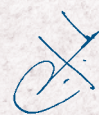
Managing Director



Director



Company Secretary



Chief Financial Officer

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2022

Annexure - A

Name of the assets	Cost			Rate (%)	Depreciation			Written Down Value as on 30.06.2022	Written Down Value as on 30.06.2021
	Balance as on 01.07.2021	Addition During the period	Balance as on 30.06.2022		Balance as on 01.07.2021	Charges for the period	Balance as on 30.06.2022		
a. Freehold assets									
Land & Land development	123,453,152	-	123,453,152	-	-	-	-	123,453,152	123,453,152
Building	1,221,060,029	1,760,000	1,222,820,029	5%	538,292,630	61,097,001	599,389,632	623,430,397	682,767,398
Plant & Machinery	3,178,120,901	345,203,064	3,523,323,965	7%	1,687,832,575	153,506,956	1,841,339,531	1,681,984,434	1,490,288,326
Furniture and Office Equipment	239,864,291	24,113,853	263,978,144	10%	177,289,952	24,382,821	201,672,773	62,305,371	62,574,339
Motor Vehicle	28,894,445	-	28,894,445	13%	28,894,445	-	28,894,445	-	-
Software & IT	32,440,757	-	32,440,757	10%	10,732,024	3,244,075.70	13,976,100	18,464,657	21,708,733
Sub-Total	4,823,833,574	371,076,917	5,194,910,491		2,443,041,626	242,230,855	2,685,272,481	2,509,638,010	2,380,791,948
b. Revalued assets									
Land & Land Development	3,895,092,849	-	3,895,092,849	-	-	-	-	3,895,092,849	3,895,092,849
Sub-Total	3,895,092,849	-	3,895,092,849	0%	-	-	-	3,895,092,849	3,895,092,849
c. Leasehold assets									
Motor Vehicle	99,420,368	-	99,420,368	13%	59,723,018	12,427,546	72,150,564	27,269,804	39,697,350
Sub-Total	99,420,368	-	99,420,368		59,723,018	12,427,546	72,150,564	27,269,804	39,697,350
Grand total as on 30 June 2022	8,818,346,791	371,076,917	9,189,423,708		2,502,764,644	254,658,401	2,757,423,045	6,432,000,664	
Grand total as on 30 June 2021	6,936,935,539	1,881,411,252	8,818,346,791		2,261,335,919	241,428,725	2,502,764,644	6,315,582,147	

Break-up of Land and Land Development:

Land acquisition cost
Land development cost

83,297,266
40,155,886
123,453,152

Allocation of depreciation:
Factory overhead
Office & Administrative Expenses

214,603,958
40,054,443
254,658,401

Note: Land and land development has been revalued on 20 July 2020 by an independent valuer

i) **Name of Valuer :** Masih Muhith Haque & Co. Chartered Accountants

ii) **Valuation method :** Estimated Net Realizable Value Method (the market approach).

iii) **Date of Capitalization:** Revaluation surplus capitalized on 20 July 2020

ADDITION OF CAPITAL WORK IN PROGRESS

AS AT 30 JUNE 2022

Annexure - B

1. Expansion project -Valuka

Particulars	Total Cost	Cost incurred
Valuka Building construction	2,900,000,000	2,272,873,152
Total	2,900,000,000	2,272,873,152

STORE LEDGER SUMMARY

AS AT 30 JUNE 2022

Annexure - C

Sl #	Particulars	Opening		Purchase		Issue/Consumption		Closing Balance	
		Qty	BDT	Qty	BDT	Qty	BDT	Qty	BDT
Raw material									
1	Yarn	2,340,588	837,871,652	9,838,480	3,842,821,769	9,849,204	4,021,035,722	2,329,864	659,657,698
2	Dyes	215,529	242,337,642	265,573	148,850,283	251,236	165,142,421	229,866	226,045,504
3	Chemical	1,316,954	130,155,983	1,969,348	309,721,381	2,018,934	307,637,091	1,267,368	132,240,273
Finishing Materials									
4	Packing materials	-	402,155,744	-	61,956,275	-	170,893,889	-	293,218,130
5	Accessories	-	238,053,367	-	1,078,117,498	-	530,343,046	-	785,827,819
6	Sewing Thread	-	97,243,478	-	-	-	-	-	97,243,478
7	Printing & Embroidery materials	-	2,725,693	-	39,820,628	-	33,820,627	-	8,725,694
WIP and Finished Goods									
8	Work in Process	-	791,466,248	-	-	-	-	-	857,289,381
9	Finished goods	-	274,046,371	-	-	-	-	979,950	230,016,352
10	Materials in transit	-	129,872,558	-	-	-	-	-	160,307,088
Sub-Total		3,873,071	3,145,928,736	12,073,401	5,481,287,834	12,119,374	5,228,872,796	4,807,048	3,450,571,417
Factory overhead (Repair and Maintenance)									
1	Spare parts & consumable items	-	245,213,080	-	146,505,040	-	104,079,809	-	287,638,311
2								-	-
Sub-Total		-	245,213,080	-	146,505,040	-	104,079,809	-	287,638,311
Grand Total		3,873,071	3,391,141,815	12,073,401	5,627,792,874	12,119,374	5,332,952,605	4,807,048	3,738,209,728

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Annexure - D

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
1	Air Conditioner	BOTTLE	8	62,134	8	45,516
2	Air Conditioner	PCS	14	70,849	14	51,900
3	Air Conditioner	SET	7	523,237	7	383,296
4	Ball Bearing	PCS	2,435	2,163,242	1,948	2,403,603
5	Timing Belt	MTR	71	12,379	57	13,754
6	Timing Belt	PCS	831	859,852	664	955,391
7	Toothed Belt	PCS	450	955,114	360	1,061,238
8	V-Belt	PCS	2,852	979,264	2,281	1,088,071
9	Common (All)	KG	7	1,783	6	1,981
10	Common (All)	LBS	748	1,341,253	598	1,490,281
11	Common (All)	PCS	4,462	367,474	3,570	408,305
12	Common (All)	SET	19	14,354	15	15,949
13	Band Knife M/C	SET	18	6,012	14	6,681
14	Common M/C (Cutting)	PCS	5,149	745,777	4,119	828,641
15	FK Spreading Machine 590	PCS	21	3,081	17	3,423
16	FK Top Cut 9 M/C	PCS	169	545,356	135	605,951
17	Manual M/C	PCS	4,630	11,612,379	3,704	12,902,643
18	Spreader M/C (Brio 100)	PCS	381	1,201,996	305	1,335,551
19	VT-7000 M/C	BOX	1,382	634,495	1,106	704,994
20	VT-7000 M/C	PCS	1,407	1,500,065	1,126	1,666,739
21	VT-MX M/C	PCS	1,064	2,710,374	851	3,011,527
22	VT-MX M/C	PAIR	8	32,131	7	35,701
23	Automatic Tubular Emb M/C	PCS	1,183	471,503	946	523,892
24	Laser Cutter M/C	PCS	50	292,869	40	325,410
25	MG M/C	MTR	18	13,030	14	14,478
26	MG M/C	PCS	5,219	688,719	4,175	765,243
27	MG M/C	SET	10	2,942	8	3,269
28	Sunstar M/C	PCS	1,143	143,110	914	159,011
29	Tajima M/C	PCS	3,578	331,837	2,862	368,708
30	Auto Brass M/C	PCS	36	4,222	29	4,691
31	Biancalani Dryer Machine	PCS	11	447,776	9	497,529
32	Corino Slitting Machine	PCS	569	357,975	455	397,750
33	Dozzatex M/C	PCS	8	64,858	7	72,064
34	Egalizing Dryer M/C	PCS	10	755,462	8	839,402
35	Ferraro Compacting M/C	FEET	117	34,024	94	37,804
36	Ferraro Compacting M/C	PCS	186	1,302,177	149	1,446,863
37	Ferraro Compacting M/C	ROLL	19	383,775	15	426,416
38	Ferraro Compacting M/C	SET	8	640	7	711
39	Fongs M/C (F/D)	PCS	77	76,452	62	84,947
40	Fongs M/C (F/D)	SET	72	69,303	57	77,004

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
41	Lafer Compacting M/C	PCS	22	778,722	18	865,246
42	Lafer Sueding M/C	MTR	646	235,382	517	261,535
43	Mario Crosta(Brassing) M/C	MTR	109	64,319	87	71,466
44	Mario Crosta(Brassing) M/C	PCS	10	12,792	8	14,214
45	NPL M/C	PCS	37	768	30	853
46	NPL M/C	SET	15	768	12	853
47	Q Sun M/C	PCS	32	47,332	25	52,591
48	Robolab M/C	PCS	1,276	719,032	1,021	798,925
49	Santex M/C	FEET	98	2,328	78	2,587
50	Santex M/C	PCS	142	188,336	113	209,262
51	Sclavos M/C	PCS	1,748	1,557,062	1,399	1,730,069
52	Sclavos M/C	SET	105	32,020	84	35,578
53	Slitting M/C	FEET	139	77,288	112	85,875
54	Slitting M/C	MTR	178	21,075,513	142	23,417,236
55	Slitting M/C	PCS	319	4,465,284	255	4,961,427
56	Slitting M/C	SET	99	240,058	79	266,731
57	Smartex M/C	FEET	113	6,402	90	7,113
58	Smartex M/C	PCS	155	81,513	124	90,570
59	Soft Flow Dyeing M/C	PCS	101	202,715	81	225,239
60	Soft Flow Dyeing M/C	SET	99	22,405	79	24,895
61	Stenter M/C	COIL	95	18,991	76	21,101
62	Stenter M/C	FEET	153	14,784	122	16,426
63	Stenter M/C	MTR	889	263,476	711	292,752
64	Stenter M/C	PCS	2,344	1,124,309	1,875	1,249,232
65	Tube Tex M/C	FEET	284	94,956	227	105,507
66	Tube Tex M/C	PCS	275	8,306,377	220	9,229,307
67	Tube Tex M/C	SET	101	153,637	81	170,708
68	Ultra Soft M/C	PCS	114	54,952	92	61,058
69	Washing M/C	PCS	97	82,036	78	91,151
70	Bartack M/C	PCS	93	459	75	510
71	Bartack M/C	SET	93	4,090	75	4,544
72	Button Hole & Stitch M/C	PCS	2,030	507,605	1,624	564,005
73	Button Hole & Stitch M/C	SET	103	31,987	82	35,542
74	Common (Garments)	PCS	993	271,147	795	301,274
75	Common (Garments)	POT	95	3,841	76	4,268
76	Feet of the Arm M/C	PCS	91	1,137	73	1,263
77	Feet of the Arm M/C	SET	97	12,803	78	14,226
78	Finishing Section	PCS	758	372,411	607	413,790
79	Finishing Section	SET	99	123	79	137
80	Flat Lock M/C	PCS	3,659	825,348	2,928	917,053

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
81	Flat Lock M/C	SET	151	80,735	121	89,706
82	Flat Seamer M/C	PCS	128	12,376	102	13,751
83	Fusing M/C	PCS	91	41,720	73	46,355
84	Kancai M/C	PCS	103	7,230	82	8,034
85	Kancai M/C	SET	116	67,813	93	75,347
86	Needle (Garments)	PCS	118	339	95	376
87	Needle (Garments)	PKT	9,640	1,543,484	7,712	1,234,787
88	Over Lock M/C	PCS	4,307	1,118,140	3,445	894,512
89	Over Lock M/C	SET	122	51,323	98	41,059
90	Pattern Cutting M/C	PCS	93	7,113	75	5,690
91	Plain M/C	PCS	6,444	367,195	5,155	293,756
92	Plain M/C	SET	174	76,496	139	61,197
93	Rib Cutter M/C	PCS	4,089	724,862	3,271	579,890
94	Rib Cutter M/C	SET	367	187,105	294	149,684
95	Snap Button M/C	PCS	93	34,379	75	27,503
96	Snap Button M/C	SET	89	-	72	-
97	8 Needles Cord Knitting Machin	PCS	89	-	72	-
98	Fukuhara M/C	PCS	1,068	1,568,656	855	1,254,925
99	Jack	PCS	6,739	850,875	5,391	680,700
100	Mayer & Cie M/C	BOX	95	133	76	107
101	Mayer & Cie M/C	PCS	5,234	2,108,662	4,187	1,686,930
102	Mayer & Cie M/C	PKT	97	6,520	78	5,216
103	Mayer & Cie M/C	SET	141	26,969	113	21,576
104	Needle (Knitting)	PCS	268,085	1,249,126	214,468	999,301
105	Orizo M/C	FEET	-	-	-	-
106	Orizo M/C	PCS	48	2,185,923	39	1,748,738
107	Orizo M/C	SET	2,706	163,062	2,165	130,449
108	Pailung M/C	PCS	87	1,601,855	70	1,281,484
109	Re-winder M/C	PCS	1,868	412,905	1,494	330,324
110	Santoni Machine	PCS	257	106,411	205	85,129
111	Shima Shiki M/C	LTR	102	33,875	82	27,100
112	Shima Shiki M/C	PCS	328	1,449,588	263	1,159,670
113	Shima Shiki M/C	SET	1,678	51,332	1,343	41,065
114	Sinker	PCS	87	998,917	70	799,134
115	Stoll M/C	KG	35,510	99,225	28,408	79,380
116	Stoll M/C	LTR	87	157,015	70	125,612
117	Stoll M/C	SET	226	36,840	181	29,472
118	Photo Copier	PCS	79	109,054	63	87,243
119	Injection Moulding M/C SA-3	PCS	87	133,966	70	107,173

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
120	Label Cutting(Hy-2080) M/C	PCS	104	135,827	83	108,662
121	Label Printer(PT-6/2) M/C	PCS	111	283,532	89	226,826
122	Thermal Printer(SP4011-R) M/C	PCS	113	58,799	90	47,039
123	Alpha-8 26 Station 12Color M/C	PAIR	89	85,914	72	68,731
124	Alpha-8 26 Station 12Color M/C	PCS	77	666,738	61	533,391
125	Auto M/C	PCS	152	686,598	122	549,279
126	Caynne Quartz Flash "D" M/C	PCS	313	287,200	250	229,760
127	Caynne Quartz Flash "E" M/C	PCS	110	180,219	88	144,175
128	Challenger M/C	PCS	82	814,226	65	651,381
129	Chamelion M/C (Manual)	PCS	92	307,980	74	246,384
130	Diamond Back M/C	PCS	164	291,727	131	233,381
131	Exposer M/C (Manual)	PCS	105	244,400	84	195,520
132	Gas Dryer M/C	PCS	157	196,491	126	157,193
133	Hit Press M/C	PCS	92	276,508	74	221,206
134	Motif Setter Machine	SET	115	158,557	92	126,845
135	Performa-18 Colour Auto M/C	PCS	218	475,960	174	380,768
136	Takana Quartz Flash (CE03) M/C	PCS	490	296,367	392	237,094
137	Value Jet 1638 Printer (Sublim)	PCS	136	1,785,334	109	1,428,267
138	Rubber & Seal Items	COIL	150	9,937	120	7,950
139	Rubber & Seal Items	FEET	79	55,534	63	44,427
140	Rubber & Seal Items	LBS	966	30,014	773	24,011
141	Rubber & Seal Items	PCS	354	2,942,453	283	2,353,962
142	Rubber & Seal Items	SET	20,270	576,519	16,216	461,216
143	Tools	BOX	143	545,622	115	436,498
144	Tools	PAIR	191	447,337	153	357,870
145	Tools	PCS	287	2,180,255	230	1,744,204
146	Tools	PKT	1,281	44,000	1,025	35,200
147	Tools	SET	115	162,209	92	129,767
148	Boiler	KG	74	429,146	60	343,317
149	Boiler	LBS	560	416,347	448	333,078
150	Generator (Gas)	PCS	282	1,660,288	226	1,328,230
151	Valve	PCS	314	1,066,703	251	853,363
152	S.S.M. M/C	PCS	238	42,930	190	34,344
153	Tong Gang M/C	PCS	77	433,555	62	346,844
154	Automobile	LTR	58	331,043	46	264,835

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
155	Automobile	ML	956	10,664,102	765	8,531,282
156	Automobile	MTR	-	54,548	-	43,638
157	Automobile	PCS	248	552,732	198	442,186
158	Automobile	POT	8	8,152	7	6,521
159	Computer Accessories	COIL	25	691,389	20	553,111
160	Computer Accessories	PCS	677	2,358,740	541	1,886,992
161	Computer Accessories	PKT	171	248,528	136	198,822
162	Medical Equipment	SET	36	282,103	29	225,683
163	Medicine	BOTTLE	-	65,053	-	52,042
164	Medicine	BOX	-	15,576	-	12,461
165	Medicine	PCS	-	5,640,625	-	4,512,500
166	Medicine	TUBE	-	64,649	-	51,719
167	Auxiliary Contractor	PCS	622	539,696	497	431,757
168	Balast	PCS	168	186,088	134	148,871
169	Cable	COIL	579	2,646,234	463	2,116,987
170	Cable	FEET	928	90,424	743	72,339
171	Cable	KG	261	784,175	209	627,340
172	Cable	MTR	704	1,772,704	563	1,418,163
173	Cable Socket	PCS	59,414	863,441	47,531	690,753
174	Capacitor	PCS	5,391	627,480	4,313	501,984
175	Charger Battery	PCS	1,170	119,151	936	95,321
176	Circuit Breaker	PCS	51	1,741,130	41	1,392,904
177	Common (Electrical)	FEET	67	503	54	403
178	Common (Electrical)	KG	98	107,272	78	85,818
179	Common (Electrical)	MTR	1,953	156,767	1,562	125,414
180	Common (Electrical)	PCS	11,976	882,701	9,581	706,160
181	Common (Electrical)	PKT	469	259,936	375	207,949
182	Common (Electrical)	SET	122	48,657	98	38,926
183	Converter	PCS	98	1,403,989	78	1,123,191
184	Cooling Fan	PCS	546	653,722	437	522,978
185	Cut Out	PCS	677	47,574	541	38,059
186	DB Board	PCS	290	159,343	232	127,475
187	Electric Bulb	PCS	1,954	1,201,047	1,563	960,838
188	Electronic Card	PCS	26	1,222,368	21	977,894
189	Fuse	PCS	13,335	637,203	10,668	509,762
190	Holder	PCS	1,172	123,423	937	98,738
191	Holder	SET	534	236,381	427	189,105
192	Inverter	PCS	6	1,731,695	4	1,385,356
193	Magnetic Contractor	PCS	85	2,862,209	68	2,289,767
194	Meter	PCS	168	1,864,592	134	1,491,673
195	Motor	PCS	351	837,978	281	670,383
196	Overload Relay	PCS	362	2,135,838	289	1,708,670

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
197	Plug (Electrical)	PCS	547	401,214	438	320,971
198	Plug (Electrical)	PKT	208	18,463	166	14,770
199	Relay	PCS	954	492,375	763	393,900
200	Relay Base	PCS	55	20,631	44	16,505
201	Saddle Clamp	PCS	5,940	1,970,187	4,752	1,576,149
202	Saddle Clamp	PKT	-	24,748	-	19,799
203	Socket (Electrical)	PCS	261	298,486	209	238,789
204	Solenoid Valve	PCS	117	269,577	94	215,662
205	Starter	PCS	975	16,193	780	12,954
206	Switch	PCS	243	1,221,388	195	977,110
207	Tape (Electrical)	FEET	14,233	580,964	11,386	464,771
208	Tape (Electrical)	MTR	4,044	10,451	3,235	8,361
209	Tape (Electrical)	PCS	9,943	1,333,113	7,954	1,066,491
210	Tape (Electrical)	ROLL	133	14,801	107	11,841
211	Tape (Electrical)	SET	8	2,508	7	2,007
212	Timer	PCS	56	138,087	45	110,470
213	Transformer	PCS	44	174,409	35	139,527
214	Tube Light	PCS	1,235	1,187,584	988	950,067
215	Warning Light	PCS	116	130,147	92	104,117
216	Fire Fighting Equipment	COIL	-	9,842,280	-	7,873,824
217	Fire Fighting Equipment	PCS	869	8,592,277	695	6,873,822
218	Fire Fighting Equipment	SET	26	1,684,273	21	1,347,418
219	Band	PCS	451	602,517	361	482,014
220	Channel	PCS	483	69,267	386	55,414
221	Elbow	PCS	318	1,235,328	254	988,263
222	Flanges	PCS	304	1,092,053	243	873,643
223	Nipple	PCS	268	119,246	215	95,397
224	Nut	PCS	-	12,627	-	10,101
225	Nut Bolt	PCS	-	265,704	-	212,564
226	Pipe	FEET	7,975	1,005,378	6,380	804,302
227	Plug	PCS	429	9,764	343	7,811
228	Reducer	PCS	168	143,571	134	114,857
229	Socket	PCS	5,789	269,323	4,631	215,458
230	Tee Socket	PCS	441	256,852	353	205,482
231	Union Socket	PCS	172	87,547	138	70,038
232	Hardware	COIL	26	755,498	21	604,399
233	Hardware	LBS	4	1,893	3	1,721
234	Hardware	KG	443	11,526,381	354	7,788,095
235	Hardware	LTR	19	379,843	15	303,874
236	Hardware	PKT	-	8,717,278	-	6,973,822
237	Hardware	POT	171	523,270	136	418,616
238	Hardware	ROLL	25	210,755	20	168,604

SPARE PARTS ITEMS

AS AT 30 JUNE 2022

Sl. No.	Items	Unit	30.06.2022		30.06.2021	
			Qty	Amount	Qty	Amount
239	Hardware	SET	73	29,158	58	23,327
240	Paint & Vernish	PCS	290	117,664	232	94,131
241	Paint & Vernish	PKT	345	13,241	276	10,592
242	Sanitary	GM	7,591	654,149	6,073	523,319
243	Sanitary	KG	131	23,840	105	19,072
244	Sanitary	LTR	125	219,066	100	175,253
245	Sanitary	PCS	2,120	843,695	1,696	674,956
246	Sanitary	PKT	26	2,903	21	2,323
247	Sanitary	SET	265	84,529	212	67,624
248	Laboratory Instrument	BOX	92	84,057	74	67,245
249	Laboratory Instrument	LTR	842	32,266	673	25,813
250	Laboratory Instrument	PAIR	88	23,829	70	19,063
251	Laboratory Instrument	PCS	1,414	2,550,717	1,131	1,889,420
252	Laboratory Instrument	PKT	36	64,147	29	47,516
253	Laboratory Instrument	ROLL	579	633,524	463	469,277
254	Oil & Lubricants	DRUM	39	5,625,779	31	4,167,244
255	Oil & Lubricants	PCS	2,599	1,648,098	2,079	1,220,813
256	Other Material	BOX	1,995	1,593,840	1,596	1,180,623
257	Other Material	MTR	-	1,846,874	-	1,368,055
258	Other Material	YDS	-	2,091,222	-	1,549,053
259	Pack & Package	MTR	1,253	1,752,645	1,002	1,298,256
260	Pack & Package	PCS	1,595,965	2,436,189	1,276,772	1,804,585
261	Pack & Package	ROLL	7,481	1,793,216	5,985	1,328,308
262	Supplies Items	BOOK	1,169	7,581,309	935	5,615,785
263	Supplies Items	PCS	42,900	3,973,709	34,320	2,943,489
264	Supplies Items	SHEET	14,334	12,867,597	11,468	9,531,554
265	Supplies Items	BOX	571	2,833,206	457	2,098,671
266	Supplies items	KG	3,575	575,406	2,860	426,227
267	Supplies items	PKT	2,793	444,650	2,234	329,371
268	Supplies items	POT	25	475,386	20	352,137
269	Supplies items	SET	-	835,790	-	619,104
270	Supplies Items	PCS	126,932	11,190,813	101,545	8,289,491
271	Supplies Items	REAM	120	3,365,453	96	2,492,928
272	Supplies Items	ROLL	484	7,016,902	387	3,312,888
Total				287,638,311		245,213,080

WORK- IN- PROCESS

AS AT 30 JUNE 2022

Annexure - E

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	23,709,465	1,783,046,251	1,775,755,784	30,999,932
Finished Fabric	565,861,073	1,596,010,345	1,737,239,890	424,631,528
Cutting	101,423,962	2,038,557,402	1,855,013,768	284,967,596
Embroidery	1,302,084	471,994,769	468,599,129	4,697,724
Printing	2,651,908	464,916,146	454,648,091	12,919,963
Sewing	96,517,755	6,351,018,866	6,348,463,984	99,072,636
Total	791,466,248			857,289,381

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	89,549	7,752,844	7,762,897	79,496
Finished Fabric (kg)	1,101,933	10,420,346	10,453,132	1,069,146
Cutting (Pcs)	3,395,163	41,751,450	43,328,248	1,818,365
Embroidery (Pcs)	4,336	2,584,837	2,544,346	44,827
Printing (Pcs)	7,546	5,906,264	5,612,531	301,279
Sewing (Pcs)	1,096,381	38,685,597	39,230,727	551,251

WORK- IN- PROCESS

AS AT 30 JUNE 2021

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	23,474,718	1,398,467,648	1,398,232,901	23,709,465
Finished Fabric	437,679,725	1,227,700,266	1,099,518,918	565,861,073
Cutting	119,322,308	1,235,489,335	1,253,387,681	101,423,962
Embroidery	1,531,864	368,745,913	368,975,692	1,302,084
Printing	3,083,613	360,400,113	360,831,818	2,651,908
Sewing	94,625,250	4,704,458,419	4,702,565,914	96,517,755
Total	679,717,479			791,466,248

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	686,024	6,460,703	7,057,179	89,549
Finished Fabric (kg)	1,382,420	8,015,651	8,296,137	1,101,933
Cutting (Pcs)	5,220,221	33,401,160	35,226,218	3,395,163
Embroidery (Pcs)	3,770	1,988,336	1,987,770	4,336
Printing (Pcs)	6,798	4,881,210	4,880,462	7,546
Sewing (Pcs)	1,038,240	30,948,477	30,890,336	1,096,381

ACCOUNTS RECEIVABLE AND AGING

AS AT 30 JUNE 2022

Annexure - F

Sl. No.	Parties	Total	0-3 Months	3-6 Months	More than 1 Year
1	Best Seller Fashion	42,519,187	42,519,187	-	-
2	C & A Buying KG	120,770,745	120,770,745	-	-
3	Carrefour Imports sas	31,624,305	31,624,305	-	-
4	Celio Sourcing Ltd.	105,403,867	105,403,867	-	-
5	Diseno Y Fantasia, S.L. (Gisela)	5,449,651	5,449,651	-	-
6	Esprit Macao Commercial Offshore Ltd.	10,599,709	10,599,709	-	-
7	Guess Eur Sagl	19,435,261	19,435,261	-	-
8	Hoflars APS	191,158,717	191,158,717	-	-
9	Jyden Workwear A/S	1,752,295	1,752,295	-	-
10	LIDL [Top Grade Int. Enterprise Ltd.	334,168,946	334,168,946	-	-
11	MARCO GMBH	39,751,252	39,751,252	-	-
12	Mascot International	159,977,297	159,977,297	-	-
13	Michael Kors [USA]	12,610,194	12,610,194	-	-
14	Next Limited	95,139,550	95,139,550	-	-
15	Ostin Ltd.	2,656,073	2,656,073	-	-
16	P & C [Peek Und Cloppenburg	22,969,262	22,969,262	-	-
17	Pentex Limited	45,487,620	45,487,620	-	-
18	Q-Style Ltd. T/A AURA	6,653,355	6,653,355	-	-
19	Scalpers Fashion S.L (Nitex)	3,541,722	3,541,722	-	-
20	S.Oliver Brend Freier GMBH	18,126,132	18,126,132	-	-
21	Texebo (Hudson Bay)	3,044,601	3,044,601	-	-
22	Vingino Global Management Service Ltd.	24,718,235	24,718,235	-	-
Total		1,297,557,977	1,297,557,977	-	-

SCHEDULE OF ADVANCE GIVEN TO CREDITORS

AS AT 30 JUNE 2022

Annexure - G

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
1	Alliance Properties Ltd.	Service	173,000,000	173,000,000	-	-
2	Arcon Consulting Architects	Electrical Items	2,250,000	2,250,000	-	-
3	Bay Developments Ltd.	Service	49,480,352	49,480,352	-	-
4	Control Data System	Service	35,620	35,620	-	-
5	Grihayan Rit Consortium.	Accessories	275,000	275,000	-	-
6	Millennium Tax And Law Chamber	Service	884,614	442,307	442,307	-
7	M.M Safety and Security	Accessories	25,000	25,000	-	-
8	Multifreight Ltd.	Consulatncy	30,621	30,621	-	-
9	Tiles World -Ideal	Accessories	238,590	238,590	-	-
10	Ultimate Information Technology	Accessories	20,000	20,000	-	-
11	Aces Corporate Solutions	Accessories	1,261,160	1,261,160	-	-
12	Ahmed & Farooq Lp	Insurance	1,676,355	1,676,355	-	-
13	AL- Barr Engineering & Contracting Co.	Accessories	1,096,000	328,800	767,200	-
14	Alpha Soil & Foundation Engineers	Accessories	107,000	107,000	-	-
15	Ashraf Uddin & Associates	Service	609,116	609,116	-	-
16	ATECH ENGINEERING	Service	750,000	450,000	300,000	-
17	Automan Steel Building System Ltd	Service	765,190	306,076	459,114	-
18	Automation Engineering & Controls Ltd.	Service	1,706,375	1,706,375	-	-
19	BASIC POWER ENGINEERING LTD.	Chemicals	955,656	-	955,656	-
20	BD Technology Ltd.	Accessories	895,000	650,000	245,000	-
21	COMPUTER SOURCE	Accessories	138,600	55,440	41,580	41,580
22	G-Trade Entrepreneur	Accessories	129,400	51,760	38,820	38,820
23	Habibi Steel Trading Company	Consultancy	709,400	283,760	212,820	212,820
24	Halftime Digital	Chemicals	140,000	56,000	42,000	42,000
25	HAMKO Corporation Ltd.	Service	103,000	41,200	30,900	30,900
26	Health Aid	Service	521,803	208,721	156,541	156,541
27	HM Safety	Service	224,002	89,601	67,201	67,201
28	Innoel Technology Ltd.	Chemicals	950,600	380,240	285,180	285,180
29	Ipro Technologies Limited	Service	1,299,355	519,742	389,807	389,807
30	IT SOLUTION BD.	Service	172,785	69,114	51,836	51,836
31	MAK Consultants.	Accessories	1,549,786	619,914	464,936	464,936
32	MG Corpration International	Accessories	548,000	219,200	164,400	164,400
33	MG NICHE FLAIR LIMITED	Service	360,000	144,000	108,000	108,000
34	M.M. Corporation	Accessories	1,128,583	451,433	338,575	338,575
35	Multibrand WORKSHOP Ltd.	Accessories	110,055	44,022	33,017	33,017
36	M/S. Nazrul & Brothers	Accessories	377,300	150,920	113,190	113,190
37	Nano-Dye Bangladesh Ltd.	Accessories	436,240	174,496	130,872	130,872
38	Narayan Enterprise	Accessories	941,160	376,464	282,348	282,348
39	POPULAR ENGINEERING WORKS	Accessories	364,000	145,600	109,200	109,200
40	RAK Ceramics	Accessories	274,776	109,910	82,433	82,433
41	RASHID ENTERPRISE	Accessories	175,500	70,200	52,650	52,650
42	RED OFFICE SUPPLIES LIMITED	Accessories	600,000	240,000	180,000	180,000
43	REINCARNATION	Accessories	1,335,870	534,348	400,761	400,761
44	SAGORICA CORPORATION	Accessories	876,000	350,400	262,800	262,800
45	SAS Building Materials Ltd.	Service	3,014,829	1,205,932	904,449	904,449
46	Shopno s.s. and thai aluminium facricator	Accessories	353,064	141,225	105,919	105,919
47	Sirajgonj Economic Zone Limited	Accessories	18,548,010	7,419,204	5,564,403	5,564,403
48	S S TRADING	Accessories	113,500	45,400	34,050	34,050
49	SWF Sunstar Ltd.	Service	836,923	334,769	251,077	251,077
50	SYED GAS & CHEMICALS LTD.	Accessories	43,000	17,200	12,900	12,900
51	Systems Nine Thousands (Pvt.) Ltd.	Accessories	159,375	63,750	47,813	47,813
Total			272,596,564	247,506,338	14,129,751	10,960,474

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Annexure - H

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
1	A AND T FLAT KNIT INDUSTRY	ACCESSORIES	1,715,564	1,715,564	-	-
2	A&T FLAT KNIT INDUSTRY	ACCESSORIES	1,581,158	1,581,158	-	-
3	A.K TEX INTERNATIONAL	ACCESSORIES	7,834,129	7,834,129	-	-
4	A.K.H KHAN KNIT FASHION LTD.	ACCESSORIES	2,378,930	2,378,930	-	-
5	A.T&T SPINNING MILLS LTD.	YARN	3,051,376	3,051,376	-	-
6	AA SYNTHETIC FIBRES LTD.	YARN	1,541,925	1,541,925	-	-
7	AARTI INTERNATIONAL LIMITED	ACCESSORIES	41,984,663	41,984,663	-	-
8	ACME YARNS PRIVATE LIMITED	YARN	9,961,396	9,961,396	-	-
9	ADAMJEE KNIT FABRICS	ACCESSORIES	617,950	617,950	-	-
10	ADURY FASHION AND PRINT LTD	ACCESSORIES	3,752,988	3,752,988	-	-
11	ADZI TRIMS LTD	ACCESSORIES	1,570,037	1,570,037	-	-
12	AFFAN INTERLININGS LTD	ACCESSORIES	781,616	781,616	-	-
13	AKH KNITTING & DYEING LTD.	ACCESSORIES	3,429,443	3,429,443	-	-
14	AKIJ TEXTILE MILLS LTD.	YARN	3,148,097	3,148,097	-	-
15	ALBI ENTERPRISE	ACCESSORIES	1,900,456	1,900,456	-	-
16	ALPHA PLASTIC & PACKAGING LTD.	ACCESSORIES	79,048,966	79,048,966	-	-
17	ALPS AND EVE	ACCESSORIES	325,698	325,698	-	-
18	AMA ACCESSORIES	ACCESSORIES	4,857,379	4,857,379	-	-
19	AMERICAN AND EFIRD(BANGLADESH) LTD.	ACCESSORIES	711,184	711,184	-	-
20	ANHUI YIFENG MESH CO., LTD.	ACCESSORIES	1,536,552	1,536,552	-	-
21	ARAFAH KNIT COMPOSITE LTD.	ACCESSORIES	1,226,426	1,226,426	-	-
22	ARCHROMA SINGAPORE PTE, LTD	DYES CHEMICALS	4,816,413	4,816,413	-	-
23	ARTISAN	ACCESSORIES	2,198,511	2,198,511	-	-
24	ATPRINT BANGLADESH LTD	ACCESSORIES	2,566,538	2,566,538	-	-
25	BADSHA TEXTILES LTD.	YARN	16,019,666	16,019,666	-	-
26	BAIG TRIMMING LTD.	YARN	481,354	-	481,354	-
27	BALY TRADE LINK	YARN	322,403	322,403	-	-
28	BANGA PLASTIC INTERNATIONAL LTD	YARN	1,902,623	1,902,623	-	-
29	BENGAL PLASTICS LTD	YARN	3,513,790	3,513,790	-	-
30	BLUEPLANET SWEATER LTD.	YARN	1,212,202	1,212,202	-	-
31	BROADWAY PRINTING INDUSTRIES	YARN	245,850	245,850	-	-
32	BSB SPINNING MILLS LTD	YARN	6,036,870	6,036,870	-	-
33	BSH-BANGLADESH	ACCESSORIES	229,850	229,850	-	-
34	BTS	ACCESSORIES	2,165,106	2,165,106	-	-

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
35	CENTARY FAITH INDUSTRIAL LTD.	DYES CHEMICALS	3,130,575	3,130,575	-	-
36	CHARMING TRIM & PACKAGING (BD) LTD.	ACCESSORIES	113,182	-	113,182	-
37	CHECKPOINT SYSTEMS BANGLADESH LTD.	ACCESSORIES	530,945	530,945	-	-
38	CHISTIA SIZING MILLS	ACCESSORIES	585,031	585,031	-	-
39	CHORKA TEXTILE LTD.	ACCESSORIES	1,378,187	1,378,187	-	-
40	CHT GERMANY GMBH,	DYES CHEMICALS	2,176,637	2,176,637	-	-
41	CHT SWITZERLAND AG	DYES CHEMICALS	1,325,355	1,325,355	-	-
42	CHT TURKEY KIMYA SAN VE TIC A.S	DYES CHEMICALS	2,472,307	-	2,472,307	-
43	COLOURTEX INDUSTRIES PRIVATE LTD.	DYES CHEMICALS	2,713,554	2,713,554	-	-
44	CRAFT SOURCING	ACCESSORIES	456,503	456,503	-	-
45	DANISCO SINGAPORE PTE LTD.	DYES CHEMICALS	3,153,938	3,153,938	-	-
46	DEKKO ACCESSORIES LTD.	ACCESSORIES	4,194,920	-	4,194,920	-
47	DYSTAR SINGAPORE PTE LTD.	DYES CHEMICALS	8,620,669	8,620,669	-	-
48	EMINENCE SOURCING.	ACCESSORIES	232,279	232,279	-	-
49	ENAYETPUR SPINNING MILLS LTD.	YARN	7,001,274	7,001,274	-	-
50	EPYLLION LIMITED	ACCESSORIES	1,656,474	1,656,474	-	-
51	ERUM BANGLADESH LIMITED	ACCESSORIES	134,970	134,970	-	-
52	ESQUIRE ACCESSORIES LTD	ACCESSORIES	74,481,939	74,481,939	-	-
53	ESQUIRE DYEING INDUSTRIES LTD	ACCESSORIES	98,385,850	98,385,850	-	-
54	ETASIA (BD) LTD	ACCESSORIES	179,085		179,085	
55	EVER TOP 71	ACCESSORIES	183,601		183,601	
56	EXPORT PRINTING AND ACCESSORIES	ACCESSORIES	2,948,259	2,948,259	-	-
57	FABIAN MULTIPLEX INDUSTRIES LIMITED	ACCESSORIES	297,428	-	297,428	-
58	FABITEX INDUSTRIES LTD.	ACCESSORIES	998,538	998,538	-	-
59	FARIHA FASHION LIMITED	ACCESSORIES	2,879,032	2,879,032	-	-
60	FARIHA SPINNING MILLS LTD	YARN	13,979,139	13,979,139	-	-
61	FASHION TRIMS	ACCESSORIES	2,560,950	2,560,950	-	-
62	FAST TRIM INTERNATIONAL	ACCESSORIES	1,319,021	1,319,021	-	-
63	FORTUNE ZIPPER LTD.	ACCESSORIES	110,040	-	110,040	-
64	FR TRADERS	ACCESSORIES	2,570,605	2,570,605	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
65	GARG ACRYLICS LTD.	YARN	84,722,643	84,722,643		-
66	GROZ-BECKERT SINGAPORE PTE LTD	DYES CHEMICALS	1,168,774	-	1,168,774	-
67	GUMTI TEXTILES LIMITED	YARN	18,334,009	18,334,009	-	-
68	GUNZE UNITED LIMITED.	YARN	214,647	214,647	-	-
69	HANOCH HOOK AND EYE FASTENER	ACCESSORIES	1,287,010	1,287,010	-	-
70	HYOSUNG VIET NAM CO., LTD	YARN	2,165,603	2,165,603	-	-
71	IDT GLOBAL LABELS BANGLADESH LIMITED	ACCESSORIES	171,434	171,434	-	-
72	IMPRESS ACCESSORIES LTD.	ACCESSORIES	186,993	186,993	-	-
73	INTIMATE PRINTING AND PACKAGING LTD	ACCESSORIES	1,120,223	1,120,223	-	-
74	J.H. ACCESSORIES INTERNATIONAL	ACCESSORIES	3,409,674	-	3,409,674	-
75	JAKE TRIMS EXPORT LTD	ACCESSORIES	447,183	447,183	-	-
76	K.M. ACCESSORIES	ACCESSORIES	1,701,283	1,701,283	-	-
77	K.N. KNIT FASHION	ACCESSORIES	421,646	421,646	-	-
78	KAMAL YARN LIMITED	YARN	6,828,158	6,828,158	-	-
79	KAZI KNIT WEAR	ACCESSORIES	1,848,761	1,848,761	-	-
80	KC PRINT LTD	ACCESSORIES	1,361,247	1,361,247	-	-
81	KDS ACCESSORIES LTD.	ACCESSORIES	189,490	189,490	-	-
82	KYUNG-IN SYNTHETIC CORPORATION	DYES CHEMICALS	5,115,920	5,115,920	-	-
83	LAM MIM ACCESSORIES LTD.	ACCESSORIES	232,877	232,877	-	-
84	LINDA ELASTICS LIMITED	ACCESSORIES	755,741	-	755,741	-
85	M R TEX	ACCESSORIES	380,715	380,715	-	-
86	M&J GARMENTS SOLUTION	ACCESSORIES	430,500	430,500	-	-
87	M&U PACKAGING LTD.	ACCESSORIES	216,212	216,212	-	-
88	M.L THREAD & ACCESSORIES LIMITED	ACCESSORIES	4,346,556	4,346,556	-	-
89	M.M. CORPORATION	Spare Parts	1,460,648	1,460,648	-	-
90	M.N.S. GARMENTS PRINTING	ACCESSORIES	93,450	93,450	-	-
91	M.S. PRINTING AND PACKAGING	ACCESSORIES	2,260,927	2,260,927	-	-
92	M/S MAHIMA FIBRES PVT. LTD	YARN	22,678,435	22,678,435	-	-
93	M/S RAFIK ENTERPRISE	ACCESSORIES	234,369	234,369	-	-
94	M/S. BEST TRIMS CARE AND ACCESSORIES	ACCESSORIES	767,321	767,321	-	-
95	M/S. HAJI TEXTILE	ACCESSORIES	4,899,879	4,899,879	-	-
96	M/S. MUKUL TEXTILE	ACCESSORIES	1,006,861	1,006,861	-	-
97	M/S. NASIMA TEXTILE	ACCESSORIES	733,163	733,163	-	-

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
98	MAINETTI (BANGLADESH) PVT. LTD.	ACCESSORIES	2,527,012	2,527,012	-	-
99	MARIA KNITTING	ACCESSORIES	5,116,564	-	5,116,564	-
100	MARLATEKS TEKNOLOJI TEKSTIL MAKINE VE KIMYA SAN.	ACCESSORIES	841,050	841,050	-	-
101	MATAM FIBRE MILLS LTD	YARN	7,837,184	7,837,184	-	-
102	MATAM SPINNING MILLS LTD.	YARN	19,767,561	19,767,561	-	-
103	MAXIM LABEL AND PACKAGING (BD) PVT.	ACCESSORIES	669,814	669,814	-	-
104	MEHMUD INDUSTRIES (PVT) LTD.	YARN	14,610,993	14,610,993	-	-
105	METRO KNITTING AND DYEING MILLS LTD	ACCESSORIES	4,338,612	4,338,612	-	-
106	M/S. EVER GREEN KNITWEAR	ACCESSORIES	502,075	502,075	-	-
107	MODERN POLY INDUSTRIES LTD.	ACCESSORIES	4,291,878	4,291,878	-	-
108	MOHIUDDIN TEXTILE LIMITED	ACCESSORIES	3,559,320	3,559,320	-	-
109	MONDOL KNIT WEAR LTD.	ACCESSORIES	2,276,050	2,276,050	-	-
110	MONTRIMS LTD	ACCESSORIES	3,731,923	-	3,731,923	-
111	MOSHARAF COMPOSITE TEXTILE MILLS	YARN	4,007,136	4,007,136	-	-
112	MS ACCESSORIES	ACCESSORIES	1,299,686	1,299,686	-	-
113	MUKUL TEXTILE.	ACCESSORIES	811,814	811,814	-	-
114	MULTAZIM SPINNING MILLS LTD.	YARN	1,546,598	1,546,598	-	-
115	NAHAR SPINNING MILLS LIMITED	YARN	41,707,670	41,707,670	-	-
116	NASIR AND SONS BANGLADESH	ACCESSORIES	266,333	266,333	-	-
117	NASSA-TAIPEI TEXTILE MILLS LIMITED	ACCESSORIES	2,139,071	2,139,071	-	-
118	NEARCHIMICA S.P.A	DYES CHEMICALS	3,441,564	3,441,564	-	-
119	NEMRAC DESIGN LTD.	ACCESSORIES	552,166	552,166	-	-
120	NEO ZIPPER COMPANY LIMITED	ACCESSORIES	226,415	226,415	-	-
121	NICE DENIM MILLS LTD.	ACCESSORIES	194,890	194,890	-	-
122	NITU KNIT DYEING	DYEING CHARGE	1,179,197	1,179,197	-	-
123	NRG COMPOSITE YARN DYEING	DYEING CHARGE	279,979	279,979	-	-
124	NRG HOMETEX LTD.	YARN	2,121,969	2,121,969	-	-
125	NRG SPINNING MILLS LTD.	YARN	21,116,196	21,116,196	-	-
126	NZ TEXTILE LTD	YARN	4,140,302	4,140,302	-	-
127	OHYOUNG INC.	DYES CHEMICALS	31,754,520	31,754,520	-	-
128	OSMAN INTERLININGS LTD.	ACCESSORIES	3,575,520	3,575,520	-	-
129	PACKMAN BANGLADESH LTD.	ACCESSORIES	223,785	223,785	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
130	PAHARTALI TEXTILE & HOSIERY MILLS	YARN	56,179,994	56,179,994	-	-
131	PAKIZA APPARELS LTD	ACCESSORIES	38,821,254	38,821,254	-	-
132	PALLAVA TEXTILES (P) LIMITED	YARN	13,962,439	13,962,439	-	-
133	PANAMA COMPOSITE TEXTILE MILLS LTD.	YARN	4,800,994	4,800,994	-	-
134	PANNATEX INTERNATIONAL	ACCESSORIES	8,426,822	8,426,822	-	-
135	PAPYRUS FASTQ (BD) LTD	ACCESSORIES	158,284	158,284	-	-
136	PAXAR BANGLADESH LTD.	ACCESSORIES	1,388,335	1,388,335	-	-
137	PEGASUS SEWING MACHINE PTE. LTD.	MACHINE	2,059,638	2,059,638	-	-
138	PIONEER PRINTING PRESS	ACCESSORIES	709,157	709,157	-	-
139	POLY PLAST INDUSTRIES	ACCESSORIES	1,359,137	1,359,137	-	-
140	PRIME BUSINESS LINK	ACCESSORIES	369,104	369,104	-	-
141	PRIME COMPOSITE MILLS LIMITED	YARN	18,269,942	18,269,942	-	-
142	PRIME MELANGE YARN MILLS LIMITED	YARN	2,147,014	2,147,014	-	-
143	PRIME TEXTILE SPINING MILL LTD	YARN	17,811,570	17,811,570	-	-
144	QUENBY TRANSFERS (INDIA) PVT. LTD.	DYES CHEMICALS	2,496,623	2,496,623	-	-
145	R.A SPINNING MILLS LTD.	YARN	13,353,309	13,353,309	-	-
146	R.R INTERNATIONAL	ACCESSORIES	235,320.183	235,320	-	-
147	RAFIK ENTERPRISE	ACCESSORIES	199,820	199,820	-	-
148	RED ROSE ACCESSORIES	ACCESSORIES	103,248	103,248	-	-
149	RJK TRIMS WORLD	ACCESSORIES	1,660,670	1,660,670	-	-
150	RMT TEXTILE MILLS LTD.	YARN	17,035,468	17,035,468	-	-
151	ROOT SOURCE	ACCESSORIES	1,061,592	1,061,592	-	-
152	R-PAC BANGLADESH PACKAGING CO. LTD.	ACCESSORIES	1,457,214	1,457,214	-	-
153	RSPL LIMITED	DYES CHEMICALS	9,231,365	9,231,365	-	-
154	S AND BROTHERS FLAT KNIT INDUSTRY	ACCESSORIES	642,722	642,722	-	-
155	S&A TRIMS AND TAGS	ACCESSORIES	246,409	246,409	-	-
156	S.B KNIT COMPOSITE	ACCESSORIES	2,011,921	2,011,921	-	-
157	S.M.M TEXTILES LTD	YARN	13,998,109	13,998,109	-	-
158	SAIHAM TEXTILE MILLS LTD	YARN	1,238,213	1,238,213	-	-
159	SAMI PRINTING LIMITED	ACCESSORIES	426,540	426,540	-	-
160	SAMUDA CHEMICAL COMPLEX LIMITED	DYES CHEMICALS	947,863	947,863	-	-
161	SANS PACKAGING AND ACCESSORIES	ACCESSORIES	10,384,371	10,384,371	-	-
162	SCANDEX TEXTILE INDUSTRIES LTD	YARN	1,041,197	1,041,197	-	-

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
163	SHAIKAT KNITWEAR	ACCESSORIES	2,517,171	2,517,171	-	-
164	SHENZHEN YIMINGDA INDUSTRIAL AND TRADING DEVELOPMENT CO. LTD.	SPARE PARTS	1,161,817	1,161,817	-	-
165	SIAM COMPUTERIZED ELASTIC INDUSTRIES LTD	ACCESSORIES	7,545,648	7,545,648	-	-
166	SIF TEXTILE INDUSTRIES LTD	ACCESSORIES	4,034,290	4,034,290	-	-
167	SM TRIMS AND ACCESSORIES	ACCESSORIES	125,344	125,344	-	-
168	SMART NARROW FABRICS	ACCESSORIES	747,441	747,441	-	-
169	SML PACKAGING SOLUTIONS BANGLADESH LIMITED	ACCESSORIES	221,825	221,825	-	-
170	SOA KNIT FABRICS	ACCESSORIES	939,920	939,920	-	-
171	SUNTEX INTERNATIONAL	ACCESSORIES	201,891	201,891	-	-
172	T.R TRADE INTERNATIONAL	ACCESSORIES	219,981	219,981	-	-
173	TAFRID COTTON MILLS LTD.	YARN	48,047,318	48,047,318	-	-
174	TEX TOWN LIMITED	ACCESSORIES	3,602,077	3,602,077	-	-
175	TEX ZIPPER (BD) LIMITED	ACCESSORIES	1,585,519	1,585,519	-	-
176	TEXTILE AUXILIARIES	DYES CHEMICALS	3,880,044	3,880,044	-	-
177	TM CHEMICALS LTD.	DYES CHEMICALS	8,232,646	8,232,646	-	-
178	TRADEASIA INTERNATIONAL PTE LTD.	DYES CHEMICALS	1,305,497	1,305,497	-	-
179	UNIGLORY PAPER AND PACKAGING LTD.	ACCESSORIES	2,277,695	2,277,695	-	-
180	UNION LABEL & ACCESSORIES LTD.	ACCESSORIES	155,362	155,362	-	-
181	WEIXING INDUSTRIAL (BANGLADESH) CO.	ACCESSORIES	524,364	524,364	-	-
182	WELL ACCESSORIES LTD.	ACCESSORIES	1,260,374	1,260,374	-	-
183	WESTERN PAPER INDUSTRIE (BD) (PVT) LTD.	ACCESSORIES	317,730	317,730	-	-
184	XIAMEN DECAI CHEMICAL TECHNOLOGY CO., LTD.,	DYES CHEMICALS	2,029,781	2,029,781	-	-
185	XORETTE SPECIALITIES COMPANY PTE. LTD.	DYES CHEMICALS	2,031,136	2,031,136	-	-
186	YESTER ACCESSORIES COMPANY (BD) LTD.	ACCESSORIES	1,241,511	1,241,511	-	-
187	YOKOHAMA LABELS & PRINTING (BD) CO., LTD.	ACCESSORIES	2,284,916	2,284,916	-	-
188	YORK COMPOSITE LTD.	ACCESSORIES	951,055	951,055	-	-
189	YOUNG LABELS LTD	ACCESSORIES	766,919	766,919	-	-
190	YUNUSCO T&A (BD) LTD	ACCESSORIES	803,528	803,528	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2022

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
191	ZSCHIMMER AND SCHWARZ MOHSDORF GMBH	DYES CHEMICALS	11,365,794	11,365,794	-	-
192	ZW ACCESSORIES	ACCESSORIES	3,625,790	3,625,790		
193	Advanced Electrical Engineering	ACCESSORIES	93,188	93,188		
194	Al-Barr Group of Companies	ACCESSORIES	360,000	360,000		
195	Anex Engineering & Electric Company	ACCESSORIES	588,000	588,000		
196	Bangla Courier Service	ACCESSORIES	34,340	34,340		
197	Brand Trade Corporation	ACCESSORIES	427,200	427,200		
198	BRB Cable Industries Ltd.	ACCESSORIES	1,664,316	1,664,316		
199	Central Depository Bangladesh Limited	ACCESSORIES	106,000	106,000		
200	CHITTAGONG STOCK EXCHANGE	ACCESSORIES	512,813	512,813		
201	Confidence International	ACCESSORIES	175,338	175,338		
202	Crystal Constructions Co.	ACCESSORIES	100,756	100,756		
203	Damador Enterprise	ACCESSORIES	948,114	948,114		
204	Delcot Limited	ACCESSORIES	109,129	109,129		
205	Dhaka Stock Exchange Ltd.	ACCESSORIES	512,813	512,813		
206	Genex Infosys Ltd.	ACCESSORIES	212,225	212,225		
207	IT Soul International	ACCESSORIES	187,660	187,660		
208	K.B International Agency	ACCESSORIES	1,096,245	1,096,245		
209	Mechanism Trade & Engineering Ltd.	ACCESSORIES	105,000	105,000		
210	Nababgonj Shafting Center	ACCESSORIES	67,036	67,036		
211	New Paradise Electric Co	ACCESSORIES	1,875,893	1,875,893		
212	Novelty Infrastructures Limited	ACCESSORIES	233,787	233,787		
213	Perfect Power System	ACCESSORIES	34,000	34,000		
214	Progressive Engineering Corp.	ACCESSORIES	122,656	122,656		
215	Sajan International Pvt. Ltd.	ACCESSORIES	91,500	91,500		
216	Sajan Metal Industries Ltd. - Cr.	ACCESSORIES	138,892	138,892		
217	Sajan Metal Industries Ltd.	ACCESSORIES	79,300	79,300		
Total			1,185,400,837	1,163,186,242	22,214,594	

SCHEDULE OF FINANCIAL ASSET AND LIABILITIES HELD IN FOREIGN CURRENCY AS AT 30 JUNE 2022

Annexure - I

Sl. No.	Particulars	Amount (USD)	Amount (Euro)	Amount as per Bangladesh Bank rate (Taka)	As per Ledger (Taka)	(Gain)/Loss (Taka)
	<u>Monetary Assets</u>					
1	Accounts Receivable	13,885,051	-	1,297,557,978	1,297,557,978	-
2	FBPAR A/C with DBBL-in USD(783)	115,291	-	10,773,990	14,907,983	4,133,993
3	FBPAR A/C with DBBL -in Euro		1,435	139,974	144,724	4,750
4	FBPAR A/C with DBBL-in USD(63)	37,713	-	3,524,284	3,620,452	96,168
5	FBPAR A/C with EBL-in USD(621)	1,961,822		183,332,220	183,332,220	-
6	FBPAR A/C with EBL -in Euro	-	139,168	13,575,790	13,714,957	139,168
7	Margin A/C with EBL-in USD	632	-	59,041	60,652	1,611
8	Margin A/C with EBL -in EURO	-	20,962	2,044,843	2,114,227	69,384
9	DBBL FCAD-in Dollar	90,976	-	8,501,685	8,733,673	231,988
10	DBBL FCAD-in Euro	-	5,435	530,147	548,136	17,989
11	DBBL FCAD-in Dollar (6900)	281		26,234	26,950	716
12	EBL FCAD in USD	685	-	63,990	65,736	1,746
13	EBL -EOQ/FCAD in USD	342,320		31,989,757	32,862,672	872,915
14	BRAC Bank FCAD in USD	-		-	-	
15	UCBL -FACD in USD A/C # 0193	156,354		14,611,250	15,009,951	398,702
16	UCBL -FACD in USD A/C # 0267	3,439,905		321,459,164	330,230,923	-
17	AIBL-USD (352)	248		23,152	23,784	-
18	AIBL-USD (366)	210		19,579	20,113	-
19	AIBL-USD (453)	620,955		58,028,198	59,611,632	-
		20,031,028	166,999	1,888,190,347	1,902,931,235	5,969,129
	<u>Monetary Liabilities</u>			-		-
20	DBBL-EDF		-	-		-
21	EBL-EDF	-	-	-		-
22	UCBL-EDF	-		-		-
23	IFC loan	10,856,035	-	1,014,496,506	1,014,496,506	-
24	Accounts Payable	16,088,953	-	1,503,512,660	1,503,512,660	-
		26,944,988	-	2,518,009,166	2,518,009,166	-
	Total	46,976,017	166,999	4,406,199,513	4,420,940,401	5,969,129

Conversion rate at closing rate

Euro	97.55
USD	93.45

30.06.2022 Bangladesh Bank

L' ESQUIRE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

To the Members

L' Esquire Limited

On behalf of the Board of Directors of L' Esquire Limited, I am pleased to present the Directors' Report and the Audited Financial Statements for the year ended 30 June 2022 together with the Auditors' Report thereon.

L' Esquire Limited was incorporated in Bangladesh on 20 June 2019 as a Private Company Limited by Share under the Companies Act 1994 (Act XVIII of 1994). The Company is a majority owned (99.01%) Subsidiary of Esquire Knit Composite Limited (L' Esquire).

This Company was established to run a manufacturing business unit of lingerie, activewear, Intimax, Sportswear, and Knitwear Readymade Garments including knitting, dyeing, sewing, printing, and embroidery. The Company can also produce all kinds of garment products such as men's and women's Shirts, Trousers, baby dresses, jeans pants, jeans shirts, sportswear, and any kind of 100 % export-oriented readymade garments.

The location of the company is in Jamirdia, Valuka, Mymensingh.

The Company is specialized in the production of Lingerie products. Which is in huge demand in the global market. During this financial year, the company has started its operation and export activities on a limited scale.

1. Operating Performance

During this financial year, the company has started its operation and export activities on a limited scale. The operational performance during this year 2021-2022 is as follows:

Particulars	Amount in Taka
	2021-2022
Revenue	136,340,936
Cost of Goods Sold	140,206,591
Gross Profit	(3,865,655)
Operating Expenses	3,904,829
Profit / (Loss) from Operation	(7,770,484)
Other Income (Interest Income)	196,124
Net Profit before Tax	(7,574,360)
Net Profit after Tax	(8,818,402)
Basic Earnings Per Share	(2.08)

2. Market Operations

Similar to the Esquire Knit Composite Limited, L' Esquire is also a 100% export-oriented Lingerie production company. This is in line with the group's policy to invest in an export-oriented company for the greater interest of the company.

3. Share Capital

The Authorized Share Capital of our company as on 30 June 2022 stood at taka 1,000.00 million divided into 100,000,000 ordinary shares of taka 10.00 each. The Issued Share Capital of our company is Taka 42.42 million divided into 4,242,000 ordinary shares of Taka 10.00 each and the subscribed and paid-up Share Capital is Taka 42.42 million into 4,242,000 ordinary shares of Taka 10.00 each, fully paid-up.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

4. Shareholding

The Company has issued a total of 4,242,000 shares of Taka 10.00 each. The present shareholding pattern of the company is as follows:

Name of the Shareholders	Shareholding (No. of Shares)	Percentage (%)
Mr. Md. Mofazzal Hossain	16,000	.38
Mr. Md. Ehsanul Habib	15,000	.35
Mr. Arifur Rahman	6,000	0.14
Mr. Md. Muddassar Hossain	5,000	0.12
Esquire Knit Composite Limited	4,200,000	99.01
Total Shares & Percentage	4,242,000	100%

On the basis of the above shareholdings, L' Esquire Limited has the status of a subsidiary to Esquire Knit Composite Limited.

5. Dividend

The Board of Directors of the Company does not recommend any dividend for the financial year 2021-2022.

6. Board of Directors

The following persons are the Members of the Board of Directors of the Company:

Mr. Md. Ehsanul Habib	- Chairman
Mr. Arifur Rahman	- Managing Director
Mr. Md. Mofazzal Hossain	- Director
Mr. Md. Muddassar Hossain	- Director
Mr. A.K.M. Shamsul Areefin	- Director

(Nominee of Esquire Knit Composite Limited)

7. Board Meeting

Board Meetings During the financial year ended 30 June 2022, 5 (five) meetings of the Board of Directors were held on 28th October 2021, 13th November 2021, 30th January 2022, 26th April 2022, and 25th May 2022.

8. Financial Position

The Statement of Financial Position as on 30 June 2022, Statement of Profit or Loss and Other Comprehensive Income, Change in Equity, and cash Flows ended on 30 June 2022 are placed herewith.

9. Appointment of Auditors

The existing Auditors M/. Chowdhury Bhattacharjee & Co., Chartered Accountants, 47/8, Indira Road (Ground Floor), Dhaka-1215 has carried out the audit for the year ended 30 June 2022.

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, 47/8, Indira Road (Ground Floor), Dhaka-1215, the Auditors of the Company has expressed their willingness to continue in office for the year 2022-2023. The Board after due consideration of the proposal made by the Audit Committee recommends the re-appointment of M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, as auditors for the year 2022-2023.

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, Auditors of the Company, retired at this Annual General Meeting and being eligible offered themselves for re-appointment as Auditors for the financial year 2022-2023 and re-fixation of their remuneration.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

10. Acknowledgement

The Board of Directors places on record their deep sense of appreciation for continuous support from the Company's employees, customers, vendors, investors, and lenders. The Board of Directors also wishes to place on record their deep appreciation to the government of Bangladesh and concerned government departments/agencies for their cooperation.

For and on behalf of the Board



Md. Ehsanul Habib
Chairman



Arifur Rahman
Managing Director

Date: 30 October 2022
Place: Dhaka

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF L'ESQUIRE LIMITED

Opinion

We have audited the accompanying Financial Statements of "L'Esquire Limited", which comprises the Statement of Financial Position as at 30 June, 2022 Statement of Profit or Loss and Other Comprehensive Income, 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 opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2022 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our Responsibilities under those standards are further described in the Auditor's 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) together with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS' OF L'ESQUIRE LIMITED**

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 evidences 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.

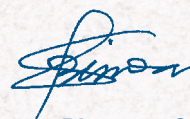
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by "L'Esquire Limited" so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account; and
- (iv) The expenditure incurred was for the purpose of the Company's business.

Dated, Dhaka
22 October, 2022



Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2210221615AS303915

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

Particulars	Notes	30-Jun-2022	30-Jun-2021
		Taka	Taka
ASSETS			
Non-Current Assets :		61,39,90,362	38,45,87,219
Property, Plant and Equipment	3.00	7,77,14,103	8,11,90,003
Right of Use Assets	4.00	10,91,62,070	11,72,48,149
Capital Work in Progress	5.00	42,71,14,189	18,61,49,066
Current Assets :		8,16,92,623	7,33,39,394
Inventories	6.00	79,54,670	15,47,757
Accounts Receivables		1,35,64,556	66,10,564
Advance, Deposit and Prepayments	7.00	80,13,468	1,25,604
Cash and Cash Equivalents	8.00	5,21,59,929	6,50,55,469
TOTAL ASSETS		69,56,82,985	45,79,26,613
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity :		2,75,83,932	3,64,02,335
Share Capital	9.00	4,24,20,000	4,24,20,000
Retained Earnings		(1,48,36,068)	(60,17,665)
Non-Current Liabilities :		49,64,53,259	38,08,77,719
Long Term Loan	10.00	38,50,37,935	26,57,39,053
Deferred Tax Liability	11.00	8,62,890	-
Lease Liability	12.00	11,05,52,434	11,51,38,666
Current Liabilities :		17,16,45,794	4,06,46,559
Lease Liability	13.00	45,86,232	41,92,908
Short Term Loan	14.00	13,40,29,833	-
Liabilities for Expenses	15.00	2,58,56,550	80,54,463
Accounts payable		71,73,179	2,83,99,188
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		69,56,82,985	45,79,26,613

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

Signed as per our annexed report of even date.




Managing Director



Director

Dated, Dhaka
22 October, 2022



Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2210221615AS303915

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2022

Particulars	Notes	2021-2022	2020-2021
		Taka	Taka
Revenue	16.00	13,63,40,936	2,42,91,420
Cost of Goods Sold	17.00	14,02,06,591	2,70,86,602
Gross Profit		(38,65,655)	(27,95,182)
OPERATING EXPENSES		39,04,829	24,50,336
Administrative overhead	18.00	19,40,268	15,33,963
Selling and Distribution overhead	19.00	19,64,561	9,16,373
Profit/(Loss) from Operation		(77,70,484)	(52,45,518)
OTHER INCOME:		1,96,124	3,72,000
Interest Income		1,96,124	3,72,000
Net Profit Before Tax		(75,74,360)	(48,73,518)
Less: Income Tax Expenses	20.00	12,44,043	88,404
Net Profit After Tax		(88,18,402)	(49,61,922)
Basic Earning Per Share		(2.08)	(1.17)

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

Signed as per our annexed report of even date.

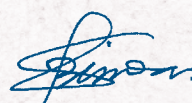


Managing Director



Director

Dated, Dhaka
22 October, 2022



Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2210221615AS303915

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2022

Particulars	Amount in Taka			
	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as at 01 July, 2021	4,24,20,000	-	(60,17,665)	3,64,02,335
Addition during the year	2,72,10,000	-	-	2,72,10,000
Profit / (Loss) for the year	-	-	(88,18,402)	(88,18,402)
Balance as at 30 June, 2022	6,96,30,000	-	(1,48,36,068)	5,47,93,932

FOR THE YEAR ENDED 30 JUNE, 2021


Particulars	Amount in Taka			
	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as at 01 July, 2020	32,10,000	1,20,00,000	(10,55,743)	1,41,54,257
Transfer during the year	1,20,00,000	(1,20,00,000)	-	-
Addition during the year	2,72,10,000	-	-	2,72,10,000
Profit / (Loss) for the year	-	-	(49,61,922)	(49,61,922)
Balance as at 30 June, 2021	4,24,20,000	-	(60,17,665)	3,64,02,335

Signed as per our annexed report of even date.


 Managing Director


 Director

 Dated, Dhaka
 22 October, 2022


 Saptam Biswas, FCA
 Partner
 Enrollment No: 1615
 Chowdhury Bhattacharjee & Co.
 Chartered Accountants
 DVC: 2210221615AS303915

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2022

Particulars	Notes	2021-2022	2020-2021
		Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from operating activities		12,95,83,068	1,80,52,856
Cash received from Sales Revenue		12,93,86,944	1,76,80,856
Cash received from Other Income		1,96,124	3,72,000
Cash paid for operating activities		(14,96,83,200)	1,78,97,419
Cash paid to Suppliers		(9,34,86,705)	2,26,62,803
Lease Rent Payment		(96,72,644)	-
Cash paid for Operating & Non-operating Expenses		(4,65,23,851)	(47,65,383)
Net Cash Generated From Operating Activities		(2,01,00,132)	3,59,50,275
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Payment against Property, Plant and equipment and CWIP		(24,61,24,123)	(26,50,11,895)
Net Cash Used in Investing Activities		(24,61,24,123)	(26,50,11,895)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital		-	2,72,10,000
Short Term Loan Received		13,40,29,833	-
Long Term Loan Received		11,92,98,882	26,57,39,053
Net Cash Used in Financing Activities		25,33,28,715	29,29,49,053
Net increase / (Decrease) during the year (A+B+C)		(1,28,95,540)	6,38,87,433
CASH AND CASH EQUIVALENTS AT THE BEGING OF THE YEAR		6,50,55,469	11,68,036
CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR		5,21,59,929	6,50,55,469
Footnote: Disclosure of Non-Cash Financing Activities			
Significant Non-Cash Financing Transactions			
i. Conversion of Share Money Deposit into Ordinary Shares		-	1,20,00,000
Total		-	1,20,00,000

Signed as per our annexed report of even date.

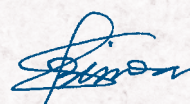


Managing Director



Director

Dated, Dhaka
 22 October, 2022



Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2210221615AS303915

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2022

1.00 CORPORATE INFORMATION OF THE REPORTING ENTITY :

1.01 Legal Form of the Entity:

L'Esquire Limited (hereinafter said as the Company) is a Private Company Limited by shares and registered with the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act XVIII of 1994 on the 20th day of June, 2019 vide Reg. no. C-152655/2019.

Consequently the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration No.	Date of License	Renewed up to
01	Certificate of Incorporation	C-152655/2019	20-Jun-19	N/A
02	Tax Identification Number (TIN)	749287636766	1-Jul-19	N/A
03	Trade License	136	10-Aug-22	30-Jun-23
04	Business Identification Number (BIN)	002158374-0103	20-Oct-19	N/A
05	Import Registration Certificate (IRC)	260361120002120	8-Jan-20	30-Jun-23
06	Export Registration Certificate (ERC)	260361210006219	18-Dec-19	30-Jun-23

1.02 Nature of Business Activities:

L'Esquire Limited is engaged in manufacturing business unit of lingerie, active wear, Intimax, Sportswear, knitwear readymade garments including knitting, dyeing, sewing, printing, embroidery. To produce all kind of garments products viz men's and women's Shirt, Trousers, baby dresses, jeans pants, jeans shirt, sportswear. To establish any kind of 100% export oriented readymade garments business etc.

1.03 Address of Registered Office and Factory:

The registered office of the company is:

21, Shaheed Tajuddin Ahmed Sarani (7th Floor), Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

Factory address of the company is:

Jamirdia, Bhaluka, Mymansingh, Bangladesh.

2.00 BASIS OF PREPARATION :

2.01 Basis of Measurement:

The financial statements of the company have been prepared under International Financial Reporting Standards (IFRSs) based on historical cost convention without taking into account the effect of inflation.

2.02 Statement of Compliance:

The financial statements have been prepared and the disclosures of information made under the Going Concern Concept on historical cost convention and on accrual basis in accordance with the requirements of the companies Act 1994 as applicable and International Accounting Standards (IAS) & International Financial Reporting Standard (IFRS), adopted by the Financial Reporting Council (FRC), Bangladesh Labor Act 2006, the Labor Rules 2015 and other applicable laws and regulations in Bangladesh.

2.03 Presentation of Financial Statements:

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994.

NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE, 2022

The Financial Statements comprise of:

- (a) a Statement of Financial Position as at 30 June 2022;
- (b) a Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022;
- (c) a Statement of Changes in Equity for the year ended 30 June 2022;
- (d) a Statement of Cash Flows for the year ended 30 June 2022 and
- (e) Notes, comprising summary of significant accounting policies and explanatory information.

2.04 Functional and Presentation Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka/Tk/BDT), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.05 Accrual Basis:

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

2.06 Use of Estimates and Judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form that basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

Information about judgments related to lessee accounting under IFRS 16 made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

2.07 Going Concern:

The financial statements of the Company have been prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. The management do not see any issue with respect to going concern status due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Moreover, the current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing business.

2.08 Reporting Period:

Reporting Period consist of 01 July, 2021 to 30 June, 2022.

2.09 Comparative Information:

Comparative information has been disclosed in respect of the period ended 30 June, 2021 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

2.10 Changes in Significant Accounting Principles:

Except for the changes below, the company has consistently applied the accounting policies to all periods presented in these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022
2.11 Property, Plant and Equipment (Note 3):
(a) Recognition and Measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of acquisition comprises of purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing the assets to its working condition for its intended use.

Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment so disposed and is recognized with other income/general and administrative expenses in statement of profit or loss and other comprehensive income.

(b) Pre-Operating Expenses and Borrowing Costs:

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized.

(c) Subsequent Costs:

The cost of replacing component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(d) Depreciation:

Property, Plant & Equipment are depreciable after commencement of commercial activities of the company following the reducing balance method on the basis of its life expectancy. Full periods depreciation is charged in the period of acquisition and no depreciation is charged in the period when assets are retired or disposed off.

The rates at which assets are depreciated per annum, depending on the nature and estimated useful lives of assets are given below:

Category of Asset	Rate of Depreciation
Plant & machinery	10%
Furniture and Office Equipment	10%

e) Impairment of Assets (IAS 36):

The carrying amounts of the property, plant and equipment are reviewed at each balance sheet date or whenever there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account. No such indication of impairment has been observed till the end of the period.

(f) Retirements and Disposals:

An asset is derecognized on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an asset is determined as the difference of net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income/expense in the statement of profit or loss and other comprehensive income.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022
2.12 Capital Work-in-Progress:

Construction-in-progress is stated at cost less any impairment losses, if any and is not depreciated. These are expenses of capital nature directly incurred for Plant & Machinery and Building & Other civil construction. No depreciation is charged on the capital work-in-progress which is in accordance with IAS-16.

2.13 Right of use Assets

L'Esquire Limited has entered into lease agreements with Esquire Knit Composite Ltd. authority for Proposed basement, basement, ground floor, mezzanine floor, 2nd floor, 3rd floor of factory building and basement, ground floor, mezzanine floor, 2nd floor of Utility building. The Company used 9% incremental borrowing rate per annum. Details of the leases are as follows.

Leased asset	Area (Sq. Ft)	Expired Date
Proposed basement, basement, ground floor, mezzanine floor, 2nd floor, 3rd floor of factory building and basement, ground floor, mezzanine floor, 2nd floor of Utility building	3,07,554	31/12/35

Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied, discounted by using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to all of the leases.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognize right-of-use assets and liabilities for leases of low value assets; and
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2.14 Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand, demand deposits, short term deposits, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

2.15 Share Capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.16 Provisions:

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

2.17 Revenue from Contracts with Customers (IFRS-15):

The Company has initially applied IFRS 15 Revenue from contracts with customers from 20 June 2019. The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer or its agent (Forwarder/CFS). To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods are considered as transferred when (or as) the customer or its agent (Forwarder/CFS) obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

2.18 Cash Flows Statement (IAS-7):

Statement of Cash flows have been prepared in accordance with IAS 7 Statement of Cash Flows and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS 7 which provides that "Entities are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method".

2.19 Earnings Per Share (IAS -33):

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

2.20 Events after the Reporting Period (IAS-10):

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes wherever material.

2.21 Deferred Tax

Deferred Tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the comprehensive income statement. A temporary difference is the difference between the tax bases of an asset or liabilities and its carrying amount/reported amount in the statement of financial position. Deferred tax assets is the amount of income tax recoverable or payable in the future periods recognized in the current period. The deferred tax asset/income or liability/expense does not create a legal recoverability/liability to and from the income tax authority.

2.22 Applicable accounting standards:

The following IASs and IFRSs are applicable to the financial statements for the period under review:

IASs:

- IAS 1 Presentation of Financial Statements;
- IAS 2 Inventories;
- IAS 7 Statements of Cash flows;
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS 10 Events after the Reporting Period
- IAS 12 Income Taxes
- IAS 16 Property, Plant and Equipment

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

IAS 19 Employee Benefits
IAS 21 The Effects of Changes in Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related Party Disclosures
IAS 32 Financial Instruments: Presentation
IAS 33 Earnings per Share
IAS 36 Impairment of Assets
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IAS 39 Financial Instruments: Recognition and Measurement

IFRSs:

IFRS 7 Financial Instruments: Disclosures
IFRS 8 Operating Segments
IFRS 9 Financial Instruments
IFRS 13 Fair Value Measurement
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases

2.23 Directors' Responsibility Statement:

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

30-Jun-2022	30-Jun-2021
Taka	Taka

3.00 Property, Plant and Equipment: Tk. 7,77,14,103

Details of Property, plant and equipment and depreciation as at 30 June, 2022 are shown in the annexed Schedule-A. This is arrived as follows:

Opening Balance (cost)	9,02,20,395	1,85,600
Add: Addition during the year	51,59,000	9,00,34,795
	9,53,79,395	9,02,20,395
Less: Disposal during the year	-	-
Closing Balance (At Cost)	9,53,79,395	9,02,20,395
Less: Accumulated depreciation	1,76,65,292	90,30,391
Carrying Amount	7,77,14,103	8,11,90,003

4.00 Right of Use Assets: Tk. 10,91,62,070

Details of Right of Use Assets and depreciation as at 30 June, 2022 are shown in the annexed Schedule-B. This is arrived as follows:

Opening Balance (cost)	12,12,91,189	-
Add: Addition during the year	-	12,12,91,189
	12,12,91,189	12,12,91,189
Less: Disposal during the year	-	-
Closing Balance (At Cost)	12,12,91,189	12,12,91,189
Less: Accumulated depreciation	1,21,29,119	40,43,040
Carrying Amount	10,91,62,070	11,72,48,149

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		30-Jun-2022	30-Jun-2021
		Taka	Taka
5.00	Capital Work in Progress: Tk. 42,71,14,189		
	The above amount is made up as follows :		
	Opening Balance	18,61,49,066	1,11,71,966
	Add: Addition during the year	24,61,24,123	24,90,74,712
		43,22,73,189	26,02,46,678
	Less: Transfer to Fixed Assets	51,59,000	7,40,97,612
	Closing Balance	42,71,14,189	18,61,49,066
6.00	Inventories: Tk. 79,54,670		
	The above amount is made up as follows :		
	Finished Goods	79,54,670	15,47,757
		79,54,670	15,47,757
7.00	Advance, Deposit and Prepayments: Tk. 80,13,468		
	The above amount is made up as follows :		
	L/C margin	74,32,205	-
	Prepaid Insurance	1,40,083	-
	Advance Income Tax	4,41,180	1,25,604
	Note: 7.01		
		80,13,468	1,25,604
7.01	Advance Income Tax: Tk. 4,41,180		
	The above amount is made up as follows :		
	Opening Balance	1,25,604	-
	Add: Additions during the year	3,15,576	1,25,604
	Advance Income Tax-FDR	19,612	37,200
	Advance Income Tax-Export	1,07,272	88,404
	AIT on Import	1,52,692	-
	AIT on Vehicle	36,000	-
		4,41,180	1,25,604
	Less: Adjustment during the year	-	-
	Closing Balance	4,41,180	1,25,604
8.00	Cash and Cash Equivalents: Tk. 5,21,59,929		
	The above amount is made up as follows :		
	i) Cash in Hand:	3,50,000	2,43,899
	Head Office	2,00,000	1,58,899
	Factory	1,50,000	85,000
	ii) Cash at Bank:	4,22,09,929	3,07,41,570
	Dutch Bangla Bank Ltd., Dilkusha Branch, A/C No. 10111050619	3,75,24,996	2,13,30,785
	Community Bank Ltd. Gulshan Branch A/C # 0070316766101	2,266	-
	Bank Asia, Kawranbazar Branch, A/C No. 62747000011 FC-USD	23,74,280	-
	Bank Asia, Kawranbazar Branch, A/C No. 6273300266	22,93,165	11,51,818
	Shahjalal Islami Bank Ltd, Eskaton Branch, A/C No. 403311100000654 15,221	82,58,967	-
	iii) Investment in FDR:	96,00,000	3,40,70,000
	FDR-Shahjalal Islami Bank Ltd.,Eskaton Branch, A/C: 403353100002637 -	68,57,375	-
	FDR-Shahjalal Islami Bank Ltd, Eskaton Branch, A/C: 403353100002636 -	1,00,78,750	-
	FDR-Shahjalal Islami Bank Ltd., Eskaton Branch, A/C: 403353100002586 -	1,71,33,875	-
	FDR-Bank Asia Ltd.Karwan Bazar Branch, A/C: 62755000897	80,00,000	-
	FDR-Bank Asia Ltd.Karwan Bazar Branch, A/C: 62755000898	16,00,000	-
	Total	5,21,59,929	6,50,55,469

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

30-Jun-2022	30-Jun-2021
Taka	Taka

9.00 Share Capital: Tk. 4,24,20,000

This is made up as follows :

Authorized:

100,000,000 Shares of Tk.10/- each

1,00,00,00,000

1,00,00,00,000

Issued, Subscribed and Paid-up:

42,42,000 Shares of Tk.10/- each fully paid-up in cash

4,24,20,000

4,24,20,000

Name of Share Holders	No. of Shares		Share %		Amount of Tk	Amount of Tk
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Esquire Knit Composite Ltd.	42,00,000	42,00,000	99.01%	99.01%	4,20,00,000	4,20,00,000
Mr. Md. Mofazzal Hossain	16,000	16,000	0.38%	0.38%	1,60,000	1,60,000
Mr. Md. Ehsanul Habib	15,000	15,000	0.35%	0.35%	1,50,000	1,50,000
Mr. Arifur Rahman	6,000	6,000	0.14%	0.14%	60,000	60,000
Mr. Md. Muddasar Hossain	5,000	5,000	0.12%	0.12%	50,000	50,000
Total	42,42,000	42,42,000	100%	100%	4,24,20,000	4,24,20,000

10.00 Long Term Loan (Non Current Portion) : Tk. 38,50,37,935

The above amount is made up as follows :

Esquire Knit Composite Ltd.

Opening Balance

26,57,39,053

-

Add: Addition During the year

74,55,25,628

26,57,39,053

Less: Payment made during the year

(62,62,26,746)

-

Closing Balance

38,50,37,935

26,57,39,053

Less: Current Portion of of Long Term Loan

-

-

Total

38,50,37,935

26,57,39,053

11.00 Deffered Tax Liability : Tk. 8,62,890

The above amount is made up as follows :

Opening Balance

-

-

Add: Deferred Tax Expenses recognized through profit & loss

8,62,890

-

Closing Balance

Total

8,62,890

-

As at 30 June, 2022

Particulars	Carrying amount on reporting date	Tax base	Taxable / (Deductible) temporary differences
Property, Plant & equipment	7,77,14,103	6,45,46,754	1,31,67,349
Right of Use Assets	10,91,62,070	-	10,91,62,070
Lease Liabilities	(11,51,38,666)	-	(11,51,38,666)
Taxable / (Deductible) temporary differences	7,17,37,507	6,45,46,754	71,90,753
Applicable Tax Rate			12%
Deferred Tax Liabilities			8,62,890

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		30-Jun-2022	30-Jun-2021
		Taka	Taka
12.00	Lease Liability (Non-Current Portion) : Tk. 11,05,52,434		
	The above amount is made up as follows :		
	Opening Balance	11,93,31,574	-
	Add: Addition During the year	-	12,12,91,189
	Add: Interest Charged During the year	1,05,69,684	54,21,681
	Less: Payment made during the year	(1,47,62,592)	(73,81,296)
	Closing Balance	11,51,38,666	11,93,31,574
	Less: Current Portion of Lease Liability	45,86,232	41,92,908
	Total	11,05,52,434	11,51,38,666
13.00	Lease Liability (Current Portion) : Tk. 45,86,232		
	The above amount is made up as follows :		
	Current Portion of Lease Liability (Note:12)	45,86,232	41,92,908
	Total	45,86,232	41,92,908
14.00	Short Term Loan: Tk. 13,40,29,833		
	The above amount is made up as follows :		
	Community Bank Ltd. A/C:0077123522000029	82,86,321	-
	Community Bank Ltd. A/C:0077123522000012	4,37,94,589	-
	Community Bank Ltd. OD A/C:0070316766701	5,12,78,907	-
	Bank Asia Ltd-OD.A/C# 62733000289	3,06,70,017	-
		13,40,29,833	-
15.00	Liabilities for Expenses: Tk. 2,58,56,550		
	The above amount is made up as follows :		
	Salary and wages	94,54,835	5,50,263
	Audit fees	69,000	34,500
	Electricity Bill	20,65,142	-
	Provision for Income Tax	4,69,556	88,404
	Others Liabilities	13,26,773	-
	Payable to EKCL Lease Payment	1,24,71,244	73,81,296
		2,58,56,550	80,54,463
16.00	Revenue: Tk. 13,63,40,936		
	This is made up of the followings:		
	Export Sales	13,63,40,936	2,42,91,420
	Total	13,63,40,936	2,42,91,420
17.00	Cost of Goods Sold: Tk. 14,02,06,591		
	This is made up of the followings:		
	Cost of Purchase (Note-17.01)	7,22,60,696	24,47,077
	Direct Expenses (Note-17.02)	7,43,52,808	2,61,87,282
	Cost of Manufacture	14,66,13,504	2,86,34,359
	Add: Opening Finished Goods	15,47,757	-
	Cost of Goods Available for Sale	14,81,61,261	2,86,34,359
	Less: Closing Finished Goods	79,54,670	15,47,757
	Total	14,02,06,591	2,70,86,602

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		30-Jun-2022	30-Jun-2021
		Taka	Taka
17.01	Cost of Purchase: Tk. 7,22,60,696		
	This is made up of the followings:		
	Yarn	7,22,60,696	24,47,077
	Total	7,22,60,696	24,47,077
17.02	Direct Expenses: Tk. 7,43,52,808		
	This is made up of the followings:		
	Workers wages	3,82,14,410	66,03,159
	Gas and electricity	31,61,660	1,47,311
	Insurance premium	2,71,051	2,71,051
	Tiffin expenses for workers	17,69,957	1,07,766
	Spare Parts Consumption	16,89,191	1,57,659
	Consumable items	3,36,063	69,070
	Vehicle running (Oil and fuel)	15,28,022	2,53,643
	Local conveyance	64,091	64,091
	Telephone & Mobile bills	27,700	27,700
	Finance Charge-Lease	1,05,69,684	54,21,681
	Depreciation (Schedule-A)	86,34,900	90,21,111
	Depreciation (Schedule-B)	80,86,079	40,43,040
	Total	7,43,52,808	2,61,87,282
18.00	Administrative overhead: Tk. 19,40,268		
	This is made up of the followings:		
	Salary & allowances	9,37,260	10,30,721
	Vehicle running expenses	2,66,883	86,803
	Entertainment	3,950	63,966
	Telephone, mobile & internet	4,873	4,873
	Travelling & conveyance	62,357	39,588
	Bank charges	2,15,001	55,491
	License, renewal & registration	1,64,522	-
	Utility expenses	81,696	81,696
	Audit fees	69,000	34,500
	Central Fund	2,225	2,225
	Miscellaneous expenses	1,32,501	1,34,100
	Total	19,40,268	15,33,963
		2021-2022	2020-2021
		Taka	Taka
19.00	Selling and Distribution overhead: Tk. 19,64,561		
	This is made up of the followings:		
	Inspection & certificate issue expenses	2,59,009	2,98,412
	Foreign Travel for marketing	25,314	43,937
	Sample and courier expenses	78,580	650
	Bank charges on export proceeds	11,98,196	2,65,845
	Freight charges on export	3,20,141	2,24,208
	C & F expenses on export	83,321	83,321
	Total	19,64,561	9,16,373

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022
20.00 Income Tax Expenses: Tk. 12,44,043

This is made up of the followings:

Income Tax-Current

Income Tax-Deferred

Total

2021-2022	2020-2021
Taka	Taka
3,81,152	88,404
8,62,890	-
12,44,043	88,404

As the company is suffering from operating loss , minimum tax has been taken into consideration rather than net profit before tax as per section 82C of ITO 1984 for current tax during the financial year.

21.00 Related party disclosures

Name	Relationship	Nature of Transaction	Opening Balance	Net transaction Value during the year	Closing Balance 30-June-2022
Esquire Knit composite Ltd	Sister Concern	Purchase	26,57,39,053	11,92,98,882	38,50,37,935

L'ESQUIRE LIMITED
SCHEDULE OF PROPERTY, PLANT & EQUIPMENT
AS AT 30 JUNE, 2022

Property, Plant and Equipment Tk. 7,77,14,103

SCHEDULE - A

Sl. No.	Particulars	C O S T				D E P R E C I A T I O N					Carrying Amount as at 30-June-2022
		Balance as at 01-July-2021	During the period		Balance as at 30-June-2022	Rate	Balance as at 01-July-2021	During the period Charged	Adjustment	Balance as at 30-June-2022	
			Additions	Disposal/ Adjust-ments							
1	Plant & Machinery	7,41,59,212	-	-	7,41,59,212	10%	74,18,693	66,74,052	-	1,40,92,745	6,00,66,467
2	Furniture and Office Equipment	1,60,61,183	-	-	1,60,61,183	10%	16,11,698	14,44,949	-	30,56,647	1,30,04,537
3	Vehicles	-	46,40,000	-	46,40,000	10%	-	4,64,000	-	4,64,000	41,76,000
4	IT Equipment	-	5,19,000	-	5,19,000	10%	-	51,900	-	51,900	4,67,100
Balance as at 30 June, 2022		9,02,20,395	51,59,000	-	9,53,79,395		90,30,391	86,34,900	-	1,76,65,292	7,77,14,103
Balance as at 30 June, 2021		1,85,600	9,00,34,795	-	9,02,20,395		9,280	90,21,111	-	90,30,391	8,11,90,003

L'ESQUIRE LIMITED
SCHEDULE OF RIGHT OF USE ASSETS
AS AT 30 JUNE, 2022

Right of Use Assets Tk. 10,91,62,070

SCHEDULE - A

Sl. No.	Particulars	C O S T				D E P R E C I A T I O N					Carrying Amount as at 30-June-2022
		Balance as at 01-July-2021	During the period		Balance as at 30-June-2022	Rate	Balance as at 01-July-2021	During the period Charged	Adjustment	Balance as at 30-June-2022	
			Additions	Disposal/ Adjust-ments							
1	Lease Assets	12,12,91,189	-	-	12,12,91,189		40,43,040	80,86,079	-	1,21,29,119	10,91,62,070
Balance as at 30 June, 2022		12,12,91,189	-	-	12,12,91,189		40,43,040	80,86,079	-	1,21,29,119	10,91,62,070
Balance as at 30 June, 2021		-	12,12,91,189	-	12,12,91,189		-	40,43,040	-	40,43,040	11,72,48,149

NOTE

[illegible]

FREQUENTLY ASKED QUESTIONS (FAQS)

ON VIRTUAL ANNUAL GENERAL MEETING

1. Why is this Annual General Meeting will only be held under a virtual platform?

In light of the prevailing COVID-19 situation in Bangladesh and considering the health and safety of all shareholders, members, and others, a listed company can arrange a Virtual Annual General Meeting which may be conducted through a live webcast by using the digital platform to avoid large gathering at one place and also to maintain social distancing. In this connection, Bangladesh Securities and Exchange Commission has issued a directive, vide order no. SEC/SRMIC/04-231/932 dated 24 March 2020. Under this circumstance, Esquire Knit Composite Limited has planned to arrange its 22nd Annual General Meeting virtually by using the digital platform.

2. Who is entitled to participate in the Annual General Meeting?

The Shareholders, whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e., 5 December 2022, will be entitled to attend the Annual General Meeting.

3. How can I participate in the Annual General Meeting?

The Shareholders will join the Virtual Annual General Meeting via the links-<https://esquireknit.bdvirtualagm.com>. For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credentials as proof by visiting the said link. We encourage the members to log into the system prior to the meeting start time. Please allow ample time to log in and establish your connectivity.

4. How I can submit questions/comments prior to and during the meeting?

The Shareholders will be able to submit their questions/comments and vote electronically 1 (one) hour before the commencement of the AGM and also during the AGM by visiting the link- <https://esquireknit.bdvirtualagm.com>.

5. How the Company will address our questions/comments?

During the live Question & Answer session on the Annual General Meeting Day, the Board and the Management will try to answer the relevant questions, which will be submitted via the digital platform and e-mail prior to or during the meeting. However, Esquire Knit Composite Limited reserves the right to edit and reject questions if it deems impudent or otherwise inappropriate.

6. How can I vote in the Annual General Meeting?

You can vote electronically 1 (one) hour before the commencement of the AGM and also during the AGM by visiting the link- <https://esquireknit.bdvirtualagm.com>.

7. How can I submit the Proxy form?

A Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The proxy form duly stamped valuing Tk. 20/- must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

8. What if I have technical difficulties or trouble accessing the virtual meeting?

For any IT-related guidance, Shareholders may contact vide email: mijanur@esquire.com.bd and farhan@esquire.com.bd.

NOTE

[illegible]

ESQUIRE KNIT COMPOSITE LIMITED

21 Shaheed Tajuddin Ahmed Sarani, Tejgaon I/A, Tejgaon, Dhaka-1208

PROXY FORM

I/We-----of-----

-----being a member of **Esquire Knit Composite Limited** hereby appoint Mr./Ms./Miss -----

-----of-----

----- as my proxy to attend and vote for me on my behalf at the 22nd Annual General Meeting of the Esquire Knit Composite to be held on Wednesday, the 25th January 2023 at 11:00 a.m. (BST) under virtual platform and at any adjournment thereof.

As witness my hand this ----- day of January 2023.

Signed by the said presence -----

Revenue
Stamp
Tk 20.00

(Signature of Proxy)

(Signature of Shareholder(s))

Registered BO ID -----

(Signature of Witness)

Dated

Note: A Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The proxy form duly stamped valuing Tk. 20/- must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

Signature verified

Authorized Signature

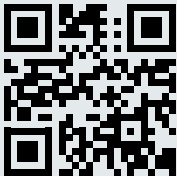




www.esquireknit.com



Esquire Knit Composite Limited



*Scan code with a QR
code reader-enable
mobile phone to find
out more about the
company*

REGISTERED & CORPORATE OFFICE

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